

Tennessee Valley Authority Retirees Coalition

NEWS RELEASE FOR IMMEDIATE RELEASE

For Information Contact:

Mike Moseley
Bowling Green, KY
931-216-3091
mmoseley1617@gmail.com

TVA Retirees Join Forces with National Network

Tennessee Valley Authority Retirees Coalition Cites \$6 billion shortfall in TVA Pension Plan for Retirees and Employees

BOWLING GREEN, KY. (Feb. 9, 2016) – In response to TVA’s under-funding of its employee pension for over a decade, a group of TVA retirees have formed the Tennessee Valley Authority Retirees Coalition (TVARC). TVARC has now joined forces with the National Retiree Legislative Network (NRLN) to seek Congressional assistance in bringing the employee pension back to a safely funded level. At the end of FY 2015, TVA’s employee pension was only 53 percent funded with liabilities of \$12.8 billion and assets of \$6.8 billion, leaving the pension underfunded by \$6 billion. TVA’s employee pension covers 35,000 retirees and employees, most of whom reside in the states of Tennessee, Kentucky, Alabama, And Mississippi.

“It is intolerable, given TVA’s record profit of \$1.1 billion net income in FY 2015 and the multi-million dollar salaries and bonuses of top executives, that the pension plan has only 53 percent of the assets necessary to cover its pension obligations,” said Mike Moseley, TVARC executive committee member.

Moseley noted that TVA contributed only \$283 million to the pension in 2015, but payments to retirees in 2015 were \$690 million, leaving a funding gap of over \$400,000,000.

“TVA’s recent proposal to not only cut pension benefits but also to fund the pension with only \$275 million a year will keep it in a critically underfunded status for many years and increase the likelihood of additional benefit cuts or even termination by TVA,” Moseley said. “There are 23,700 retirees and 10,900 employees and family members who are expecting TVA to deliver the pension benefits that were promised, and are legally owed.”

“The TVA was created by an act of Congress in 1933 to address the economic development and energy needs of Alabama, Georgia, Kentucky, Mississippi, North Carolina, Tennessee and Virginia,” Moseley said. “When Congress passed the Employee Retirement Income Security Act of 1974, TVA was not included under the law and, as a result, TVA’s pension plan does not have the safety net provided to other major electric utilities’ pensions by the Pension Benefit Guaranty Corporation.

“Congress decided that the TVA pension did not need the protections, like minimum funding requirements, provided to private sector pension plans . Today, TVA operates as a government corporation, and receives no federal funding. Since Congress excluded TVA from pension laws that mandate minimum funding for corporate pensions, TVARC’s executive committee believes that current U.S. Representatives and Senators have a responsibility to see that the TVA pension plan becomes properly funded in a reasonable length of time.”

The TVARC executive committee, in addition to Moseley, initially includes TVA retirees Les Bays, Kingsport, TN; Dan Pitts, Knoxville, TN; and Bob Taylor, Chattanooga, TN. They have elected to affiliate with the National Retiree Legislative Network as the NRLN TVA Retirees Chapter, to gain the NRLN’s advocacy support in Washington, D.C. and added strength of the more than 2 million retirees and future retirees the NRLN represents.

“The NRLN will assist us in our communications with members of Congress to apprise them of the importance of their insisting that TVA develop a realistic plan to achieve proper funding of the TVA pension plan”, Moseley said.

Moseley pointed out there is a NRLN TVA Retirees Chapter webpage at <http://www.nrln.org/CHAPTERS/TVA/TVChapter.html> and TVA retirees and employees are invited to sign up through the webpage to receive emails from TVARC and the NRLN.

About Tennessee Valley Authority Retirees Coalition

The Tennessee Valley Authority Retirees Coalition (TVARC), a chapter of the National Retiree Legislative Network (NRLN), was formed out of retirees’ concerns that their TVA pension plan has only 53 percent of the assets necessary to meet the pension benefits legally owed to retirees and employees. TVARC’s objective is to convince TVA executives, TVA Board members and the TVA Retirement System (TVARS) board members of the importance of developing a realistic strategy to adequately fund the TVA pension plan in a reasonable length of time. The NRLN is a Washington, D.C.-based nonpartisan, nonprofit organization representing more than 2 million retirees and future retirees from 168 different companies and public entities.

###