



Frequently Asked Questions

CREF Money Market Account

Overview

- We value our participants and your financial well-being is top of mind. We want to continue to help you as you save for retirement. As of January 1, 2022, you could see negative yields in the CREF Money Market Account (a CREF variable annuity) as low interest rates continue in the market. Please see below for important information so you can evaluate your portfolio and make decisions about your investments.
- In response to economic impacts of the Coronavirus (Covid-19) pandemic, the Federal Reserve cut the target rates to 0%-0.25% on March 15, 2020 and interest rates have remained low.
- Low interest rates can have a negative effect on money market returns across the industry, including those offered by TIAA, resulting in negative returns on the CREF Money Market Account.
- If your plan utilizes the CREF Money Market Account as the default and you have not chosen your retirement plan allocations, you may be invested in this account. Please check your account statements.
- Take action now on your CREF Money Market Account. You could lose money in your account as low interest rates continue in the market.

1. Why is the CREF Money Market Account at-risk of a negative yield?

In a low interest rate environment, like the one that we are currently experiencing, potential negative returns are possible when yields of the Account's investments are insufficient to cover the costs of managing the Account. This may also be the case for many other providers' money market investment vehicles.

2. Who is at risk for this?

Anyone who currently holds a balance or wants to invest in the CREF Money Market Account may potentially be affected by the change. If you are receiving lifetime income payments from the CREF Money Market Account, you would also be impacted.

3. What are other organizations doing about their money market investments in a low interest rate environment?

If you invest in money market funds with other providers, please contact them directly to understand what actions they are taking.

4. If the potential for negative returns is the result of the Federal Reserve cutting target interest rates in early 2020, why will this only potentially affect my CREF Money Market holdings as of January 1, 2022?

In the spring of 2020, TIAA sought and obtained approval from regulators to implement a fee waiver, which avoided a negative yield for the CREF Money Market Account since that time. When regulators granted the fee waiver, they clarified it would be both limited and short-term, and that it could not be renewed. The fee waiver will expire on December 31, 2021.

5. Why does TIAA require regulatory approval for a fee waiver on the CREF Money Market Account when other money market providers do not need regulatory approval?

CREF is different from a typical mutual fund. Typical money market mutual funds waive their fees and fund waivers through the profits generated on that fund. Given CREF's unique at-cost structure, CREF does not have profits to fund fee waivers and therefore cannot provide them to Money Market Account investors. Therefore, TIAA sought regulatory approval to waive its fees for a limited time for the CREF Money Market Account.

6. Has CREF made an effort to make sure plan sponsors and CREF Money Market Account holders are aware of the potential for negative yields starting as soon as January 1, 2022?

Yes. We have communicated with our plan sponsors and you, the participant, multiple times since the spring of 2020 in an effort to create a high level of awareness that the waiver provided by TIAA was limited and short-term. Communications to plan sponsors have encouraged clients to closely evaluate instances where the CREF Money Market Account is on their plan menu, while your communications have suggested considering action to reallocate your CREF Money Market Account balances. For example, the headline on a current participant-focused landing page on TIAA.org suggests taking action on CREF Money Market Account holdings: (<https://www.tiaa.org/public/land/moneymarketchanges>).

7. Are my money market funds safe?

Money market funds serve a particular purpose as part of a spectrum of investment types—together providing portfolio diversification. We strive to provide a range of investment products in an effort to help participants plan for their financial well-being. We manage the CREF Money Market Account variable annuity with the pursuit of income while maintaining liquidity and preserving capital. Due to the current low interest rate environment, the returns on the CREF Money Market Account may become negative. You may want to review all your investments to determine if they meet your and your beneficiaries' needs.

8. Why will TIAA continue to offer the CREF Money Market Account if the returns may be negative?

TIAA recognizes that many clients want access to an option that seeks to maintain liquidity and preserve capital as part of their overall asset allocation. It is also important to note that while the current market environment is experiencing low interest rates, these circumstances could change in the future.

9. Due to the current low interest rate environment, what action do I need to take if I have a balance in the CREF Money Market Account?

The CREF Money Market Account may have negative returns should interest rates remain low. This means participants who are invested in the Account will lose money. You are not required to take any action. However, you may want to review your overall investment strategy and allocation. It is important for anyone invested in the account, especially if you have a significant portion of your portfolio allocated to the money market account, to review your overall financial goals, your tolerance for risk and the ideal asset allocation for your personal situation. Each year, you should consider reviewing your accounts to ensure they are aligned to your investment strategy.

You can decide whether you want to:

- Adjust how you allocate your current investments and future contributions
- Modify your portfolio mix by transferring money between accounts

10. What if my contributions default to the CREF Money Market Account and my employer is changing to a new default investment option?

If your employer changes the default investment option, a notice of the change will be sent to you at least 30 days before it takes effect. If you currently invest your contributions in the retirement plan default" (CREF Money Market Account), your future contributions will be invested in the new default investment. Any accumulations you have will remain in the Account unless you decide to transfer them to a different investment.

11. Will my accumulations in the CREF Money Market Account be transferred to the new investment option if my employer adds another money market fund to the investment menu?

No, your employer may or may not be able to transfer your accumulations in the CREF Money Market Account to the new money market fund depending on your contract type. However, you can choose to move your accumulations at any time. A notice will be sent to you at least 30 days in advance with the details of the change including impacts to your current balance and investment allocations if applicable. Please review carefully. TIAA is here to help you if you need further assistance.

12. Can I change my investment allocation to the CREF Money Market Account to other investment options?

You can make changes at any time to your account by logging in at [TIAA.org](https://www.tiaa.org).

13. Does TIAA have any tools that can help guide me regarding investment options?

Yes, TIAA has retirement calculators and financial tools to help you. [Click here for tools.](#)

14. What other investment choices are available to diversify my CREF Money Market Account investments?

Review the investment choices available to you through your employer's plan. Your plan may offer:

- TIAA Traditional Annuity¹, a guaranteed annuity that earns interest daily. You will not lose the money you put in or interest earned². You select how you'll receive income payments². Depending on your plan, there may be withdrawal or transfer restrictions³.
- Variable annuities that provide a range of investment options and the flexibility to move money among investments (some restrictions may apply). You select how you'll receive income payments and you will not incur penalties or surrender charges on withdrawals or transfers.
- Mutual funds designed to provide multiple investment opportunities in one fund, which can help provide lower risk through diversification. Professionals manage the day-to-day buying and selling, and research investment opportunities of actively managed funds.

15. Is it accurate that TIAA will recoup the waived fees going forward?

As part of our agreement with regulators to secure the Money Market Account expense waiver, TIAA is **required** to recoup a portion of the waived expenses after the waiver expires. Recoupment will **only** occur when short-term interest rate levels produce a daily positive yield on a class of the Account.

16. Are there any special considerations if I'm receiving variable annuity payments from the CREF Money Market Account?

Because variable annuity payments are calculated using a 4% Assumed Investment Return (AIR), the CREF Money Market Account must earn at least 4% for your income to remain the same. In recent years, due to historically low interest rates, the average annual return on the Account has fallen significantly below 4%—0.01% over the last five years, and only 1.07% over the past ten. Keep in mind that past performance is no guarantee of future results. Due to the low interest rate environment, you may want to take this opportunity to evaluate other available investment options that are appropriate for your long-term financial goals.

17. How can I change my variable annuity lifetime income payments from the CREF Money Market Account?

You can initiate a post-settlement transfer to another variable income account or a fixed annuity account. Some restrictions may apply. Click [here](#) for additional information, to review your options or to receive an updated income illustration.

18. Who can I call if I have questions about my CREF Money Market Account holdings?

If you have questions on this topic you can contact TIAA as follows:

- General information: 800-842-2252, weekdays from 8 a.m. to 10 p.m. ET
- Advice information: 855-728-8422, weekdays from 8 a.m. to 7 p.m. ET (TPP: 844-362-8422)
- IRA information: 844-842-2472, weekdays from 8 a.m. to 7 p.m. ET



¹ Annuity contracts are issued by Teachers Insurance Annuity Association of America. TIAA Traditional is a guaranteed insurance contract and not an investment for federal securities law purposes.

² Subject to the claims-paying ability of TIAA.

³ Consult your plan for details.

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.

This material is for informational or educational purposes only and does not constitute fiduciary investment advice under ERISA, a securities recommendation under all securities laws, or an insurance product recommendation under state insurance laws or regulations. 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.

You could lose money by investing in the CREF Money Market Account. Because the accumulation unit value of the Account will fluctuate, the value of your investment may increase or decrease. An investment in the Account is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Account's sponsor has no legal obligation to provide support to the Account, and you should not expect that the sponsor will provide financial support to the Account at any time.

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.

TIAA Traditional is a fixed annuity product issued through these contracts by Teachers Insurance and Annuity Association of America (TIAA), 730 Third Avenue, New York, NY, 10017

You should consider the investment objectives, risks, charges and expenses carefully before investing. Please call 877-518-9161 or go to www.TIAA.org/prospectuses for current product and fund prospectuses that contain this and other information. Please read the prospectuses carefully before investing.

Investment, insurance and annuity products are not FDIC insured, are not bank guaranteed, are not deposits, are not insured by any federal government agency, are not a condition to any banking service or activity, and may lose value.