You can use the balance in your revenue credit account (RCA) to pay reasonable and necessary plan expenses, return it to participants as a plan servicing credit (PSC) or combine the two. When you distribute the funds as a PSC, you have your choice of five allocation methods—one credits the amount equally to participants and the others are based on plan assets. View descriptions and examples of the different methods.

Once the money is paid to your participants’ accounts using the method you selected, you’ll receive a Plan Servicing Credit Summary Report to help you:

- Answer participant questions
- Understand any adjustments made to the PSC amount
- Identify opportunities to make your fee structure more efficient

Following is a sample report for a plan using an asset-based allocation method. If you’re providing the credit equally to participants, contact your plan representative or the Administrator Telephone Center for help reading your report.

**How to get your report on PlanFocus®**

You’ll receive an email and an online alert when your report is ready on PlanFocus. Once you have logged in, you can view the report by:

- Hovering over the Compliance tab and clicking Plan Servicing Credit Transactions under Plan-Specific Reports. Use the drop-down menu to select a plan.
  OR
- Hovering over the Administration tab and clicking Manage Revenue Credit Accounts under Plan Accounts. From there, go to the Posted Transactions section and choose Download Report from the Actions drop-down menu for the applicable plan servicing credit transaction.
Understanding your Plan Servicing Credit Summary Report

Making the most of your report

Review the summary

It’s an easy way to check calculation assumptions and get a snapshot of your plan-level results.

<table>
<thead>
<tr>
<th>Date Requested:</th>
<th>05/23/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation Date:</td>
<td>05/23/2019</td>
</tr>
<tr>
<td>Allocation Method:</td>
<td>Asset Based - Proportionate above Revenue Requirement</td>
</tr>
<tr>
<td>Plans included in the calculation:</td>
<td>102777</td>
</tr>
<tr>
<td>Total Eligible Assets:</td>
<td>$2,962.20</td>
</tr>
<tr>
<td>Total Eligible Participants:</td>
<td>19</td>
</tr>
<tr>
<td>Revenue Requirements:</td>
<td>0.50%</td>
</tr>
</tbody>
</table>

| Revenue Credit Account (RCA) balance | $280.37 |
| Amount requested to be allocated to participants | $25.00 |
| Amount allocated to participants | $24.91 |
| Amount not allocated to participants and returned to RCA | $0.00 |
| - TIAA Traditional TPA and IPRO with no account to credit | $0.09 |
| - Rounding | $0.00 |
| Total amount allocated to participants or returned to RCA | $25.00 |

1 Date requested: The date the PSC request was entered into our processing system.
2 Valuation date: The date used to determine the value of plan assets and excess revenue for the calculation.
3 Transaction date: The date we processed the credit and updated participant accounts.
4 Allocation method: How the credit was distributed to participants. It reflects the method selected on the plan servicing credit request form.¹
5 Plans included in the calculation: The plan identification numbers used in TIAA’s recordkeeping system.
6 Total eligible assets: Eligible assets included in the calculation. Depending on the selected PSC method, assets in certain investments may be excluded, such as those without revenue sharing.
7 Total eligible participants: Number of participants included in the calculation. Participants must have an account balance greater than zero as of the valuation date to be eligible for the credit. Individuals with multiple accounts are counted only once.
8 Revenue requirement: Our “price” to provide your plan’s recordkeeping and other plan services; typically expressed as a percentage of plan assets. Note: This field is only included in the report if you’re using the Asset based—Proportionate above Revenue Requirement method.
9 Revenue Credit Account (RCA) balance: The amount in your RCA before the plan servicing credit was processed.
10 Amount requested to be allocated to participants: Reflects the amount of your RCA balance you directed us to distribute as a PSC.
11 Amount allocated to participants: Total amount credited to participants net of rounding differences.
12 Amount not allocated to participants and returned to RCA:
   a TIAA Traditional Transfer Payout Annuities (TPA) and Interest Payment Retirement Option (IPRO) with no account to credit: Due to contractual limitations, a PSC cannot be applied directly to participant accounts in these investments. Instead, this portion of the PSC will be allocated among the participants’ other investment options on a pro rata basis. For participants who don’t have other investments, we’ll look for the “originating” contract. If we find the contract, we’ll put the TPA/IPRO portion of the credit in your plan’s default investment option. If we can’t find the contract, the PSC amount will be returned to your RCA as an exception. This field represents how much was returned.
   b Rounding: Refers to residual dollar amounts (cents/fractional cents) that remain after the PSC allocation was completed. We return any rounded amounts to your plan’s Revenue Credit Account, which means you won’t be able to deplete your RCA using plan servicing credits. You’ll need to see if there are any plan expenses that can be paid with the remaining amount.
13 Total amount allocated to participants or returned to RCA (Item 11 + Item 12a + Item 12b = Item 13).

¹ For institutional investor use only. Not for use with or distribution to the public.
Focus on the participant information

The participant allocation detail section breaks down the amount each participant received by investment and contract, making it easier for you to respond to questions.

1. **Plan**: Identification number used in our recordkeeping system.
2. **Part ID**: Participant’s Social Security number.
3. **Name**: Participant’s name.
4. **Contract**: Contract ID and sequence number used in our recordkeeping system.
5. **Ticker**: Characters that uniquely identify the investment.
6. **Fund name**: The name of the investment.
7. **Source**: Contribution type.
8. **Eligible assets**: The amount of plan assets in the investment included in the calculation.
9. **Allocation amount**: Participant’s share of the PSC for that contract, investment and contribution type.
10. **Allocation adjustment**: Any adjustment to the amount the participant should have received for that contract, investment and contribution type.
11. **Amount allocated**: The actual amount the participant received for that contract, investment and contribution type (Item 9 – Item 10 = Item 11).
12. **Comments**: The reason(s) for any adjustments, such as:
   - Reallocated—TPA/IPRO credit was reallocated to the participant’s originating contract. Note: PSCs reallocated to existing contracts won’t have a comment. See Item 12a under the PSC summary section for details.
   - Ineligible/No account—No originating contract was found so we returned the credit amount to the RCA.

Examine the investment information

Your report will also include an investment allocation summary if you’re using one of these following PSC allocation methods only (view descriptions and examples):

Method #3: Asset Based—Revenue Generating Investments Only
Method #4: Asset Based—Proportionate to Investment Revenue Share
Method #5: Asset Based—Proportionate above Revenue Requirement
Understanding your Plan Servicing Credit Summary Report

The investment allocation summary breaks down the PSC amount for each investment in your plan, which you can use to help evaluate the revenue from your investment options and decide if you want to use the same allocation method for any future credits.

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>13</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>102777</strong></td>
<td><strong>GR1001</strong></td>
<td>CBND</td>
<td>CREF BOND MARKET R1</td>
<td>$6,085,098.19</td>
<td>0.350%</td>
<td>0.230%</td>
<td>0.120%</td>
<td>0.000479158</td>
<td>$3,208.01</td>
<td>$6.56</td>
<td>$3,214.57</td>
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<tr>
<td><strong>102777</strong></td>
<td><strong>TP1001</strong></td>
<td>CBND</td>
<td>CREF BOND MARKET R1</td>
<td>$5,668.89</td>
<td>0.350%</td>
<td>0.230%</td>
<td>0.120%</td>
<td>0.000478048</td>
<td>$2.71</td>
<td>($2.71)</td>
<td>$0.00</td>
<td>Ineligible/No Account</td>
</tr>
<tr>
<td><strong>102777</strong></td>
<td><strong>TP1002</strong></td>
<td>CBND</td>
<td>CREF BOND MARKET R1</td>
<td>$10,678.93</td>
<td>0.350%</td>
<td>0.230%</td>
<td>0.120%</td>
<td>0.000478512</td>
<td>$5.11</td>
<td>($5.11)</td>
<td>$0.00</td>
<td></td>
</tr>
<tr>
<td><strong>102777</strong></td>
<td><strong>RA6002</strong></td>
<td>CBND</td>
<td>CREF BOND MARKET R1</td>
<td>$61,238.74</td>
<td>0.350%</td>
<td>0.230%</td>
<td>0.120%</td>
<td>0.000479124</td>
<td>$29.34</td>
<td>$0.00</td>
<td>$29.34</td>
<td></td>
</tr>
</tbody>
</table>

1. **Plan:** Identification number used in TIAA’s recordkeeping system.
2. **Contract:** Contract ID and sequence number used in our recordkeeping system.
3. **Ticker:** Characters that uniquely identify the investment.
4. **Fund name:** The name of the investment.
5. **Eligible assets:** The amount of plan assets in the investment included in the calculation.
6. **Plan services expense (%):** The portion of the fund’s expense ratio used to cover the plan services expense (revenue sharing).
7. **Required revenue:** Our “price” to provide your plan’s recordkeeping and other plan services; typically expressed as a percentage of plan assets. *Note: This field is only included in the report if you’re using the Asset based—Proportionate above Revenue Requirement method.*
8. **Excess revenue:** The result of comparing plan services expense to required revenue (Item 6 – Item 7 = Item 8). *Note: This field is only included in the report if you’re using the Asset based—Proportionate above Revenue Requirement method.*
9. **Allocation factor per $1.00:** The factor applied to the assets to determine the excess revenue returned to participants in the investment (Item 10 divided by Item 5 = Item 9).
10. **Allocation amount:** Total amount credited to participants for that investment, net of rounding differences.
11. **Allocation adjustment:** Any adjustments to the amount credited to the investment.
12. **Amount allocated:** The actual PSC amount credited to the investment (Item 10 – Item 11 = Item 12).
13. **Comments:** The reason(s) for any adjustments, such as:
   - Reallocated—TPA/IPRO credit was reallocated to the participant’s originating contract. *Note: PSCs reallocated to existing contracts won’t have a comment. See Item 12a under the summary section for details.*
   - Ineligible/No account—No originating contract was found so the credit amount was returned to the RCA.

Get the full story behind the numbers

If you’d like to discuss the results of your PSC Summary Report or ways to minimize your plan’s excess revenue, contact your plan representative or call the Administrator Telephone Center at 888-842-7782, weekdays, 8 a.m. to 8 p.m. (ET).
Special allocation rules apply to TIAA annuities and mutual funds that are subject to certain securities laws. Contact your relationship manager or the Administrator Telephone Center for more information.

Often, the dollar amount of a participant’s share of a PSC is very small, perhaps only a few cents. When a small PSC is allocated to an investment with a large share/unit price, the PSC may not be enough to purchase a fractional share/unit. In these situations, the PSC will be recordkept as “un-invested” cash. Once the participant makes subsequent purchases into the investment, the un-invested cash will automatically be placed in their account. If instead the participant requests a transfer or distribution from the investment, a manual process is needed to complete the transaction.

All images are from a sample plan and are for illustrative purposes only. They are not intended to predict or project performance of any account. Actual figures will vary.

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