

## TIAA SECURE INCOME ACCOUNT

# Retirement income that never retires

An annuity issued by TIAA\* | Inception date 03/31/2022

**TIAA Secure Income Account (SIA)** is designed to be used within a custom target date model portfolio or managed account to help protect and grow a portion of a participant's retirement savings. At retirement, it can provide the option to start a reliable, guaranteed stream of income to last throughout a lifetime, or participants can withdraw their account balance at whatever pace fits their needs. All guarantees are based on the claims-paying ability of TIAA.

## Guaranteed growth no matter the market

The money accumulated in an account will earn guaranteed interest everyday and be protected from fluctuation, even in the most volatile markets. The declared interest rates will always be greater than or equal to the guaranteed minimum rate, which is between 1% and 3% (redetermined each March 1).<sup>1</sup> Since 1948, TIAA has credited interest above the guaranteed minimum on one or more contracts every year.<sup>2</sup>

## Guaranteed lifetime income you can count on

When participants stop working, they can convert some or all of their savings to lifetime income and receive a "paycheck" for life. Participants can be certain they (and a spouse or partner) will have predictable, protected income they cannot outlive. They can also add a guaranteed period to ensure payments are made for a specific period of time (e.g., 20 years) regardless of whether they are living.

If participants can cover their essential living expenses with guaranteed income from the SIA and other guaranteed income sources (e.g., Social Security, pensions), they'll have the freedom to retire "on time" and use the other money they saved for discretionary purposes. Amounts they do not convert to lifetime income can remain invested in the SIA. Subject to plan rules, participants may be able to withdraw what's left over when it makes sense for them.

The SIA is useful for preparing employees to receive lifetime income in retirement. "Paycheck" is the annuity income received in retirement. Guarantees of fixed monthly payments are only associated with TIAA's fixed annuities. For participants who convert some or all of their SIA to lifetime income benefits (referred to as "annuitization"), this is a permanent decision. Once lifetime income benefit payments have begun, participants are unable to change to another option.

Among the highest-rated insurance companies in the U.S.\*



**A.M. Best Company**  
as of 7/23



**Fitch Ratings**  
as of 8/23



**Moody's Investors Service**  
as of 9/23



**Standard and Poor's**  
as of 10/23

\* For its stability, claims-paying ability and overall financial strength, Teachers Insurance and Annuity Association of America (TIAA) is a member of one of only three insurance groups in the United States to currently hold the highest rating available to U.S. insurers from three of the four leading insurance company rating agencies: A.M. Best, Fitch, and Standard & Poor's, and the second-highest possible rating from Moody's Investors Service. There is no guarantee that current ratings will be maintained. The financial strength ratings represent a company's ability to meet policyholders' obligations and do not apply to variable annuities, or any other product or service not fully backed by TIAA'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.

## An opportunity for higher lifetime income payments in retirement

Generally speaking, the longer participants invest in a Fund that includes the SIA, the more lifetime income they can typically receive from TIAA as a result of the TIAA Loyalty Bonus<sup>SM</sup>. The TIAA Loyalty Bonus seeks to reward dedicated savers with higher income in retirement. In addition, once in retirement, lifetime income payments may increase, which can help to offset some of the effects of inflation. Profits of more than \$3 billion have been shared with TIAA annuity participants, on average, each year over the past 10 years.<sup>3</sup>

## A variety of distribution choices at retirement

To help participants make the most of their savings, TIAA offers a variety of choices upon retirement (subject to plan rules). Participants can choose full or partial lump-sum withdrawals, convert some or all of their accumulation to guaranteed lifetime income, or use both withdrawals and lifetime income.

## Contract holder withdrawals

The contract holder (typically the employer, as the sponsor of the plan) has the right to request a withdrawal of the contract's entire SIA accumulation. This might occur, for example, if the employer has elected to use a new recordkeeper and has also elected to terminate their contract with TIAA. In this case, the SIA accumulations would be reinvested at the direction of the plan sponsor, subject to contract termination provisions.

## Contract termination for plan sponsors

If the plan sponsor decides to discontinue (terminate) the SIA contract, they may be able to elect to receive an immediate payment at the lesser of the contract accumulation's value or the "adjusted accumulation value" (contract accumulation less a market value-like adjustment, determined in part on the general movement of interest rates). Alternatively, the plan sponsor can elect to receive six annual payments over five years without any market value adjustment. Interest will continue to be credited over the five-year period and the contract remains fully benefit-responsive.

## Other considerations

The SIA can only be utilized within custom target date model portfolios and managed accounts. It is not accessible as a direct plan investment menu option.

The SIA cannot be rebalanced downward. If, due to financial market movements or other forces, the SIA is overweighted versus target allocation, glidepath managers can allocate new cashflows away from the SIA in order to trajectory the allocation toward its target. This is often referred to as "cashflow rebalancing."

In addition, if participants elect to transfer assets from funds incorporated in the custom model portfolio or managed accounts, they may not make further contributions into the SIA until and unless they "resubscribe" to the model portfolio or managed account.

**To learn more about the benefits of the SIA and the value of protected savings and guaranteed lifetime income, call 888-842-5433, or email [retirement@nuveen.com](mailto:retirement@nuveen.com).**

### Endnotes

- 1 Interest credited to TIAA Secure Income Account accumulations includes a guaranteed rate, plus additional amounts as may be established on a year-by-year basis by the TIAA Board of Trustees. The additional amounts, when declared, remain in effect through the "declaration year," which begins each March 1 for accumulating annuities and January 1 for payout annuities. Additional amounts are not guaranteed for periods other than the period for which they are declared. Withdrawals and transfers out will reduce account balances.
- 2 TIAA has credited interest above the contractual guaranteed minimum on one or more of its Traditional Annuity contracts every year since 1948, as well as on the TIAA Secure Income Account since its inception date. Past performance is not a guarantee of future results.
- 3 TIAA may share profits with TIAA Secure Income Account owners through declared additional amounts of interest during accumulation, higher initial annuity income, and through further increases in annuity income benefits during retirement. These additional amounts are not guaranteed beyond the period for which they were declared. Lifetime income payments from TIAA Secure Income Account may include a TIAA Loyalty Bonus<sup>SM</sup> which is discretionary and determined annually.

This material is for informational or educational purposes only and is not fiduciary investment advice, or a securities, investment strategy, or insurance product recommendation. This material does not consider an individual's own objectives or circumstances which should be the basis of any investment decision.

The TIAA Secure Income Account is approved for issuance in 52 of 53 U.S. insurance jurisdictions. It is not approved to be issued to New York-domiciled contract holders.

TIAA Secure Income Account is a fixed annuity product issued through this contract by Teachers Insurance and Annuity Association of America (TIAA), 730 Third Avenue, New York, NY, 10017. Form series including but not limited to: TIAA-UQDIA-002-K and related state specific versions. Not all contracts are available in all states or currently issued.

Certain products may not be available to all entities or persons.

The ability to annuitize is subject to plan rules. Exchanging your savings for income payments (referred to as "annuitization") is a permanent decision and once lifetime income payments has been selected you are unable to change to another option.

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