Transfers and withdrawals from the TIAA Traditional Annuity

TIAA’s Transfer Payout Annuity
You may have the opportunity to move funds out of the TIAA Traditional Annuity, issued by Teachers Insurance and Annuity Association of America (TIAA), using an option called a Transfer Payout Annuity (TPA).\(^1\) Use this guide to learn more about this option and how it may help you pursue your financial goals and your plans for retirement.

As a matter of course, you should review your retirement account periodically during your career or at retirement. Over time, you may find that you need to adjust your investment allocation to better meet your goals. Or, you may decide you want to start receiving income earlier than you planned.

**Moving your TIAA Traditional funds\(^2\)**

If you have a TIAA Traditional Annuity account balance in a Retirement Annuity, Group Retirement Annuity or Retirement Choice Annuity, and do not elect to receive a stream of income for life, you can:

- Transfer the funds to other investment choices available under your employer’s plan.
- Receive your TIAA Traditional balance in cash or directly roll it over to an IRA or other account, if your employer’s plan allows.

**Get help with an income strategy that’s right for you**

If you have been a long-term contributor to TIAA Traditional, you may receive additional amounts of income by creating a stream of guaranteed lifetime income. That’s why it’s important to consider all your options. Call us to talk with a TIAA consultant about your options.

---

1. The TIAA Traditional Annuity is issued by Teachers Insurance and Annuity Association of America (TIAA). There are different rules on how to withdraw money from the TIAA Traditional Annuity depending on the contract(s) available to you.

2. When TIAA Traditional Annuity is made available in an employer-sponsored retirement plan, income and withdrawal options are subject to the terms of the plan. Withdrawals prior to age 59½ may be subject to a 10% federal tax penalty, in addition to ordinary income tax.
All you need to do is move those TIAA Traditional funds to a Transfer Payout Annuity. We’ll follow your instructions to either transfer or withdraw the funds in a series of installments. Each installment includes a portion of your principal plus interest, based on the rates in effect when you transfer or withdraw the funds. The number of installments depends on the type of annuity.

<table>
<thead>
<tr>
<th>Annuity type</th>
<th>Installment period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirement Annuities (RA)</td>
<td></td>
</tr>
<tr>
<td>Group Retirement Annuities (GRA)</td>
<td>10 annual installments*</td>
</tr>
<tr>
<td>Retirement Choice Annuities (RC)</td>
<td>84 months</td>
</tr>
</tbody>
</table>

* Transfers or withdrawals are done over a period of approximately nine years.

**For Retirement Annuities**

The minimum amount for a Transfer Payout Annuity is the lesser of $10,000 or 100% of your TIAA Traditional account balance. If your balance is below a certain minimum amount, a Transfer Payout Annuity may not be available; contact us to discuss your options.

**For Group Retirement Annuities and Retirement Choice Annuities**

The minimum amount for a Transfer Payout Annuity is the lesser of $10,000 or 100% of your TIAA Traditional account balance. If your employer’s plan permits, you can withdraw or roll over the full TIAA Traditional account balance within 120 days of ending your employment (subject to a 2.5% surrender fee).

You must use a Transfer Payout Annuity for transfers to other plan investment options, and for withdrawals made more than 120 days after ending your employment. If you have a GRA, and if your employer’s plan allows, you may also choose to use a fixed-period annuity (ranging from 5 to 30 years) that can provide you steady, guaranteed income until the period ends.

For information about a Transfer Payout Annuity for TIAA Traditional account balances in after-tax retirement annuities, please see page 8.
And keep in mind...

Transfers or withdrawals from TIAA Traditional account balances in supplemental retirement plans, IRAs and 457(b) plans are available any time. Under these plans, you have the flexibility to move funds into and out of TIAA Traditional as your needs change.
Frequently asked questions and answers

Why installments?

To understand the reason transfers and withdrawals must be done in installments, it’s important first to understand what the TIAA Traditional Annuity is meant to do for you.

The TIAA Traditional Annuity’s primary objectives are to help you build a foundation for income in retirement and protect your principal while providing a high potential rate of return. To do this, the TIAA General Account—which supports the TIAA Traditional Annuity—invests in long-term, relatively illiquid assets, such as publicly traded bonds, commercial mortgages, private placement loans to business and industry, and real estate. This helps support the guarantee of your principal and a minimum guaranteed interest rate between 1% and 3%. You also have the opportunity for higher returns through additional amounts, which may be declared annually by the TIAA Board of Trustees.

With transfers and withdrawals spread in installments over time, the TIAA General Account can continue to invest in long-term instruments. Offering transfers and withdrawals over time helps to balance your need for flexibility and TIAA’s need to meet our guarantees and achieve our goal of paying competitive interest rates to participants.

---

1. Under RA, GRA, and RC contracts, with the exception of the lump sum withdrawal option within 120 days after termination with a surrender charge under Group Retirement Annuity and Retirement Choice Contracts.

2. All guarantees are subject to TIAA’s claims-paying ability.

3. Participants do not invest in the TIAA General Account portfolio, which supports the minimum guaranteed returns, additional amounts, and payout obligations under the TIAA Traditional Annuity. The TIAA General Account, which backs the guarantees and benefits of TIAA Traditional, comprises long-term, potentially higher yielding investments.

4. When declared, additional amounts are in effect for the “declaration year” which begins each March 1 for accumulating annuities and January 1 for lifetime payout annuities. Additional amounts are not guaranteed for periods other than the period for which they were declared.
Keep in mind what TIAA offers you

TIAA offers:

- Flexible income choices—You have a range of income choices that you can use alone or in combinations, including the option to receive income that you can never outlive. This can help you create a flexible plan to help meet your retirement income needs.

- Financial strength—Your account balances in the TIAA Traditional Annuity are backed by TIAA, which holds the highest ratings currently available from three of the four leading insurance company rating agencies, and the second-highest possible rating from Moody’s Investors Service.¹

- IRAs and brokerage services—You have the opportunity to invest in mutual funds, ETFs, individual stocks and bonds, CDs and money market funds.²

¹. TIAA is a member of one of only three insurance groups in the United States to currently hold the highest rating available to U.S. insurers from three of the four leading insurance company rating agencies: A.M. Best (A++ as of 8/16), Fitch (AAA as of 8/16) and Standard & Poor’s (AA+ as of 11/16); and the second highest possible rating from Moody’s Investors Service (Aa1 as of 8/16).

². Brokerage Services are provided by TIAA Brokerage Services, a division of TIAA-CREF Individual & Institutional Services, LLC, member FINRA.
Are transfers or withdrawals taxable?

No, if you:

- Transfer the funds to other investments available under your plan.
- Roll over or directly transfer your funds to an IRA or other qualified retirement account. Rollovers are reported on IRS Form 1099R as a nontaxable distribution.

Yes, if you:

- Receive funds in cash. Cash withdrawals are generally taxable as ordinary income and are subject to 20% mandatory federal withholding. State withholding is based on the state where you live. Plus, there may be a 10% early withdrawal penalty if you withdraw the funds before age 59½. Withdrawals are reported on IRS Form 1099R as a taxable distribution.

Financial strength and stability

TIAA is one of only three insurance groups in the United States to currently hold the highest rating available to U.S. insurers from three of the four leading insurance company rating agencies, and the second-highest possible rating from Moody’s Investors Service:

- A.M. Best Co.: A++ (as of 8/16)
- Fitch: AAA (as of 8/16)
- Moody’s Investors Service: Aa1 (as of 8/16)
- Standard & Poor’s: AA+ (as of 11/16)

There is no guarantee that current ratings will be maintained. Ratings represent a company’s ability to meet policyholders’ obligations and do not apply to variable annuities or any other product or service not fully backed by TIAA’s claims-paying ability.
What interest rates apply to my Transfer Payout Annuity?

Each Transfer Payout Annuity installment from a Retirement Annuity or Group Retirement Annuity is based on a guaranteed interest rate of 2.5%, plus additional amounts, if any, credited above the guaranteed rate. For Retirement Choice Annuities, installments are based on a guaranteed interest rate ranging from 1% to 3%. Plus, you also have the opportunity for additional amounts above the guaranteed rate. All guarantees are subject to TIAA’s claims-paying ability.

Additional amounts are declared by the TIAA Board of Trustees. When declared, they are in effect for the “declaration year” that begins each March 1 for accumulating annuities and January 1 for payout annuities. They aren’t guaranteed for periods other than the period for which they were declared.

A hypothetical TIAA Traditional Transfer Payout Annuity*

Below is the annual transfer or withdrawal amount if you move $50,000 of your TIAA Traditional account balance to a Transfer Payout Annuity on September 1, 2016, and we assume a total (guaranteed, plus additional amounts) interest rate of 4%. The actual initial payment and future payments will vary depending on the total interest rates in effect.

<table>
<thead>
<tr>
<th>Date of first transfer/withdrawal</th>
<th>Initial transfer/withdrawal</th>
<th>Final scheduled transfer/withdrawal</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 1, 2016</td>
<td>$5,927</td>
<td>December 1, 2025</td>
</tr>
</tbody>
</table>

Please note that this is hypothetical and does not reflect the amount you would actually receive. It is not intended to predict or project results. Request a personalized illustration:

- Visit us at TIAA.org.
- Call us at 800-842-2252. Consultants are available weekdays, 8 a.m. to 10 p.m. and Saturday, 9 a.m. to 6 p.m. (ET).

* Under Retirement Annuity and Group Retirement Annuity contracts.
Can I change my Transfer Payout Annuity?

Yes. If your needs or goals change once you begin your Transfer Payout Annuity, you can:

- Transfer the funds to different investments available under your employer’s plan.
- Transfer the funds back to TIAA Traditional, and they will be credited with the interest rates in effect for new contributions. You would have to set up a new Transfer Payout Annuity to move funds out of TIAA Traditional in the future.
- Transfer or roll over the funds to a TIAA IRA, another retirement account that will accept them (if available through your employer’s plan), or an IRA you hold outside of TIAA.
- Receive the installments in cash, if available through your employer’s plan.
- Change to another income option. For example, if you retire and are ready to begin lifetime income, you can stop your transfers or withdrawals at any time and convert the remaining account balance to a stream of income that’s guaranteed to last as long as you live. Or, at the time of your next scheduled installment, you can choose to receive TIAA interest-only income from the remaining balance in your Transfer Payout Annuity—as long as the balance is at least $10,000.

If I have a small account balance, what withdrawal or transfer options are available other than a Transfer Payout Annuity?

You may be able to withdraw or transfer the entire TIAA Traditional account balance in your Retirement Annuity, Group Retirement Annuity or Retirement Choice contract if your balance is less than the minimums described below, and:

1. You have terminated employment, or
2. The contracts mentioned above are no longer active funding vehicles in the plan

Account balance minimums:

- $2,000 for Retirement Annuity contracts issued outside New York state at any time; or Retirement Annuity contracts issued in New York state prior to April 17, 2005
- $5,000 for Retirement Annuity contracts issued in New York on and after April 17, 2005; or a Group Retirement Annuity or Retirement Choice Annuity issued in any state on any date

Note that you are only able to do this once during the life of your annuity contract.
How does the 84-month Transfer Payout Annuity for my Retirement Choice annuity account balance work?

The initial transfer or withdrawal amount is 1/84 of your account balance. After that, each installment is based on the number of months remaining in the payment period.

For example, the second month’s payment will be 1/83 of your remaining account balance. This continues through the final installment, which will be 1/1—or your entire balance.

What if I have after-tax retirement annuities?

You can move funds out of TIAA Traditional through transfers or cash withdrawals in 10 annual installments.* However, keep the following conditions in mind, which may be different from other annuities:

- You must use your entire balance in your TIAA contract, which may include both TIAA Traditional and the TIAA Real Estate Account. This means that to set up a Transfer Payout Annuity for your TIAA Traditional account balance, you must first transfer or withdraw any funds you have in the TIAA Real Estate Account.

  There is one exception: If you use your entire TIAA Traditional balance to set up a Transfer Payout Annuity with all transfers going to the TIAA Real Estate Account, you don’t have to first withdraw or transfer any funds you have in the TIAA Real Estate Account. (Note: You can’t subsequently change your Transfer Payout Annuity to direct future transfers to a different account.) A transfer to the TIAA Real Estate Account is not taxable.

- Transfers from TIAA Traditional to the CREF variable annuity accounts or to another financial company are done as a “1035 exchange.” This is a nontaxable transfer of funds between after-tax annuities from different companies and is reported on IRS Form 1099R as a nontaxable distribution.

- Earnings are generally taxable as ordinary income. So if you receive funds in cash, federal taxes will be withheld at the default rate of a married person claiming three allowances or a different amount, if requested; state tax is based on your state of residence. There may also be a 10% early withdrawal penalty if you withdraw funds before age 59½. Withdrawals are reported on IRS Form 1099R as taxable distributions.

* Transfers or withdrawals are done over a period of approximately nine years.
Installments are based on a guaranteed interest rate of 2.5% plus additional amounts, if any, credited above the guaranteed rate. Additional amounts are declared by TIAA’s Board of Trustees and are in effect for the “declaration year” that begins each March 1 for accumulating annuities and January 1 for payout annuities. They are not guaranteed for periods other than the period for which they were declared.

You may be able to make changes to your Transfer Payout Annuity if your needs or goals change. Please call us at 800-842-2252 to speak with a TIAA consultant.

If your TIAA Traditional account balance in your After-Tax Retirement Annuity contract is less than the minimums described below, you may be able to withdraw or transfer the entire balance. You can do this only once during the life of the annuity contract.

- $2,000 in an after-tax retirement annuity contract issued outside New York state on any date; or an after-tax retirement annuity contract issued in New York state prior to April 17, 2005
- $5,000 in an after-tax retirement annuity contract issued in New York state on and after April 17, 2005

Take the next step
Contact us today for more information or help setting up your Transfer Payout Annuity. It’s easy to reach us.

Call us at 800-842-2252, weekdays, 8 a.m. to 10 p.m. and Saturday, 9 a.m. to 6 p.m. (ET). Consultants can answer your questions and illustrate your transfer and withdrawal options.

Visit TIAA.org and use the online tools to create income illustrations and explore how we can help you. Click Contact Us at the top of the page to send us an email.

Schedule a one-on-one meeting with a TIAA consultant. To find a local office, go to TIAA.org/local. Check with your employer about scheduling an appointment with a TIAA consultant when we visit your workplace.
Under Texas law, the benefits of an annuity purchased under the Texas Optional Retirement Program are available only if a participant attains the age of 70½ years or terminates participation in the program. For these purposes, a person terminates participation in the Texas Optional Retirement Program, without losing any accrued benefits, by: (1) death; (2) retirement; or (3) termination of employment in all Texas public institutions of higher education.

Investment, insurance and annuity products are not FDIC insured, are not bank guaranteed, are not bank deposits, are not insured by any federal government agency, are not a condition to any banking service or activity, and may lose value.

Annuity contracts contain exclusions, limitations and reductions of benefits, and may contain terms for keeping them in force. Your TIAA financial consultant can provide you with cost and complete details. TIAA Traditional is a guaranteed insurance contract and not an investment for federal securities law purposes. All guarantees are based on TIAA's claims-paying ability. Past performance is no guarantee of future results.

The TIAA Traditional Annuity Retirement Annuity (RA) contract form series 1000.24; Group Retirement Annuity (GRA) certificate form series G-1000.4 or G-1000.5/G1000.6 or G1000.7 (not available in all states); Retirement Choice (RC) contract form series IGRS-01-84-ACC and IGRS-02-ACC; Retirement Choice certificate series IGRS-CERT2-84-ACC and IGRS-CERT3-ACC; Group Annuity (GA) contract form series 6008.8 and 6008.9-ACC; After-Tax Retirement Annuity (ATRA) contract form series 1000.24-ATRA; are issued by Teachers Insurance and Annuity Association of America, 730 Third Avenue, New York, NY 10017.

©2016 Teachers Insurance and Annuity Association of America-College Retirement Equities Fund, 730 Third Avenue, New York, NY 10017