

Retirement benefit changes for employees in the Original Benefit Structure

	<b>Current Benefits</b>	<b>Benefit Changes Effective 10/01/2016, unless otherwise noted</b>
Fixed Fund Interest Rate during employment	Balances in the Fixed Fund earn interest as follows: Lesser of 6% or TVARS assumed Rate of Return (ROR) minus 0.5% (currently 6.5%)  Current interest rate = 6%	Balances in the Fixed Fund earn interest as follows: CPI + 2% Minimum = TVARS assumed ROR minus 2% (currently 5%) and Maximum = TVARS assumed ROR minus 0.5% (currently 6.5%)  Interest rate effective 01/01/2017 = 5%
Supplemental Benefit and Additional Benefit Cap*	Benefit caps are as follows:  \$15.00 for the Supplemental Benefit and \$150.00 for the Additional Benefit	Benefit caps are as follows:  \$12.3657 for the Supplemental Benefit and \$150.00 for the Additional Benefit
COLA **	COLA equal to change in CPI Maximum COLA of 5%	COLA equal to change in CPI minus 0.25% Maximum COLA of 6%
COLA Eligibility	Eligible to receive any COLA the January after reaching actual age 60	If age 50 or older as of 10/01/2016, eligible to receive any COLA the January after reaching actual age 60.  If under age 50 as of 10/01/2016, eligible to receive any COLA the January after reaching actual age 65.

\* Those receiving less than these amounts will continue to receive COLAs until they reach the new cap.

\*\* Rules amended to vest COLAs.

Additionally, the COLA applied to pensions will be based on salaries up to Executive Level IV, currently \$160,300. Retirees with less than 10 years of TVARS service who were participants in TVA's Supplemental Executive Retirement Plan (SERP) will not be eligible for COLAs.

*Should there be any conflict between the information in this document and the provisions of the various plans, the plan provisions and not this document shall be controlling.*