



March 2026

TVA 401(k) Plan Updates

Dear Plan Participant:

The TVA Retirement System (TVARS) is pleased to share several exciting updates on the TVA Savings and Deferral Retirement Plan (401(k) Plan), that will help you save more money and feel more confident about your retirement.

Lower Administrative Fee

As a participant in the 401(k) Plan, you pay a flat annual administrative fee that is deducted from your account on a quarterly basis. This administrative fee covers the costs of maintaining your account in the Plan (i.e., accounting, trustee, recordkeeping, and other administrative services) and the services provided to you as a participant in the Plan (i.e., one-on-one consulting).

Effective October 1, 2025, and first reflected on your Q4 2025 statement, the annual Administrative Fee was reduced.

Old Administrative Fee		New Administrative Fee
\$44 per year (\$11.00 per quarter)	➤	\$24 per year (\$6.00 per quarter)

TVARS estimates this lower administrative fee will result in annual savings of around \$300,000 for 401(k) Plan participants.

Lower Fund Expense Ratios

Target Retirement Portfolios

For participants who prefer a single, professionally managed investment approach, the 401(k) Plan provides the Target Retirement Portfolios managed by BlackRock. The Target Retirement Portfolios are designed for participants expecting to retire around the year indicated in each Portfolio's name and include a diversified allocation of stocks, bonds, and inflation-sensitive investments that are managed to gradually become more conservative over time. Effective April 1, 2025, the already low expense ratio for the entire suite of Target Retirement Portfolios was reduced by another 0.01% allowing participants invested in these funds to save even more for retirement.

Target Retirement Portfolio Suite	Old Expense Ratio		New Expense Ratio
2035 to 2070 Target Retirement Portfolios	0.06%	➤	0.05%
2018 to 2036 Target Retirement Paycheck Portfolios	0.06%	➤	0.05%
Target Retirement Income 40/60 and 50/50 Portfolios	0.06%	➤	0.05%

Index Funds

In addition to the Target Retirement Portfolios, the expense ratio of two of the low-cost index fund options managed by BlackRock on the 401(k) Plan lineup were also reduced effective April 1, 2025.

Index Fund	Old Expense Ratio		New Expense Ratio
BlackRock Russell 2500 Index	0.018%	➤	0.015%
BlackRock MSCI ACWI ex US IMI Index	0.065%	➤	0.060%

TVARS estimates these lower fund expense ratios will result in annual savings of around \$220,000 for 401(k) Plan participants.

401(k) Annuity Option

TVARS would like to remind all 401(k) Plan participants of a new retirement income option, called LifePath Paycheck, available within the Target Retirement Portfolios. For participants in the Target Retirement Portfolios, beginning in the year you turn age 55, your investment will transfer from a Target Retirement Portfolio to a Target Retirement Paycheck Portfolio, which will begin allocating a portion of its investments to the lifetime income asset class. The amount invested in this asset class will initially be 10%, gradually increase over time and, by age 65, the allocation to lifetime income is expected to be approximately 30%. The allocation to lifetime income will provide participants at the time of or following separation of employment with the option to use that money to purchase a lifetime income stream (or annuity) between the ages of 59 ½ and 71 from insurers selected by BlackRock. An annuity through the 401(k) Plan may be a useful tool to help you manage your spending in retirement and provide you with greater income certainty in the form of a monthly paycheck, which may help minimize the risk of outliving savings.

By setting up an account with MyLifePath®, which may be accessed through Fidelity's NetBenefits, you can get information on an estimated retirement income benefit from the Target Retirement Paycheck Portfolio and initiate the process for selecting an annuity. The MyLifePath® digital experience, which includes the ability to model potential retirement income projections, is available to all participants whether or not you are invested in the Target Retirement Paycheck Portfolios. The LifePath Paycheck Resources page under 401(k) Plan information on the TVARS website ([LifePath Paycheck Resources](#)) provides information on LifePath Paycheck, the MyLifePath® platform, and a step-by-step guide for participants who are interested in exploring the LifePath Paycheck annuity option.

Plan Sponsor of the Year Award

TVARS received PLANSPONSOR Magazine's Plan Sponsor of the Year award in the Government Defined Contribution Plan Category at the PLANSPONSOR annual conference in June 2025. This is a great honor, and 401(k) Plan participants can feel confident that TVARS is committed to providing 401(k) investments, options, and features that will help you to meet your retirement needs and goals during employment and throughout retirement.

Questions? Need Assistance?

Fidelity representatives are on hand to visit with you one-on-one for free to help you understand your options in the 401(k) Plan or to review your personal financial situation. You may schedule an appointment with one of our dedicated Fidelity financial consultants at [Fidelity.com/Schedule](https://www.fidelity.com/Schedule). You may also call 800-354-7121

Monday through Friday (excluding most New York Stock Exchange holidays) between 8:30 a.m. and midnight ET and ask to speak with a Planning & Advice Professional.

If you have any other questions about your retirement benefits, please contact TVARS by email (tvars@tva.gov) or by phone 800-824-3870.

The information contained herein has been provided by TVARS.