Flexible Spending Accounts

Both healthcare and dependent-care flexible spending accounts are available. You can choose to contribute from $130 up to $5,000 annually in each of the accounts. Your contributions are deducted from your pay before taxes, so you save money.

Two different healthcare flexible spending accounts are available – a general-purpose and a limited-purpose healthcare flexible spending account. These accounts are used to pay for certain healthcare expenses for you and your dependents that are not covered by your healthcare plan.

General-purpose healthcare spending account

This is the same healthcare spending account that is offered currently. You cannot elect this account if you will be enrolled in the CDHP in 2009.

If you or a dependent will have healthcare expenses in 2009 that will not be covered by your medical or dental plan – such as your deductible or co-insurance, LASIK or over-the-counter drugs – you will want to consider contributing to this healthcare spending account.

You have until March 15, 2010, to use the money you put into your 2009 General-Purpose Health Care Spending Account. Otherwise you will lose it.

Limited-purpose healthcare spending account

Only employees enrolled in the CDHP for 2009 can elect this account. See the Changes for 2009 section for details.

Dependent Care Spending Account

A dependent-care flexible spending account is available. This account is to help pay for dependent daycare costs so you or you and your spouse if you are married can work or attend school. Eligible expenses include care provided inside your home (not provided by a dependent) and care provided outside your home (such as day care, pre-school and after-school care.)

You have until Dec. 31, 2009, to use the money you put into your 2009 Dependent Care Spending Account. Otherwise you will lose it.

To estimate your Spending Account tax savings:

1. Go to www.myshps.com
2. Click Flexible Spending Accounts
3. Click Calculator
4. Enter estimates of the information requested
5. Click Check Potential Tax Savings.

To review a list of Spending Account eligible expenses:

1. Go to www.myshps.com
2. Click the Eligible Expenses sections under Flexible Spending Accounts.

Short Term Disability and Critical Illness

You can choose short-term disability coverage up to 60% of your gross monthly salary, up to $5,000 a month. You can choose critical-illness insurance in benefit amounts from $5,000 to $50,000 in $1,000 increments.

These plans are available directly from UNUM Provident and are not part of TVA's online enrollment. To enroll or for more information call UNUM's Enrollment Center at 1-866-792-3526 from 9 a.m. to 6 p.m., Monday-Friday.

Your premium payments can be deducted from your paycheck, and you can enroll in these benefits any time throughout the year.

Choices and Costs

Review more details of any of your benefit choices on eBenefits on InsideNet under Self Service Solutions. Just click on the applicable plan name.

The cost of all of your benefit options will be shown on your personalized fact sheet. Your fact sheet will be available on eBenefits before enrollment begins. You will be notified through *TVA Today* when it becomes available.

CALENDAR

WEEK OF OCT. 1 Informational letter mailed to the homes of employees who are currently taking a brand drug that has a generic equivalent
WEEK OF OCT. 6 Health Plan Comparison Tool available at www.bcbst.com
WEEK OF OCT. 13 Open Enrollment Newsletter with easy steps of how to enroll online mailed to employees' homes
WEEK OF OCT. 20 Personalized fact sheet available through eBenefits
OCT. 27 – NOV. 4 Open Enrollment for 2009 — Elect your benefits online by midnight Eastern time

IT'S IMPORTANT TO REMEMBER...

- **If you want to participate in one of the Health Care Spending Accounts or the Dependent Care Spending Account, you must enroll during open enrollment.**
- **If you don't elect medical or dental coverage during open enrollment, you will be automatically enrolled in the same medical or dental plan with the same level of coverage – individual or family – you had in 2008.**
- **You must open the HSA if you are enrolled in the CDHP medical option for 2009 in order to receive TVA's HSA contribution. See page 10 of this issue of *Inside TVA* to learn how to enroll in the HSA.**
- **You cannot change your benefit elections after Jan. 1, 2009, unless you experience specific life events as determined by the IRS.**
- **Enroll online Oct. 27 - Nov. 4. It's quick and easy. Review and print your Confirmation of Elections. The Open Enrollment site will be available through eBenefits on InsideNet. Under Self Service Solutions, click Benefits, then eBenefits, then Open Enrollment.**

TVA

Your Health Count$

OPEN ENROLLMENT 2009

Open Enrollment

Oct. 27 - Nov. 4, 2008

Review your healthcare claims history to help you predict future costs:

Medical, dental, prescription-drug claims
www.bcbst.com

Prescription-drug claims only
www.medcohealth.com

Spending-account claims
www.myshps.com

THE THREE C'S FOR 2009

CHANGES | CHOICES | COSTS

To prepare for enrollment, you need to know the three C's…changes, choices and costs. With this information, you can then evaluate your current situation, estimate your future needs and determine which benefits options are best for you and your family in 2009. Electing benefits is like any other purchase: you want to get the most value for your money. So take advantage of all the communications and tools provided in making your decisions.

Employees can select their 2009 benefits from Oct. 27 – Nov. 4, midnight Eastern time. The selections will be in effect throughout calendar year 2009.

CHANGES FOR 2009

The following changes will be effective Jan. 1, 2009.

The Consumer-Directed Health Plan (CDHP) will have two changes.

1 A Health Savings Account, or HSA, will replace the Health Reimbursement Account (HRA) now associated with the plan. An HSA is a trust or custodial account that can receive tax-favored contributions for eligible individuals enrolled in a high-deductible health plan (HDHP). You decide whether or not to make contributions to your HSA. TVA will contribute $500/individual or $1,000/family. An HSA gives you, the healthcare consumer, more control over how and when you spend your healthcare resources.

2 Since an HSA can only be offered along with a qualified high-deductible health plan, the CDHP deductibles will change in order to qualify it as an HDHP. The Internal Revenue Service mandates the deductibles for an HDHP and indexes the amounts yearly. Annual deductibles will be increased to $1,150/individual and $2,300/family from the current $1,000/individual and $2,000/family.

Two changes will be made to prescription-drug coverage in all three medical-plan options.

1 The generic prescription-drug copay will be lowered to $10/retail and $20/mail order in the 80% and Copayment PPO medical plans. The minimum copays for generic drugs will be decreased to $10/retail and $20/mail order in the CDHP medical plan. Today, these amounts are $12/retail and $24/mail order.

2 If you choose a brand drug instead of its generic equivalent, you will pay the brand copay (in the CDHP, the co-insurance) plus the difference in the cost between the brand and the generic regardless of what your doctor writes on the prescription. So you will have to make a choice if you are taking a brand drug, and a generic equivalent is available. You can take either the generic or the brand. If you choose the brand, you will pay more.

Today, if your doctor indicates DAW (dispense as written) on your prescription, you pay the brand copay but not the additional cost difference between the brand and generic.

If a brand drug does not have a generic equivalent, you only pay the copay for the brand drug.

The preventive-care benefit, available in all three of the medical plans, will change. To promote the use of preventive care and healthy lifestyles, the benefit will increase to $500/person per year from the current $250/person per year. Routine physicals and preventive services as defined by the American Medical Association are covered under this benefit for medical-plan members age six and older. Services are not subject to a deductible, and you do not pay a copay or co-insurance.

A limited-purpose healthcare flexible spending account will be available to CDHP members.

According to the IRS, CDHP members are not eligible to contribute to an HSA and be enrolled in a general-purpose healthcare flexible spending account at the same time. So CDHP members can still have a flexible spending account option, a new limited-purpose healthcare flexible spending account will be available.

The limited-purpose healthcare flexible spending account works just like the current healthcare spending account except:

- It is for preventive care, dental and vision expenses only. All other expenses normally eligible under a general-purpose healthcare spending account are NOT eligible for reimbursement.
- There is no grace period for filing claims. This means you have until Dec. 31, 2009, to use the money you put into your 2009 Limited-Purpose Health Care Spending Account. Otherwise you will lose it.

You do not have to elect the limited-purpose healthcare flexible spending account. It is just another option you can use to set aside pre-tax dollars for certain healthcare expenses. You may want to consider electing it if you don't want to use your HSA for these expenses, but instead want to save your HSA funds for other purposes, including saving for the future.

During this enrollment, if you applied a HealthCheck✓ credit in 2008 and have a HealthCheck✓ credit for 2009, your credit will be automatically applied in the same manner you elected in 2008. If your 2009 benefit elections do not allow for your credit to be applied in the same manner, it will automatically be applied using the benefits order on the online enrollment menu.

If you have not applied a HealthCheck✓ credit in the past or you have earned a HealthCheck✓ credit for the first time, you must make an election to apply the credit. If you don't, you will not receive it.

CHOICES AND COSTS FOR 2009

Medical Plan

You can choose:

- Copayment PPO
- 80% PPO
- Consumer-Directed Health Plan (CDHP)
- No coverage

See the Changes for 2009 section for details of plan changes. The biweekly premiums you will pay for the medical-plan options are shown to the right.

A BlueCross BlueShield of Tennessee (BCBST) online tool can help you estimate your medical costs for each of the plans.

Go to www.bcbst.com

1. Click Self Service, Members, TVA employees, then Health Plan Comparison
2. Enter TVA2009 (all upper case) for the Group ID and Authentication ID (If part-time, enter TVAPT2009.)
3. Click Go.

Dental Plan

You can choose:

- Dental2000 w/Ortho
- Dental1200
- Dental0750
- No coverage

The biweekly premiums you will pay for the dental-plan options are shown to the right.

2009 MEDICAL PLAN PREMIUMS

Medical Plan Options	2009 Total Biweekly Premium*	2009 Full-time Employee Biweekly Premium	2009 Part-time Employee Biweekly Premium
Copayment PPO			
Individual	$369	$171	$270
Family	$701	$338	$579
80% PPO			
Individual	$247	$49	$148
Family	$454	$91	$272
CDHP			
Individual	$146	$15	$80
Family	$278	$28	$153

** This is TVA's contribution plus employees' premium*

2009 DENTAL PLAN PREMIUMS

Dental Plan Options	2009 Total Biweekly Premium*	2009 Full-time Employee Biweekly Premium	2009 Part-time Employee Biweekly Premium
DENTAL2000 w/Ortho			
Individual	$17.39	$7.86	$12.62
Family	$57.50	$32.27	$44.88
DENTAL1200			
Individual	$11.91	$2.38	$7.14
Family	$31.54	$6.31	$18.92
DENTAL0750			
Individual	$9.76	$.98	$5.37
Family	$25.94	$2.59	$14.26

** This is TVA's contribution plus employees' premium*

Benefit comparison charts are available in the Open Enrollment newsletter mailed to your home and on eBenefits on InsideNet. Charts are also available at www.bcbst.com. Click on Self Service, Members, TVA employees, then Plan Details. You also can find answers to frequently asked questions by clicking on "How Do I… ."

Life Insurance

TVA provides $10,000 in core life insurance to each annual employee. You have the option to elect additional life insurance from one to five times your pay. You can purchase life-insurance coverage for your dependents in the amounts of $5,000 spouse/$2,500 per child, $10,000 spouse/$5,000 per child, or $20,000 spouse/$10,000 per child. Your cost will be shown on your personalized fact sheet.

Accidental Death & Dismemberment (AD&D) Insurance

You can elect AD&D coverage for yourself in amounts from one to five times your pay. You also can elect coverage for your spouse equal to one-half of your coverage amount. If you are enrolled in AD&D coverage, you can choose coverage of $5,000 or $10,000 per eligible child. Your cost will be shown on your personalized fact sheet.

Long Term Disability (LTD)

LTD coverage that ensures 30% income replacement is provided by TVA at no cost to annual employees. You can elect optional LTD coverage for yourself that will provide an additional 35% income replacement of your high three-year average annual pay. Your cost will be shown on your personalized fact sheet.

To find calculators that help you determine the amount of life insurance and disability coverage that meets your needs:

1. Go to eBenefits on InsideNet
2. Click Benefit Information
3. Click Informed Consumer under either Life Insurance or Disability Insurance.