

1. **Actuarial Value of Assets** – a value of assets that reflects averaged (or smoothed) investment returns over a period of time. The actuarial value is used to calculate required plan contributions.
2. **Actuary** – an individual trained to measure the financial impact of contingent events. For pension plan purposes, actuaries calculate the present value of future plan benefits and determine the federal minimum funding requirements for the plan. Actuaries who work with U.S. tax-qualified pension plans must meet certain educational and experience requirements and be licensed by the government.
3. **Credit Balances** – accumulated amount of pension plan contributions (with investment income) in excess of the minimum required contribution amount. Beginning in 2008, only excess contributions designated by the Company create credit balances. Credit balances can either be Funding Standard Carryover Balances or Pre-funding Balances (see below). Credit balances do not reduce the amount of actual plan assets, but can be used to satisfy future contribution requirements.
4. **Fiduciaries** – individuals with the authority to make decisions about plan assets. By law, fiduciaries must make decisions based entirely on the best interests of plan participants. The fiduciaries for the pension plan for the purpose of Plan investment oversight are members of the ORNL Savings and Retirement Investment Committee, appointed by UT-Battelle LLC's Board of Governors.
5. **Funding Standard Carryover Balance** – credit balance created by company contributions in excess of the minimum required contribution amount before the existence of the Pension Protection Act (PPA).
6. **Funding Target** – a calculation of a plan's liability for the benefits participants have earned in a plan. The Funding Target is calculated using interest rates and mortality rates prescribed by the Internal Revenue Service and other assumptions selected by the plan actuary (such as the age at which participants will retire and the likelihood that participants will remain employed until retirement). The plan actuary selects the non-prescribed assumptions from the actuary's best estimate range of assumptions. Different assumptions selected from within that range would produce different measures of the plan's Funding Target, and therefore result in a different funding target attainment percentage.
7. **Funding Target Attainment Percentage (FTAP)** – a comparison of the pension plan's assets (after subtracting credit balances) and Funding Target at a particular point in time. The plan's FTAP is higher when it is calculated without subtracting the credit balances from plan assets.

8. **Moving Ahead for Progress in the 21st Century Act (MAP-21), the Highway and Transportation Funding Act of 2014 (HATFA), the Bipartisan Budget Act of 2015 and the American Rescue Plan Act of 2021 (ARPA)** – a series of federal funding and authorization bills signed into law on July 6, 2012, August 8, 2014, November 2, 2015 and March 11, 2021 respectively. These bills include provisions addressing the interest rates a pension plan may use to measure liabilities.
9. **Plan Assets** – the actual value of assets reported by the plan trustee, adjusted for plan receivables and payables.
10. **Plan Liabilities** – another measure of the liabilities for benefits earned by participants. Estimated Plan liabilities as of the end of the 2024 plan year are shown in the Annual Funding Notice. The plan liabilities shown in the Annual Funding Notice are calculated using interest rates and mortality rates prescribed by the Department of Labor, and other assumptions used in calculating the most recent FTAP.
11. **Pension Benefit Guaranty Corporation (PBGC)** – a federal agency that guarantees a basic level of benefits if a plan is terminated and not adequately funded to pay accrued benefits. The Plan pays a fixed annual premium to the PBGC for each plan participant. An additional premium may be required if the Plan is not fully funded.
12. **Plan Administrator** – the individual, group or corporation responsible for day-to-day operations of the Plan. The plan administrator for the Pension Plan for Employees at ORNL is UT-Battelle, LLC.
13. **Pre-funding Balance** – credit balance created by company contributions in excess of the minimum required contribution amount following adoption of the Pension Protection Act (PPA).