



LIVING WELL IN RETIREMENT

**ADJUSTING YOUR  
ANNUITY INCOME**  
YOUR PAYMENT FLEXIBILITIES



Financial Services

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## **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 highly trained consultants and, most importantly, we leverage our knowledge and expertise to provide retirement income solutions that guarantee our participants won't outlive their income.\*\*

\*Morningstar Direct (September 2010) based on Morningstar expense comparisons by category. This applies to our variable annuity and mutual fund expense ratios.

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

## RETIREMENT INCOME FLEXIBILITY

You need investment and income flexibility when you are receiving annuity income just as you do when you are accumulating assets. TIAA-CREF offers several ways to reallocate your annuity income. This booklet describes the changes you can make while you're receiving annuity income, including:

- Transferring from one variable account to another or to the TIAA Traditional Annuity
- Transferring from the TIAA Traditional Annuity to the CREF equity variable annuity accounts
- Changing TIAA Traditional payment methods
- Receiving variable income that changes annually or monthly

This booklet also discusses how these changes can affect your payments and offers some factors to consider when deciding whether to make a change.

When you began receiving lifetime annuity income you made several important decisions — some irrevocable — about how to receive your TIAA-CREF payments. You chose an annuity income option. You decided if you wanted someone else, typically a spouse, to continue to receive income upon your death. You decided whether or not income should continue to a beneficiary if both you and your annuity partner die during a guaranteed period. And you selected the source(s) of your annuity income: from TIAA Traditional under the Standard or Graded Payment Method, and/or from the TIAA-CREF variable annuity accounts.

To confirm your annuity income option(s) and annuity partner (also called your second annuitant), please call us at **800 842-2252**. Consultants are available Monday to Friday from 8 a.m. to 10 p.m. and Saturday from 9 a.m. to 6 p.m. (ET).

Many of you may receive annuity income for 20 or 30 years or longer. Your initial choices for receiving income may not be appropriate for the entire time period. For example, your attitude toward investments may change over time. You may want to change the accounts from which you receive income in response to general economic conditions or a change in your risk tolerance, or because new TIAA-CREF investment accounts became available. Or you may want to change how your income is paid as your personal circumstances change.

You can change the sources of some of your TIAA-CREF income as well as adjust your payment streams by changing the way your payments are made. These flexibilities offer you the opportunity to achieve a comfortable balance between growth potential and stability today, without being totally locked in for the future.

Before discussing the flexibilities available to you in more detail, let's review how TIAA Traditional Annuity income and TIAA and CREF variable annuity income payments are calculated.

## **TIAA TRADITIONAL ANNUITY INCOME**

The TIAA Traditional Annuity guarantees a minimum level of income that can never be reduced.\* TIAA Traditional income is calculated using a guaranteed interest rate, a specified mortality table, any additional amounts above the guaranteed rate that are declared for the next year as determined annually by TIAA's Board of Trustees, and the payment methods chosen. The two TIAA Traditional payment methods, Standard and Graded, provide different payment streams because they pay additional amounts differently. The Standard Payment Method pays you the total payout rate (guaranteed interest plus all additional amounts) with each payment; the Graded Payment Method pays you part of the additional amounts now and uses the rest to increase your income in the future.

\* Any guarantees are backed by TIAA's claims-paying ability.

## STANDARD PAYMENT METHOD

Under the Standard Payment Method, initial income includes a basic guaranteed interest rate (generally 2½%) that doesn't change, plus additional amounts over and above the guaranteed rate. Your income can change each year effective January 1, based on the total payout rate (guaranteed interest plus additional amounts) voted on by TIAA's Board of Trustees, but it will never go below the guaranteed (contractual) amount.

## GRADED PAYMENT METHOD

Under the Graded Payment Method, initial income is based on a 4% payout rate. This includes the same guaranteed interest rate (generally 2½%) as under the Standard Method. However, instead of paying out all the additional amounts, we pay you a portion (based on a 4% total payout rate) and reinvest the rest to buy you additional future income. Income will increase January 1 as long as the TIAA total payout rate is based on a total interest rate that exceeds 4%.

The availability of the Graded Payment Method varies by vintage, and is only available for the vintages which at issue are credited with at least 4%. Income arising from lifetime payout annuity vintages with first-year interest rates below 4% will only be payable under the Standard Benefit Payment Method. Income under the Graded Method has increased almost every year since it was introduced in 1982, although increases are not guaranteed.

Your current payments under the Standard Method may or may not be the same as your initial payments, depending on the total payout rate (contractual interest plus additional amounts) in effect or transfers you made since you started receiving income.

Unless you switched some annuity income from the Graded Method to the Standard Method or transferred from the Graded Method to the CREF equity accounts, your payments under the Graded Method now are higher than when you started income. Your payments will continue to increase every January 1 as long as the total payout rate (contractual interest plus additional amounts) is greater than 4%.

## **TIAA AND CREF VARIABLE ANNUITY INCOME**

### **ANNUAL INCOME CHANGES**

If you receive variable annuity income that changes annually, your income is revalued once a year on March 31. Income is initially calculated using a 4% annualized assumed investment return (AIR) and is adjusted every May 1 to reflect the actual performance of the variable account(s) for the prior 12-month period ending March 31, as compared with the 4% AIR. To the extent earnings are greater than 4%, income from a particular account will go up; if earnings are less than 4%, income goes down.\*

### **MONTHLY INCOME CHANGES**

If you receive variable annuity income that changes monthly, your income is revalued on the 20th of every month (or the previous business day if the 20th is not a business day). Income is initially calculated using the same 4% annualized AIR, and is adjusted each month to reflect the actual performance of the variable account(s) for the previous month, as compared with the monthly equivalent of a 4% AIR. To the extent annualized earnings are greater than 4%, income from a particular account will go up; if annualized earnings from the account are less than 4%, income goes down.\*

\* While other factors (such as changes in mortality rates and expense charges) can impact your income, these factors are generally insignificant.

Your variable annuity income can be adjusted annually or monthly, or you can have a portion adjusted annually and the rest adjusted monthly.

Even if you start out one way, you'll have the opportunity to switch some or all of your income to the other method in the future. See page 20 for more information on switching between annual and monthly income changes.

## **ONE ACCOUNT – TWO ANNUITY UNIT VALUES**

All variable accounts have two separate unit values or prices — one for income that changes annually and one for income that changes monthly.

Although choosing income that changes annually or monthly would provide you with different payment streams over a 12-month period, you are participating in the same account and sharing in the investment performance of the same underlying assets.

## **YOU CAN CHOOSE FROM AMONG THE FOLLOWING VARIABLE ACCOUNTS:**

### **CREF ACCOUNTS**

#### **Equities**

- Stock
- Equity Index
- Global Equities
- Growth

#### **Equities and Fixed Income**

- Social Choice

#### **Fixed Income**

- Inflation-linked Bond
- Bond Market

#### **Money Market**

- Money Market

#### **TIAA**

- Real Estate
- Access Annuity

## CHOOSING BETWEEN ANNUAL AND MONTHLY INCOME CHANGES

### INCOME THAT CHANGES ANNUALLY

#### May be suitable if you...

- prefer to have a consistent income stream for a one-year period; or
- don't mind waiting until the following May 1 to receive an increase in income if performance is above the 4% AIR (or a decrease if performance is below the 4% AIR).

#### May NOT be suitable if you...

- think performance may be above the 4% AIR during the year, and want to see the effect on your income immediately, rather than waiting until the following May 1; or
- want transfers to another variable account to be reflected in your income immediately rather than waiting until the following May 1.

### INCOME THAT CHANGES MONTHLY

#### May be suitable if you...

- prefer to see changes in income (up or down) immediately, rather than waiting until the following May 1; or
- think performance may be above the 4% AIR during the year, in which case your income could go up from month to month.

#### May NOT be suitable if you...

- want the ability to plan ahead and know your payment amount from one month to the next; or
- think performance may be below the 4% AIR during the year, in which case your income could go down from month to month.

# ANNUITY INCOME TRANSFERS

## TRANSFERS FROM THE TIAA AND CREF VARIABLE ACCOUNTS

You can transfer from any TIAA and CREF variable account to another variable account or to TIAA Traditional on any business day. This enables you to secure gains from a variable account by moving to a fund with a guaranteed element, respond to changing economic conditions, and rebalance your asset allocation when you feel it is appropriate.

Your request can be stated as a percentage of income from an account, any whole dollar amount of income, or a number of annuity units (for variable annuities). There is no minimum transfer amount or transfer fees.

## CHOICES FOR ADJUSTING YOUR ANNUITY INCOME

You can change how your retirement assets are invested or paid in the following ways:

### ANNUITY INCOME TRANSFERS

- transfer on any day
  - among variable accounts\*
  - from any variable account to TIAA Traditional using the Standard Payment Method and/or Graded Payment Method\*
  - from TIAA Traditional to the CREF equity accounts\*\*

### TIAA TRADITIONAL PAYMENT METHODS

- change from the Graded Method to the Standard Method on any day\*

### VARIABLE INCOME THAT CHANGES ANNUALLY OR MONTHLY

- switch between annual and monthly income changes on March 31

\* Limited to one transfer from each variable account or from the Graded to Standard Method each calendar quarter

\*\* Up to 20% of your TIAA Traditional payout annuity to CREF each year or your entire TIAA Traditional income to the CREF accounts in equal installments over a five-year period.



Note: You can transfer from a variable account within each contract you have as often as once per calendar quarter. However, if you're receiving income from an account with some of your income changing annually and some changing monthly, this is treated as two separate accounts.

For information on TIAA Traditional and the TIAA and CREF variable annuity accounts including account descriptions and historical performance, please visit our website [tiaa-cref.org](https://www.tiaa-cref.org), or call us 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). Please keep in mind that past performance does not guarantee future results.

For example, in the same calendar quarter you can transfer:

- CREF Stock income that changes annually to another variable account (with that income continuing to change annually) or to TIAA Traditional

**AND**

- CREF Stock income that changes monthly to another variable account (with that income continuing to change monthly) or to TIAA Traditional

Transfers can be made between matching annuities only. This means that both the annuity you're transferring from and the annuity you're transferring to must have the same annuity income option, annuity partner, and remaining guaranteed period, if any.

For example, if you want to move some of your CREF income to TIAA Traditional or TIAA Real Estate and you don't have a TIAA annuity that matches your CREF annuity, you'll need to complete an application. Call us 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), if you're unsure that you'll need to complete an application.

The original application, with your signature, must be received before we can complete the transfer.

**THE EFFECT ON YOUR INCOME**

Transfers are effective at the end of the business day on which we receive your request (unless you request a future effective date). When and how your income changes depends on the transfer you request.

**REMEMBER:** Annuity income options and the person you designate as your annuity partner cannot be changed.

**NOTE:** If you have several annuities, you may have different beneficiaries for each one. If you want to transfer and you fall into this category, please let us know when you call.

## VARIABLE INCOME THAT CHANGES ANNUALLY

If you're receiving income that changes annually, your income stays the same for a year, regardless of whether you transfer to another account. If you transfer from one variable annuity account to another under this method, you begin participating in the investment experience of the new account after the close of business on the transfer date. However, your income is not revalued until the following March 31. Instead of calculating your income based on the performance of the original account only, your income as of May 1 will reflect the original account's performance through the transfer date and the performance of the new account after the transfer date through March 31.

### HERE'S AN EXAMPLE

If your income changes annually and you transfer from CREF Stock to CREF Bond Market on November 14, 2011, your payments will stay the same through April 2012. Your payment beginning May 1, 2012 will reflect participation in the Stock Account from April 1, 2011 through November 14, 2011 and the Bond Market Account from November 15, 2011 through March 31, 2012.

#### **March 31, 2011**

Income will be calculated based on the participation and performance for the previous 12 months and payable for 12 months beginning May 1, 2011.

#### **November 14, 2011**

Transfer of income that changes annually from the Stock Account to the Bond Market Account.

#### **December 1, 2011 – April 1, 2012**

Continue receiving payments in the same amount as before the transfer.

#### **March 31, 2012**

Variable accounts for income that changes annually are revalued.

#### **May 1, 2012**

Income changes to reflect participation in the Stock Account from April 1, 2011 through November 14, 2011 and the Bond Market Account from November 15, 2011 through March 31, 2012.

## VARIABLE INCOME THAT CHANGES MONTHLY

If you're receiving variable income that changes monthly, your income is revalued on the 20th of each month (or the previous business day if the 20th is not a business day) and changes with each payment. When you transfer among variable accounts using this method, you begin participating in the new account after the close of business on the transfer date. However, depending on whether you transfer before or after a revaluation date, you will see the effect of the transfer in your next payment or the following payment.

### HERE'S AN EXAMPLE

#### if you transfer **BEFORE** the revaluation date:

If your income changes monthly and you transfer from CREF Stock to CREF Bond Market on November 14, 2011 — before the revaluation date — your December 1 payment will reflect participation in the Stock Account (the original account) from October 21, 2011 through November 14, 2011 and participation in the Bond Market Account (the new account) from November 15, 2011 through November 18, 2011.

#### **November 1, 2011**

Income based on the Stock Account performance from September 21 through October 20.

#### **November 14, 2011**

Transfer income that changes monthly from the Stock Account to the Bond Market Account.

#### **November 18, 2011**

Variable accounts for income that changes monthly are revalued based on performance since October 20.

#### **December 1, 2011**

Income changes to reflect participation in the Stock Account from the previous October 21 through November 14, and the Bond Market Account from November 15 through November 18.

# VARIABLE INCOME THAT CHANGES MONTHLY

*continued*

## HERE'S AN EXAMPLE

### **if you transfer AFTER the revaluation date:**

If your income changes monthly and you transfer from CREF Stock to CREF Bond Market on October 27, 2011 — after the revaluation date — your November 1 payment will reflect participation in the Stock Account only. However, your December 1, 2011 payment will reflect participation in the Stock Account (the original account) from October 21, 2011 through October 27, 2011 and participation in the Bond Market Account (the new account) from October 28, 2011 through November 18, 2011.

#### **October 20, 2011**

Variable accounts for income that changes monthly are revalued based on performance since September 20.

#### **November 18, 2011**

Variable accounts with income that changes monthly are revalued based on performance since October 20.

#### **October 27, 2011**

Transfer of income that changes monthly from the Stock Account to the Bond Market Account.

#### **December 1, 2011**

Income changes to reflect participation in the Stock Account from October 21 through October 27, and the Bond Market Account from October 28 through November 18.

#### **November 1, 2011**

Income changes to reflect participation in the Stock Account from September 21 through October 20.

## **TRANSFERS FROM VARIABLE ACCOUNTS TO TIAA TRADITIONAL**

### **May be suitable if you...**

- want lower risk;
- want guaranteed income;
- want income that remains the same from month to month and does not change dramatically from year to year;
- want to lock in gains from investment performance of the variable accounts; and
- expect variable annuity account performance to decrease

### **May NOT be suitable if you...**

- may want to transfer back to a nonequity variable account in the future;
- want the opportunity for significant increases in income over the long term; and
- want long-term, inflation-protection potential associated with equity and real estate accounts\*

\* The Graded Payment Method may provide inflation protection by paying only part of TIAA Traditional's total payout rate to you and using the rest to increase your future income.

## **TRANSFERS AMONG THE TIAA and CREF VARIABLE ACCOUNTS**

Transferring income from one variable account to another decreases the number of units in the original account and increases the number of annuity units in the new account. What you are doing is selling units from your current account and buying units in the new account at the current price. Each account has a different unit value or price depending on its investment performance.

## TRANSFERS FROM THE TIAA AND CREF VARIABLE ANNUITY ACCOUNTS TO TIAA TRADITIONAL

With this type of transfer, you sell units in the TIAA and CREF variable annuity accounts at their current price to buy a new income stream from the TIAA Traditional Annuity. The amount of your income from TIAA Traditional will be based on the value of the variable account annuity units you sold, TIAA's total payout rate (guaranteed interest plus additional amounts) currently in effect, the mortality table in effect, and the TIAA Traditional payment method.

Keep in mind that all annuity payments are calculated on the 20th of the month (or the previous business day if the 20th is not a business day). Regardless of whether your income changes annually or monthly, if you transfer from a variable account to TIAA Traditional before this cutoff date, you will see the change in your income in the next payment. However, if you transfer after the cutoff date, you will see the effect of the transfer in the subsequent payment. (This is similar to transfers from variable income that changes monthly, as described on the previous pages.)

Transferring income from a TIAA and CREF variable account to TIAA Traditional using the Standard Payment Method may increase income immediately because you will receive TIAA's income based on the total payout rate (the guaranteed interest plus additional amounts).\* Please note that the amount of income you buy under the Standard Payment Method also depends on the value of the units you sold. Therefore, the performance

\* If you transfer from a CREF variable account to TIAA's Graded Method, your income may change slightly because income from TIAA and income from CREF are based on different mortality tables.

Transfers to TIAA Traditional could change your tax withholding. We will provide withholding information when you call to request a transfer. Please call us at **800 842-2252**. Consultants are available Monday to Friday from 8 a.m. to 10 p.m. and Saturday from 9 a.m. to 6 p.m. (ET).

of the variable account through the transfer date will directly affect the amount of TIAA Traditional income you purchase.

If you transfer from a TIAA and CREF variable annuity account to TIAA Traditional using the Graded Payment Method you'll receive income based on a 4% payout interest rate (the same as the 4% AIR for the variable annuity accounts), with additional amounts above the 4% rate used to increase your income every calendar year as of January 1.\* However, the amount of income you buy under the Graded Payment Method also depends on the value of the units sold. Therefore, the performance of the variable annuity account through the transfer date will directly affect the amount of TIAA Traditional income you purchase.

If the total TIAA Traditional payout interest rate (guaranteed interest plus additional amounts) is above the 4% rate, the Standard Method will initially

### **TRANSFERS FROM TIAA TRADITIONAL TO THE CREF EQUITY ACCOUNTS**

#### **May be suitable if you...**

- currently receive most or all of your income from TIAA Traditional and want to diversify the sources of your income;
- always want at least some of your income to be from the CREF equity accounts; and
- are willing to assume additional risk in exchange for the growth potential that equity accounts may offer.

#### **May NOT be suitable if you...**

- need income that has a guaranteed element;
- already have a significant portion of your assets invested in equities; and
- think you may want to transfer out of the equity account in the future.

provide higher income than the Graded Method because all additional amounts are paid to you with each payment. Over time, though, the Graded Method may catch up to and eventually surpass the Standard Method.

## **TRANSFERS FROM TIAA TRADITIONAL TO THE CREF EQUITY ACCOUNTS**

You can convert a portion of your TIAA Traditional Annuity income to the CREF equity accounts – including the Stock, Social Choice, Global Equities, Equity Index, and Growth Accounts.

You can transfer from your TIAA Traditional contract in two ways:

- **up to 20% of your TIAA Traditional payout annuity to CREF each year**
- OR**
- **your entire TIAA Traditional income to the CREF accounts in equal installments over a five-year period.**

This transfer option may be especially useful if you are currently receiving all of your retirement income from TIAA Traditional. It provides you with a way of diversifying your income and gives you the opportunity to participate in the growth potential offered by the equity markets. Of course, returns from equities fluctuate, which means your income from a CREF variable account can go up or down.

Transfers from TIAA Traditional will go to a new, separate CREF Equities certificate that includes the Stock, Social Choice, Global Equities, Equity Index, and Growth Accounts, but does not include the CREF Money Market, Bond Market, and Inflation-Linked Bond Accounts.

One transfer can be made from a specific TIAA Traditional payout annuity per calendar year. (If you're receiving TIAA Traditional income from more than one contract, you can transfer from each contract once a year.) Participants receiving a portion of their TIAA income under the Standard Method and a portion under the Graded Method can elect to transfer from either or both portions of their TIAA annuity.

The CREF Equities certificate will have the same income option, annuity partner (if any), and remaining guaranteed period (if any), as the TIAA Traditional contract from which you are transferring.

After transferring from TIAA Traditional to the CREF equity accounts, you cannot subsequently transfer that income back to TIAA Traditional or to the nonequity variable accounts – TIAA Real Estate, CREF Money Market, CREF Bond Market, and CREF Inflation-Linked Bond Accounts. However, you can transfer among the equity accounts.

### **THE EFFECT ON YOUR INCOME**

When you transfer from TIAA Traditional to a CREF equity account, you are in effect exchanging a portion of your current TIAA Traditional income stream for a CREF variable annuity income stream. The future payment levels of your variable income will reflect the investment performance of the CREF equity accounts you choose.

The effect a transfer has on your income generally depends on whether you are transferring from the Standard or Graded Payment Method. The exact change in your income will depend on a number of factors including your age, income option, and when funds were originally applied to your TIAA Traditional Annuity.

Depending on the total payout rate used for TIAA's Standard Payment Method, your income may initially decline if you transfer from the Standard Method to CREF since initial income payments under the CREF variable accounts are based on a 4% assumed investment return.

If you decide to transfer from TIAA Traditional to the CREF equity accounts, you will choose the accounts from which you would like to receive income and how often you would like your CREF variable income revalued. For each CREF equity account you select, you can opt to have all of your income change annually, all of your income change monthly, or a mix of both. For more information on monthly and annual income changes, see page 6.

Income under TIAA's Graded Payment Method is also based on a 4% assumed interest rate. Since we use the same 4% rate for both TIAA graded payments and CREF variable annuity income (although the mortality tables are somewhat different), you may generally see less of a change in your income if you transfer from the Graded Method to CREF.

While TIAA Traditional income has a guaranteed element and the potential for higher income from additional amounts (which are not guaranteed), income from the CREF equity accounts is variable and has no guarantees. After your initial payments, your variable income will change either annually or monthly (whichever you select) based on the investment experience of the account. Income can increase or decrease, sometimes significantly, from period to period. And keep in mind that past performance is not a guarantee of future results.

In effect, by transferring from TIAA Traditional you will give up the guaranteed income and potential future TIAA additional amounts for the opportunity to participate in the CREF equity accounts. When deciding whether to transfer from TIAA Traditional, keep in mind that future variable annuity income is based on investment performance, and there is no guarantee that your variable income will equal or surpass the income you were receiving from TIAA Traditional before the transfer.

**Since a transfer from TIAA Traditional to the CREF equity accounts is irrevocable, you should evaluate both the potential risks and rewards of increasing your exposure in the equity markets when considering this type of transfer.**

Keep in mind that payments are calculated on the 20th of the month (or the previous business day if the 20th is not a business day). If you transfer from TIAA Traditional to the CREF equity accounts before this cutoff date, you will see the change in your income in the next payment. However, if you transfer after the cutoff date, you will see the effect in the subsequent payment.

## **CHANGING FROM THE GRADED TO STANDARD PAYMENT METHOD**

### **May be suitable if you want...**

- income that is basically steady from year to year; and,
- to increase current income.

### **May NOT be suitable if you want...**

- long-term inflation protection; and,
- to go back to the Graded Method in the future.

## **TIAA TRADITIONAL PAYMENT METHODS**

By changing TIAA Traditional payment methods from Graded to Standard, you switch from receiving part of TIAA Traditional's additional amounts and having TIAA reinvest the rest, to receiving the full additional amounts with each payment. TIAA Traditional additional amounts are subject to change in the future, and your income, therefore, may change every January 1.

You can make a change on any day. Your request can be a percentage of income, or any whole dollar amount of income; there are no minimum amounts or transaction fees.

### **THE EFFECT ON YOUR INCOME**

If you change from the Graded Method to the Standard Method, your TIAA Traditional income may increase right away, depending on TIAA's total payout rate. By moving to the Standard Method, you will change from receiving part of TIAA's additional amounts to receiving income based on TIAA's total payout rate, including all additional amounts. Keep in mind that payments are calculated on the 20th of each month (or the previous business day if the 20th is not a business day). If you switch payment methods before this cutoff date, you will see the change in your income in the next payment. However, if you switch after the cutoff date, you will see the effect in the subsequent payment.

## **VARIABLE ANNUITY INCOME THAT CHANGES ANNUALLY OR MONTHLY**

You can change when your variable annuity income gets revalued from annually to monthly, and vice versa. For example, if you're receiving income from the CREF Stock Account, you can switch from receiving stock income that changes once a year to stock income that changes every month. By switching when your payments are revalued, you affect the payment stream for income you're receiving from a particular variable annuity account.

You can make a switch once a year, effective on March 31. We can accept requests to switch methods until the close of business (the close of the New York Stock Exchange, usually 4 p.m. (ET)) on the last business day in March. For example, if March 31 is a Sunday, we would have to receive your request by the close of business on Friday, March 29.

Your request can be for a percentage of income, any whole dollar amount of income, or a number of annuity units from an account; there are no minimums or transaction fees.

### **THE EFFECT ON YOUR INCOME**

If you switch from annual to monthly income changes, you sell annuity units at their value on March 31 and purchase units in the same account, but they are revalued monthly. Your May 1 payment will reflect the revaluation of the fund that changes annually (as of March 31), and the performance of the fund that changes monthly from April 1 through April 20. Payments will change every month after that.

#### **SAME ACCOUNT – DIFFERENT PAYMENT STREAM**

By switching from annual to monthly income or vice versa, you are changing the way income is paid from a particular account; you are NOT changing the account from which you are receiving income.

Please see page 6 for factors to consider when deciding whether to receive income that changes annually or monthly.



If you switch from monthly to annual income changes, you sell units at their value on March 31 and purchase units in the same account that are based on a monthly re-evaluation. Beginning May 1, you will receive payments that change annually. Your income will remain the same every month through the following April 1.

**REMEMBER:** Requests to switch from variable income that changes annually to income that changes monthly (or vice versa) are effective once a year on March 31.

## REVIEWING YOUR INCOME FLEXIBILITIES

FROM <sup>1</sup>	TO
A TIAA and CREF Variable Annuity Account With Income That Changes Annually	<p>any other variable account with income that changes annually;</p> <p>TIAA Traditional using the Standard Payment Method;</p> <p>TIAA Traditional using the Graded Payment Method; and,</p> <p>the same account with income that changes monthly.</p>
TIAA Traditional Graded Payment Method	TIAA Traditional using the Standard Payment Method.
A TIAA and CREF Variable Annuity Account With Income That Changes Monthly	<p>any other variable annuity account with income that changes monthly;</p> <p>TIAA Traditional using the Standard Payment Method;</p> <p>TIAA Traditional using the Graded Payment Method; and,</p> <p>the same account with income that changes annually.</p>
TIAA Traditional Standard or Graded Payment Method	any of the CREF equity accounts, with income that changes annually or monthly.

<sup>1</sup> You can transfer from a variable account and move from TIAA's Graded to Standard Method as often as once per calendar quarter. Transfers from TIAA Traditional to the CREF equity accounts are available once per calendar year. You can also switch between annual and monthly income changes once a year, effective on March 31.

<sup>2</sup> We can accept requests on any day; however, transactions are effective on a business day. Transfer requests received after the close of business or on a nonbusiness day are effective the

EFFECTIVE <sup>2</sup>	EFFECT ON INCOME
any day	stays the same through the following April <sup>3</sup>
any day	changes with the next payment <sup>4</sup>
any day	changes with the next payment <sup>4</sup>
March 31	changes as of the following May 1
any day	changes with the next payment <sup>4</sup>
any day	changes with the next payment <sup>4</sup>
any day	changes with the next payment <sup>4</sup>
any day	changes with the next payment <sup>4</sup>
March 31	changes as of the following May 1
any day	changes with the next payment <sup>4</sup>

next business day. Requests to switch between annual and monthly income changes must be received by the close of business on the last business day of March.

<sup>3</sup> If you transfer between April 1 and April 30 you will see a change on May 1 of the following year.

<sup>4</sup> Payments are recalculated on the 20th of each month (or the previous business day if the 20th is not a business day). If your transaction takes place after the cutoff date, you will not see the effect of the transaction in the next payment, but in the following one.

## SHOULD YOU MAKE A CHANGE?

Personal circumstances are unique, so only you can decide whether a change is appropriate or necessary. Whether you're considering:

- transferring among variable annuity accounts or from a variable annuity account to TIAA Traditional,
- transferring from TIAA Traditional to the CREF equity accounts,
- changing TIAA Traditional payment methods, or
- switching variable annuity income from annual to monthly changes (or vice versa)

you should weigh the advantages and disadvantages of making a change and determine what is best for you.

Remember, with most of these transactions, if you make a change and later reconsider, you can make another change and go back to the original account. The only exceptions are transfers from TIAA Traditional to the CREF equity accounts and moving from TIAA Traditional's graded to standard method.

If you are comfortable with your current income sources and the way your income is paid, you don't have to do anything now. If you decide later to change the sources of your income or the payment stream, you may have the opportunity to do so.

## **WE'RE HERE TO HELP**

Making decisions can be difficult. But you don't have to decide alone. We're here to help you understand your choices and to help you arrive at the decision that's best for you.

You can call TIAA-CREF's Telephone Counseling Center at **800 842-2252** to speak to a consultant for more information, to help you review your current situation in preparation for a transfer or payment method change or switch between annual and monthly income changes, or to execute your instructions.

## **WHEN AND HOW TO MAKE A CHANGE**

To request a transfer, a change in TIAA Traditional payment methods, or switch between annual and monthly income changes, call us 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), and our consultants will be available to help you.

After your transaction has been completed, we'll send you a confirmation statement. You can change or cancel your request anytime until the close of business on the effective date of the request. We'll implement the last request we have as of the close of business on that day.

**All TIAA-CREF Investment products are subject to market and other risk factors.**

**This booklet must be preceded or accompanied by a current prospectus.**

***Investment products are not FDIC insured, are not bank deposits or bank guaranteed, and may lose value.***

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