



Maximize Your 401(k) Matching Contributions

Did you know you need to contribute more than 6% to the TVA 401(k) in order to receive matching contributions on your Winning Performance Award?

The Winning Performance Award (WPA) is a lump-sum, off-cycle payment separate from regular biweekly paychecks. Since 401(k) deductions are not withheld from lump-sum payments (including WPA), you would need to contribute an additional 6% of the eligible WPA earnings in order to receive the matching contributions. Consider increasing your 401(k) Plan contributions to at least 7% in order to maximize TVA's matching contributions.

A limited portion of the WPA earnings is eligible for matching and employer automatic contributions. The limited WPA earnings are calculated based on the lesser of your full WPA payment or your salary as of the effective date of the WPA payment x 6.25%. These eligible earnings are called WPA Discretionary Match.

The Winning Performance Award and the WPA Discretionary Match can be found in the Hours and Earnings section of your paycheck around the first or second paycheck in December each year.

Definitions

- **Winning Performance Award** – Total WPA payment
- **WPA Discretionary Match** – Portion of WPA earnings that are eligible for matching and employer automatic contributions from TVA.

The WPA Discretionary Match is **NOT** the actual matching dollars provided to participants but rather the **limited earnings** eligible for matching and employer automatic contributions based on WPA. Like all other matching contributions, those described in this document are made on your eligible earnings.

To help you determine your eligible matching contributions related to the WPA, we have provided two examples depending on whether your WPA is more or less than 6.25% of your salary.

Participant who receives WPA of less than 6.25% of salary:

Salary	WPA	6.25% of salary	Eligible additional match-eligible pay based on WPA	Additional contribution needed to maximize match	Maximum additional match based on WPA at 4.5% matching
\$100,000	\$5,000	\$6,250	\$5,000	\$300	\$225

Participants in this example who receive a WPA of less than 6.25% are eligible to receive matching contributions on their full \$5,000 WPA because \$5,000 is less than 6.25% of salary. They would need to contribute 6% of the \$5,000 (\$300) within the fiscal year (October - September) in order to receive the matching contributions. If participants are eligible for 4.5% matching contributions, they would be eligible to receive an additional match of \$225 (\$6250 x 4.5%).

Participant who receives WPA more than 6.25% of salary:

Salary	WPA	6.25% of salary	Eligible additional match-eligible pay based on WPA	Additional contribution needed to maximize match	Maximum additional match based on WPA at 4.5% matching
\$100,000	\$10,000	\$6,250	\$6,250	\$375	\$281.25

This participant’s WPA is more than 6.25% of his or her salary. Therefore, he or she would only be eligible to receive matching contributions on \$6,250 (100,000 x 6.25%) of those earnings. He or she would need to contribute 6% of \$6250 (\$375) within the fiscal year (October - September) in order to receive the matching contributions. If this participant is eligible for 4.5% matching contributions, he or she would be eligible to receive an additional match of \$281.25 (\$6250 x 4.5%).

*Note: Please keep in mind the above examples are based on a participant receiving 4.5% matching contributions. If you receive a different matching percentage, you would need to adjust the calculation accordingly.

In general, if a participant contributes 7% or more, over time the matching will be contributed for the WPA.

How are matching and employer automatic contributions calculated?

Matching contributions are calculated based on fiscal year-to-date eligible earnings and contributions (October – September). Employer automatic contributions are dependent on fiscal year-to-date earnings, but not on participant contributions. Participants will receive employer automatic contributions regardless of their own contributions to the 401(k) Plan.

How do I increase my 401(k) contribution?

To increase your 401(k) contribution, change your election online by accessing Fidelity NetBenefits® at www.netbenefits.com/tva or by calling Fidelity Investments at **800-354-7121**. A link to the Fidelity website is also available from the TVARS website, www.tvars.com.

If you have questions about your contributions, contact TVARS at **800-824-3870** or email tvvars@tva.gov.