1 How do I change my address for the 401(k) Plan?
You may change your address by contacting TVA Employee Benefits at (865) 632-8800, (423) 751-8800, or (888) 275-8094.

2 How will my money be invested?
You may invest in many different investment options. These investment options present varying degrees of risk, and you should carefully read the prospectuses before investing. Prospectuses may be obtained by calling the Fidelity Retirement Benefits Line at (800) 354-7121 or by accessing www.fidelity.com/atwork. For additional information, please refer to our 401(k) Plan Publications.

3 How much can I contribute?
For information about current contribution limits, please refer to the “Employee Contributions” section of the Plan Details at www.netbenefits.com/tva.

4 What are catch-up deferral contributions?
Employees who have reached age 50 before the close of the taxable year will be allowed to contribute additional before-tax and/or Roth contributions, allowing them to "catch-up" on their retirement savings. The catch-up amounts are over and above contribution limits and cannot begin until the before-tax and/or Roth contribution limit is reached. For more information on the catch-up amount and the current contribution limits, please refer to “401(k) Plan Information” at www.tvars.com.

5 How often can I change my 401(k) contribution?
Contribution changes may be made biweekly.

6 In what order are retirement contributions deducted from my check?
Contributions are deducted in the following order until your election amounts or allowable limits are reached: (1) 401(k) before-tax, (2) 401(k) Roth, (3) 401(k) after-tax, and (4) Fixed and/or Variable Funds.
7 Will I receive a match on any 401(k) contributions that I make?
If you are a participant in the Original Benefit Structure (OBS), TVA will contribute 25 cents to a matching account for each dollar you contribute to the Plan. If you are a participant in the Cash Balance Benefit Structure (CBBS), TVA will contribute 75 cents to a matching account for each dollar you contribute to the Plan. The maximum annual matching percentage from TVA is 1.5% for OBS participants and 4.5% for CBBS participants and is based on your fiscal year-to-date straight-time earnings.

8 Can I redirect my future contributions or exchange current balances?
Yes. You may redirect your future contributions or exchange current balances at any time by website or phone. However, exchanges involving competing funds are subject to restrictions. Generally, competing funds are those that yield a fixed rate of return.

9 Do short-term redemption fees apply to any exchanges or distributions?
Yes. Some funds assess a short-term redemption fee or “short-term trading” fee. In general, the more aggressive funds tend to have longer minimum holding periods to avoid this fee. You will be informed of the fee when you confirm the exchange or distribution online or by phone.

10 What if I need to withdraw after-tax funds from the 401(k) Plan while I’m employed?
If you want to withdraw after-tax funds from the 401(k) Plan, you may request a withdrawal. Withdrawals of earnings on after-tax contributions will be taxed as ordinary income. If you are under age 59½, your earnings may be subject to the 10% early withdrawal penalty.

If you are over age 59½, you may withdraw before-tax funds (excluding your TVA matching funds) from the 401(k) Plan. You will not pay an early withdrawal penalty; however, your distribution will be taxed as ordinary income. Federal income tax will be withheld at a rate of 20% unless eligible distributions are directly rolled over to another employer’s qualified plan or an IRA.

If you are under age 59½, and you need to withdraw before-tax funds from the 401(k) Plan, you may request a hardship withdrawal. Requests for hardship withdrawals must meet 401(k) Plan requirements. Hardship withdrawals may be subject to a 10% early withdrawal penalty and the income taxes stated above.

11 What are the requirements for a hardship withdrawal?
According to the IRS, to obtain a hardship withdrawal, you must demonstrate immediate and heavy financial need. Eligible situations may include the need for primary housing, family educational needs, or family medical expenses. You will be required to pay applicable taxes and penalties on the amount withdrawn. You must first apply for a loan, if eligible.
12 Will a hardship withdrawal affect my contributions to the TVA Retirement System?
Yes. All your contributions to the Fixed and/or Variable Funds or any 401(k) Plan contributions will cease for six months. After 6 months, you may once again make contributions by contacting Fidelity.

13 How do I obtain a hardship withdrawal?
If you do not currently have a loan, you will first need to apply for a loan. Then, you may contact Fidelity by phone or website to request a hardship withdrawal. Once your withdrawal is processed, Fidelity will mail or deposit your payment generally within seven to ten business days.

14 What are my distribution options at retirement?
You have several withdrawal options at retirement. For detailed information, refer to “Your Guide to Distribution Options” under the Publications tab of www.tvars.com. If the funds were contributed on an after-tax basis and if you first became a TVARS member before January 1, 1996, you have an additional choice available at retirement to transfer all or part of the funds to the System to provide monthly benefits.

15 I already have an IRA account. Could I roll over my distribution from the 401(k) Plan to my IRA?
If your existing IRA is not a Rollover IRA, and you commingle the distribution from your 401(k) Plan with regular IRA contributions, you cannot at a later date roll over the 401(k) money into another employer’s qualified plan. Therefore, if you want to preserve your ability to make a rollover to a future employer’s plan, you should roll over your distribution from the 401(k) Plan to a separate Rollover IRA.

16 How much can I borrow using a 401(k) loan?
Generally, you may borrow up to the greater of: Your total vested account balance (if your account balance is under $10,000) or one-half of the value of your total vested account balance (subject to an overall IRS limit of $50,000 reduced by the highest outstanding loan balance during the prior 12-month period). The minimum you may borrow is $1,000. Your loan amount is deducted from your 401(k) Plan account on the day your loan is approved. You may have only one outstanding loan.

17 What is the interest rate for the loan?
The interest rate you pay on the loan is determined on the date you apply for the loan, and you will pay the same fixed rate for the life of the loan. The interest rate offered new applicants changes quarterly, and it will be equal to the "prime rate" on the last business day of the second month in the previous quarter plus one percent. The interest and principal you pay is paid directly to your Plan account through automatic payroll deductions. It is not deductible for income tax purposes.
18 How long do I have to pay back the loan?
Loans must be repaid over a period of one to five years. Loans that are used to acquire principal housing may be repaid over ten years. However, you may make additional principal payments towards your loan balance as described below.

19 Are there any fees associated with taking a loan from my account?
There is a quarterly maintenance fee of $7.50 which will be deducted from your account each quarter for the life of the loan.

20 What happens to my account when I take a loan?
Your loan amount is deducted from your 401(k) Plan account on the day your loan is approved. For example, if your total account balance is $20,000 and you borrow $5,000, your total account balance will be reduced to $15,000. The amount you borrow from your account will not be subject to investment earnings (or losses). When you repay the loan, the money is reinvested in your 401(k) Plan account in accordance with the last investment designation you have on file with Fidelity.

21 How do I pay back the loan?
Your payments (principal plus interest) are made through automatic after-tax payroll deductions. Payments will be fixed throughout the full term of the loan. You may prepay the loan in its entirety. Additional non-periodic loan repayments can be made through Fidelity by electronic payments or by sending certified checks, cashier's checks or money orders payable to FIIOC.

22 Are loan payments included when determining my maximum contribution?
No. Loan payments are ignored when determining your maximum contribution.

23 What happens if I leave TVA before the loan is fully repaid?
If you do not repay the outstanding balance of your 401(k) loan, your loan will default at the end of the quarter following the quarter of the first missed payment. The defaulted loan will be reported to the IRS as a distribution from the Plan and subject to applicable income taxes and penalties. If you do not repay your outstanding loan balance and request a total withdrawal of your account before your loan defaults, the loan will be reported as a distribution when the withdrawal is processed. However, terminating employees with a plan balance of at least $1,000 and an outstanding 401(k) loan will have the option to continue monthly loan payments to Fidelity via bank draft. To initiate this option you may call Fidelity Retirement Benefits Line at (800) 354-7121 and a representative will assist you in setting up the bank draft repayment.
What are the advantages of a 401(k) loan?
- No credit check, the loan is secured by your 401(k) plan balance
- Low interest rate, compared to other loans available in the marketplace
- No taxes to pay, since the loan is not considered a taxable withdrawal
- You pay interest to yourself, not someone else
- The loan could enable you to pay off higher interest debt.

What are the disadvantages of a 401(k) loan?
- The amount of interest you pay back may be much less than your account would have earned, depending on how your funds perform.
- If you use the loan to pay off debt, don’t forget that you will have an additional after-tax payroll deduction. Should you assume more debt during your loan period, you could end up with twice as much debt as before.
- A loan fee is charged quarterly for the life of the loan.

How do I initiate a loan?
All loans may be initiated online at www.fidelity.com/atwork or by calling Fidelity Investments at (800) 354-7121. For a loan with a repayment term of five years or less, the loan amount is deducted from your account the night you initiate the loan. Depending on your election, Fidelity will mail a check to you or deposit the funds in your bank account within 3-5 business days.

For a loan with a repayment term between five and ten years, the loan must be used to purchase your primary residence. Fidelity will mail a loan package to you. You must complete the paperwork and return it to Fidelity along with a copy of your signed purchase and sales agreement. Depending on your election, Fidelity will either mail a check or deposit the funds in your bank account within 3-5 business days after loan approval.

I participated in a similar retirement plan at my former employer. Can I roll over the balance into the 401(k) Plan?
Account balances that may be rolled over to the 401(k) Plan include other 401(k) plans, 403(b) arrangements, governmental 457 plans, 401(a) plans, or Roth plans. Contact Fidelity Investments at 800-354-7121 for more information. To initiate a rollover, the form is available at www.tvars.com.

I have an IRA account. Can I roll over the balance into the 401(k) Plan?
Taxable amounts that you may have in traditional IRA accounts can be rolled over to the 401(k) Plan.
29 **Will I receive a 401(k) statement?**
Yes. Every 3 months, your Fidelity account statement will be available online. You may request a statement at any time by calling the Fidelity Retirement Benefits Line at (800) 354-7121 or you can view a 90-day transaction history by accessing Fidelity’s website at [www.fidelity.com/atwork](http://www.fidelity.com/atwork).

30 **What are the vesting rules for the 401(k) Plan?**
You are immediately vested in your contributions. Participants are vested in the matching contributions after 3 years of actual service as a member of the TVA Retirement System.

31 **Can I buy and sell individual stocks in my 401(k) account?**
Yes, through Brokerage Link. Brokerage Link is a brokerage account within your 401(k) Plan. The account is neither a mutual fund nor is it managed by any of the Fidelity Investments group of companies. Brokerage services are provided through Fidelity Brokerage Services, a member of the New York Stock Exchange and Securities Investor Protection Corporation.

32 **What are the requirements to sign up for Brokerage Link?**
You must have at least $2,500 available in your TVA 401(k) account.

33 **Are there any fees associated with Brokerage Link?**
There are no annual account maintenance fees; however, trading fees (commissions) apply to each transaction.

*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
Website: [www.tvars.com](http://www.tvars.com)

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