

SYSTEMATIC WITHDRAWALS AND TRANSFERS FROM THE TIAA TRADITIONAL ANNUITY UNDER RETIREMENT CHOICE ANNUITY CONTRACTS

THE TIAA TRADITIONAL ANNUITY

The TIAA Traditional Annuity's primary goal is to protect your principal while providing the highest potential return. To do this, the TIAA general account invests in long-term, relatively illiquid assets.¹ This helps support the guarantee of your principal and a minimum interest rate of 1% and 3% for most contracts. You also have the opportunity for higher returns through additional amounts, which may be declared on a year-by-year basis by the TIAA Board of Trustees.²

In order to maintain our guarantees and to enhance the general account's potential returns, transfers and withdrawals from TIAA Traditional account balances in Retirement Choice contracts are only available over an 84-month period.

In this booklet, you'll learn about the withdrawal and transfer process from Retirement Choice contracts so you can determine how it fits into your retirement planning needs.

HOW DO I MOVE FUNDS OUT OF TIAA TRADITIONAL?

As you review your portfolio throughout your career or at retirement, you may decide to start receiving income earlier than you planned or you may want to adjust your asset allocation to better meet your goals. Your TIAA Traditional balance in Retirement Choice contracts is available for systematic withdrawals or transfers through the following methods. You can:

- Receive your TIAA Traditional balance as a cash payment or directly roll over the proceeds to an IRA at TIAA-CREF, or to another employer's plan;³
- Transfer the funds to any of the investments available to you under your employer's plan.

¹ Note: Participants do not participate directly in the performance of general account holdings. Instead, those who choose to allocate a portion of their retirement savings to TIAA Traditional make contributions that purchase a specific amount of future lifetime income, based on the contractual rate schedule in effect at the time the contribution is made.

² Additional amounts, when declared, remain in effect for the "declaration year" which begins each March 1, for accumulating annuities and January 1, for lifetime payout annuities. Additional amounts are not guaranteed. All guarantees are based upon TIAA's claims-paying ability.

³ The ability to receive payments in cash or transfer to other companies is subject to the terms of your employer's plan. Also, if you have a TIAA Traditional Retirement Choice annuity and your employer's plan permits, you can receive the entire TIAA Traditional balance in cash within 120 days following termination of employment, subject to a 2.5% surrender charge; after the 120-day period, these funds can only be withdrawn through the 84-month option. Outside of the 120-day period, these funds can only be withdrawn through the 84-month option.



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HOW DO SYSTEMATIC WITHDRAWALS AND TRANSFERS WORK?

Through Systematic Withdrawals and Transfers you receive monthly installments over the 84-month period. The initial amount represents 1/84 of the balance at the time of the installment.

The subsequent installments are based on a factor using the remaining months in the payment stream. For example, the second month represents 1/83 of the remaining balance; the third month represents 1/82 of the remaining balance and so on through the final installment, which will represent 1/1, or the full remaining balance.

The balance from which you are making withdrawals or transfers remains in your original contract and is credited with the interest at the rates then currently in effect. As the monthly payments are made, your TIAA Traditional balance is reduced accordingly.

A HYPOTHETICAL TIAA TRADITIONAL SYSTEMATIC PAYMENT

This table illustrates the initial payment assuming monthly installments from a TIAA Traditional balance of \$50,000 beginning on September 1, 2010. The initial amount represents 1/84 of the balance as of the payment date. The total payment includes a return of principal, the guaranteed interest and any additional amounts in effect at the time. Future payments will vary depending on the total interest credited.

DATE OF FIRST PAYMENT	FIRST PAYMENT	REMAINING BALANCE
September 1, 2020	\$595.24	\$49,404.76

Please note that the above illustration is hypothetical. To request a projection of your initial payment, please contact our Telephone Counseling Center at **800 842-2252** Monday to Friday from 8 a.m. to 10 p.m., and Saturday from 9 a.m. to 6 p.m. (ET).

WHY 84 MONTHLY INSTALLMENTS?

We understand that your investment preferences and income needs may change throughout your career or as you near retirement. So, we've built in some flexibility to moving funds out of TIAA Traditional, while maintaining the integrity of the long-term investments of the account.

TIAA Traditional strives to provide maximum safety of your funds, with guaranteed growth. TIAA Traditional's primary objective is to guarantee your principal and a specified minimum interest rate. Plus it offers opportunities for greater growth through additional amounts above the guaranteed minimum amount. These objectives are met through a portfolio of long-term investments in publicly traded bonds, commercial mortgages, private placement loans to business and industry, and real estate.

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IF I WANT TO RECEIVE CASH PAYMENTS OR MAKE TRANSFERS FROM THE TIAA TRADITIONAL IN MY RETIREMENT CHOICE PLUS OR IRA, DOES IT HAVE TO BE OVER AN 84-MONTH PERIOD?

No. The TIAA Traditional balance in Retirement Choice Plus or IRAs may be withdrawn or transferred in a lump sum, subject to the Internal Revenue Service (IRS) and your employer's plan rules.

WHAT INTEREST RATES ARE USED TO DETERMINE MY WITHDRAWAL OR TRANSFER AMOUNT?

Each installment received as a cash payment or transferred represents a return of principal and interest. TIAA Traditional guarantees your principal and a certain interest rate established under the contract. There is also the opportunity for additional amounts declared by the TIAA Board of Trustees, which remain in effect for the "declaration year" that begins every March 1. Such additional amounts are not guaranteed in future years.

CAN I MAKE CHANGES ONCE PAYMENTS OR TRANSFERS BEGIN?

During the period in which you are making withdrawals or transferring funds from TIAA Traditional, your needs and objectives may change, so you may want to make some adjustments. By calling our Telephone Counseling Center, you can:

- Receive the payments in cash or directly roll over payments,⁴
- Transfer future payments to other accounts available under your employer's plan,
- Transfer the payment back to TIAA Traditional,⁵
- Transfer the payments to annuity or mutual fund custodial accounts at another company.⁴

In addition, if you retire and are ready to begin receiving lifetime income,⁶ you can convert your remaining TIAA Traditional balance into a lifetime annuity.

⁴ Receiving payments in cash or transferring funds to another company is subject to the terms of your employer's plan. Also, if your contract is Retirement Choice and you now want to receive payments in cash, you may be able to receive the entire TIAA balance in a lump sum if you make your request within 120 days of termination of employment, subject to a 2.5% charge.

⁵ When you transfer out of TIAA Traditional and transfer back within 120 days, the amount, up to your original transfer, will be credited with the same interest rates that would have applied if the transfer out had not taken place. Such interest will be credited from the date the transfer in was made. Interest will not be paid for the period from the date of transfer out to the date of transfer in.

⁶ Annuity account options are available through contracts issued by TIAA or CREF. These contracts are designed for retirement or other long-term goals, and offer a variety of income options, including lifetime income. Payments from the variable annuity accounts are not guaranteed and will rise or fall based on investment performance. Any guarantees under annuities issued by TIAA are subject to TIAA's claims-paying ability.

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ARE THE WITHDRAWALS OR TRANSFERS TAXABLE?

Since withdrawals are cash payments from your contract, they are reported to the IRS. Most retirement plan contributions are made on a tax-deferred basis, so withdrawals are generally taxable as ordinary income. You should keep in mind that taking withdrawals from your annuities may significantly increase your tax liability in the year you receive the funds.

Withdrawals are generally subject to ordinary income tax and a federal 10% penalty may apply prior to age 59 1/2. However, the 10% penalty will not apply if you:

- Are age 55 or older when you terminate employment,
- Are disabled, as defined by the Internal Revenue Code,
- Use the distribution to pay unreimbursed medical expenses exceeding 7.5% of your adjusted gross income, or
- Take the distribution as lifetime income or a series of payments based on your life expectancy (which would require you to convert the balance into a lifetime annuity option).

The amounts transferred to any of the accounts available to you under your plan are non-taxable events and are not reported to the IRS.

STARTING SYSTEMATIC WITHDRAWALS OR TRANSFERS

REVIEW YOUR SITUATION AND CONSIDER WHETHER THIS OPTION IS RIGHT FOR YOU.

The choices you make for your portfolio will affect your financial planning up to and through your retirement. Knowing and understanding as much as you can about the investment and income choices available to you will help you make the right choices when the time comes. We'll now look at the issues you will need to consider with each type of systematic withdrawal and transfer.

CONSIDER SYSTEMATIC WITHDRAWALS IF YOU NEED CASH PAYMENTS FOR A LIMITED PERIOD OF TIME.

The systematic withdrawals provide monthly payments for an 84-month period. During this period when you are receiving cash, you also have the option to convert your payments to lifetime income. Otherwise, your payments will stop after the final installment.

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CONSIDER SYSTEMATIC TRANSFERS TO OTHER ACCOUNTS IF YOU'RE INTERESTED IN REBALANCING YOUR RETIREMENT PORTFOLIO.

- You get the choice and flexibility you need to create a personalized retirement portfolio by using the investments available to you through your employer's retirement plan.
- Keep in mind that rebalancing does not protect against loss or guarantee that an investor's goals or objectives will be met.
- For help evaluating your portfolio, contact us at **800 842-2252** or visit us online at **tiaa-cref.org** to review your investment choices and build a portfolio that meets your savings needs.

NEXT STEPS

If you have questions, or need the forms to start a series of systematic withdrawals or transfers, please call **800 842-2252**, Monday to Friday from 8 a.m. to 10 p.m., and Saturday from 9 a.m. to 6 p.m. (ET).

TIAA Traditional is a guaranteed insurance contract and not an investment for Federal Securities Law purposes.

The tax information contained herein is not intended to be used, and cannot be used by any taxpayer, for the purpose of avoiding tax penalties that may be imposed on the taxpayer. It was written to support the promotion of the products and services addressed herein. Taxpayers should seek advice based on their own particular circumstances from an independent tax advisor.

TIAA-CREF Individual & Institutional Services, LLC and Teachers Personal Investors Services, Inc., members FINRA, distribute securities products. Annuity contracts and certificates are issued by Teachers Insurance and Annuity Association (TIAA) and College Retirement Equities Fund (CREF), New York, NY.

Retirement Choice TIAA Contract Form Series IGRS-01-5-ACC, IGRS-01-60-ACC, and IGRS-01-84-ACC, TIAA Certificate Series IGRS-CERT1-5-ACC, IGRS-CERT1-60-ACC, IGRS-CERT1-84-ACC, CREF Contract Form Series CIGRS, CREF Certificate Series CIGRS-CERT1.

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