

**TENNESSEE VALLEY AUTHORITY
RETIREMENT SYSTEM**

Retirement Committee Charter

Adopted by the TVARS Board June 15, 2017

Purpose

The Retirement Committee is a standing committee created by the Tennessee Valley Authority Retirement System (“TVARS” or “System”) Bylaws. The Retirement Committee’s function is to assist the TVARS Board of Directors (Board) in fulfilling its fiduciary responsibilities as they relate to applications for retirement, the Board’s responsibilities in administering and interpreting the provisions of the TVARS Rules and Regulations (the Rules), the Board’s retirement policies, including, for the defined benefit plan, the review and approval of actuarial assumptions, and the administration of the TVA Savings and Deferral Retirement Plan (the 401(k) Plan).

Authority

The Retirement Committee is empowered to:

- a) Conduct or authorize investigations into any matters within its scope of responsibility.
- b) Utilize the System’s actuary to resolve questions or provide information that is consistent with the Retirement Committee’s responsibilities.
- c) Seek any information it requires from System staff (all of whom are directed to cooperate with the Retirement Committee’s requests) or external parties.

Responsibilities

The Retirement Committee’s responsibilities include, but are not limited to, the following:

— *Retirement Applications*

The Executive Secretary has been delegated the authority to approve retirement applications of members who are eligible under the Rules or the 401(k) Plan Provisions (Provisions), and whose applications are filed in accordance with the Rules or Provisions. The Board has reserved the authority to review retirement applications that require the exercise of judgment in determining the applicant’s rights under the Rules or Provisions. The Retirement Committee has the responsibility to make an initial review of retirement applications that must be reviewed by the Board and recommend a course of action to the Board for the resolution of those applications.

— *Retirement Policies and Benefits*

The Retirement Committee will review the System’s retirement policies at least annually and propose amendments to the Board. The Retirement Committee will also monitor the benefits offered to members and propose changes to the Board.

— *Actuarial Issues*

The Retirement Committee will oversee the process of selecting the System's actuarial consultant and recommend an actuarial consultant to the Board for retention. The Retirement Committee will ensure that an actuarial valuation of the defined benefit plan is done once each year, and will recommend to the Board any changes to the contribution rates necessitated by the valuation. The Retirement Committee will initiate and direct an experience study at least once every five years. The Retirement Committee will propose to the Board any actuarial assumption changes recommended by the results of the experience study.

— *Amendments*

The Retirement Committee will review and recommend any proposed amendments to the Rules or 401(k) Plan for the Board's consideration.

— *Claims and Appeals*

The Retirement Committee will facilitate the review process of any claims or appeals made to the Board by members, retirees, or beneficiaries pursuant to the System's Administrative Claims and Appeals Procedures.

Committee Composition

- a) The Retirement Committee will consist of at least three Directors of the Board, at least one of which must be elected to the Board and one of which must be appointed to the Board.
- b) The Retirement Committee may include non-Directors of the Board whom the Board Chair and the Board agree would be beneficial and prudent for the Retirement Committee's purpose.
- c) Not later than the first regular quarterly meeting of the Board after each October 31, the Board Chair will appoint the Retirement Committee members for a one-year term. At that time, the Board Chair will also appoint the Chair of the Retirement Committee.

Terms of Service

Retirement Committee members serve one-year terms, and will serve from the time they are designated until their successors have been designated, or until they cease to be eligible for service on the Retirement Committee.

Meetings

The Retirement Committee is expected to meet at least four times per year. Meetings will be scheduled near the time of or in conjunction with regularly scheduled meetings. The Retirement Committee Chair or three Retirement Committee members may call a special meeting. Staff will assist in providing proper notice of meetings.

Staffing

- a) The TVARS Manager of Retirement Operations will support the Retirement Committee and ensure appropriate staff members are assigned to assist the Retirement Committee and support the Retirement Committee's activities by scheduling meetings, preparing meeting materials, drafting minutes or Retirement Committee reports, performing research and rendering other types of assistance as reasonably requested by the Retirement Committee.
- b) If the Retirement Committee determines that staff resources are limited or conflicted in a matter before the Retirement Committee, the Retirement Committee may retain the services of an outside counsel, independent auditor, independent actuary, or other professional advisor.

Reporting Requirements

The Retirement Committee will, through the committee chair or designated TVARS Staff, report to the Board on a quarterly basis, or as necessary as a result of a retirement application review or claim or appeal pursuant to the System's Administrative Claims and Appeals Procedures. The Retirement Committee will report as necessary to other key stakeholders.

Charter Review

The Retirement Committee and the Board will review this Charter at least every three years to ensure it remains appropriate. The Retirement Committee will recommend any changes to the Board for review and approval. The Board may amend the Charter at any time.