EXECUTIVE BENEFITS SOLUTIONS

Executive compensation strategies

For academic, medical, research and cultural institutions

INTRODUCTION

TIAA: A leading provider of retirement plans for nonprofit institutions

About us

Financial security is a national concern. Individuals and institutions can look to TIAA, a Fortune 100 financial services organization and leading provider of retirement benefits, for help. We offer the following advantages:

- High ratings of Teachers Insurance and Annuity Association of America, the insurance company, from all four leading independent insurance industry ratings agencies[1]
- Prudent risk management, diversified investment options, personalized advice, and a variety of income options, including guaranteed lifetime income[2]

As of December 31, 2022 TIAA manages more than $12 billion in nonqualified deferred compensation plans for over 2,400 client institutions and approximately 130,000 participants. We offer a wide variety of plans designed to meet our clients' diverse needs, including:

- 457(b) and 457(f) nonqualified deferred compensation arrangements
- 415(m) excess benefit plans
- 403(b) and 401(a) plans created for select employees

In addition to our executive compensation arrangements, we offer investment products and services, including Full-Service Brokerage3 and Wealth Management.[4] As of December 31, 2022, we were investing $1.2 trillion in combined assets under management, with the goal of helping investors achieve lifetime financial security.[5]

1. For its stability, claims-paying ability and overall financial strength, TIAA-CREF Life Insurance Company is a member of one of only three insurance groups in the United States to hold the highest rating available to U.S. insurers from three of the four leading independent insurance company rating agencies. TIAA-CREF Life Insurance Company (TIAA Life) is a wholly owned subsidiary of Teachers Insurance and Annuity Association of America (TIAA). TIAA Life holds the following ratings as a result of its relationship with TIAA: A.M. Best (A++ as of 7/22), Fitch (AAA as of 10/22), and Standard & Poor's (AA+ as of 9/22), and the second highest possible rating from Moody's Investors Service (Aa1 as of 5/21). There is no guarantee that current ratings will be maintained. The financial strength ratings represent a company's ability to meet policyholders' obligations and claims and do not apply to variable annuities or any other product or service not fully backed by TIAA Life's claims-paying ability. The ratings also do not apply to the safety or the performance of the variable accounts, which will fluctuate in value.

2. Guarantees of fixed annuities are based on the claims-paying ability of TIAA. 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.

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

4. May not be available to all employees.

5. Based on assets under management across Nuveen Investments affiliates and TIAA investment management teams as of September 30, 2021.

AN OVERVIEW

Solutions for attracting and retaining top talent

To succeed in today's competitive marketplace and challenging economic environment, you need exceptional leaders who are innovative in managing people, technology and finance; skilled at setting strategy and managing risk, and committed to your organization.

The caliber of senior executives and other "top-hat" employees can make or break a firm, and demand for them in the marketplace is high. Therefore, competing for and retaining such talent is not easy, particularly considering that:

- Many executives today are looking for more attractive incentives beyond traditional salary, bonus and benefits
- Compensation experts believe the price of hiring and retaining presidents will continue to rise as competition for talent heats up with the retirement of baby boomers.[1]
- Executives at for-profit institutions with nonqualified deferred compensation plans may hesitate to move to a not-for-profit, fearing they will lose important benefits. TIAA can help individuals understand the rules as they transition to a not-for-profit employer (Nonqualified plans are used to supplement qualified plans and allow for the deferral of additional amounts of current compensation.[1])

Given executives' compensation demands, it's essential to develop appealing compensation programs to attract and retain top talent. To engage and keep such executives, it's vital to have a competitive executive compensation program in place.

Compensation of executives on the rise

- A survey of chief executives at 307 private colleges found that 79 private college presidents earned more than $1 million in total compensation.[2]
- A survey of 196 chief executives at public universities found that 21 earned $1 million or more.[3]

1. Nonqualified plans are exempt from nondiscrimination testing and other reporting requirements applicable to qualified plans.

2. The Chronicle of Higher Education, 2020 data, How Much Are Private-College Presidents Paid? https://www.chronicle.com/article/president-pay-private-colleges, July 18, 2023

3. The Chronicle of Higher Education, 2022 data, How Much Are Public-College Presidents Paid? https://www.chronicle.com/article/president-pay-public-colleges, August 2, 2023

Compensation figures are not adjusted to account for the effects of inflation.

AN OVERVIEW

A creative way to win over and reward talent

A well-conceived executive compensation arrangement can be an integral part of your competitive total rewards program to achieve important goals:

- Empower key employees to save on current taxes by deferring more compensation now—substantially more than they could under a qualified 403(b) or 401(k) plan
- Enable eligible participants to save on taxes
- Attract innovative leaders to your organization
- Motivate management to drive performance

There is no "one size fits all" executive compensation solution, and selecting the most appropriate arrangement to fit your needs can be challenging. TIAA offers experience and a full range of potential solutions to help you easily implement executive compensation and benefit programs to enhance your ability to recruit, retain and reward valued executives and other high-caliber employees.

Executive compensation: a competitive opportunity

- Create compelling offers for presidents and chancellors
- Help attract and retain leading professors, scientists and physicians
- Offer competitive compensation for coaches, particularly with performance bonuses
- Help take advantage of additional contributions not otherwise available due to qualified plan limitations
- Reward outstanding performance

PROGRAMS AT A GLANCE

A full suite of competitive executive benefits solutions

TIAA offers a wide array of cost-effective, easy-to-administer executive compensation programs. The following are merely a few examples. Your TIAA consultant can work with you to determine the type of arrangement most appropriate for you and your employees.

	Purpose	Eligibility	Key features
457(b) Tax-Exempt Plans for Private Employers The 457(b) tax-exempt plan is a nonqualified, tax-deferred compensation plan established by a nonprofit private tax-exempt organization. It allows eligible employees to set aside an additional portion of their compensation on a before-tax basis.	Reward key executives or highly compensated employees by allowing them to set aside compensation on a pretax basis	Limited to a select group of management or highly compensated employees	• Employers can offer plan only to eligible employees • Contribution limits are set by the IRS • Plan assets are institutionally owned until they are distributed and subject to theclaims of the institution's creditors • Plans are generally set up with employee contributions, although the employermay choose to contribute • Allows different eligibility and contribution rules for different classes of employees without violating nondiscrimination rules* • Employer determines who qualifies
457(b) Public Plans The 457(b) governmental plan is a type of nonqualified, tax-deferred compensation plan established by public employers including state and local gov-ernments and their agencies, public schools, colleges and universities.	Is primarily intended as a supplemental plan for employees	Generally may be offered to anyone performing services for the employer.	• Is generally set up with voluntary employee elective deferrals • Contribution limits are set by the IRS • Assets must be held in trust, an annuity contract or a custodial account for the • exclusive benefit of plan participants • Employee owns the contract
457(f) Plans The 457(f) plan (also known as an "ineligible 457 plan") is a nonqualified deferred compensation plan that allows a public or tax-exempt employer to provide benefits above 457(b) "eligible" annual plan limits. It allows employers to defer unlimited amounts of compensation on behalf of employees. In order to prevent immediate taxation, amounts must remain subject to substantial risk of forfeiture.	Is often used to at-tract and retain select employees with sup-plemental retirement benefits	457(f) public plans: Any employee 457(f) tax-exempt plans: Limited to a select group of management or highly compensated employees	For both public and tax-exempt plans: • Contributions are unlimited, which can make it an effective option when contribution amounts under consideration exceed the 457(b) contribution limits • Generally employer contributions • Assets are institutionally owned and must be subject to substantial risk of forfeiture

	Purpose	Eligibility	Key features
415(m) Excess Benefit Plans An "excess benefit plan" is a nonqualified deferred compensation plan available to state and local governments and their agencies, and public employers including schools, colleges and universities.	Reward certain employees with benefits above and beyond the limitations on contributions and benefits placed on qualified plans under the Internal Revenue Code	Any employee whose benefit or contribution to the underlying plan exceeds the IRC Section 415(c) limit	• Allows employer contributions only; plan provisions usually mirror those available under the employer's basic pension plan • Employer retains ownership of assets until distributed
Supplemental Executive Retirement Plans A Supplemental Executive Retirement Plan (SERP) describes a variety of nonqualified arrangements that enable public employers to contribute in excess of annual retirement plan contribution limits on behalf of employees.	Serves as an incentive for attracting, retaining and rewarding senior executives or highly compensated employees of public employers	May be offered to any group or single employee	• May be suitable for public employers because the employers are exempt from ERISA rules and exempt from nondiscrimination requirements. • Typically not suitable for private employers because the employers would likely fail to meet IRS nondiscrimination requirements. • IRC Section 415(c) limits on annual additions to defined contribution plans are applied separately to plans that qualify under Section 401(a) or 403(a) of the IRC than to plans that qualify under Section 403(b). • Employees eligible for both a 403(b) plan and a 457(b) public plan can make elective deferrals to the two plans. Section 415(c) and 402(g) limits on contributions to 403(b) plans do not apply to 457(b) plans, and elective deferrals to 403(b) plans do not count against the limit on contributions to 457(b) plans.

THE TIAA ADVANTAGE

We can help you design an effective program to help meet specific needs

There are many ways to structure an executive compensation arrangement. A combination of plan designs
and concepts are often used to accomplish objectives and maximize deferral opportunities.

TIAA works with you to understand the particular challenges you face and can help you to structure a competitive program to help meet your organization's needs. Coordinating expertise throughout the organization, TIAA offers you tools and advice to:

- Analyze existing benefit plans and executive compensation arrangements within the context of your overall goals
- Establish primary plan objectives and design features
- Prepare sample plan documents and deferral agreements
- Work with your legal counsel and management team to address compliance with current federal and state laws and regulations
- Discuss additional opportunities that may benefit your organization, including investment products, plan administration and recordkeeping services
- Provide individual wealth management services for your key employees

Following a detailed review, our executive compensation team will make suggestions appropriate for your organization. Whether you are seeking to compensate one key employee or a group of employees, TIAA can help guide you to the best solution.

TIAA distinct advantages:

- Experience serving leading academic, medical, researchmand cultural institutions
- Personal service
- Professional consultative education
- Customized solutions reflecting an understanding of your needs and your employees' needs

Our full suite of services includes:

- Policy development
- Plan design
- Financing alternatives
- Administration
- Recordkeeping services
- Individual Wealth Management services to participants

ADDITIONAL SERVICES

Benefit from TIAA's wide array of services

The opportunity to select from a wide range of products and services is, naturally, important when designing an executive compensation program. Equally important, however, is the company behind the products and the people who will work with you to help manage your program.

TIAA executive compensation arrangements are backed by personalized service from a team of financial professionals who are dedicated to helping you meet the needs of your institution and employees.

TIAA is committed to providing you and your employees with superior service, diverse investment choices, and comprehensive education and assistance. In addition to executive compensation arrangements, the TIAA group of companies offers a wide range of financial solutions, including:

- Advice and Planning Services
- Private Asset Management
- Estate Planning considerations
- Planned Giving considerations
- Wealth Management Advisory Services
- Endowment Management
- Trust Administration
- Mutual Funds
- Tax-Deferred Annuities
- Life Insurance
- Retirement Accounts
- Managed Accounts
- Full-Service Brokerage
- Institutional Separate Account Management

Advice tailored to individual needs

TIAA consultants and advisors focus on providing recommendations designed to help clients pursue their particular goals.

CONTACT US

Call your TIAA representative for more information.

To learn more, please contact your TIAA representative, or call our Administrator Telephone Center at **888-842-7782**, weekdays, 8 a.m. to 8 p.m. (ET).

TIAA Brokerage, a division of TIAA-CREF Individual & Institutional Services, LLC, Member FINRA and SIPC, distributes securities.Brokerage accounts are carried by Pershing, LLC, a subsidiary of The Bank of New York Mellon Corporation, Member FINRA, NYSE, SIPC.
Advisory services are provided by Advice & Planning Services, a division of TIAA-CREF Individual & Institutional Services, LLC, a registered investment adviser.

The federal Sarbanes-Oxley Act made it a criminal offense for publicly traded companies to extend loans to their directors or executive officers. It is unclear whether the Act applies to split-dollar arrangements. Please consult with your tax advisors on the most recent developments.

This material is for informational or educational purposes only and does not constitute investment advice under ERISA. This material does not take into account any specific objectives or circumstances of any particular investor, or suggest any specific course of action. Investment decisions should be made based on the investor's own objectives and circumstances.

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TIAA-CREF Individual & Institutional Services, LLC, Member FINRA, distributes securities products. Annuity contracts and certificates are issued by Teachers Insurance and Annuity Association of America (TIAA) and College Retirement Equities Fund (CREF), New York, NY. Each is solely responsible for its own financial condition and contractual obligations.

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