

Supplemental Benefit

1 What is the supplemental benefit?

The supplemental benefit is provided to eligible retirees and eligible surviving spouses receiving a monthly pension payment either from the Original Benefit Structure or the cash balance account. This benefit may be used to help with the cost of medical insurance, although it is not required to be used to pay for medical insurance. The amount of this benefit is considered a taxable portion of your monthly retirement income and is based on the length of time spent as a member in the TVA Retirement System.

2 Who is eligible to receive the supplemental benefit?

Terminating employees of the Original Benefit Structure or who have a cash balance account must be:

- Actual age 55 at termination with 10 years of actual TVA Retirement System service (benefit begins upon retirement), or
- Actual age 50 at termination with 10 years of actual TVA Retirement System service if terminated due to an involuntary reduction-in-force (benefit begins at actual age 55).

3 Do I have to elect an immediate retirement benefit to receive the supplemental benefit?

No. If you meet the eligibility criteria above at termination of your employment and elect a deferred retirement benefit, you will begin receiving the supplemental benefit at the time you begin receiving your pension benefit. However, if you elect a cashout of your cash balance account, a lump-sum payout equal to the value of the supplemental benefit will also be paid.

4 Will my beneficiary be eligible for the supplemental benefit?

Only surviving spouses are eligible to receive the supplemental benefit and only if:

- The retiree met eligibility requirements, and
- The surviving spouse will receive at least a 25% continuing monthly pension benefit.

5 How is the amount of the supplemental benefit calculated?

Eligible retirees who had 10 or more years of service as of 10/1/2016 will receive \$11.5757 per month for each full year of actual System service at retirement, with the minimum benefit being calculated for 10 years, plus an additional \$94.20 per month.

Eligible retirees who elected to waive pay credits to their Cash Balance Account as of 10/1/2018 will receive \$11.5757 per month for each **full year of actual System service as of 10/1/2018**, plus an additional \$94.20 per month.

Eligible retirees who had less than 10 years of service as of 10/1/2016 will receive \$11.5757 per month for each **full year of actual System service as of 10/1/2016**. The additional benefit will be pro-rated based on years of service.

Eligible retirees who are age 60 or older are eligible for different amounts depending on the cost-of-living adjustments since turning age 60. Please see the chart below to determine the appropriate amount. To determine if you are eligible for COLAs at age 60 or age 65, please see the COLA Frequently Asked Questions located on our website.

<u>When did retiree turn age 60?</u>	<u>Calculation</u>	<u>Additional Benefit</u>
On or before 12-31-10	\$12.3657 X whole years of service	\$108.62
After 1-1-2011	\$12.3657 X whole years of service	\$107.38
After 1-1-2013	\$12.3657 X whole years of service	\$104.97
After 1-1-2014	\$12.3657 X whole years of service	\$103.40
After 1-1-2016	\$12.3657 X whole years of service	\$101.68
After 1-1-2017	\$12.3657 X whole years of service	\$100.69
After 1-1-2018	\$12.1495 X whole years of service	\$98.86
After 1-1-2019	\$11.8868 X whole years of service	\$96.73
After 1-1-2020	\$11.7065 X whole years of service	\$95.26

The supplemental benefit may receive cost-of-living adjustments as determined in accordance with the System's Rules and Regulations. However, the total monthly supplemental benefit shall not exceed:

- \$12.3657 per month for each full year of actual service, and
- \$150 per month for the additional benefit which began January 2001 at \$75/month.

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.

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