

SAVING FOR RETIREMENT

TRANSFER PAYOUT ANNUITIES

TRANSFERS AND WITHDRAWALS FROM TIAA TRADITIONAL



FINANCIAL SERVICES
FOR THE GREATER GOOD®

TIAA-CREF: FINANCIAL SERVICES FOR THE GREATER GOOD

TIAA-CREF is dedicated to serving the retirement needs of those in the academic, medical, cultural, and research fields.

We are committed to seeking consistent, long-term performance and solid returns. We keep our fees low to help our participants' maximize their investments and ensure more of their money is working hard for them. We offer personalized, objective advice by non-commissioned consultants* to help ensure our participants' best interests are always being served. And most importantly, we leverage our knowledge and expertise to provide retirement income solutions that guarantee our participants won't outlive their income.**

* Our consultants receive no commissions. They are compensated through a salary-plus-incentive program that focuses on client service excellence.

** Guarantees are based on the claims-paying ability of the issuer.

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.* This helps support the guarantee of your principal and a minimum interest rate of 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.**

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 Annuity, Group Retirement Annuity and Retirement Choice annuities are limited.

In this guide, you'll learn about our Transfer Payout Annuity, a transfer and withdrawal option that enables you to move funds out of TIAA Traditional, and how it may fit into your retirement planning needs.

THE TRANSFER PAYOUT ANNUITY

The Transfer Payout Annuity (TPA) allows you to transfer or withdraw your TIAA Traditional account balance from a Retirement Annuity or Group Retirement Annuity in 10 annual installments. Each installment includes a portion of your principal and interest, based on the rates in effect when you transfer or withdraw the funds.

There are two exceptions. First, if your account balance is less than \$2,000, you can transfer the total amount at anytime. Second, if you have a Group Retirement Annuity and your employer's plan permits, you can withdraw the entire TIAA Traditional balance within 120 days following termination

* 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.

** 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.

of employment, subject to a 2.5% surrender charge. After the 120-day period, you can withdraw these funds only through a fixed period annuity ranging from five to 30 years or the Transfer Payout Annuity.

MOVING FUNDS OUT OF TIAA TRADITIONAL

As you review your portfolio throughout your career or at retirement, you may want to adjust your asset allocation to better meet your goals. Or you may decide you want to start receiving income earlier than you planned.

You can move your TIAA Traditional account balance in a Retirement Annuity or Group Retirement Annuity into a Transfer Payout Annuity, and from there, you can:

- transfer the funds to any investment choice available to you under your employer's plan
- receive your TIAA Traditional account balance in cash or directly roll over the balances to an IRA or other account, if your employer's plan allows

Note: If you have a Retirement Choice annuity or After-Tax Retirement Annuity, please see Page 7 for details about how you can move funds out of the TIAA Traditional.

FLEXIBILITY OF TIAA TRADITIONAL

You can transfer or withdraw TIAA Traditional account balances in supplemental retirement plans, IRAs and 457(b) plans at anytime. This means that you can move funds into and out of TIAA Traditional as your needs change.

FINANCIAL STRENGTH AND STABILITY

For its stability, sound investments, claims-paying ability, and overall financial strength, TIAA currently holds top ratings from all the leading insurance company ratings agencies:

A.M. Best Co.: A++ (as of 9/08)

Fitch: AAA (as of 8/08)

Moody's Investors Services, Inc.: Aaa (as of 7/08)

Standard & Poor's: AAA (as of 8/08)

These ratings of TIAA as an insurance company do not apply to the TIAA Real Estate Account or mutual funds or to CREF.

WHY 10 ANNUAL 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.*

* TIAA Traditional Annuity returns are determined based on a number of factors, including investment performance, expenses, and the need to maintain adequate contingency reserves. While the investment returns of TIAA's general account do not flow directly to participants via the declared crediting rates, such additional amounts of interest do, in part, reflect the yields that TIAA obtains on bonds and other fixed-income investments.

Long-term investments generally provide a higher return than short-term instruments. By specifying that transfers or withdrawals be done in 10 annual installments, TIAA can invest in long-term instruments, helping TIAA meet its guarantees and achieve its goal of increasing the account's earnings for all participants.

A HYPOTHETICAL TIAA TRADITIONAL TRANSFER

This table illustrates the annual transfer or withdrawal amount if John moves \$50,000 of his TIAA Traditional account balance to a Transfer Payout Annuity on September 1, 2009, and we assume a total (guaranteed, plus additional amounts) interest rate of 4%. The actual initial payment and future payments will vary depending on the total interest rate.

Date of first transfer/withdrawal	Initial transfer/withdrawal	Final scheduled transfer/withdrawal
September 1, 2009	\$5,927	September 1, 2018

Please note that this illustration is hypothetical and does not reflect the amount you would actually receive. To request a personalized illustration:

Visit us online at tiaa-cref.org, or

Call us at **800 842-2776** Monday to Friday from 8 a.m. to 10 p.m. and Saturday from 9 a.m. to 6 p.m. (ET).

ARE TRANSFERS OR WITHDRAWALS TAXABLE?

No, if you:

Transfer the funds to any of the investments available to you under your plan.

Roll over or directly transfer your funds to an IRA or other qualified retirement account.

Yes, if you:

Receive the installment in cash. Cash withdrawals are generally taxable as ordinary income and a 10% early withdrawal penalty may apply if you withdraw the funds before age 59½.

TIAA-CREF ADVANTAGE

If you're setting up a Transfer Payout Annuity to move your retirement savings to another investment company, consider the advantages of TIAA-CREF:

- **Financial Strength** and top ratings
- **Objective Advice** – Forbes magazine called TIAA-CREF's advice "the most extensive personalized workplace advice in the industry."**
- **Low fees** – which means more of your money is working for you**
- **Income choices** – we offer a wide range of income choices that allow you to build a flexible withdrawal plan to meet your retirement income needs.
- **IRAs and brokerage services** – give you the flexibility of investing in mutual funds, ETFs, individual stocks and bonds, CDs and money market funds.***

* Playing the Numbers," Forbes 2009 Retirement Guide.

** Morningstar Direct (December 2008) based on Morningstar expense comparison by category. This applies to variable annuities and mutual fund expense ratios.

*** Brokerage Services are provided by TIAA-CREF Brokerage Services, a division of TIAA-CREF Individual & Institutional Services, LLC, members FINRA and SIPC.

WHAT INTEREST RATES APPLY TO MY TRANSFER PAYOUT ANNUITY?

The amount of each Transfer Payout Annuity installment is based on a guaranteed interest rate of 2.5%, plus additional amounts credited above the guaranteed rate.

These additional amounts are voted on by the TIAA Board of Trustees, and when declared they remain in effect for the “declaration year” that begins each March 1. They can go up or down and aren’t guaranteed.

CAN I CHANGE MY TRANSFER PAYOUT ANNUITY?

Yes. If your needs or goals change once you begin your Transfer Payout Annuity, you can:

- transfer the installments to different accounts available under your employer’s plan.
- transfer the funds back to TIAA Traditional, which will be credited with the interest rates in effect for new contributions.
- transfer or roll over the installments to an IRA or other retirement account that will accept the funds, if available through your employer’s plan.
- receive the annual installment in cash, if available through your employer’s plan.

In addition, if you retire and are ready to begin lifetime income, you can stop your transfers or withdrawals at any time and convert the remaining account balance to a lifetime annuity. Also, at the time of your next scheduled installment, you can choose to receive interest-only income from your remaining TIAA Traditional balance in your Transfer Payout Annuity as long as it’s at least \$10,000.

AFTER-TAX RETIREMENT ANNUITIES

If you have an After-Tax Retirement Annuity, you can move funds out of TIAA Traditional but the rules differ from those for Retirement or Group Retirement Annuities.

- You may transfer to the CREF variable accounts or to another financial company but it’s done as a 1035 exchange — which is a nontaxable transfer of funds between after-tax annuities from different companies.
- You must use your entire TIAA contract balance, including any funds you may have in the TIAA Real Estate Account.

For additional information about transfers out of TIAA Traditional from your After-Tax Retirement Annuity, please contact us at **800 842-2776**. A consultant can answer your questions and provide the necessary forms.

RETIREMENT CHOICE ANNUITIES AND TIAA TRADITIONAL

If you have TIAA Traditional funds in a Retirement Choice annuity, you can transfer or withdraw your account balance over an 84-month period. The initial amount is 1/84 of your account balance at the time of the installment.*

The rest of your account balance remains in your original account and earns interest at the rates currently in effect. The guaranteed interest rate is between 1% and 3%, and you have the opportunity of additional amounts, above the guaranteed rate, as declared by the TIAA Board of Trustees.**

* If your employer’s plan allows, you can withdraw your total account balance within 120 days following termination of employment, subject to a 2.5% surrender charge. Also, depending on your employer’s plan, if your account balance is less than \$5,000, you may be able to transfer or withdraw the total TIAA Traditional account balance at anytime.

** Such additional amounts, when declared, remain in effect for the “declaration year” which begins each March 1.

TAKE THE NEXT STEP

Contact us today for more information, advice or help setting up your Transfer Payout Annuity. It's easy to reach us.

Call us at **800 842-2776** to speak with one of our consultants. They are available Monday to Friday from 8 a.m. to 10 p.m. and Saturday from 9 a.m. to 6 p.m. (ET) and can create illustrations and projections of the transfer and payment options available to you.

Visit us at tiaa-cref.org to create illustrations or projections of your income and explore the many ways we can serve your financial needs. To send us an e-mail, click **Contact Us** at the top of the home page.

Schedule a one-on-one meeting with a TIAA-CREF consultant at the TIAA-CREF office nearest you by calling **800 732-8353** Monday to Friday from 9 a.m. to 6 p.m. (ET). You can also check with your employer's human resources department to see if you can schedule an appointment with a TIAA-CREF consultant the next time we visit your workplace.

TIAA Traditional is a guaranteed insurance contract and not an investment for Federal Securities Law purposes. You should consider the investment objectives, risks, charges and expenses carefully before investing. Call 877 518-9161, or go to tiaa-cref.org for a current prospectus that contains this and other information. Read the prospectus carefully before investing.

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.

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