

**Retirement Benefit Cashout Application**

**Section 1 Member Information**

Name (First Name, Middle Initial, Last Name) Birthdate (mm/dd/yyyy) Employee Identification Number

Address (provide only if new) (Street Address, City, State, Zip Code) E-mail Address

Date of Termination (mm/dd/yyyy) Home/Cell Phone (Area Code/Number) Marital Status:  
 Single  Married

**Section 2 Fixed and Variable Funds Election (complete this section only if you have a balance)**

**Prior to termination of your employment**, you have the option to transfer your total balance to the 401(k) Plan.

**SELECT ONE**

**TOTAL WITHDRAWAL**

I elect to withdraw my TOTAL Fixed and Variable Funds. *Note: The withdrawal will be paid to you by direct deposit. The taxable portion of this withdrawal is subject to an automatic 20% income tax, which will be withheld by TVARS. If you are under age 55, you will incur an additional 10% early withdrawal penalty when you file your taxes.*

**DIRECT ROLLOVER OF ONLY TAXABLE FUNDS TO:**  IRA  Roth IRA\*  Qualified Retirement Plan

I elect to roll over the TAXABLE portion of my Fixed and Variable Funds to the trustee named below. *Note: The taxable portion will be mailed to the trustee, and the nontaxable portion will be paid to you by direct deposit.*

Trustee Name: \_\_\_\_\_ Account #: \_\_\_\_\_

**You must submit the trustee's payment instructions.**

**DIRECT ROLLOVER OF TOTAL FUNDS (BOTH TAXABLE AND NONTAXABLE)**

I elect to roll over my TOTAL Fixed and Variable Funds to the trustee named below. *Note: The trustee will receive two payments (one taxable and one nontaxable).*

Trustee Name: \_\_\_\_\_

TAXABLE:  IRA  Roth IRA\*  Qualified Retirement Plan Account #: \_\_\_\_\_

NONTAXABLE:  IRA  Roth IRA  Qualified Retirement Plan Account #: \_\_\_\_\_

**You must submit the trustee's payment instructions.**

**Section 3 Retirement Benefit Cashout Election**

A retirement benefit cashout is a taxable distribution. It will include the amount of your cash balance account, plus, if eligible, the present value of the supplemental benefit. You should carefully consider the tax consequences and may want to consult your personal tax advisor. You should also review the Eligible Rollover Notice at [www.tvars.com](http://www.tvars.com).

**SELECT ONE**

**LUMP-SUM WITHDRAWAL**

I elect to withdraw my retirement benefit cashout. *Note: The withdrawal will be paid to you by direct deposit. The taxable portion of this withdrawal is subject to an automatic 20% income tax, which will be withheld by TVARS. If you are under age 55, you will incur an additional 10% early withdrawal penalty when you file your taxes.*

**DIRECT ROLLOVER TO:**  IRA  Roth IRA\*  Qualified Retirement Plan

I elect to roll over my retirement benefit cashout to the trustee named below.

Trustee Name: \_\_\_\_\_ Account #: \_\_\_\_\_

**You must submit the trustee's payment instructions.**

**\*IMPORTANT NOTE REGARDING ROLLOVER TO ROTH IRA: If you elect a rollover of taxable funds to a Roth IRA, 100% of the rollover amount will be reported as taxable income in the year the rollover is paid by TVARS.**



## INSTRUCTIONS

**IMPORTANT: If you have not contacted TVARS regarding your eligibility for various benefits, you should contact TVARS prior to completing this application.** You should inform your supervisor and your human resource office of your retirement date. To assist in the timely payment of your benefits, your application should be submitted prior to termination of your employment.

Please read all instructions, and complete your application carefully. **All elections on the application are final (not revocable).** If you have any questions on the completion of your application, please contact TVARS.

### **60-Day Filing Deadline**

Your application must be filed no later than 60 days from your termination date. **If your application is not received by TVARS within 60 days of your termination date, you will be subject to a default benefit.** Your retirement benefit will default to a deferred retirement benefit with payments scheduled to begin no later than age 65. If you are subject to the spousal consent requirement under the TVARS Rules and Regulations, the default benefit will be in the form of a 50% joint and survivor annuity. Otherwise, it will be in the form of a single life annuity with no survivor benefit. During the deferral period, you may elect for payments to begin as early as age 55, but no later than age 65. You may also elect a survivor option and name a beneficiary to receive a continuing benefit. Payments cannot begin before age 55 or the date your application is received, whichever is later.

### **Effects of Choosing a Retirement Benefit Cashout**

Before making your election, you should review the Eligible Rollover Notice at [www.tvars.com](http://www.tvars.com). A hard copy is available upon request to TVARS. **IMPORTANT NOTE REGARDING ROLLOVER TO ROTH IRA:** If you elect a rollover to a Roth IRA, 100% of the rollover amount will be reported as taxable income in the year the rollover is paid by TVARS.

If you are vested and eligible for an immediate or deferred retirement benefit, you have the option to elect to cash out your retirement benefit. If you elect to cash out your retirement benefit, you will receive a lump-sum payment equal to the following (calculated as of the date of your retirement or termination of employment):

1. The amount of your cash balance account, plus
2. If eligible, the present value of the supplemental benefit, plus
3. If you contributed to the Fixed and Variable Funds, the balance of your Fixed and Variable Funds.

The election to cash out your retirement benefit is in lieu of receiving your cash balance and supplemental benefit as a pension and, if eligible, your balance in the Fixed and Variable Funds as an annuity. In addition, by electing to cash out your retirement benefit, the lump-sum payment for your cash balance account and the present value of the supplemental benefit will not include the value of any future cost-of-living adjustments (COLAs) and these benefits will not be eligible for any future COLAs. **Note regarding the 401(k) Plan:** Your 401(k) balance is unaffected by a retirement benefit cashout. **Note to married participants:** If you are married and first became a TVARS member after January 1, 1990, your spouse must consent to your election of a retirement benefit cashout by completing Section 5 of the application.

### **Reemployment at TVA**

If you elect a retirement benefit cashout, your membership in TVARS will cease upon distribution of your funds. If you are rehired by TVA in the future and return to membership in the TVA Retirement System, you will be eligible to receive a retirement benefit in the 401(k) Plan only.

### **Federal Employees' Group Life Insurance (FEGLI)/Other Life Insurance**

If you have FEGLI, your coverage will be in effect for 31 days after your termination date. If you elect a retirement benefit cashout, you cannot continue FEGLI coverage as a retiree. However, you can convert your coverage to an individual, direct-pay policy. **You must apply for conversion within 31 days of termination** by completing form SF 2819, Notice of Conversion Privilege, available from TVA Employee Benefits. For information concerning other life insurance coverage, contact TVA Employee Benefits.

### **Retiree Medical and Dental Insurance**

For information on applying for retiree medical and dental insurance, see the *Benefits Summary for Terminating Employees* at [www.tvars.com](http://www.tvars.com) or call TVA Employee Benefits at 888-275-8094. **Applications MUST be received within 30 days after termination.** **Note:** To be eligible for the TVA Health-Care Credit, you must be at least age 55, have at least 20 years' actual TVA service, and be receiving a monthly supplemental benefit from the TVA Retirement System. Therefore, if you elect a retirement benefit cashout, you will NOT be eligible for the TVA Health-Care Credit.

### **Federal Long-Term Care Insurance**

If you have Federal Long-Term Care Insurance, you must contact Long Term Care Partners at 800-LTC-FEDS (800-582-3337) to continue coverage. More information is available at [www.ltcfeds.com](http://www.ltcfeds.com).

**Note: 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.**