

# Outreach

Your retirement income and planning newsletter



## TIAA lifetime annuity income increases for 2014

Despite a low interest rate environment, for the second year in a row, TIAA income will increase for 2014.\* Based on the annual vote in December by the TIAA Board of Trustees:

- **Standard payment method:** Monthly income will increase by about 2% in 2014.
- **Graded payment method:** Monthly income will increase on average about 4.9% for 2014 and 2015.

Need to plan for higher income levels? Has your financial situation changed? We can help assess your income allocation to help ensure it's still aligned with your financial needs and preferences.

### Other income changes:

- **Interest-Only income or Transfer Payout Annuity income:** We'll notify you in March 2014 of any payment changes taking effect April 1, 2014.
- **CREF or TIAA Real Estate variable annuity accounts:** Your income may change annually or monthly.
  - If annually, we'll notify you in April 2014 (changes based on account performance through March 31, 2014 and taking effect May 1, 2014).
  - If monthly, we'll notify you of the change each month.

\* The indicated increases for 2014 will be reduced proportionally for those who began receiving income payments in 2013. This information doesn't apply to income you're receiving under defined benefit pension plans, principal and interest contracts, the TIAA Transfer Payout Annuity or interest-only payments from TIAA Traditional Annuity.

### In this issue

- 
- 2** Tax Calendar 2014  
Tax withholding changes  
Update: Social Security, Medicare

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  - 3** New! Advice & Guidance Center  
Register to log on to our secure website

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  - 4** Check your beneficiary designations
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## Connect with a TIAA-CREF Financial Consultant at 800 842-2252 to:

- Learn more about the standard and graded payment methods.
- Evaluate your retirement income changes and asset allocation.
- Review your sources of income outside of TIAA-CREF to give you a complete picture of your retirement income needs.

(If you have an assigned Wealth Management Advisor, call your advisor team directly.)



## Tax calendar 2014

### December

In some states, December 31, 2013, is the deadline for 2013 state tax-deductible contributions to 529 college savings plans.

### January

If you received one or more distributions in 2013, we'll mail **forms 1099-R, 1099-INT, and/or W-2** to you by January 31, 2014. If you rolled over or contributed to a TIAA-CREF IRA during 2013 or had any accumulation in an existing TIAA-CREF IRA as of December 31, 2013, we'll mail **Form 5498** to you by January 31, 2014.

### February

If you're a resident of Puerto Rico and received one or more distributions in 2013, we will mail **Form 480.7C** to you by February 28, 2014.

### March

If you're a nonresident alien and received one or more distributions in 2013, we will mail **Form 1042-S** to you by March 15, 2014. If you received a distribution from a Canadian converted (U.S. modified) contract, you will receive **Form NR-4** by March 31, 2014. **Please note:** If you change your country of residence, send us a new **Form W-8BEN** to certify your permanent residence and foreign status. Find this form at [tiaa-cref.org](http://tiaa-cref.org) by clicking on **Help and Resources, Forms, General Tax Forms** and then **IRS Form W-8BEN**.

### April

The deadline for IRA contributions for tax year 2013 is April 15, 2014. If you're 50 years of age or older, your maximum IRA contribution is \$6,500 for the 2013 tax year.

April 15, 2014 is also some states' deadlines for 2013 state tax-deductible contributions to a 529 plan.

### May

If you contribute to an IRA between January 1 and April 15, 2014, and designate these contributions for the 2013 tax year, we'll mail **Form 5498** to you by May 31, 2014.

### Tax withholding changes on your income payments for 2014

Each year, the Internal Revenue Service adjusts the standard deduction, exemption amount, and individual tax brackets for cost-of-living increases. States also regularly alter their wage withholding tables. These changes can affect the federal and state taxes we withhold from your periodic payments. As a result, even if TIAA's rates and gross payment amount stay the same, your net payment for 2014 may change.

**Please note:** Always keep in mind to notify us immediately of any change of address, since it can affect your tax withholding and/or reporting situation.



### Update on Social Security, Medicare

As a result of a 1.5% increase in the Consumer Price Index (CPI), Social Security payments will increase proportionally in 2014.

The **Medicare Part B premium** will stay the same in 2014.



## New Advice & Guidance Center offers practical “how-to” articles for retirees

If you're interested in learning about various planning strategies, such as for your retirement income, healthcare and estate, our new Advice & Guidance Center at [tiaa-cref.org](http://tiaa-cref.org) has several helpful articles, including:

- Growth investments may be essential to your retirement portfolio
- Retired and working
- Choosing and paying for elder care
- The rising cost of healthcare in retirement
- What to consider when choosing a retirement account beneficiary
- How should you leave your assets behind?
- How wills and revocable trusts work together
- The importance of asset titling
- Strategies for second marriage planning
- Planning for same-sex couples
- Are your donations ready for an IRS audit?
- Contributing to someone else's IRA

You can also access these articles through our secure website. (See article on this page on how to register to log on to our secure website.)

## Save trees: Access your account information online

Simply log on to our secure website to view your account information, including annuity income payments. To register, go to our home page, [tiaa-cref.org](http://tiaa-cref.org), and follow the instructions.

By using our secure website's tools and resources, you'll find it easier to coordinate your account information in one place, including to:

- **Manage your income:** View details on most payments you have received from TIAA-CREF over the last two years. From the account home page, click on **View pending and recent activity**.
- **Coordinate your statements:** Access your TIAA-CREF quarterly statements, tax forms and other documents and request to receive them electronically. Click on **Profile & Settings, Contact Information and eDelivery Preferences**, and then choose **Edit My eDelivery Preferences**. To receive your 2013 tax reporting forms via eDelivery, be sure to choose eDelivery of the forms by January 6, 2014. (If you're signed up for eDelivery, you will no longer receive a mailed copy.)
- **Make beneficiary changes:** Click on **Profile & Settings** and then **Beneficiaries** to change your beneficiary(ies) for your TIAA-CREF products.

### Let our consultants help you

If you're unsure about registering for online account information, call **800 842-2252** for instructions and support. You can also have a one-on-one consultation to help track your progress toward your financial goals.

## Do your beneficiary designations reflect changes in your life?

When you first started contributing to a retirement plan, you named one or more beneficiaries, who are the people or entities (e.g., trusts, charities or estates) to inherit your retirement assets when you pass away. You likely have designated beneficiaries for other investments and financial products, such as IRAs, annuities, mutual funds and life insurance. But have you updated these designations to reflect changes in your life?

Remember, your beneficiary designations have a significant legal standing and even supersede those you name in your will. Neglecting to update these designations means your money may not be distributed according to your wishes. In fact, if you don't name your beneficiaries, your assets could get tied up in probate court — resulting in unfavorable tax treatment of your funds. Please note: For annuity income you're receiving, whether you need a beneficiary depends on the income option you chose.

### Important things to consider:

- **Don't forget your spouse or partner.** If you marry or divorce, or are a widow, revisit your designations to ensure your money will go to the right people. Note, however, most retirement and tax-deferred annuity

plans (except for government plans) are subject to joint and survivor requirements ensuring that at least 50% of the value of a married participant's account goes to the spouse unless a waiver has been signed. These joint and survivor requirements supersede any contract beneficiary designations.

- **List each of your children.** Don't forget to add the names of all your children on beneficiary designation forms. This often happens when children are born after the initial designation.
- **Don't forget contingent beneficiaries.** It's important to name contingent beneficiaries — the people, trusts, charities or estates who will inherit the money if the primary beneficiary dies before you do.

### Make beneficiary changes online:

You can change your beneficiary(ies) for your TIAA-CREF products directly on our secure site. Visit [tiaa-cref.org](http://tiaa-cref.org) to log in, and then from the home page select **Profile & Settings** and then **Beneficiaries**.

### Or call us at 800 842-2252:

One of our financial consultants can help update your designations. If you have an assigned Advisor, contact your Advisory Team directly.

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Please keep in mind the annuities are designed for retirement and other long-term goals. When you contribute to an annuity, your money must remain in it until you reach age 59 ½. If you make a withdrawal before then, the money will be taxed as ordinary income and you may be subject to an additional 10% early withdrawal penalty. Furthermore, if you choose to invest in the variable investment products, your money will be subject to the risks inherent in investing in securities.

Annuity contracts contain terms for keeping them in force. Exclusions, restrictions, limitations and reductions in benefits will, in certain situations, apply to annuity contracts. For full details, including costs, call us at 800 842-2252.

Please consider the investment objectives, risks, charges and expenses carefully before investing. Call 877 518-9161 or visit [www.tiaa-cref.org/prospectuses](http://www.tiaa-cref.org/prospectuses) for product and fund prospectuses containing this and other information. Read the prospectuses carefully before investing.

The tax information in this newsletter is not intended to be used, and cannot be used, to avoid tax penalties. It was written to promote the products and services discussed in this publication. Taxpayers should consult an independent tax advisor about their own particular circumstances.

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