

TVARS Message to Retirees and Beneficiaries

In these challenging times for our nation, your monthly retirement benefit payments are our top priority, and your TVA Retirement System staff is working effectively – and remotely – to continue our mission of service without interruption.

During this time of uncertainty about the spread of the coronavirus and the financial markets volatility, I want to assure you that we are actively engaged to manage the TVARS funds to maintain the long-term viability of the System. The TVARS assets are invested in diversified assets managed by well-respected investment professionals with a long record of strong performance through challenging periods like these.

The TVARS Board Investment Committee met last week with its investment consultant and fund managers. They encouraged the Committee to stay the course and avoid trying to “time the market”. Part of the discussion was also about the changes that were made to the TVARS portfolio after the last market downturn in 2008 to be more resilient in volatile times, such as we are experiencing now.

I want to assure you that TVARS has plenty of liquidity to make retirement benefit payments. About 30% of our assets – some \$2 billion – are in liquid fixed income investments designed to offset some of the equity market volatility. It’s also important to remember that TVA provides TVARS with \$300 million a year until 2036, or \$25 million monthly. This means we have the resources to make your retirement benefit payments without having to sell any of our holdings at distressed prices during this market decline.

I also want to share one more bit of news. Due to the focus on the health and safety of employees, our search committee has delayed the search for a seventh director for the TVARS board. Although we are slowing the process, we continue to plan to complete the search by later this year. The 43 applications we’ve received from TVA retirees underscore the importance that you and all retirees place on this position.

The search committee will use the resources of Aon Consulting to develop a best-practice selection approach and support us through this process. We look forward to working with these seasoned professionals, and we appreciate your continued support.

In closing, rest assured the TVARS funds are well managed and the system is positioned to ensure payment of your retirement benefits. Like you, we all look forward to a return to less volatile market conditions and to a greater sense of normalcy in our daily lives. In the meantime, because of the preparations we have made in recent years, we are situated to weather the storm.

If you have any questions or concerns, don’t hesitate to reach out to us. While working remotely, the best way to reach us is by email at retsvcs@tva.gov, but you can also call us at 800-824-3870 if we can help you in any way.

Let’s all stay safe and healthy. Better times will come.