

# Level Income Plan

## **1 What is the level income plan?**

The level income plan is an optional plan intended to provide you with approximately the same amount of monthly retirement income before and after Social Security benefits are payable, assuming you begin receiving Social Security benefits at age 62.

## **2 What are the eligibility requirements for the level income plan?**

To be eligible for the optional level income plan at retirement, you must be in the Original Benefit Structure or the Cash Balance Benefit Structure, eligible for a future Social Security benefit, and be younger than age 62.

## **3 How does the level income plan work?**

Your pension benefit is temporarily increased until age 62 when you are first eligible to begin receiving Social Security benefits. Then, at age 62, your pension benefit is permanently reduced for life.

## **4 How are the level income plan increase and reduction amounts determined?**

The increase and reduction amounts are set at retirement based on an estimate of the member's age 62 Social Security benefit and actual age at retirement.

## **5 I worked at other companies before coming to TVA. Do you have my total earnings record in order to accurately estimate my Social Security benefit?**

We do not automatically have your prior earnings. Your Social Security Statement is a concise, easy-to-read personal record of the earnings on which you have paid Social Security taxes as a result of those earnings. Please refer to this statement for a complete list of your Social Security covered earnings. If you have not provided us with a complete record of your earnings before your TVA employment, please forward a copy of your Social Security Statement to the TVA Retirement System at WT 8A-K or 400 West Summit Hill Drive, Knoxville, TN 37902-1499.

## **6 Will you use an estimate of future earnings in calculating the amount of the increase in my pension?**

No. We will only use your earnings history as of your date of termination.

**7 When does the level income plan reduction begin?**

The reduction begins the month after you turn age 62, regardless of whether you choose to begin receiving Social Security benefits at that time. *The exact date Social Security benefits begin is based on a schedule set by the Social Security Administration which may differ by several weeks from the date the level income plan reduction begins.*

**8 How long will my pension benefit be reduced?**

At age 62, your pension benefit will be permanently reduced for life.

**9 If I die before age 62, will my beneficiary's benefit be reduced when I would have reached age 62?**

No. Your participation in the level income plan will have no effect on your beneficiary's pension.

**10 I plan to work after I leave TVA. What happens to my pension benefit if my Social Security benefit is higher than was estimated when I retired from TVA?**

The level income plan increase and reduction amounts are set at retirement and are based on the assumption that you do not work after retirement and do not make additional contributions to Social Security. If you do work after retirement and receive a higher Social Security benefit at age 62 as a result, the higher Social Security benefit does not affect the amount of the reduction in your TVA pension benefit when you turn age 62.

**11 Will cost-of-living adjustments be based on the increased pension before age 62 and the reduced pension after age 62?**

No. Any cost-of-living adjustments will be calculated using your base pension amount, without any level income plan increase or reduction.

*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.*

TVA Retirement System  
400 West Summit Hill Drive, WT 8A-K  
Knoxville, Tennessee 37902

Phone: 865-632-2672  
Toll-free: 800-824-3870  
Fax: 865-632-8591

E-mail: [retsvcs@tva.gov](mailto:retsvcs@tva.gov)  
Website: [www.tvars.com](http://www.tvars.com)

June 2015