



FINANCIAL SERVICES
FOR THE GREATER GOOD®

Keep Your Annuity Income Allocation in Balance

When you retired and started receiving annuity income, you decided what percentages you wanted to take from the various TIAA and CREF annuity accounts. It's a good idea to review this allocation periodically to see if your income strategy still meets your needs. Here are some reasons why:

- **You may have become uncomfortable with the swings in equity-based variable income.** You may wish to emphasize a steadier, guaranteed source of income, such as the TIAA Traditional Annuity.*
- **Inflation protection and potential long-term asset growth may no longer be a priority for you.** You may decide to move out of variable accounts and take more income from TIAA Traditional.
- **Your financial circumstances may have changed.** You will need to consider whether you can tolerate more or less variability in your income and reallocate to reflect your new situation.

Whatever allocation you choose, remember to review it at least annually to avoid surprises. A sharp shift in your allocation could result in a big surge in your income – or a big drop.

If you are thinking of altering your annuity income allocation, it helps to begin by classifying your income as either:

- Relatively stable, lower volatility, or guaranteed income (from Social Security and defined benefit pension payments, or from TIAA Traditional, which provides a basic level of guaranteed income plus dividends established yearly*)

Or:

- More variable income (from the CREF bond or equity, or the TIAA Real Estate variable annuity accounts).

See how much you have assigned to the variable side. What has your income experience been and how has it affected you? If you feel comfortable enough to withstand the market's ups and downs, there may be no need to change. But if you would like to make a change, you may be able to adjust your allocation by transferring income among accounts.

*TIAA Traditional annuities include a guaranteed income component plus dividends, which are established on a year-by-year basis and aren't guaranteed for future years. Any guarantees under annuities issued by TIAA are subject to TIAA's claims-paying ability. Payments under the CREF and TIAA Real Estate Accounts are variable and will rise or fall based on investment performance. Past performance is no guarantee of future results.

What Types of Transfers Can You Make?

If you are receiving lifetime annuity income and would like to change your allocation, you can consider the following options:

- **Transfers among the TIAA and CREF variable annuity accounts, as often as once a calendar quarter.** You could transfer from an equity account to one of the bond accounts, for example. (But keep in mind that bond returns, and therefore your income, can also vary.)
- **Transfers from your variable annuity accounts to TIAA Traditional, as often as once a calendar quarter.** (Note: In the past, if a person receiving income from a CREF variable account transferred to TIAA Traditional's Standard Payment Method, this meant an immediate increase in income. This isn't necessarily the case in the current interest rate environment. So consider transferring from equities to TIAA Traditional only if you are seeking more stable income and want to reduce the portion of your income allocated to equities or other relatively volatile asset classes.)
- **Transfers from TIAA Traditional to any of the CREF equity accounts.** Once a year, you can convert up to 20% of your income from TIAA Traditional to any of the CREF equity accounts. Alternatively, you can convert 100% of TIAA Traditional income to the CREF equity accounts in equal annual installments over five years.

Note: Income transferred from TIAA Traditional to the CREF equity accounts can't be moved back to TIAA Traditional or to a non-equity variable account. You can transfer it among the CREF equity accounts, however.

What About Changing Payment Methods?

You can also switch methods of receiving income. You can:

- **Receive TIAA Traditional income under the Standard Payment Method rather than the Graded Method.** (Note that in the past, transferring to the Standard Method would result in a higher initial income than the Graded Method. This isn't necessarily the case in the current interest rate environment.) You can't change back, however.
- **Switch variable annuity income from the annual to the monthly revaluation method (or vice versa).** With the annual change method, you know in advance what you will get each month for the year (the year is defined as May 1 through April 30). However, large movements in the stock market can lead to big income changes every May, up or down. If you use monthly revaluation, you will experience the fluctuations every month, since income will be adjusted based on investment performance during the prior month. You can switch payment methods once a year; your request will take effect the last business day in March.

When Will Income Change?

If you ask for a transfer, your allocation (and the underlying investment) will change right away. But if your income is revalued annually, *it won't change until the next scheduled change date: the following May 1*. If monthly, and you make your request by the 20th of the month, the change will show in your next payment; otherwise, it will appear in the following payment. (The same is true for switches from a variable account to TIAA Traditional or from the Graded to Standard Method.)

Need Help?

Please call **800 842-2776** for assistance with reviewing your financial needs, understanding your choices, and arriving at the decision that is best for you. You may also want to request our free booklets:

- *Evaluating Your Retirement Income Portfolio*
- *Adjusting Your Annuity Income*
- *Transferring Income from a TIAA Traditional Payout Annuity to the CREF Equity Accounts.*

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