



# Regulation Best Interest disclosure

This document describes the products and services we provide as a broker-dealer registered with the Securities and Exchange Commission (“**SEC**”).<sup>1</sup> It can help you understand important information about the recommendations we provide such as the fees we charge and how we are paid for these services.

Specifically, this document provides information on:

- Our broker-dealer services
- The standard of conduct that applies to any recommendation (including investment strategies involving securities) we provide for your TIAA accounts when we act as a broker-dealer as well as important considerations (including conflicts) and limitations related to our recommendations
- The accounts, products and services we recommend as a broker-dealer (called “**Solutions**” in this document) as well as our fees and other compensation
- Our investment philosophy, the general basis for our recommendations and risks of investing
- Our Financial Professionals’ roles, how they are compensated and material conflicts of interest related to their compensation



For over 100 years, TIAA has served the retirement needs of people who work in the academic, medical, cultural and research fields, and their families.

Our goal is to help you pursue financial well-being throughout your life through a variety of investing solutions.

<sup>1</sup>Teachers Insurance and Annuity Association of America (“**TIAA**”) provides broker-dealer services through its affiliate TIAA-CREF Individual & Institutional Services, LLC (“**TC Services**”) and its registered representatives (“**Financial Professionals**”). We are required to provide this document to you as a retail customer<sup>2</sup> under the SEC’s Regulation Best Interest. You may receive this document multiple times, depending on the products and services you have with us. You should review this document (and any updates and revisions to it) when you receive any securities recommendations (including investment strategies involving securities) from us. We refer to TC Services and its Financial Professionals collectively as “we”/“us”/“our” throughout this document.

<sup>2</sup> Retail customers are natural persons, or their legal representatives that use recommendations primarily for personal, family or household purposes. This document is not intended for plan sponsors or non-retail customers.

# Our Solutions

Most, but not all, of our clients begin their relationship with us when they enroll in an employer-sponsored retirement plan (“**Plan**”) at TIAA. For clients with investing needs beyond their Plan(s), we offer a range of Solutions, such as affiliated individual retirement accounts (“**IRAs**”), self-directed brokerage accounts, and annuities. All Solutions are described in more detail starting on page 9. We also offer services as a registered investment adviser and services from our affiliates (collectively, “**Other Services**”), which are summarized starting on page 25. Please review all documents and disclosures associated with Solutions and Other Services we recommend to make fully informed decisions. If you have a Plan that is recordkept by TIAA as a service provider, we will use data from your Plan when we recommend or provide you with Solutions and Other Services. Plan sponsors do not review or endorse any Solutions or Other Services outside of their Plans.

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# Our broker-dealer services

We act as a broker-dealer when we buy and sell securities for your TIAA accounts at your direction. From time to time, we also provide you with investment recommendations as part of our broker-dealer services (“**Recommendations**”).

Specifically, we can provide Recommendations to:

- Open, contribute or enroll in our Solutions, including consolidating assets via an IRA or plan rollover or transfer
- Create a lifetime income stream by annuitizing affiliated annuity holdings at TIAA (hereafter referred to as “**lifetime income**”)
- Purchase and sell specific investments within your Plans at TIAA (where available), and the TIAA IRAs

Recommendations to enroll in, roll over to or contribute more to a TIAA professionally managed account are provided as registered investment adviser services and not as broker-dealer services. You will be provided with a separate disclosure document for managed account recommendations. For more information about our and our affiliates’ advisory programs and offerings, see the program disclosure documents at [tiaa.org/relationshipdisclosures](https://www.tiaa.org/relationshipdisclosures) and the applicable client agreement.

We also offer educational services as a broker-dealer that do not involve a Recommendation, including:

- Information about Plan benefits and investing
- Information about Solutions available at TIAA
- Education and enrollment services, including help with contributions, servicing and distribution needs for your TIAA Plans and other TIAA accounts
- Various online tools and calculators available through **tiaa.org**

Our broker-dealer services are provided based on your needs at the time of the service.

**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.**

# Our Recommendations

## The best interest standard applicable to our Recommendations

Our Recommendations are subject to a standard under the SEC's Regulation Best Interest that requires us to act in your best interest when making a Recommendation and without placing our financial or other interests ahead of yours. Regulation Best Interest does not require or ensure that: 1) we recommend the lowest-cost option; 2) we guarantee the performance of any investment; or 3) your investment objectives will be achieved. In addition, we are not responsible for actions you take that are different from or inconsistent with our Recommendations. You assume the risk of such decisions. We are not responsible for your delay in implementing a Recommendation. If you delay acting upon a Recommendation, please review the latest version of this document before taking action, as the content may have changed, and speak with a Financial Professional about whether the Recommendations continue to be in your best interest. Visit [tiaa.org/relationshipdisclosures](https://www.tiaa.org/relationshipdisclosures) or call **888-583-2535** to request the latest version of this document.

## Fiduciary Acknowledgment under ERISA and Internal Revenue Code

Recommendations to enroll in an IRA, rollover/transfer to or from a Plan or IRA, or to begin lifetime income are "Covered Recommendations." When we make Covered Recommendations to you, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act ("**ERISA**") and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests when we make Covered Recommendations, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Certain Plans (like governmental plans) are not covered by ERISA; however, our internal policies and procedures require us to adhere to the same fiduciary standard when we provide Covered Recommendations on non-ERISA Plan assets.

## Limitations on Our Recommendations: Affiliated Products and related conflicts of interest

Many of our Solutions include affiliated mutual funds, investment products and annuities ("**Affiliated Products**"). Below are descriptions of the Affiliated Products we offer within various Solutions, and how we and our affiliates are compensated for them. Recommending Solutions that include Affiliated Products to you creates a conflict of interest because we and our affiliates receive additional compensation when you invest in them. We generally receive more compensation for the sale of Affiliated Products than for the sale of third-party products. You may be able to obtain similar investment products and services from another financial institution at a lower cost.

# Types of Affiliated Products and conflicts of interest

## Affiliated funds from the Nuveen family of mutual funds (“Affiliated Funds”)

We earn distribution and sub-transfer agency fees for services performed for the Affiliated Funds, whether held directly with the Affiliated Funds or within a TC Services account. Other TIAA affiliates also earn compensation for providing administrative, recordkeeping and investment management services. The compensation we and our affiliates earn is set forth in the prospectus clients will receive at or before the mutual fund shares are delivered. Learn more at [tiaa.org/prospectuses](https://tiaa.org/prospectuses).

## Retirement annuities issued by TIAA and CREF, including:

### TIAA Real Estate Account variable annuity (“REA”)

We earn fees for distribution services provided for the REA. TIAA earns fees for providing investment management and administration services to, and for bearing mortality and expense (“M&E”) risks for, REA. Learn more at [tiaa.org/prospectuses](https://tiaa.org/prospectuses).

### TIAA Access variable annuities

We earn fees for distribution services provided for the TIAA Access annuity. TIAA earns fees for providing administrative services and bearing M&E risks for the TIAA Access annuity. The TIAA Access annuity includes subaccounts that may invest in **Affiliated Funds**. See the disclosure above for more information about the compensation we and our affiliates earn when you invest in **Affiliated Funds**. Learn more at [tiaa.org/prospectuses](https://tiaa.org/prospectuses).

### TIAA Traditional fixed annuity

TIAA Traditional is a fixed annuity contract that is issued and distributed by TIAA. TIAA Traditional is not considered to be an “investment” or “security” under federal securities laws. As a fixed annuity, TIAA’s compensation is the difference between the investment income TIAA earns on supporting assets and

the interest TIAA credits to TIAA Traditional accumulations and annuity payments. Certain TIAA Traditional contracts are designed to provide lifetime income or installment payments over time, and therefore, do not offer full and immediate withdrawals or transfers. Learn more at [tiaa.org/traditional](https://tiaa.org/traditional).

### TIAA Stable Value annuity

TIAA Stable Value is a fixed annuity contract issued by TIAA. TIAA Stable Value is not considered to be an “investment” or “security” under federal securities laws. As a fixed annuity, TIAA’s compensation is the difference between the investment income TIAA earns on supporting assets and the interest TIAA credits to TIAA Stable Value accumulations and annuity payments. Learn more at [tiaa.org/public/retire/financial-products/annuities/retirement-plan-annuities/tiaa-stable-value](https://tiaa.org/public/retire/financial-products/annuities/retirement-plan-annuities/tiaa-stable-value).

### CREF variable annuities

CREF variable annuities are issued by CREF. We earn fees for distribution services provided for CREF. TIAA earns fees for providing administrative services. Another TIAA affiliate earns fees for providing investment management services for CREF. Learn more at [tiaa.org/prospectuses](https://tiaa.org/prospectuses).

## Other products

**After-tax annuities:** We also make available and recommend various after-tax annuities issued by TIAA and TIAA Life Insurance Company (“**TIAA Life**”) as stand-alone Solutions. These annuities are described under “Our Solutions.”

**Nuveen investment products:** Other affiliated Nuveen investment products such as exchange-traded funds (“**ETFs**”) and collective investment trusts (“**CITs**”) may be available to you. We have a conflict of interest as TIAA and our affiliates receive additional compensation when you invest in these products.

## Third-party products and conflicts of interest

Third-party securities products, including mutual funds, ETFs and other investment options are currently available only through certain Solutions as described below.

- Brokerage accounts provide access to third-party mutual funds, ETFs, stocks, bonds and other investment options.
- Third-party mutual funds may also be available as part of the designated investment options for your Plan(s) at TIAA, depending on the options selected by the Plan sponsor.

We usually receive payments from third-party mutual funds and ETF sponsors (or their affiliates) when you buy these products. We, therefore, have an incentive and a conflict of interest when making third-party products available for which we are paid more than third-party products for which we are not paid or are paid less. The compensation we earn depends on the distribution arrangement we and (where applicable) our clearing firm have in place with the product issuer.

**EverBank:** We offer certain products that allow you to “sweep” uninvested cash from your investment accounts into cash sweep options (the “**TIAA Sweep Products**”) and bank deposit account options offered through EverBank, N.A. (“**EverBank**”). TIAA retains a non-controlling interest in EverBank. TIAA maintains an equity ownership in EverBank, of which less than 10% is a voting ownership interest, and controls a board seat, in addition to an economic interest. This creates a conflict of interest because TIAA (our parent) has an economic interest in EverBank in addition to the compensation we and our affiliates earn when we refer clients to EverBank, or recommend brokerage accounts and IRAs that utilize the TIAA Sweep Products or deposits within the accounts. Further, EverBank is not obligated to pay clients the same rate as paid to its other customers and the interest rate paid to clients may be lower than that paid to other bank customers based on the terms of service being offered. In addition, EverBank sets the interest rates for deposits through the TIAA Sweep Product and bank deposit account options and interest rates paid on deposits in the TIAA Sweep Product and bank deposit account options will vary from,

and may be lower than, interest earned on other sweep vehicles (including sweep vehicles available within other TIAA products such as TIAA managed accounts) and bank deposit vehicles. We and TIAA benefit by agreeing to use EverBank for the TIAA Sweep Product and the bank deposit account option even when other options earn a higher yield for you.

## Limited buy and sell Recommendations

We currently provide Recommendations to buy and sell specific securities only in the following instances:

- For Plans, our Recommendations are limited to the funds and annuity investment options that your Plan sponsor makes available within your Plan, provided the Plan sponsor has authorized us to provide this advice to you.
- For TIAA IRA and its predecessor, the Investment Solutions (“**IS**”) IRA, our Recommendations are limited to Affiliated Products including our Affiliated Funds, affiliated annuities and bank deposits with EverBank.

We currently do not provide Recommendations on the investment options available in self-directed brokerage accounts. We also do not provide Recommendations on how to invest assets not held with TIAA.

## No monitoring of our Recommendations

Our Recommendations are provided at a specific point in time and are not ongoing. We do not monitor your investments unless we state otherwise in writing, nor do we monitor any previously provided Recommendations to determine whether you implemented them in a timely way or whether the Recommendation remains appropriate for you. Recommendations are non-discretionary, meaning you make the ultimate decision to purchase or sell the investments.

## Important IRA rollover and account transfer considerations

Before rolling over or transferring assets from one account to another (for example, from your Plan account to an IRA), consider all of your



options. You may be able to leave money in your current Plan or account, withdraw cash or roll over the assets to your new employer's Plan if one is available and rollovers are permitted. Compare the differences in investment options, services, fees and expenses, withdrawal options, required minimum distributions, other Plan and account features, and tax treatment. Your current account or Plan may have different investment choices, features and higher or lower costs than the new account or Plan you are considering. Also, consider whether you are rolling over or transferring assets into accounts that have surrender charges or do not give you access to lower-cost share classes that may be available in your current account or Plan. Speak with one of our Financial Professionals and your tax advisor regarding your situation. Learn more at [TIAA.org/public/pdf/Know\\_Your\\_Options\\_from\\_TIAA.pdf](https://www.tiaa.org/public/pdf/Know_Your_Options_from_TIAA.pdf).

If we recommend that you roll over or transfer assets out of a Plan or IRA external to TIAA into a Plan or IRA at TIAA, we have a financial interest, and therefore, a conflict of interest in making such a Recommendation because we and our affiliates will earn compensation (for example, through fees we receive in connection with your subsequent investments and account maintenance and advisory fees, where applicable) as described more fully in the "Our Solutions" section. Our Financial Professionals are compensated when their customers roll over or transfer assets into TIAA accounts as described more fully under "Our Financial Professionals and their compensation." Therefore, they have a conflict of interest and an incentive to recommend a rollover or transfer or refer you to a Financial Professional who can recommend a rollover or transfer.

### **Important lifetime income considerations**

- Fixed annuities are insurance contracts that allow you to convert your retirement assets (full or partial) into a guaranteed stream of payments at regular intervals, usually beginning when you retire and lasting for your entire life, depending on the payout option you select.
- Variable annuities are insurance contracts, the value of which fluctuates based on the market performance of the underlying sub account to which it is tied. Variable annuities can generally

be converted into a lifetime income stream or converted to a fixed annuity after the accumulation period, pursuant to the terms of the contract. Variable Annuities do guarantee that you will receive income for the individual's life during the distribution period, but will fluctuate in value when annuitized, though the number of annuity units held do not.

- Guarantees of fixed annuities are subject to the issuing company's long-term financial strength and claims-paying ability.
- Selecting lifetime income through annuitization is just one of many payout options available under our annuities, including the TIAA Traditional fixed annuity, the CREF variable annuities, TIAA Access annuities, and the REA variable annuity.
  - We may recommend lifetime income to you if appropriate. Once you have elected to annuitize with lifetime income, your election is irrevocable, and you cannot change the income option. However, you may be eligible to move the source of your annuity payments from one annuity account to another, for example, variable annuity to fixed annuity.

TIAA and its affiliates have a financial interest, and therefore, a conflict of interest in recommending the purchase of annuities and converting annuities into lifetime income through annuitization for both our variable and fixed annuities.

- For variable annuities, during the lifetime income period TIAA affiliates may receive a portion of the account's management expense fees, which are deducted from your annuity units and therefore, impact the value of your annuity payment.
- For our fixed annuities, TIAA and TC Life invest the amounts you have converted to lifetime income to support guaranteed lifetime income amounts. Excess earnings are used to support client services and the company's financial strength for the benefit of all contract owners. For TIAA Traditional, excess earnings also may be used to provide increases to annuity income amounts throughout retirement. Moreover, as discussed later, our Financial Professionals are compensated when you elect to receive lifetime income, following a Recommendation. The



compensation payable to the Financial Professional is part of his or her overall compensation calculation and is not a direct “fee.” Therefore, these Financial Professionals have a conflict of interest and an incentive to recommend lifetime income or to refer you to a Financial Professional who can recommend lifetime income.

## Our Solutions

We only recommend Solutions that are available through TIAA. These Solutions include a range of account types, products and services to meet a variety of investing needs. The types of Solutions we offer, the types of fees you pay and the types of compensation we and our affiliates earn are described in this section. You will pay fees and costs whether you make or lose money on your investments. Fees and costs, including expenses associated with the investments you hold, will reduce any amount of money you make on your investments over time. We reserve the right to change the available investments, including available share classes of particular funds over time and at our discretion as well as fees and costs. We will notify you through a separate communication if you have an account or product subject to the fee changes.

### Employer-sponsored retirement plan accounts recordkept at TIAA

You may be eligible to participate in an employer-sponsored retirement plan recordkept at TIAA. There is generally no account minimum to enroll in an employer-sponsored retirement Plan.

#### Account description and important limitations

Employer-sponsored retirement plans are established by employers for the benefit of eligible employees and participants, beneficiaries and alternate payees with an account balance.

**Plan services.** If you are eligible to participate in an employer sponsored retirement Plan recordkept at TIAA, the Plan sponsor has engaged TIAA to provide services to the Plan that may include:

- Education on plan enrollment, contribution and distribution needs, including lifetime income. Before contributing more to a Plan, consider obtaining guidance on how those additional contributions should be invested.
- How to allocate your current and future contributions among the investment options offered by your Plan at TIAA if your plan allows these Recommendations. These Recommendations are sourced from a third party. Additionally, the Plan sponsor, and not TIAA, is responsible for selecting the investments available within the Plan, including associated share classes of mutual funds available through the Plan.

In some cases, the Plan sponsor may make available an optional self-directed brokerage window to the Plan, which may provide access to a variety of mutual funds and potentially other securities, including different share classes (some of which may be cheaper than the share classes available within the Plan investment line up selected by the Plan sponsor). We do not provide Recommendations on investments in the optional brokerage window.

#### Fees you pay

Ask your Plan sponsor about the fees and expenses associated with your Plan and Plan account, which can include:

- General administrative expenses that can be charged to or deducted from Plan balances to pay service providers like TIAA for Plan administrative services, which may offset in whole or in part by compensation paid to the provider by plan investments and plan services expense fees
- Expenses associated with the investment options within your Plan (Refer to other disclosure documents such as prospectuses you receive from us for information on expenses.)
  - Some types of Plans such as 401(k) and certain 403(b) Plans also provide an annual Participant Fee Disclosure statement that discloses general and individual Plan expenses as well as

investment fund expenses. For more information, go to [tiaa.org/pro](https://tiaa.org/pro) and enter your plan number.

### **Other compensation we and our affiliates earn and related conflicts**

TIAA and its affiliates earn compensation in connection with investments offered within your Plan. See the sections above titled “Types of Affiliated Products and conflicts of interest” for additional information.

An employer can pay TIAA for record keeping services in a number of ways, including, but not limited to, through indirect or direct fees charged to Plan participants or paying record keeping fees out of the employer’s general assets.

In limited instances a Plan sponsor may make annuities offered by third parties available. We or our affiliates could receive service fees in connection with these annuities.

## **TIAA IRAs<sup>1</sup>**

TIAA IRAs are available to retail investors who meet age and residency requirements. There is no account minimum to open a TIAA IRA.

### **Account description and important limitations**

The TIAA IRA and the IS IRA (collectively, “the IRAs”) offer Traditional IRA, Roth IRA and Simplified Employee Pension IRA options.

Investment and account options: The investment and savings options within the IRAs include:

- A menu of Affiliated Funds and retirement annuities issued by TIAA and CREF (“Menu”). This limits the type of investment recommendations that can be made to you through the IRA itself.
- An optional brokerage window account, which offers a broader array of investments<sup>2</sup>, including non-proprietary investments (see “TIAA brokerage accounts” below for more information)
- A bank deposit account option that allows contributions to your

IRAs to be placed in one or more interest-bearing bank deposit accounts with EverBank, please refer to “EverBank” under “Third-party products and conflicts of interest” for additional details on conflicts of interest. If you fail to select an investment option for the TIAA IRA, you will be defaulted to the bank deposit account option. Learn more at [tiaa.org/bankterms](https://tiaa.org/bankterms).

### **Limitations of the IRAs**

- There are share class limitations with respect to the Affiliated Funds and CREF variable annuities available within the Menu of IRAs. Specifically:
  - We limit the share classes of the Affiliated Funds available through the Menu to those that pay us compensation. Retail investors may be able to purchase lower cost share classes directly or through your Plan account(s), TIAA managed accounts, and accounts at other financial institutions. TIAA and its affiliates benefit from offering more expensive share classes because we receive additional compensation for record-keeping and administrative share classes when you invest using these share classes.
  - Mutual fund expenses have an adverse impact on investment returns. Expenses decrease the total value of the mutual fund assets, which reduces the mutual fund’s return. Share classes with higher expenses (such as retail and retirement share classes), therefore, result in lower returns than share classes with lower expenses (such as institutional share classes).
  - The more expensive share classes offered through the Menu support additional services available with respect to the Menu. For example, the IRAs offer investment advice on the Affiliated Funds and retirement annuities, automatic contribution allocations, automatic required minimum distributions and rebalancing services.
- We only offer Class R-1 share class of CREF, the highest-cost share class, within the IRAs. You may have access to lower-cost

<sup>1</sup> This excludes managed account solutions

<sup>2</sup> Affiliated Funds are not available as investment options for the optional brokerage window account.

share classes in your Plan(s) at TIAA.

- The share class limitations described above create a conflict of interest, as TIAA and its affiliates have an incentive to offer the more expensive share class because we earn more compensation from more expensive share classes such as the retirement share class, while less costly share classes are available elsewhere as described above.
- TIAA contracts issued in connection with the IS IRA prior to October 11, 2010 (“pre-October 11 Contracts”), may pay higher guaranteed rates on TIAA Traditional than the TIAA contracts issued for TIAA IRA and the IS IRA on or after October 11, 2010. Funds transferred from pre-October 11 contracts cannot be reinvested under these contracts and new funds cannot be added to such contracts. See your annuity contract’s rate schedule for additional details.
- Our Recommendations on the investments within TIAA IRAs are limited to the Menu of Affiliated Products. We may change the funds available for purchase through the Menu and optional brokerage window, including available share classes of particular funds, over time and at our discretion, including the addition of more expensive share classes.

### Fees you pay

You will pay expenses associated with the investment options within the IRAs. Refer to other disclosure documents such as prospectuses you receive for information on expenses. TIAA Traditional within the IRA is a guaranteed insurance contract. It does not include an identifiable “expense ratio” or “fee.” TIAA IRAs may be, but currently are not, subject to certain fees that include account maintenance fees, transfer fees and an account termination fee.

Up-to-date information on these fees and on the IRAs can be found in the Directed Trust Agreements for the Roth, Traditional and SEP IRAs that are delivered upon account opening. Learn more under Agreements and Disclosures at [TIAA.org/prospectuses](https://TIAA.org/prospectuses).

For information on the IS IRA, refer to the Custodial Agreement at [TIAA.org/public/pdf/i/ira\\_disc\\_annuityfunded.pdf](https://TIAA.org/public/pdf/i/ira_disc_annuityfunded.pdf) (in the Agreements section) regarding mutual funds and brokerage. For information about IS IRA annuities, refer to your TIAA and CREF IRA annuity contracts.

We do not charge commissions on IRA transactions unless you open a brokerage window account. The commissions and other fees and charges you pay for the brokerage account are described under “TIAA brokerage accounts.”

### Other compensation we and our affiliates earn and related conflicts

- TIAA and its affiliates earn compensation in connection with investments offered within your IRA. See “Types of Affiliated Products and conflicts of interest” and “Third-party products and conflicts of interest” above for information on compensation and conflicts of interest.
- Limiting our Recommendations to our Affiliated Products creates a conflict of interest, as TIAA and its affiliates earn more compensation from affiliated investments than from third-party investments.
- **Brokerage window option**—See section on TIAA brokerage accounts.
- **Bank deposit account option**—When contributions to your IRA are deposited in the bank deposit account option of the TIAA IRA or IS IRA, TIAA Trust, N.A. (“**TIAA Trust**”)<sup>1</sup> earns service fees from EverBank in addition to TIAA’s economic interest in EverBank. EverBank earns income from the difference in the interest credited to your IRA and the income it earns on the investments made with the cash deposits. This creates a conflict of interest, as we/our affiliates receive compensation based on your balance invested in the bank deposit account option. Refer to “EverBank” under “Third-party products and conflicts of interest” for additional details on conflicts of interest.
- TIAA Trust also earns compensation from TIAA for serving as

<sup>1</sup> TIAA Trust is a national trust bank, that is a wholly owned subsidiary of TIAA and affiliate of TC Services.

custodian of the IS IRA mutual funds and securities and trustee for TIAA IRA account assets. We, therefore, have a conflict of interest when recommending IRAs as we and our affiliates benefit from IRA accounts.

## **TIAA brokerage accounts**

Brokerage accounts are available to all retail investors. There is no account minimum to open a brokerage account or any minimum balance requirement.

### **Account description and important limitations**

A brokerage account (or brokerage window account) allows you to invest in a range of securities such as stocks, bonds, mutual funds, ETFs, CDs and options. A variety of brokerage accounts are available, including but not limited to taxable accounts and IRAs. Margin-to-buy securities are only available for qualifying taxable accounts. We provide our brokerage accounts through a clearing arrangement with a third-party firm, Pershing LLC.

*Brokerage accounts held with the firm's clearing broker, Pershing LLC, include a sweep program feature that automatically transfers available uninvested cash balances at the end of each business day into one or more interest-bearing bank deposit accounts with EverBank, up to a maximum amount set by EverBank (not to exceed current per depositor FDIC insurance limits and presently up to \$248,500). Uninvested cash balances in excess of the maximum amount accepted by EverBank are swept into the Liquid Insured Deposits Option ("LIDS") operated by Pershing. Balances allocated to LIDS are placed with one or more third-party FDIC-insured institutions. Once a brokerage account is open, clients can request exclusive use of LIDS or switch to a money market mutual fund sweep option. Learn more at:*

***[TIAA.org/public/invest/financial-products/brokerage-accounts/interest-rate-disclosure](https://www.tiaa.org/public/invest/financial-products/brokerage-accounts/interest-rate-disclosure)***

### **Limitations**

While we may recommend opening a brokerage account, we do not currently provide Recommendations with respect to brokerage

holdings. However, research and screening tools are available to help you locate potential investments.

We limit the mutual funds and share classes available through brokerage accounts. We only provide mutual funds that are available through our clearing firm and where we have an agreement with the fund family to offer their funds and waive sales loads. These agreements do not always include access to all share classes. Most of the mutual funds and their corresponding share classes available for purchase pay compensation to us. However, we also offer mutual funds where no compensation is paid to us. You may be able to purchase other share classes of the funds through other products and services available through TIAA (e.g., through your Plan) or through the mutual funds themselves or other providers. We may change the funds available for purchase through brokerage accounts, including available share classes of particular funds, over time and at our discretion, including the addition of more expensive share classes. Please note that there may be more than one share class available for the mutual funds offered in the brokerage window. Customers should carefully review all available share class options and the mutual fund's prospectus to determine which share class may be most appropriate to their particular circumstances. Affiliated Funds are not offered through the IRA brokerage window account.

### **Fees you pay**

The most common fees are brokerage commissions and transaction charges. These help cover our expenses for taking trade orders, facilitating money transfers between TIAA and other financial institutions at your direction, mailing statements and prospectuses to you and providing you access to your account in a variety of ways. Commissions for each applicable transaction are the most common charges. The amount varies depending on whether trades are placed online or through a Financial Professional and on the frequency of trading and include:

- Stocks (equities) and ETFs: \$0 to \$55
- Options: \$0 to \$55 + \$2.50 per contract
- Mutual funds: \$0 to \$50

- Bonds: \$50 + \$2 per bond

Learn more at [tiaa.org/public/brokerage-account-fees](https://tiaa.org/public/brokerage-account-fees).

Other fees, which can also be found in the Commission and Fee schedule (at the above link), include various account maintenance fees, distribution and shareholder servicing fees, redemption fees, transfer fees, IRA termination fees, check writing and debit card fees and fees to service special and alternative investments. Additionally, for accounts with margin lending capabilities you will pay margin interest on any outstanding balance as disclosed in the Margin Disclosure document. You also will bear the underlying expenses of the investments you hold as disclosed in the prospectus or similar document. There is no account maintenance charge.

#### **Other compensation we and our affiliates earn and related conflicts**

We usually receive compensation from sponsors and mutual funds (and their affiliates) for investments in mutual funds, ETFs and money market mutual funds through brokerage accounts. This compensation is typically paid from the assets of the investment as outlined in the relevant prospectus and is an annual percentage of invested assets.

Specifically, we may receive ongoing compensation, including 12b-1 fees (which we receive at the outset and on an ongoing basis) and other compensation, from the mutual fund's distributor, transfer agent or investment advisor for associated distribution, marketing and/or administrative services. The amount of compensation we receive varies from product to product.

#### **TIAA Sweep Product provided by EverBank**

TC Services receives fees from EverBank on self-directed brokerage cash swept to EverBank accounts and 12b-1 fees and service fees for any LIDS or money market funds available through the cash management sweep service, creating a conflict of interest when we recommend brokerage accounts. Please consult the disclosure document for the LIDS money market funds for more information about such fees at [TIAA.org/public/pdf/pershing\\_fj\\_termsconditions.pdf](https://tiaa.org/public/pdf/pershing_fj_termsconditions.pdf).

EverBank provides bank deposit accounts for the TIAA Sweep Product and earns income from the difference in interest credited to your account and the income it earns on the investments made with such cash deposits. We have a conflict of interest when your cash is swept into a bank deposit account offered through EverBank, as we earn more compensation than with LIDS or with money market funds. In addition, TIAA also has an economic interest in EverBank, EverBank earns income on investments made with cash deposits it accepts through the TIAA Sweep Product. Please refer to "EverBank" under "Third-party products and conflicts of interest" for additional details on conflicts of interest. TIAA makes other sweep options available in all brokerage accounts, not all sweeps are available in all Accounts. To discuss available sweep options or request a change from your current sweep option, contact TIAA Brokerage at **800-842-2252**. EverBank sets the interest rates for deposits through the TIAA Sweep Product and interest rates paid on deposits in the TIAA Sweep Product will vary from, and may be lower than, interest earned on other sweep vehicles (including sweep vehicles available within other TIAA products). The interests of EverBank with respect to the setting of this rate are different from TC Services—the higher the deposit amount and the lower the interest rate paid, the more EverBank earns. Learn more at [TIAA.org/public/pdf/Bank\\_Sweep\\_TC\\_Final.pdf](https://tiaa.org/public/pdf/Bank_Sweep_TC_Final.pdf).



## Retail variable annuities from TIAA and its affiliates

Retail variable annuities, outside of Plans and IRAs, from TIAA and its affiliates are available to all retail investors. Account minimums are set forth below.

### Account description and important limitations

#### Retail variable annuities

The after-tax annuities currently available for purchase, and those no longer offered for sale but that continue to accept premiums into existing contracts, all provide for after-tax contributions and tax-deferred earnings. You don't pay tax until funds are withdrawn, when the earnings are taxed as ordinary income and return of original premiums are tax-free.

These non-qualified deferred annuities are primarily designed for those who have contributed the maximum allowed to Plans and IRAs and seek to invest more for retirement (as withdrawals before age 59 ½ are generally subject to an early-withdrawal tax penalty). The specific timing and options vary, but all offer the option to receive lifetime annuity payments as well as other withdrawal options.

The After-Tax Retirement Annuity ("**ATRA**"), issued by TIAA, is available to participants of Plans who have a funded TIAA Retirement Annuity ("**RA**") contract in their Plan. Allocation of ATRA contributions are limited to the following affiliated retirement annuities: TIAA Traditional, certain CREF annuity accounts and REA. The minimum initial investment is \$25 via electronic funds transfer or \$100 via check.

We offer the Intelligent Variable Annuity ("**IVA**") through TIAA Life. You allocate your premiums and accumulation value among over 70 investment accounts of TIAA-CREF Life Separate Account VA-1. As with all variable annuities, your accumulation value will increase or decrease each day depending on the performance of the underlying investments of the selected investment accounts. Both Affiliated Funds and third-party mutual funds are available as investment accounts. The IVA offers an optional Guaranteed Minimum Death

Benefit rider. The minimum initial investment is \$2,500.

We also offer the Investment Horizon Annuity ("**IHA**"), a modified guaranteed fixed annuity which is issued by TIAA Life. The IHA provides a guarantee<sup>1</sup> of principal with a guaranteed interest rate for a specified period (the Fixed Term Deposit). The minimum initial investment is \$5,000.

#### Important limitation on retail variable annuities

We currently only offer retail annuities issued by our affiliates. We and our affiliates earn higher fees, compensation and other benefits when you invest in a product that we manage or sponsor. We, therefore, have an incentive to recommend these products over third-party products. Other comparable annuities with the same or lower costs may be available outside of TIAA.

#### Fees you pay

##### Retail variable annuities

**ATRA:** The fees and expenses you pay when making contributions to the ATRA contract vary based on the fees and expenses associated with the annuity to which contributions are allocated. Common charges include administrative expenses, distribution expenses, contract expenses and M&E expenses. The total expense ratios on the investments available currently range from approximately .25% to 1.02% on an annual basis of the net assets in the variable annuities. These fees and expense ratios are detailed in the prospectuses, which can be found at [tiaa.org/prospectuses](https://www.tiaa.org/prospectuses).

**IVA:** There are charges associated with administering the separate account and the Contracts and to cover insurance risks borne by TIAA Life.

- Annual maintenance fee of \$25 on the anniversary date of the contract or the date of full surrender, if the accumulation value is less than \$25,000.

<sup>1</sup> Guarantees are backed by claims-paying ability of TIAA-CREF Life Insurance Co.

- Administrative expense charge is .10% after current waiver
- M&E ranges from .15% to .40% depending on the accumulation value. The charge is waived after the contract is in force for 10 years.
- GMDB rider, if elected, has a maximum charge of .10%

In addition, the investment account portfolios have expense ratios ranging from .08% - 2.04% depending on the portfolio and after current fee waiver/expense reimbursements. There are no front-end, transfer, or surrender charges assessed for the IVA.

**IHA:** Certain fees are deducted from the IHA contract:

- Annual maintenance fee of \$25 on the anniversary date of the contract, if the accumulation value is less than \$25,000.
- We may impose a fee of up to \$5 per payment for systematic interest withdrawals paid by check.
- For withdrawals more than 30 days before the end of a fixed term deposit period:
  - Surrender charge equal to one half the total interest rate applied to the fixed term deposit
  - Market Value Adjustment, which can be positive or negative.
  - The Market Value Adjustment also applies if selecting an income option more than one year before the end of a fixed term deposit period.
  - Retail annuities no longer offered for sale. None of these annuities impose any up-front or deferred sales charges or surrender fees.

**LVS, PAS, SPIA:** There are charges associated with administering the separate account and the Contracts and to cover insurance risks borne by TIAA Life.

- Annual maintenance fee of \$25 on the anniversary date of the contract or the date of full surrender, if the accumulation value is less than \$25,000. Does not apply to PAS and SPIA contracts.
- Administrative expense charge is .20%
- M&E charge of .40% based on current waivers.

In addition, the investment account portfolios have expense ratios ranging from .08% - .60% depending on the portfolio.

**Teachers Personal Annuity:** For funds invested in the Stock Index Account investment portfolio in the TIAA Separate Account VA-1, there are charge associated with administration and to cover insurance risks borne by TIAA:

- Administrative expense charge of .20%
- M&E charge of .40% based on current waivers
- Investment account portfolio expense ratio of .35

For full details of the fees, expenses, or charges for the retail annuities, please see the prospectuses at [tiaa.org/public-prospectuses/annuities-agreements-disclosures](https://tiaa.org/public-prospectuses/annuities-agreements-disclosures) in the “After-tax Annuities section”.

### **Other compensation we and our affiliates earn and related conflicts**

The ATRA is a proprietary product with only proprietary investment options. This creates a conflict of interest because TIAA and its affiliates earn more compensation from affiliated annuities than they would from third-party annuities.

TIAA Life and its affiliates may profit from M&E expenses and investments in underlying proprietary funds. TIAA and its affiliates may also receive payments from some or all of the portfolios, their investment managers, distributors or affiliates. These payments are used for a variety of purposes, including payment of expenses TIAA incurs for promoting, marketing and administering the contract and for its role as an intermediary. TIAA may also profit from these payments.

The amount of the payments received is based on a percentage of the portfolio’s assets owned by the investment accounts. TC Services provides distribution services and is reimbursed for its associated expenses by TIAA and its affiliates. TC Services also distributes the mutual funds that form the subaccount investment options and receives 12b-1 fees and other compensation for the associated distribution, marketing and/or administration services provided as described in the fund prospectus.



We have a conflict of interest in recommending all retail annuities and additional contributions to these annuities as we and our affiliates earn more compensation from them than from third-party retail annuities. The amount of the payments received is based on a percentage of the portfolio's assets owned by the investment accounts.

We and our affiliates earn more fees, compensation and other benefits when you invest in a product that we manage or sponsor

because we receive customer fees that would otherwise be paid to third-party fund companies for the sale of their funds. We, therefore, have an incentive to recommend those products over third-party products. Comparable annuities with the same or lower costs may be available outside of TIAA. Our investment philosophy and the general basis for our recommendations

Our investment philosophy helps inform our Recommendations, and is based upon the following elements we believe are essential to pursuing a confident and secure financial future.

## Our investment philosophy and the general basis for our recommendations

Our investment philosophy helps inform our Recommendations, and is based upon the following elements we believe are essential to pursuing a confident and secure financial future.

- **Invest early and often.** Investing early and contributing regularly according to a well-constructed financial plan can help you achieve your desired goals. It includes taking advantage of your retirement Plan benefits, including any employer match and establishing a savings strategy that considers both your everyday life needs and your longer-term retirement objectives.
- **Diversify your investments and commit to the long term.** The longer your assets are invested, the greater the probability of achieving expected results. Diversifying your investments across the major asset classes consistent with your risk tolerance and your financial objectives can improve your probability of long-term success.
- **Invest to achieve specific outcomes.** Having the appropriate investment approach improves the likelihood of achieving your specific financial goals. For example, maximizing returns vs. protecting your investments' principal.
- **Position your portfolio to generate lifetime income.** With retirement expected to last 20 to 30 years or more, plan for the long run. To help maintain your lifestyle, position your portfolio—in conjunction with Social Security and Pension—to cover at least two-thirds of your expenses in retirement with sources of income that are guaranteed for your lifetime. We believe that

guaranteed Lifetime Income generally plays an important part in meeting this goal, depending on your individual circumstances, so that you can protect against outliving your assets.

- **Protect your income and family.** Protect what matters most. Annuities and life insurance can help hedge against the unexpected and cover essential expenses during retirement, help replace your income in the event of your death and help protect your family.

Our Recommendations are intended to be implemented through products and services available through Solutions.

- When we make Recommendations to you, we adhere to applicable professional standards and state and federal regulations and laws, including providing investment Recommendations that are consistent with generally accepted investing principles and that are based on your individual circumstances, risk tolerance and needs. We also consider reasonably available alternatives at TIAA, where applicable.
- In some instances, our Recommendations are based on advice from an independent third party, such as Recommendations to help you select investment options available within your Plan(s) and your TIAA IRA or IS IRA and ATRA.

- All recommendations to open, contribute or consolidate assets into TIAA products, services and accounts are assessed in accordance with applicable regulatory standards, to determine whether

they are appropriate for clients' financial needs, separate from the Financial Professional advising you to determine whether Recommendations are appropriate for your financial needs.

## Risks of investing

While we take reasonable care in developing and making Recommendations to you, there are nevertheless risks associated with investing.

**Investing risks.** Securities and other investment products like mutual funds, variable annuities, stocks and bonds involve certain risks, and you may lose money, including possible loss of principal. You should be prepared to bear such risks. There is no guarantee that you will meet your investment goals or that our Recommendations will perform as anticipated. Past performance does not guarantee future results.

**Market risks.** The price of any security or the value of an entire asset class can decline for a variety of reasons, including but not limited to changes in the macroeconomic environment; unpredictable market sentiment; forecasted or unforeseen economic developments, interest rate changes, regulatory changes, and domestic or foreign political, demographic, epidemic, pandemic or social events. If you have a high allocation to a particular asset class, it may negatively affect overall performance to the extent that the asset class underperforms relative to the market. Conversely, a low allocation to a particular asset class that outperforms other asset classes will cause investments to underperform relative to the overall market.

**Global economic risk.** National and regional economies and financial markets are becoming increasingly interconnected, which increases the possibilities that conditions in one country, region or market might adversely impact issuers in a different country, region or market. Changes in legal, political, regulatory, tax, and economic conditions may cause fluctuations in markets and securities prices around the world, which could negatively impact the value of an account's investments. Major economic or political disruptions, particularly in large economies, may have global negative economic and market repercussions. Additionally, events such as war,

terrorism, natural and environmental disasters and the spread of infectious illnesses or other public health emergencies may adversely affect the global economy and the markets and issuers in which an account invests. These events could reduce consumer demand or economic output, result in market closure, travel restrictions or quarantines, and generally have a significant impact on the economy.

Such events could materially increase risks, including market and liquidity risk, and significantly reduce account values. These events could also impair the information technology and other operational systems upon which service providers rely, and could otherwise disrupt the ability of employees of service providers to perform essential tasks on behalf of an account. There is no assurance that governmental and quasigovernmental authorities and regulators will provide constructive and effective intervention when facing a major economic, political or social disruption, disaster or other public emergency.

**Mutual funds and ETFs ("Funds") risks.** Investing in shares of a Fund involves risk of loss that clients should be prepared to bear. For mutual funds and ETFs in particular, this includes the risk that the general level of underlying security prices may decline, thereby adversely affecting the value of the Fund. Moreover, a Fund may not fully replicate the performance of its benchmark index. Funds are not guaranteed or insured by the FDIC or any other government agency. Funds have their own fees, investments and risks. For the specific information associated with any Fund, please consult the Fund's prospectus and statement of additional information, which you should read carefully.

**Annuity risks.** Any annuity guarantees are subject to the claims-paying ability of the insurer. Variable annuities contain both investment and insurance components and are generally deemed securities. The investment returns and principal value of the available subaccount portfolios are not guaranteed and will fluctuate. The value of an investor's variable annuity units, when redeemed, may be worth more or less than their original value. In addition, payments from the variable annuity accounts are not guaranteed and will rise or fall based on investment performance.

**Margin risk.** While trading on margin may confer a higher profit potential than traditional trading, it also has greater risks. Purchasing stocks on margin amplifies the effects of losses. Additionally, our clearing firm may issue a margin call, which would

require you to liquidate your position in a stock or front more capital to keep your investment. Learn more at [sec.gov/oiea/investor-alerts-and-bulletins/ib\\_marginaccount](https://sec.gov/oiea/investor-alerts-and-bulletins/ib_marginaccount).

**Options risks.** If you are approved for options trading privileges, you will be sent options disclosure documents laying out the characteristics and risks of options trading. Learn more at [TIAA.org/public/pdf/c/characteristics-risks-standardized-options.pdf](https://TIAA.org/public/pdf/c/characteristics-risks-standardized-options.pdf).

**Additional important information.** Please consult any available offering and disclosure documents such as prospectuses, which provide greater detail about product-specific investment risks. We can provide those documents to you or help you find them.

# Our Financial Professionals and their compensation

Our Financial Professionals act as broker-dealer registered representatives when they provide our broker-dealer services, including Recommendations. Some of our Financial Professionals, specifically our Wealth Management Advisors (“**WMAs**”) and our Wealth Advisors (“**WAs**”) also provide separate investment advisory services (as described below under “Our investment advisory services”). Other Financial Professionals described in this section are able to refer clients to WMAs and WAs for investment advisory services and act only as broker-dealer representatives.

All Financial Professionals and their managers are paid a salary and are eligible for a discretionary variable bonus (“**bonus compensation**”). The size of the bonus compensation is based on a number of factors, including quantitative and qualitative performance criteria, the performance of TIAA and its affiliates, including TC Services, and the individual performance of the Financial Professional (and in some cases on team performance). The metrics used to assess the individual performance of our Financial Professionals vary by service role. When the compensation differs based on which product or service is recommended for clients, this presents a material conflict of interest. All Financial Professionals have an incentive to recommend Solutions, available through TIAA that increase his or her compensation and the compensation to TIAA and its affiliates, including TC Services.

We address this conflict by disclosing it to you and by requiring that recommendations to open, contribute or consolidate assets into TIAA Solutions are reviewed, in accordance with the applicable regulatory standard, to determine whether they are appropriate for clients’ financial needs.

Additionally, recommendations (if Plan allows) of how to allocate current investments in Plans at TIAA along with future contributions as well as mutual funds and annuities from TIAA affiliates available through the IRAs are made by an independent third party.

More information about the role of each group of Financial Professionals and their eligibility for bonus compensation is discussed below. Please ask your Financial Professional to explain which group they are associated with if this is not clear to you.

## National Contact Center financial services consultants



**Role.** Our phone-based National Contact Center financial services consultants (“**NCC consultants**”) primarily provide investment information, service and enrollment support to Plan participants. They also provide education about their Plan accounts. They do not provide Recommendations. NCC consultants also provide general information on college savings tuition plans administered through TIAA affiliates. They refer investors who have more extensive investment needs such as brokerage accounts, IRAs, managed account solutions, annuities and life insurance to TC Services’ Financial Professionals, including our WAs and WMAs.



**Bonus compensation.** The criteria to determine the amount of bonus compensation paid to each NCC consultant includes customer surveys, operational quality, efficiency and relationship-building metrics. The relationship-building metric includes the quality and rate of referrals to WA and WMA for clients with more complex investing needs.

While the relationship-building metrics reward the NCC consultant for successful referrals, the metric does not favor any particular Solution. Even though all referrals receive equal credit, providing credit for referrals nevertheless creates a conflict of interest when NCC consultants refer investors to other TC Services’ Financial Professionals or to third parties.

## Financial Consultants



**Role.** Financial Consultants serve Plan participants at the employers' on-site locations and virtually. They provide Plan and IRA enrollment services, education and/or specific Recommendations on Plan and IRA investment options and contribution increases. Financial Consultants also provide Recommendations on transfers and rollovers to Plans, IRAs, and brokerage accounts at TIAA. They also refer clients to WMAs and WAs for these and other products and services. Financial Consultants act only as broker-dealer representatives.



**Bonus compensation.** The criteria to determine the amount of bonus compensation paid to each Financial Consultant includes client experience and satisfaction, teamwork, and financial results. The financial results metrics measure and reward bringing new assets to TIAA (either through education, Recommendations, or referrals to Affiliates or EverBank); delivery of Recommendations of how to allocate your current and future contributions among the investment options offered by Plans at TIAA (if Plan allows), the IRAs, and ATRA; enrollment and contribution increases to Plans; successful referrals to other TIAA Financial Professionals for Recommendations to create a lifetime income stream through annuitization; and the number of referrals to other TIAA Financial Professionals.

The financial results assessments are made by comparing each Financial Consultant's efforts to the efforts of their peers. Financial Consultants receive equal compensation for all financial results and all referrals, and the metrics do not favor any particular product or service available through TIAA. Nevertheless, this bonus compensation creates a conflict of interest when Financial Consultants recommend or offer TIAA Solutions and refer investors to other Financial Professionals.

## Individual Financial Consultants



**Role.** Individual Financial Consultants serve participants who are primarily seeking education and guidance on Plan and IRA assets by telephone and virtually. They perform various functions, including assisting investors with retirement Plan information and Recommendations; education services; brokerage and IRA enrollment/servicing needs; and lifetime income. They also educate investors about various TIAA investment options. Individual Financial Consultants act only as broker-dealer representatives.



**Bonus compensation.** The criteria to determine the amount of bonus compensation paid to each Individual Financial Consultant includes client experience and satisfaction, teamwork and financial results. The financial results metrics measure and reward bringing new assets to TIAA (either through education, Recommendations, or referrals to Affiliates or EverBank); delivery of Recommendations of how to allocate your current and future contributions among the investment options offered by Plans at TIAA (if Plan allows), the IRAs, and ATRA; enrollment and contribution increases to Plans; successful referrals to other TIAA Financial Professionals for Recommendations to create a lifetime income stream through annuitization; and the number of referrals to other TIAA Financial Professionals.

Individual Financial Consultants are also rewarded for the number of times they deliver reports to clients illustrating projected payment amounts under lifetime annuity income options.

The financial results assessments are made by comparing each Individual Financial Consultant's efforts to the efforts of their peers. Individual Financial Consultants receive equal compensation for all financial results and all referrals, and the metrics do not favor any particular product or service available through TIAA. Nevertheless, this bonus compensation creates a conflict of interest when Financial Consultants recommend or offer TIAA Solutions and refer investors to other Financial Professionals.

## Retirement Income Consultants



**Role.** Retirement Income Consultants (“RIC”) assist clients with planning for and meeting their income needs in retirement, including creating a lifetime income stream.

They also provide guidance on taking distributions in retirement, such as Required Minimum Distributions (“RMD”), Interest Only option (“IO”) and Systematic Withdrawals and Transfers (“SWATs”). These services are provided by telephone and virtually. RICs act as broker-dealer representatives.



**Bonus compensation.** The criteria to determine the amount of bonus compensation paid to each Retirement Income Consultant includes client experience and satisfaction, teamwork, and financial results. The financial results metrics measure and reward bringing new assets to TIAA (either through education, Recommendations, or referrals to Affiliates, or EverBank); delivery of Recommendations of how to allocate your current and future contributions among the investment options offered by Plans at TIAA (if Plan allows), the IRAs, and ATRA; enrollment and contribution increases to Plans; successful referrals to other TIAA Financial Professionals for Recommendations to create a lifetime income stream through annuitization; and the number of referrals to other TIAA Financial Professionals. Retirement Income Consultants are also rewarded for the number of times they deliver reports to clients illustrating projected payment amounts under lifetime annuity income options. The financial results assessments are made by comparing each RIC’s efforts to the efforts of their peers. These compensation arrangements create conflicts of interest when RICs refer clients to or recommend TIAA accounts, products and services and certain actions like creating a lifetime income stream.

## Wealth Advisor<sup>1</sup>



**Role.** As broker-dealer representatives, Wealth Advisors serve clients who are seeking education and guidance on Plan and IRA assets and other investing needs. As a broker-dealer service, WAs also provide guidance or recommend the following Solutions to meet clients’ investing and financial planning needs and objectives: brokerage accounts, IRAs, annuities and lifetime income. In addition, WAs also provide clients with financial planning services and assist with managed account solutions enrollment/servicing needs in their capacity as investment adviser representatives. Finally, where appropriate, WAs may refer clients to TIAA affiliates and third parties for life insurance, tuition financing, or EverBank for banking needs. These services are provided by telephone and virtually.



**Compensation of Wealth Advisors.** The criteria to determine the amount of bonus compensation include credit for gathering external assets, engaging with clients and having them retain assets at TIAA, creating a lifetime income stream through annuitization, and referring clients to WMAs or third parties. The WAs are rewarded equally regardless of the type of TIAA Solution utilized for external assets. In addition, WAs are compensated based on the number of times the clients: implement recommendations of how to allocate current holdings and future contributions among investment options offered by Plans at TIAA (if Plan allows), IRAs, or ATRA, create a lifetime income stream through annuitization; refers a client to TIAA affiliates and third parties for life insurance, tuition financing, or EverBank for banking needs, and rollover/transfer from one TIAA product to another. Each of these activities creates a conflict of interest for the WAs.

WAs are compensated for delivering reports to clients related to financial planning, investment recommendations of how to allocate current holdings and future contributions among investment options offered by Plans at TIAA (if Plan allows), IRAs, or ATRA, retirement income strategies and annuity income illustrations as well as discussing certain Plan advice services, conducting initial meetings


<sup>1</sup> Formerly known as Advisory Consultants.  
As of March 28, 2025




and certain period goal review meetings.

WAs are also assessed on their service quality, leadership, and teamwork, as well as on their client survey results and adherence to company policies and regulatory standards. The results of these measurements are compared against all other WAs to determine bonus compensation.

## Wealth Management Advisors

 **Role.** Our WMAs serve clients who generally have more in-depth investment and financial planning needs. As an investment advisory service, WMAs also provide goals-based financial planning services to their clients that can address a variety of needs such as saving for retirement, protecting their financial security, leaving a legacy and allocating investments for retirement assets. As a broker-dealer service, WMAs also provide guidance or recommend the following accounts, products and services to meet clients' investing and financial planning needs and objectives: brokerage accounts, IRAs, annuities and lifetime income. Finally, where appropriate, WMAs refer clients to TIAA affiliates and third parties for life insurance, tuition financing, or EverBank for banking needs.

 **Compensation of WMAs.** TIAA's compensation philosophy aims to reward WMAs with appropriate bonus compensation for sales of products and services available through TIAA, the maintenance of client relationships and the associated retention of assets in products and services at TIAA. TIAA pays WMAs the same bonus compensation for gathering and retaining assets in retirement products and services available through TIAA (specifically, Plans and the TIAA IRAs) as for gathering and retaining assets in managed account solutions. Within Plans, TIAA pays WMAs the same bonus compensation for providing and implementing asset allocation advice for plans and IRAs as it does for clients who have enrolled in asset rebalancing services in Plan such as Retirement Plan Portfolio Manager (**"RPPM"**).

The way bonus compensation is calculated and the differences in

bonus compensation among products and services are described below. The variable bonus for WMAs is determined based on the following elements: the assets attributable to the WMA's book of business (**"Book Award"**); new dollars into TIAA products and services from outside TIAA (**"Sales"**); and behavior-based measures. On average, the Book Award accounts for approximately 66% of a WMA's bonus compensation; Sales account for approximately 22% and approximately 12% is based on behavior-based measures.

All of the awards to WMAs may be reduced if a WMA fails to meet minimum performance standards for among others, Book Award, Sales, Goals, or behavioral measures. TIAA in its discretion can reduce the final determination of award amounts for other reasons, such as failure to comply with company policies. Below is more detail for the three components of WMAs variable compensation.

**Book Award:** WMAs receive variable bonus compensation for assets held in the following types of client accounts:

- Plans (including deferred or immediate annuities, and brokerage window accounts)
- Discretionary managed accounts
- Individual retirement accounts administered by TIAA (including brokerage window accounts)
- Funds that have been annuitized in exchange for a life-time income stream and
- After-tax annuities

Assets associated with direct held mutual funds, banking, self-directed brokerage, life insurance, long-term care insurance, or 529 products are not included in the Book Award. When calculating a WMA's Book Award, an allowance is made for a certain amount of expected retail outflows.

WMAs will only receive Book Award client accounts that meet the following initial "activation" circumstances: Within the last 24 months i) transferring at least \$1,000 of new assets to TIAA based on a recommendation or referral from a TIAA WMA (the transfer can

<sup>1</sup>Generally limited to accounts in the Portfolio Advisor or Private Asset Management Programs.



be to a Plan or a non Plan product and includes new assets resulting from referrals to TIAA Trust); ii) partially or fully implementing investment advice provided by TC Services; iii) enrollment in RPPM or TIAA RetirePlus; iv) opening a discretionary managed account<sup>1</sup> or v) creating a lifetime income stream through annuitized assets at TIAA based on a recommendation from the Advisor. In addition, Advisors can continue to keep activated clients through financial planning activities, including the delivery of a high net worth plan, life goals analysis or a performance of managed money periodic goals review. These activation triggers create conflicts because WMAs and TC Services have an incentive for you to enroll in managed account solutions, RPPM and RetirePlus, to partially or fully implement asset allocation recommendations for Plans, IRAs, or ATRA, to recommend creating a lifetime income stream through annuitization of Plan, IRAs, or ATRA assets, and to transfer new assets to TIAA. The Book Award also creates a conflict as WMAs are rewarded for the growth and retention of client assets at TC Services. WMAs and TC Services are equally incented, through the activation triggers, to implement in-plan investment allocation advice as they are for a client's adoption of advisory services in Plan such as RPPM and RetirePlus. TIAA receives ongoing compensation for a client's participation in RPPM and RetirePlus. WMAs generally receive the greatest percentage of their bonus compensation for the Book Award.

**Sales into Client Accounts:** TIAA also bases variable bonus compensation on the volume of WMA sales into TIAA ("**Sales**"). WMAs are only compensated when the source of the funds is external to TIAA, except that WMAs are compensated when funds held in a self-directed taxable brokerage account are invested into another account at TC Services. All WMAs are paid the same for Sales into Plan and non-Plan products and services. A WMA's compensation does not vary based on the account type or product. Sales associated with banking, annuitization/life-time income, self-directed brokerage assets, mutual funds, insurance referrals and 529 products are not included in the Sales computation.

The Book Award and Sales metrics create conflicts of interest

because they give WMAs an incentive to recommend that clients transfer external assets into products, services and accounts at TIAA and an incentive to recommend that clients retain assets at TIAA. WMAs also have an incentive to recommend that clients transfer in and maintain assets in taxable managed accounts over self-directed taxable brokerage accounts.

**Goals:** In addition to the Book Award and Sales, WMAs also receive variable compensation based on quantitative metrics related to financial results as well as behavior-based qualitative metrics.

The financial results measures include credit for gathering client assets in appropriate Solutions, referrals to affiliates and third parties (including EverBank) and rewards WMAs for successful sales equally regardless of the type of Solution, as measured against each WMA's goal of gathered assets external to TIAA and as compared to their peers. The behavior-based measures consist of subjective assessments that consider customer satisfaction based on client survey results and adherence with TIAA values. Behavior-based measures (including customer satisfaction based on survey results and adherence with TIAA values) account for approximately 12% of overall bonus compensation.

**Bonus Award relative to Total Compensation:** While salaries are set according to schedules, the size of a WMA's bonus compensation is not limited, and the percentage of a WMA's compensation represented by the variable bonus can be and is often significantly higher than the salary portion of compensation. On average, a WMA's bonus ranges from approximately 45% to 85% of their total compensation with more senior WMAs receiving the most. Moreover, WMAs receive differentiated compensation for their book award based on the advisors' role, with Executive and Vice President WMAs generally receiving greater compensation.

The size of the variable bonus, relative to the salary paid to WMAs, depends on how successful the WMA is in gathering and retaining client assets in products and services at TIAA. The percentage of a WMA's compensation represented by the variable bonus component typically increases with the seniority of the WMA with the most

successful WMAs advancing to more senior roles. The portion of the variable bonus attributed to the WMA's compensation typically differs in magnitude as follows.

- Executive WMAs are estimated to earn a significant majority of their compensation through the variable bonus as compared with salary.
- Vice President WMAs typically earn a majority of their compensation through the variable bonus as compared with salary.
- WMAs typically earn slightly less than half of their compensation through the variable bonus and half through salary.

If you are not sure of your WMA's title or role, or impact of the bonus on the WMA's total compensation, please contact your WMA for more information.

## Managers of Financial Professionals



**Role.** Managers are responsible for the oversight and management of an assigned group of Financial Professionals. This includes, among other things, helping to ensure the delivery of high-quality service to customers and the performance of supervisory functions for compliance with applicable rules and regulations. They may also hire, counsel and motivate their assigned professionals and help ensure Financial Professionals are utilizing the range of Solutions available to them in order to meet client needs.



**Bonus compensation.** Managers of all of the Financial Professionals described above are compensated based on qualitative and quantitative metrics such as the performance (financial and otherwise) of the Financial Professionals

they supervise. This compensation arrangement creates a conflict of interest by incentivizing managers to encourage their supervised persons to gather, retain and consolidate client assets in products and services at TIAA. We address this conflict by disclosing it to you and by supervising the supervisors.

## TC Services Conferences

TC Services hosts internal business meetings, seminars, and conferences (“**Conferences**”) for invited Financial Professionals. These Financial Professionals include WMAs and WAs, members of their team (including managers), and employees who provide product, investment, and support functions. The Conferences are organized on either a national or regional level.

## Additional compensation from third parties

We and our affiliates receive additional compensation from third parties and our affiliates, including investment sponsors, such as gifts and awards, a dinner or ticket to a sporting event, or reimbursement in connection with educational meetings, marketing or advertising initiatives, including services for identifying prospective clients. Investment sponsors also pay or reimburse us for the costs associated with education or training events that are attended by our Financial Professionals and for TIAA- and affiliate-sponsored conferences and events. We also receive reimbursement from product sponsors for technology-related costs such as those to build systems, tools and new features to aid in servicing clients. The amount of these payments is not dependent on or related to the amount clients invest with the investment sponsor.

# Other services

Outside of the Solutions described above, we also provide services directly and through various affiliates that are separate from our broker-dealer services.

## **Our investment advisory services**

We also offer the following investment advisory services as a registered investment adviser through TC Services' Advice & Planning Services division ("APS"). These services are separate and apart from the broker-dealer services described above.

### **Financial planning services**

Financial planning services are delivered by our WMAs and certain Wealth Advisors as investment adviser representatives of APS. WMAs and Wealth Advisors also provide the broker-dealer services described in this document as registered representatives of TC Services. We do not monitor your financial plan and do not provide investment Recommendations. For more information about our financial planning services, see [tiaa.org/public/pdf/tc\\_adv\\_program.pdf](https://tiaa.org/public/pdf/tc_adv_program.pdf) for a copy of the APS disclosure brochure.

### **Managed account solutions**

TC Services currently offers wrap-fee managed account programs. WMAs and Wealth Advisors may recommend that you enroll, contribute and consolidate assets in either a wrap fee program sponsored by APS, or a managed account program offered by its affiliated, TIAA Trust. When they make such Recommendations or provide services to you for managed accounts, they are acting as investment adviser representatives of APS.

## **Investment management services through TIAA Trust**

Our affiliate TIAA Trust separately offers investment management services under its bank fiduciary powers. WMAs recommend these managed account services in their capacity as investment adviser representatives. TIAA Trust also provides trust and estate settlement services. WMAs may refer you to TIAA Trust for these services. TIAA Trust may serve as a trustee or co-trustee on both revocable trusts and irrevocable trusts. TIAA Trust can also serve as executor of decedents' estates. Applicable fee schedules are provided at account opening.

## **Referrals to third parties and TIAA affiliates**

Our Financial Professionals can refer you to EverBank for bank deposit products and those Financial Professionals and TC Services are compensated for successful referrals. If you have a quarterly rebalancing service offered by TIAA Trust available in your Plan, our Financial Professionals can also refer you to TIAA Trust for this service. TC Services and our affiliates are compensated when clients enroll in this service. Our Financial Professionals can also refer you to other TIAA affiliates to address needs such as saving for education (529 plans) and charitable giving. Note that we serve as the distributor for certain state-issued 529 tuition savings plans. These referrals create a conflict of interest because TC Services and its Financial Professionals are compensated for successful referrals.

## Third Party Insurance

Life, Long Term Care and Disability insurance needs are met by referring our clients to a non-affiliated brokerage firm, Crump Life Insurance Services (Crump). Crump evaluates what products may meet your insurance needs. If such referrals result in a sale by Crump, Crump will pay a referral fee to TIAA-CREF Insurance Agency, LLC who in turn pays TC Services. No referral fees are paid to any Financial Professionals. Referrals may be considered when determining the discretionary bonuses of the Financial Professionals. Therefore, TC Services and its Financial Professionals have a conflict of interest when customers are referred to Crump as

TIAA or its affiliates and TC Services Financial Professionals will be compensated for issued policies resulting from a referral.

TIAA-CREF Individual & Institutional Services, LLC (“TC Services”), FINRA Member, 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.