

TIAA LIFETIME ANNUITY INCOME STEADY FOR '10

The TIAA Board of Trustees has voted to continue TIAA Traditional Annuity lifetime income payments at current levels for 2010, with modest increases for some of you, depending on the payment method.* (See boxed article for details.) Although you can rely on the same level of income, you may want to consider whether you need to make any changes to your income allocation, given your entire financial situation. We can help you determine what adjustments, if any, to make.

Here's the good news: You're going to see at least the same level of income as you currently receive from the TIAA Traditional Annuity. Given all the uncertainty with the economy and markets, you can rely on the stability of monthly income that offers a guaranteed minimum, plus any additional amounts determined each year by the TIAA Board of Trustees. (All guarantees are based upon TIAA's claims-paying ability.)

You can make changes to how you receive income from your retirement plan.

(See story on Page 3 to help you understand how you can change your current annuity income allocation.)

But keep the bigger picture in mind: If your financial situation should change, such as paying for additional medical expenses or a major lifestyle change, you may need more income than what you're receiving from TIAA Traditional Annuity.

Continued on page 3

DETAILS ON YOUR INCOME FOR 2010*

Each December, the TIAA Board of Trustees sets the rates that determine TIAA Traditional Annuity's income levels for the upcoming year. Based on the Board's decision this month, all annuitants will receive at least as much income as in 2009.

If your income isn't changing, you won't receive a Confirmation of Annuity Income statement that would normally accompany this newsletter.

If you're receiving income from the standard payment method, your monthly payments will remain unchanged in 2010.

If you're receiving income from the graded payment method, your income will increase modestly in 2010, although the rate of increase will be about 1% less than 2009's increase rate.

Other Income Changes:

- If you're receiving Interest-Only income or income from a Transfer Payout Annuity, any payment changes will take effect on April 1, 2010.
- If you're receiving income from the CREF or TIAA Real Estate variable annuity accounts, in April 2010 we will indicate any changes to your income. If you chose the payment method that calculates income changes once a year, changes will be based on account performance through March 31, 2010 and will take effect on May 1, 2010. If you chose the payment method that calculates the change in your income monthly, you'll see a change each month.

To learn more, including details on the standard and graded payment methods, please call us at **800 842-2252**.

* This information doesn't apply to income you're receiving under defined benefit pension plans, principal and interest contracts, the TIAA Transfer Payout Annuity or interest-only payments from TIAA Traditional Annuity.

TAX CALENDAR 2010



DECEMBER

In some states, December 31, 2009, is the deadline for 2009 state tax-deductible contributions to 529 college savings plans.

FEBRUARY

If you receive annuity income, lump sum or minimum distributions in 2009 we'll mail Form 1099-R to you by February 1, 2010. If you roll over or contribute to a TIAA-CREF IRA during 2009 or have any accumulation in an existing TIAA-CREF IRA as of December 31, 2009, we'll mail Form 5498 to you by February 1, 2010.

MARCH

If you're a resident of Puerto Rico receiving annuity income, lump sum or minimum distributions in 2009, we will mail Form 480.7C to you by March 1, 2010.

If you're a nonresident alien receiving annuity income, single sum or minimum distributions in 2009, we will mail Form 1042-S to you by March 15, 2010.

APRIL

The deadline for IRA contributions for tax year 2009 is April 15, 2010, which is also some states' deadline for 2009 state tax-deductible contributions to a 529 plan.

JUNE

If you contribute to an IRA between January 1 and April 15, 2010 and designate these contributions for the 2009 tax year, we'll mail Form 5498 to you by June 1, 2010.

TAX WITHHOLDING CHANGES ON YOUR INCOME PAYMENTS FOR 2010

Each year, the Internal Revenue Service adjusts the standard deduction, exemption amount, and individual tax brackets for cost-of-living increases. States also regularly alter their wage withholding tables. These changes can affect the federal and state taxes we withhold from your periodic payments.

UPDATE ON SOCIAL SECURITY, MEDICARE

As a result of no increase in the Consumer Price Index (CPI), Social Security payments will stay the same in 2010. The Medicare Part B premium will remain at \$96.40 per month for most in 2010.

IRA LIMITS

If you're older than age 50, your maximum IRA contribution is \$6,000 for the 2010 tax year. (If you're eligible for an IRA, you have until April 15, 2010 to contribute up to \$6,000 for the 2009 tax year).

ESTATE AND GIFT TAX EXEMPTIONS ARE UNCHANGED

For 2010, there is no federal estate tax. The federal gift tax exemption will remain at \$1 million.

GET TAX FORMS VIA E-MAIL

TIAA-CREF will automatically mail you paper tax forms. But if you want to receive them by e-mail, go to tiaa-cref.org, log onto your account, then select **My Profile, Contact Information and eDelivery Preferences**, and then choose **Edit My eDelivery Preferences** to make the required changes. The forms will be available in mid-January 2010.

YOU CAN CHANGE YOUR ANNUITY INCOME ALLOCATION

If you're concerned about the ongoing uncertainty in the financial markets and economy, now is the time to revisit your portfolio allocation to ensure it's appropriate for your needs and goals.

When you started receiving annuity income, you decided how your assets would be divided among the annuity accounts. The income you receive is based on the performance of those accounts. But you don't have to stick with that original investment strategy. You can modify it in response to current market or economic conditions or changes in your financial situation.

If you want to make a switch, TIAA-CREF offers several options. You can:

- Transfer among the TIAA-CREF variable annuity accounts, or from the variable annuity accounts to the TIAA Traditional Annuity, as often as once a calendar quarter.

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.

Continued from page 1

TIAA LIFETIME ANNUITY INCOME STEADY FOR '10

Here are some basic points

to keep in mind: To try to receive more income, consider:

- Creating an additional stream of income from retirement plan assets that you haven't yet tapped into.
- Adjusting your current annuity income allocation to create a more diversified portfolio. But keep in mind you need to balance the poten-

tial benefits of diversification with the risk of declines.

There's no one right answer for how to approach receiving income. Everyone's situation is different, and any approach has its pros and cons.

TIAA-CREF focuses on disciplined, long-term investment strategies that carefully balance risk with

the potential for high returns. Our seasoned portfolio management teams are committed to delivering consistent growth and strong long-term performance.

One of our consultants can speak with you to determine what adjustments, if any, to make. Call us at **800 842-2252**.

MAKE A CHANGE FOR THE GOOD.™

**THE ECONOMY'S GOING
THROUGH CHANGES.
MAYBE YOUR ALLOCATION
SHOULD, TOO.**

Call us at **800 842-2252**
to discuss your situation.

- Transfer up to 20% of your TIAA Traditional Annuity to the CREF stock accounts as often as once a year, or the entire amount in equal annual installments over five years. The portion of your TIAA Traditional Annuity that you transfer to the CREF stock accounts can then be transferred among those accounts as frequently as once per calendar quarter. Note that this money can't be shifted back to

TIAA Traditional Annuity or to the nonequity variable accounts (that is, the TIAA Real Estate, CREF Money Market, CREF Bond Market and CREF Inflation-Linked Bond Accounts). Since a transfer from TIAA Traditional Annuity to the CREF stock accounts is irrevocable, it's best to evaluate the potential risks and rewards of increasing exposure in the equity markets when making your decision.

- Switch how you receive TIAA Traditional income from the Graded Payment Method to the Standard Payment Method. Note that you can't change from Standard to Graded.

Need help? To better understand your choices and arrive at the best decision, call us at **800 842-2252**.

WAYS TO CONTACT TIAA-CREF ON PRODUCTS & SERVICES

WEBSITE:
tiaa-cref.org

AUTOMATED TELEPHONE SERVICE:
800 842-2252

Change your allocation, make transfers, request forms and booklets, and get your account values and TIAA and CREF performance.

TEXT TELEPHONE SERVICE
800 842-2755

(for the hearing- or speech-impaired)

RETIREMENT INCOME ADVICE AND PLANNING
800 842-2252

AFTER-TAX ANNUITIES
800 223-1200

For additional retirement income, from TIAA-CREF Life Insurance Company

COLLEGE SAVINGS
888 381-8283

529 College Savings Plans

INDEPENDENT 529 PLAN (PREPAID PLAN FOR PRIVATE COLLEGES)
888 718-7878

FOR OTHER INVESTMENT GOALS
800 223-1200

Stock, bond, real estate and money market mutual funds

BROKERAGE SERVICES
800 927-3059

For investing in stocks, bonds and thousands of mutual funds through a self-directed brokerage account

LIFE INSURANCE
800 223-1200

INDIVIDUAL TRUST SERVICES
888 842-9001

If you have \$750,000 or more in investable assets, TIAA-CREF Trust Company can assist you with personalized investment management services, as well as trust and estate planning.



MAKE A CHANGE FOR THE GOOD: SAVE TREES BY SIGNING UP FOR E-DELIVERY

You can opt to receive many TIAA-CREF documents via e-mail. Go to tiaa-cref.org, log on to your account, choose **My Profile**, and then **Contact Information and eDelivery Preferences**. Then choose **Edit My eDelivery Preferences** to make your selections.

If you have a new e-mail account, please remember to change your e-mail address.

SEE ANNUITY PAYMENTS ONLINE: To check your annuity payments, go to your account home page and choose Recent Transaction History. If your income is revalued annually, the new payment amount will be available in January for TIAA Traditional and in April for the TIAA and CREF variable annuity accounts. If your income is revalued monthly, new payment information will be available on the 21st of each month, since your account is revalued on the 20th.

Please consider the investment objectives, risks, charges and expenses carefully before investing. Call 877 518-9161 or visit tiaa-cref.org for a prospectus containing this and other information. Read the prospectus carefully before investing.

The tax information in this newsletter is not intended to be used, and cannot be used, to avoid tax penalties. It was written to promote the products and services discussed in this publication. Taxpayers should consult an independent tax advisor about their own particular circumstances.

With respect to financial services provided by TIAA-CREF Individual & Institutional Services, LLC and Teachers Personal Investors Services, Inc., please note that FINRA BrokerCheck is available to help you check the background of brokers and brokerage firms. FINRA has published an investor brochure that includes information regarding FINRA BrokerCheck. To learn more, please visit www.finra.org or call 800 289-9999.

TIAA-CREF Individual & Institutional Services, LLC and Teachers Personal Investors Services Inc., members FINRA, distribute securities products. TIAA (Teachers Insurance and Annuity Association), New York, N.Y., and TIAA-CREF Life Insurance Company, New York, N.Y., issue insurance and annuities. TIAA-CREF Tuition Financing Inc. (TFI) is the 529 college savings plans' program manager. TIAA-CREF Trust Company provides investment management and trust services. Investment products are not FDIC insured, may lose value and are not bank guaranteed.

TIAA-CREF Brokerage Services is a division of TIAA-CREF Individual & Institutional Services, LLC, member FINRA. Investment advisory services for CREF are provided by TIAA-CREF Investment Management, LLC, and investment advisory services for TIAA-CREF Mutual Funds, TIAA-CREF Institutional Mutual Funds, and the after-tax annuities are provided by Teachers Advisors, Inc.

Advisory services are provided by Advice and Planning Services, a division of TIAA-CREF Individual & Institutional Services, LLC, a registered investment advisor.

To discourage market timing and to protect your investments, we reserve the right to suspend or terminate your ability to transact by Internet, telephone or fax at any time, for any reason. Published by TIAA-CREF Public Affairs

©2009 Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF), New York, N.Y. 10017

♻️ Printed on recycled paper