

CONSIDERATIONS WHEN CHOOSING A RETIREMENT DATE

- **Beginning of the month:** Current employee benefits are in effect at the employee rate through the end of the month in which employment ends.
- **End of a pay period:** Leave is not earned until you have credit for a *full* pay period. An employee is considered to have been employed for a full pay period if he/she is on the payroll for all scheduled workdays during the pay period. For example, the end of a pay period for many employees would be the end of their work schedule on Friday.
- **End of the leave year:** Annual leave hours exceeding 240 are forfeited at the beginning of the leave year.
- **No later than December 30:** Cash Balance participants who meet the age requirement need to retire by December 30 to receive the January cost-of-living-adjustment.
- **TVA anniversary date:** TVA service milestones are based on *full* years of service.
- **TVARS anniversary date:** TVARS service milestones are based on *full* years of service.

MILESTONES TO CONSIDER

<u>AGE</u>	+ <u>SERVICE</u>	= <u>BENEFIT</u>
50	5 TVA	May continue TVA medical insurance if hired before 1/1/05
55	10 TVA	May continue TVA medical insurance if hired on/after 1/1/05
55	10 TVARS	Eligible for TVARS Supplemental Benefit (SPB)
55	20 TVA	Eligible for TVA Health Care Credit if also eligible for TVARS SPB
55		No penalty on 401(k) distributions if at least 55 in year you retire
59-1/2		No restrictions on 401(k) distributions until 73
60		Cost-of-living adjustments begin January after reaching age 60 if age 50 or older as of 10/1/2016
65		Cost-of-living adjustments begin January after reaching age 65 if under age 50 as of 10/1/2016
62		Early Social Security benefits may commence
65-67		Maximum Social Security benefits depending on your date of birth

Notes:

(1) If an OBS participant age 60 or older as of December 31 retires after January 1, their pension will be at least as much as it would have been on January 1 with the COLA.

(2) These milestones are based on routine/normal retirement situations. Unusual circumstances, such as involuntary reductions in force or disability retirements, may affect eligibility criteria and actual benefits provided.