



Receiving required minimum distributions

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Required minimum distributions— what you need to know

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What are required minimum distributions?

Federal tax rules specify when you must begin taking withdrawals from your tax-deferred retirement plans. These are known as required minimum distributions (RMDs).

You must begin withdrawing a minimum amount according to these conditions:		
	If you were born before July 1, 1949	If you were born July 1, 1949, or after
Employer-sponsored retirement plans ¹	April 1 after the later of either: <ul style="list-style-type: none">▪ The year you turn age 70½, or▪ The year you retire	April 1 after the later of either: <ul style="list-style-type: none">▪ The year you turn age 72, or▪ The year you retire
	April 1 following the year you turn age 70½, whether or not you're still working	April 1 following the year you turn age 72, whether or not you're still working
You'll need to continue withdrawing a portion of your retirement plan/IRA account balance each year.		

If you don't take distributions according to the federal rules, you could be subject to a 50% excise tax on the amount you should have withdrawn, but did not. Use this guide to learn more about how you can manage your required distributions. You can also visit [TIAA.org/RMD](https://www.tiaa.org/RMD).

¹ Your plan may require you to take RMDs whether or not you are still working for the plan sponsor.



How can you receive your minimum distributions?

TIAA can help you meet the federal requirement. Just let us know you want to automatically receive your required minimum distributions and we'll set up a withdrawal plan for you.

We calculate and pay you the amount you're required to receive each year from all of your tax-deferred accounts recordkept at TIAA.¹ Plus, the balance of your retirement savings will remain invested and any earnings will continue to grow tax deferred.

So, if you're not ready to start lifetime income or you don't need your retirement accounts for your day-to-day expenses, the minimum distribution withdrawal option may be a good way to keep your balances tax deferred and still have the flexibility to set up a different withdrawal plan later.

¹ The State Universities Retirement System (SURS) of Illinois Self-Managed Plan does not offer TIAA's minimum distribution option. Members should contact SURS for more information. Participants in the Arizona optional retirement plan can also use another option called the life expectancy option. If you participate in the college and university state retirement plan of Arizona and have questions, call us at **800-842-2252** for information on the withdrawal options available to you for minimum distribution purposes.

Convenient and flexible

Based on your plan's rules, you can decide when you want to increase the amount of your withdrawals. You also have the flexibility to transfer funds and adjust your asset allocation as your goals and financial needs change.

Plus, you can tailor your automatic withdrawals to help meet your income needs:

- Choose how often you want your withdrawals—monthly, quarterly, semiannually or annually
- Schedule withdrawals on any day of the month, from the first to the 28th
- Receive part or all of the required amount earlier than your scheduled withdrawal date
- Have your withdrawal directly deposited into your bank or investment account
- Change any of these choices any time during the year

If you have retirement accounts at other financial companies...

You can consolidate your retirement savings into one account at TIAA. You may find it easier to manage your savings, investment decisions and required distributions when everything is in one place. You can call us at **800-842-2252**. Our consultants can help you decide if consolidating your savings is right for you.¹

¹ Before consolidating outside retirement assets, you may want to check with your employee benefits office on whether you can directly transfer those assets to your current retirement plan. You should carefully consider your other available options. You may also be able to leave money in your current plan, roll over money to an IRA, or cash out all or part of the account value. You should weigh each option carefully and its advantages and disadvantages, including desired investment options and services, fees and expenses, withdrawal options, required minimum distributions, tax treatment, and your unique financial needs and retirement plan. You should seek the guidance of your financial professional and tax advisor prior to consolidating assets.

What's the right strategy for you?

TIAA's minimum distribution withdrawal option helps you both meet the minimum distribution rules and preserve your tax-deferred savings for as long as applicable tax law permits. You can also learn about lifetime income options that could provide you with higher amounts, depending on your situation.¹

This withdrawal option may be good if you:

- Want to receive the federal required minimum distributions automatically.
- Don't want to worry about receiving too much or too little income, completing paperwork each year or missing deadlines.
- Want to maximize income tax deferral and preserve your savings.
- Do not wish to start lifetime annuity income.
- Have other sources of income for your basic needs.

This withdrawal option may *not* be good if you:

- Want income guaranteed for as long as you live (in which case you may want to consider a lifetime annuity).
 - Desire a steady stream of income and need more income to support your lifestyle than the minimum withdrawals provide. Note: Minimum distribution payments are limited to only the amount you're required to receive to meet the IRS guidelines. If you also receive other payments (e.g., single-sum or systematic withdrawals), these extra amounts may be counted toward your IRS required distribution and could reduce the amount that must be paid under the minimum withdrawal option.
 - Have a small total retirement account value, e.g., less than \$10,000. You may wish to withdraw the entire balance (if available under your employer's plan) so you won't have to worry about the requirements later. Except for the return of any after-tax contributions you may have made to the plan, the distribution will be fully taxable in the year of the withdrawal.
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¹ Any guarantees under annuities issued by TIAA are subject to TIAA's claims-paying ability. Payments under CREF accounts and the TIAA Real Estate Account are variable and will rise or fall based on investment performance.



You can call us at 800-842-2252 to speak with a TIAA financial consultant and review your options for satisfying the requirements. We can help you choose a withdrawal strategy for your situation and needs.



How we calculate required minimum distributions

We will automatically calculate your required minimum distribution amount each year. We take the portion of your retirement savings that's subject to the rules and divide it by the applicable life expectancy—called a *life expectancy divisor*. This divisor is a projection of how long a person at a given age will live, on average, based on the experience of a large group of people.¹

We'll calculate your withdrawal amount using the life expectancy divisors shown on page 7. If you name your spouse as your sole primary beneficiary and your spouse is more than 10 years younger than you, we may be able to use your joint life expectancy and recalculate it annually. You can call us for more information.

If you're participating in a 403(b) retirement plan, the initial withdrawal will be based on the account balance that has accumulated between December 31, 1986, and December 31 of the year prior to the year you turn age 70½ or 72 (see the table on page 1 for details), or the year you retire, whichever is later. This amount is then divided by the life expectancy divisor.²

¹ We must use Internal Revenue Service life expectancy tables to calculate RMD. The IRS has updated the divisors to account for increased longevity.

² For treatment of amounts accumulated before January 1, 1987, when you reach age 75, see *Grandfathered accumulations* on page 8.

Life expectancy divisors

Below are the life expectancy divisors from the IRS Uniform Lifetime Table. We use these to calculate your required minimum distribution.¹

2022 life expectancy divisors (LED)					
Age	LED	Age	LED	Age	LED
72	27.4	89	12.9	106	4.3
73	26.5	90	12.2	107	4.1
74	25.5	91	11.5	108	3.9
75	24.6	92	10.8	109	3.7
76	23.7	93	10.1	110	3.5
77	22.9	94	9.5	111	3.4
78	22.0	95	8.9	112	3.3
79	21.1	96	8.4	113	3.1
80	20.2	97	7.8	114	3.0
81	19.4	98	7.3	115	2.9
82	18.5	99	6.8	116	2.8
83	17.7	100	6.4	117	2.7
84	16.8	101	6.0	118	2.5
85	16.0	102	5.6	119	2.3
86	15.2	103	5.2	120+	2.0
87	14.4	104	4.9		
88	13.7	105	4.6		

¹ If your spouse is more than 10 years younger than you and is your sole primary beneficiary, we will use your actual joint life expectancy recalculated annually to determine the divisor for minimum distribution withdrawals. Please call us for more information.



Grandfathered accumulations

If you're participating in a 403(b) retirement plan, any contributions and earnings credited before 1987 are considered grandfathered and are not subject to the federal minimum distribution rules until the year you reach age 75. Then, your grandfathered amount will be included automatically in your minimum distribution calculation. This may increase your required withdrawal amount. However, keep in mind that any withdrawals you take before you are subject to the minimum distribution requirements or withdrawals for more than the required amounts, will reduce your grandfathered balance first.

Also, note that the grandfathering rules for 403(b) plans do not apply to IRAs or other types of retirement plans. Roth IRAs and designated Roth accounts are exempt from RMDs during the owner's lifetime. But traditional IRAs and other types of retirement plans (e.g., 401(a), 457(b)) calculate RMD using the entire account balance as of December 31 prior to the distribution year. (The distribution year is the year for which you must receive a minimum distribution.)



Scheduling your first withdrawal

If you turn age 72 in 2022 and take your first required distribution during that year, you'll only need to receive one withdrawal. Since 2022 is the distribution year, your withdrawal amount is based on your calculation balance (i.e., the account value that's subject to the minimum distribution rules) as of December 31, 2021. If, as in the example on the next page, you wait until 2023 (up until April 1) to take your first distribution, you would receive two taxable withdrawals in that calendar year. Note that the second one is for distribution year 2023 and would be based on your account value as of December 31, 2022. You would have to receive this withdrawal by December 31, 2023.

Sample minimum distribution calculations

Withdrawal #1: for distribution year 2022

Must be taken before April 1, 2023	Amount
Account value as of December 31, 2021	\$100,000
Account value as of December 31, 1986*	-25,000
Calculation balance	75,000
Life expectancy divisor (see page 7)	27.4
Minimum distribution withdrawal paid in March 2023	\$2,737

Withdrawal #2: for distribution year 2023

Must be taken before December 31, 2023	Amount
Account value as of December 31, 2022	\$110,000
Account value as of December 31, 1986 ¹	-25,000
Calculation balance	85,000
Life expectancy divisor (see page 7)	26.5
Minimum distribution withdrawal paid in December 2023	\$3,208

*Only applies to 403(b) plans.

You can log in to TIAA.org/MyRMD to see your personalized required minimum distribution or call us at 800-842-2252 to speak with a consultant.

How required minimum distributions are taxed

Withdrawals are generally taxable as ordinary income during the year received. However, if you made any after-tax contributions to your accounts, these amounts are returned to you tax free. So, a portion of each minimum distribution withdrawal may not be taxable.

Withdrawals are reported to the IRS as income. Each January, we'll send you a report showing how much income you received the previous year, along with a summary of what portion was taxable and nontaxable (if any).

Depending on where you live, you may be able to choose the amount of federal and state tax to be withheld from your withdrawals. Or, we may be required to withhold an amount based on the rules of your state. Since requirements vary by state, we recommend consulting with your tax advisor.

For federal tax purposes, the value of the retirement savings that passes on to your heirs is generally considered part of your estate. If your gross estate is \$12.1 million or less for the 2022 tax year, your estate generally won't be subject to federal estate taxes. Also, amounts passing to your spouse qualify for the unlimited marital deduction and are not subject to estate taxes.¹

Keep in mind that estate and income taxes can erode as much as 80% to 90% of the retirement assets of a large estate. So, although a retirement account may be valuable for accumulating future income, it may not be appropriate for preserving an estate.

Since our minimum distribution withdrawal option is designed to pay you the required minimum amount, while preserving your remaining balance, you should consult with a tax advisor or estate planning attorney to see if it fits into your estate plan.

¹ Your spouse must be a U.S. citizen to qualify for the unlimited marital deduction.



Tax tips:

- If you roll over your 403(b) account to another qualified retirement plan or IRA and have grandfathered amounts, the amounts rolled over are no longer considered grandfathered. The regular IRA or retirement plan minimum distribution rules apply.
- If you take your first withdrawal in the year you turn age 72, you'll need to take only one withdrawal that year. However, if you wait to take your first withdrawal in the calendar year after you turn age 72 (by April 1), you'll have to receive a second withdrawal within the same calendar year—potentially increasing your tax liability.

Exceptions to the rules

Working past your required minimum distribution age

Your RMD age depends on your birth date.

- If you were born before July 1, 1949, your RMD age is 70½.
- If you were born July 1, 1949 or after, your RMD age is 72.

If you work past your RMD age, you can delay withdrawing funds from your current and previous employers' retirement plans until April 1 following the calendar year you retire. You can do this if all your retirement savings are consolidated into your current employer's before your RMD age.¹

Here are some other exceptions to keep in mind:

- Regardless of your employment status, you must begin minimum distributions from your IRAs (except Roth IRAs) by April 1 after the year you attain your RMD age.
- Although the minimum distribution rules don't apply to owners of Roth IRAs, they do apply to beneficiaries of these IRAs.
- Retirement plans established under the Internal Revenue Code for Puerto Rico aren't subject to U.S. Internal Revenue Code minimum distribution rules. But at the employer's discretion, minimum distribution rules may be added to Puerto Rico qualified plans.
- If you are the 5% owner or the plan sponsor of a qualified plan, including a Keogh plan, you must receive minimum distributions by April 1 after the year you attain your RMD age.

¹ Consult a tax adviser if you are considering consolidation of retirement accounts either before or after RMD age.

How you can reinvest required minimum distributions

If you don't need the income from your required withdrawals, you can reinvest them in a variety of ways with TIAA.

TIAA product or service Highlights	
TIAA Bank® Call 888-882-3837 Visit TIAABank.com	<ul style="list-style-type: none">▪ TIAA Bank offers a variety of solutions designed to keep your money working.▪ You have access to high-yield bank accounts, nationwide home lending, robust online and mobile banking, a network of more than 80,000 fee-free ATMs and 24/7 client support.▪ Transfers between your TIAA Bank and TIAA retirement accounts give you access to your money when you need it.¹▪ You can see your entire financial picture by viewing your banking balance alongside your TIAA retirement accounts at TIAA.org. <p>TIAA Bank is a division of TIAA, FSB. NMLS ID: 399805. TIAA, FSB is an Equal Housing Lender. Member FDIC.</p>
Brokerage services Call 800-927-3059 Visit TIAA.org/brokerage	<ul style="list-style-type: none">▪ A brokerage account provides access to stocks, exchange traded funds² fixed-income securities, options and other securities.▪ You can fund a brokerage account easily using a check, wire transfer, ACH, deposit of securities or by transferring from another brokerage account.

¹ Money transferred from your TIAA retirement or brokerage account into your TIAA Bank account is transferred the very next business day after the funds become available.

² Other fees and expenses apply to continued investment in the funds and are described in the funds' current prospectuses. Certain securities may not be suitable for all investors. Securities are not FDIC insured and are not a deposit or other obligation of or guaranteed by any bank or TIAA. Securities are subject to investment risk, including possible loss of the principal amount invested.

TIAA product or service Highlights

529 college savings plans

Call **888-381-8283**

Visit TIAA.org/public/offer/products/529-educational-savings

- You can help a loved one pay for college by giving the gift of education.
- Anyone, including parents, grandparents, relatives and friends, can open a 529 college savings plan account on behalf of a beneficiary.
- The state plans managed by TIAA-CREF Tuition Financing, Inc. offer low fees, professional investment management and a wide variety of investment options ranging from conservative, principal-protected accounts to aggressive equity funds.
- Account balances can grow tax-deferred and may be withdrawn tax-free for qualified expenses. Contributions may also qualify for an annual federal gift tax exclusion, potentially reducing the taxable value of your estate. Consult your tax adviser.

Mutual funds

Call **800-842-2252**

Visit TIAA.org/public/offer/products/mutual-funds

TIAA-CREF mutual funds offer:

- Wide range of funds available to help you meet a variety of investment needs
- No penalties for early withdrawal¹
- Management teams who also manage our retirement investments
- Some of the lowest costs in the industry²

Nonqualified annuity

Call **877-554-8282**

Visit TIAA.org/annuities

This option offers you:

- Ability to create an income stream³
 - Opportunity for tax-deferred investing until age 95
 - Flexible income options
 - Growth potential
-

¹ Although there are no penalties for early withdrawals, some funds have redemption fees and may also have other types of nonrecurring charges.

² Applies to mutual fund and variable annuity expense ratios. Source: Morningstar Direct, September 30, 2021. 66% of TIAA-CREF mutual fund products and variable annuity accounts have expense ratios that are in the bottom quartile (or 90.21% below median) of their respective Morningstar category. Our mutual fund and variable annuity products are subject to various fees and expenses, including but not limited to management, administrative and distribution fees; our variable annuity products have an additional mortality and expense risk charge.

³ Withdrawal of earnings are subject to income tax. There are risks associated with investing in variable annuities, including the loss of principal.

How to take the next step

You can contact us today for more information or help in opening a minimum distribution account. It's easy to reach us.



Call us at 800-842-2252

Our experienced consultants are available weekdays, 8 a.m. to 8 p.m. (ET).



Visit us at [TIAA.org/RMD](https://www.tiaa.org/RMD)

Explore more information and quick guides to how you can take your RMDs. To send an email to us, just click *Get Help*, then *Contact Us* from the upper-right corner of the home page.



Schedule a virtual meeting

Arrange a one-on-one meeting with a TIAA financial consultant, if your employer's plan offers this option. Just call **800-842-2252** to schedule an appointment.





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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.

The TIAA group of companies does not provide legal or tax advice. Please consult with your legal or tax advisor.

Our products may be subject to market and other risk factors. See the applicable product literature, or visit TIAA.org for details.

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

Exclusions, restrictions, limitations, and reductions in benefits will, in certain situations, apply to your policy. Please note that the issuer has the right to contest the policy for misrepresentation by the applicant. Annuity contracts contain exclusions, limitations, reductions of benefits and may contain terms for keeping them in force. For full details, including costs, call us at **855-200-6529**.

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The 529 college savings plans referenced herein are offered and administered by the state. Most states offer a 529 college savings plan. Before investing, check your state's website for information about any favorable state tax benefits that are only available if you invest in that state's plan. Consider the investment objectives, risks, charges, and expenses before investing in a state 529 college savings plan. Read the disclosure booklet containing this and other information carefully. Investments in a state 529 college savings plan are neither insured nor guaranteed and there is risk of investment loss. Nonqualified withdrawals may be subject to federal and state taxes and the additional federal 10% tax.

TIAA-CREF Individual & Institutional Services, LLC, Member FINRA, distributor and underwriter for the state 529 college savings plans managed by TIAA-CREF Tuition Financing, Inc.

Under Texas law, participants who are under age 70½ cannot take contributions or any net earnings out of the plan (including amounts from prior periods of employment) until termination of employment with all Texas public institutions of higher education.

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