Making the most of your retirement

How you can pay yourself when you stop working

You're probably more ready than you think to start thinking about retirement. Now's the time to really give some thought to the lifestyle you'd like and how you can pay yourself after you stop working. TIAA has been with you while you're saving—and we'll be with you as you transition into retirement.

Getting ready to retire

You'd like to retire on your terms–when you want, where you want, doing what you want–without worrying how long your money will last.

As you think about the retirement you want, here are a couple of things to consider:

How much income do you need?

Picture how you'd like your life to be in retirement. Do you want to work part-time or volunteer? Perhaps you'll garden in your back yard, or travel to far-off lands? Will you downsize or buy a new vacation home? Thinking through decisions like these will help you understand how much you'll need each month to pay your expenses.

When should you start paying yourself?

Really, it depends. You'll have to think about whether you're still working, how much income you think you may need and how much you have set aside. If you and your partner are both currently working, you'll want to consider your combined resources. Do you want to retire together or stagger retirement? The latter could allow one of you to continue saving for retirement. It may also allow you to extend healthcare coverage.

You can speak with a TIAA consultant to discuss how much income you could expect from your retirement plan.

By estimating your potential income based on your retirement account balances, and factoring in your personal situation and preferences, we can help you gauge if you'll have enough income to help meet your needs. Learn more at **TIAA.org/pfr.**

Aiming for higher income and a larger estate?

Consider how you can time your distributions from tax-advantaged accounts and accounts that have already been taxed.

Where will you get your retirement income?

Many people take their retirement income from a few sources, including:

- **Social Security.** You can begin taking benefits as early as age 62 and as late as age 70. Keep in mind that the earlier you start collecting, the lower your monthly payment will be. If you're married or have children, other members of your family may also be eligible for Social Security benefits. The Social Security Administration website at **ssa.gov** offers more details. Although we cannot provide tax advice, a TIAA consultant can help you evaluate your options for collecting Social Security.
- **Employer savings plans.** Like many of your colleagues, your TIAA retirement accounts may be your primary source of retirement income. Generally, you can begin your withdrawals at age 59½ without penalty; you're required to begin withdrawals at age 70½.
- **Personal assets.** These may include tax-favored investments such as IRAs, Keogh plans or after-tax annuities.
- **Working in retirement.** Two-thirds of Baby Boomers plan to or already are working past age 65.[1] Whether by choice or necessity, there's a good chance you'll continue to work—at least in some capacity—during your retirement years.

How much should you withdraw?

Some experts suggest withdrawing no more than 4% of your total retirement savings in the year you begin your retirement income. This can help you avoid using up all your savings too quickly. Plus, it can leave you with the extra resources you might need later to help your income keep pace with inflation.

To help reduce the concern of outliving your savings, you may consider a strategy using guaranteed and variable annuity income that can potentially be higher than the 4% guideline.[2]

Flexibility and choice: Creating your retirement income plan

Income for as long as you live

TIAA offers an array of options you can use to turn a portion of your savings into income that will last as long as you live.

Thinking about how much money you'll need and when you'll need it can help you decide how to mix your income options in a way that works for you.

How much money you receive in your income payments can be steady and reliable through a **fixed annuity.** This can help you cover essential expenses such as housing, utilities and food.

A **variable annuity** complements fixed payments by providing payments that may adjust up or down. This can help you pay for discretionary or unexpected expenses. Variable annuities can also give you the potential to continue to grow your income and keep pace with inflation. However, you should keep in mind that it is also possible to lose money when investing in variable annuities.

Your income plan is your decision

Remember that your income plan is your own: You can convert portions of your savings at different times—some now, some later—and decide how much you want and how often you want to get it. You can use the options TIAA offers to respond to changing market conditions or inflation. And, you can even "try out" variable annuity income payments through our Income Test Drive feature to get a sense of how it all works. You'll find more information about Income Test Drive on page 11.

Learn more about preparing for retirement and creating your income plan online at **TIAA.org/pfr.**

A man reaching age 65 today can expect to live until age 84, while a woman turning 65 today can expect to live to 87.[3]

Since many people will have a retirement lasting 20-30 years or more, you may need a plan that includes income you can't outlive.

Choosing a lifetime income option that suits you

No one wants to run out of money in retirement. One way to help ensure you don't is a lifetime annuity. Unlike lump-sum or periodic withdrawals, lifetime annuities provide income you can't outlive. And, depending on the type of annuity you choose, you can have income continue to loved ones.

Choose what's good for you and your partner

One-life annuity
Provides income for as long as you live.

Two-life annuity
Provides lifetime income to you and, when you pass, to your annuity partner considering fixed and variable income.

Choose how much each of you will receive

Full benefit to survivor	▪ You receive lifetime income ▪ Your annuity partner continues to receive the full amount after you pass
Half benefit to annuity partner	▪ You receive lifetime income ▪ Your annuity partner receives lifetime income at half the amount after you pass
75% benefit to annuity partner	▪ You receive lifetime income ▪ Upon your death, your annuity partner receives lifetime income at 75% of the amount
Two-thirds benefit to survivor	▪ You receive lifetime income ▪ When either you or your annuity partner passes, the survivor will continue to receive lifetime income at two-thirds the amount

Guarantees are based on the claims-paying ability of the issuing insurance company. Income from the variable accounts will rise or fall based upon the performance of the underlying investments.

Your lifestyle, your income plan

You can use a variety of TIAA or CREF options to make your income plan your own, and even update it as your needs change over time.

Option	Description	Considerations	Flexibility
Lifetime income annuity	Convert your retirement plan savings into income guaranteed to last as long as you live	▪ Choose from a range of payment options ▪ Choose from fixed or variable options ▪ Option to provide income for you and an annuity partner ▪ You can't change the annuity option or annuity partner once you begin receiving income ▪ Once you use your account balance to set up a life annuity, that balance isn't available for income under other distribution options	▪ Adding a 10-, 15- or 20-year guarantee option can continue payments to your beneficiaries ▪ Elect Income Test Drive to "try out" income payments from our variable annuities for up to two years, with the ability to cancel whenever you wish
Systematic withdrawals	Draw cash out of your retirement plan on a schedule you choose	▪ Select the investment strategy that you prefer ▪ Choose from a variety of payment schedules ▪ You need to carefully manage your withdrawals to ensure that you don't outlive your savings ▪ You may have less available for lifetime income ▪ This option may not be available with all TIAA contract types	▪ You can change the amount and frequency of withdrawals or stop them at any time
Interest-only payments	Receive income without tapping into the principal from TIAA Traditional, a fixed annuity issued by Teachers Insurance and Annuity Association of America	▪ Income includes a guaranteed rate plus any additional amounts that may be declared ▪ May supplement part-time work or help cover expenses ▪ You may not receive enough interest income to satisfy your required minimum distribution (once you reach age 70½) ▪ You must receive interest-only income for at least one year before switching to another income choice	▪ You can switch to another income option at any time after the first year

Option	Description	Considerations	Flexibility
Transfer payout annuity	Access and reallocate TIAA Traditional over a set number of years	▪ Receive income for a limited period vs. lifetime income ▪ Can be used as an income "bridge" until another source of income becomes available (e.g., Social Security) ▪ This option does not guarantee income for life	▪ You can stop at any time and convert your remaining balance to lifetime income ▪ Redirect future payments to cash, rollover or reinvestment
Fixed-period annuity	Set a specific number of years to receive income	▪ May receive higher amount of income over a shorter, specific period ▪ Supplements other income options ▪ Payments will stop at the end of the period	▪ For TIAA Traditional, payout period can be five to 30 years (not available in all TIAA contracts) ▪ For variable accounts, payout period can be two to 30 years (may be subject to employer rules)
Required minimum distributions[4]	Ensures you meet the IRS rules by calculating and paying you the minimum amount you're required to receive once you reach age 70½	▪ You can choose your payment schedule from several options ▪ Supplements other income options	▪ Ability to switch to other income options (may be subject to employer rules)
Lump-sum withdrawals	Take a portion of your balance in a single sum	▪ Can be used to fund one-time expenses ▪ This option could deplete your savings ▪ This option may not be available under all contracts or employers	▪ Use your remaining balance for income under other options

Not all options are available through all plans. Guarantees are based on the claims-paying ability of the issuing company. Income from the variable accounts will rise or fall based on the performance of the underlying investments.

Considering fixed and variable income

Depending on your circumstances, you may decide to pay yourself a set amount each month or an amount that may fluctuate.

TIAA Traditional: Guaranteed minimum income

TIAA Traditional provides a steady income amount that you can count on each month, something many people use for essential expenses. You can receive income from TIAA Traditional in two ways; each provides different amounts of income, both guarantee a minimum interest rate. In fact, our lifetime income payments have been higher than the guaranteed minimum every year since 1949.[5] What's more, contributing to TIAA Traditional regularly over time can provide the opportunity to earn a higher lifetime income payout from our practice of returning unused reserves to participants.[6]

Choose how to receive TIAA Traditional payments

Standard Payment Method	Graded Payment Method
You receive the total interest credited with each payment—the guaranteed portion plus any additional amounts. ▪ Payments typically start out higher than the Graded Method ▪ Designed to provide a relatively consistent level of income ▪ This method is not designed to provide a future hedge against inflation. ▪ Cannot move from Standard to Graded Method	Your initial income is based on a 4% interest rate—2.5% guaranteed plus any additional amounts. ▪ Payments typically start out lower than the Standard Method ▪ Designed to help reduce the impact of inflation on your income over time ▪ Payments can increase when the total interest rates exceed 4%. For example, if the total interest credited is 6%, your income will increase by about 2%.* ▪ Can move to Standard Method once per calendar quarter

TIAA variable annuities: Income that tracks to market performance

The TIAA and CREF variable annuities can provide income to complement your fixed annuity or Social Security payments. Income from a variable annuity responds to market performance, giving your income the potential to grow over time to help you keep pace with inflation and rising costs.

When we calculate your variable annuity income, we consider the income option you select, your age and the age of your annuity partner (if you choose a two-life annuity). We also assume an annual return of 4% for your initial payment. After your initial payment, if your account's net earnings in a given year are 6%, your variable annuity income will go up by about 2%. If the earnings are less than 4%, your income will decrease accordingly.

* Increases depend on market conditions and interest rates; there is no guarantee that income will go up from year to year. An Income Test Drive can help ease the transition.

An Income Test Drive can help ease the transition

Not quite ready, but want to see how it works?

As you're planning for your retirement and considering your income options, you can get a sense of what your experience may be like using TIAA's Income Test Drive feature—the first of its kind for retirement plans. Income Test Drive allows you to turn a portion of your savings into income payments from a variable annuity.

You're in the driver's seat

For up to two years, you can receive income payments from your CREF or TIAA variable annuity savings. This can help you gauge how much you'll need to cover your expenses, and get a feel for receiving monthly variable income payments.

You can start Income Test Drive once you turn age 55 and have stopped working at the employer that offers the plan. During the two years, you have the flexibility to begin your retirement income annuity payments or end your test drive without any cost or penalty. If you stay on the road for the full two years, you automatically shift into lifetime annuity payments using the remaining amount in your account.

Making transfers during Income Test Drive

You also have the flexibility to transfer balances among the variable annuities available in your plan.

For example, say you elect Income Test Drive payments using $100,000 from the CREF Stock Account. You decide you'd rather take payments using $50,000 from CREF Stock and $50,000 from the CREF Bond Market Account. You will need to transfer $50,000 from CREF Stock to CREF Bond Market. You will immediately start participating in the new account.*

We will recalculate your Income Test Drive payment based on your transfer, and your payment will change according to the payment frequency you select:

- Monthly: If you make your transfer by the 20th of the month, your next payment will show activity from the date you made the transfer through the 20th of the month.
- Annually: Your payment on the next May 1 will include activity from the transfer date.

You can log in to your secure account on **TIAA.org** to make your changes. If you have more than one Income Test Drive election, please call us and our consultants can help you.

Remember, during Income Test Drive, you're using your current account balances. So, when you make a transfer, you're moving the money that's in your savings—not what you've annuitized.

Also, keep in mind, If you transfer any balances you're using for Income Test Drive into a fund that is not available for this feature, your Income Test Drive payments will stop.

More information about the Income Test Drive election is available at **TIAA.org/incometestdrive**.

* A transfer such as this will not affect assets you may already have in an option you choose to transfer into.

There are no fees or charges to initiate or stop this feature. However, it's important to note that your annuity's balance will be reduced by the income payments you receive, independent of the annuity's performance. Income Test Drive income payments are based on the annuitization of the amount in the account, period (minimum of 10 years), and other factors chosen by the participant. If you do not stop the Income Test Drive within the two-year test period, the remaining balance in the account you selected for the Income Text Drive feature will be annuitized in accordance with the selections you made for the Income Test Drive. Annuitization is irrevocable.

An income plan illustration: Diversify your income with TIAA Traditional and CREF Stock

Depending on your situation, you may consider receiving your income from both guaranteed and variable annuities. This can help you balance income that is more steady and predictable with income that offers the potential for growth. You should keep in mind that growth is not guaranteed and the income received from variable annuities can go up or down based on performance.

Let's take a look at an example of how TIAA Traditional and the variable annuity accounts can provide different income scenarios from year to year.

The charts below illustrate what monthly payment amounts would have been if someone split their retirement account balance of $100,000, using $50,000 for fixed income from TIAA Traditional and $50,000 for variable income from the CREF Stock Account.*

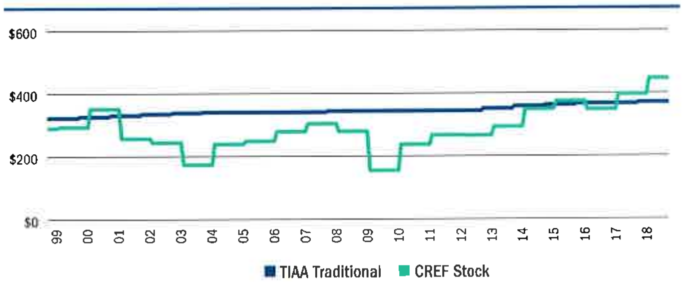
The chart on the left shows the income for the period from 1999 through 2018, and the chart on the right shows income for the period from 2004 through 2018.

As you can see, TIAA Traditional and CREF Stock can provide very different types of income streams over two different time periods:

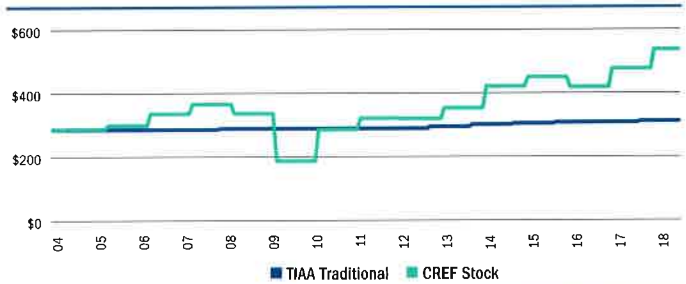
- Monthly income from TIAA Traditional was relatively stable, rising slightly when increases in TIAA's payout interest rate were declared.
- Monthly income from CREF Stock started lower than TIAA Traditional and changed every year, sometimes significantly, as it tracked market performance.

These are historical results and are not indicative of what will happen in the future. However, they illustrate that different accounts may provide very different income scenarios over time.

Monthly income 1999-2018



Monthly income 2004-2018



Variable income from CREF Stock

Monthly income 1999-2018

- Started at $290
- Reached $352 in 2001
- Receded to $155 in 2009
- Was up to $374 in 2016
- Reached $446 in 2018

Monthly income 2004-2018

- Started at $285 in January
- Increased to $366 in 2007
- Dropped to a low of $186 in 2010
- Increased to $537 in 2018

*Assumptions: Person age 65, started income on January 1, 1999 or 2004, based on an account balance of $50,000 in TIAA Traditional and $50,000 in CREF Stock. Income is paid under a single life annuity with a 10-year guarantee. Changes in TIAA Traditional income, if any, occur annually on January 1. Income from CREF Stock is adjusted each year on May 1. The illustration is not intended to predict or project returns.

A customized plan: Income amounts from different lifetime annuity options

TIAA offers a range of one- and two-life annuity options. As the annuity owner, you always receive income for life; the amount you receive depends on the income option you choose.

The various options offer different amounts of "coverage," and, therefore, provide different amounts of income. For example, with the single life annuity, income stops at your death; it will not continue to an annuity partner or a beneficiary. Since this option offers the least "coverage," it provides the highest lifetime income to you.

The chart below shows you how including an annuity partner or beneficiary may affect your payments. In this hypothetical illustration, a 65-year-old would receive $1,000 under the single life annuity with no guaranteed period. Adding a guaranteed period would mean about 2.2% or 8.9% less income.

The same is true of the two-life options. The more "coverage" you have, the lower the income, compared to a single life annuity without a guaranteed period. For example, with the full benefit to survivor with a 20-year guaranteed period, you receive lifetime income and, even when you or your annuity partner dies, payments continue to the survivor in the amount that would have been paid had you both lived. Plus, if both you and your annuity partner die within the 20-year guaranteed period, your beneficiary will receive payments for the rest of the period.

While this option offers income protection, there is a tradeoff. As you can see in the chart below, income under this option is about 15.2% less than income under the single life annuity with no guaranteed period.

What's the best choice? It depends on your personal situation—and, of course, this isn't an "all or nothing" decision. As you evaluate your options, it may be helpful to consider your income needs, your health, your marital status, whether you have others who are financially dependent on you, and other sources of income. Once you have a clear view of your situation, you can look for the option or combination of options that offers you a balance between the level of income you need and the amount of coverage you desire.

TIAA lifetime income options

Annuity option	Hypothetical monthly payment	Payment amount compared to single life annuity
Single life annuity (SLA)	**$1,000**	
SLA with 10-year guaranteed period	$978	-2.2%
SLA with 20-year guaranteed period	$911	-8.9%
Full benefit to survivor*	**$861**	**-13.9%**
Full benefit to survivor with 10-year guaranteed period*	$860	-14.0%
Full benefit to survivor with 20-year guaranteed period*	$848	-15.2%
Half-benefit to annuity partner with 20-year guaranteed period*	$918	-8.2%
75% to annuity partner with 20-year guaranteed period*	$881	-11.9%
2/3 benefit to survivor with 20-year guaranteed period*	$938	-6.2%

Source: TIAA Actuarial. This illustration is hypothetical.

*The figures above are based on an annuity owner age 65 and annuity partner age 65; these amounts can be higher or lower depending on actual ages. For the hypothetical illustration amounts above, we assume that a $176,000 account balance is converted to TIAA Traditional lifetime annuity income. We used a 4% interest rate for TIAA Traditional, but your actual rates and income can be higher or lower than those shown above. For CREF, whose income is calculated based on a 4% assumed investment return (AIR), results would be very similar to the chart above. The illustration is not intended to predict or project returns.

Putting it all together

It helps to take some time to consider your options, take stock of where you are and where you want to be, and think through how to help make it all happen.

1

Envision your retirement. When you envision life after work, you'll need to consider it all—the who, when, where, what and how of retirement.

2

Understand the challenges you'll face. Withdrawing from your retirement nest egg is different than saving for it. Consider the potential headwinds, so you can help keep your retirement financially on track.

3

Brush up on Social Security and Medicare. Understanding how and when to start taking advantage of these programs can help you maximize benefits and positively impact your retirement lifestyle.

4

Learn how to create a plan that includes income you can't outlive. With people living longer, retirement is lasting longer. Your income plan should last as long as you do. Annuities can provide flexible income options.

You don't have to go it alone

TIAA can help—it's what we're here for.

Let's talk
Consultants are available at **800-842-2252**, weekdays, 8 a.m to 10 p.m., and Saturday, 9 a.m. to 6 p.m. (ET).

Visit us
You can log in to your account on **TIAA.org** today to start your retirement profile, and begin to see what your expenses and income might look like in retirement.

Learn more
The Preparing for Retirement website offers more information and tools you can use—it's available at **TIAA.org/pfr**.

TIAA

1 Transamerica Center for Retirement Studies, "Wishful thinking or within reach? Three generations prepare for retirement – 18th Annual Transamerica Retirement Survey of Workers," December 2017

2 TIAA Actuarial. At age 65 a Single Life annuity has a current payment (January 2019) of over 6% of the balance. All guarantees are subject to the issuing company's claims-paying ability. Income from variable accounts will rise or fall based upon the performance of the underlying investments.

3 Social Security Administration, Life Expectancy calculation website, accessed online February 2019.

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

5 TIAA Actuarial department. Past performance is no guarantee of future results.

6 Interest credited to TIAA Traditional Annuity accumulations includes a guaranteed rate, plus additional amounts as may be established on a year-by-year basis by the TIAA Board of Trustees. The additional amounts, when declared, remain in effect through the "declaration year," which begins each March 1 for accumulating annuities and January 1 for payout annuities. Additional amounts are not guaranteed for periods other than the period they were declared.

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

This material is for informational or educational purposes only and does not constitute investment advice under ERISA. This material does not take into account any specific objectives or circumstances of any particular investor, or suggest any specific course of action. Investment decisions should be made based on the investor's own objectives and circumstances.

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

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.

Keep in mind that income from variable annuities will fluctuate based on the underlying investment performance and are not guaranteed. Any guarantees under annuities are subject to the issuer's claims-paying ability. There are risks associated with investing in securities including possible loss of principal.

TIAA Traditional, issued by Teachers Insurance and Annuity Association of America, is a guaranteed insurance contract and not an investment for federal securities law purposes.

Annuity contracts contain exclusions, limitations, reductions of benefits and may contain terms for keeping them in force. We can provide you with costs and complete details.

Under Texas law, the benefits of an annuity purchased under the Optional Retirement Program are available only if participant attains the age of 70½ or terminates participation in the program. For these purposes, a person terminates participation in the 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.

Please note that withdrawals of earnings from an annuity are subject to ordinary income tax, plus a possible federal 10% penalty if you make a withdrawal before age 59½.

Certain products may not be available to all entities or persons.

TIAA-CREF Individual & Institutional Services, LLC, and Nuveen Securities, LLC, Members FINRA and SIPC, distribute 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.

Retirement Annuity (RA) TIAA Contract form series 1000.24/CREF Certificate series C1000.11 STD.1; **Group Retirement Annuity (GRA)** Contract form series G1000.4 or G1000.5; G1000.6 or G1000.7 (not available in all states)/CREF Certificate series CG-1000.1; **Supplemental Retirement Annuity (SRA)** TIAA Contract form series 1200.8/CREF Certificate series C1200.4; **Group Supplemental Retirement Annuity (GSRA)** TIAA Contract form series G1250.1 (GSRAs are not available in all states)/CREF Certificate series CG1250.1; Retirement Choice TIAA Contract form Series IGRS-01-5-ACC, IGRS-01-60-ACC, and IGRS-01-84-ACC; TIAA Certificate series IGRS-CERT1-5-ACC, IGRS-CERT1-60-ACC, IGRS-CERT1-84-ACC; CREF Contract form series CIGRS; CREF Certificate series: CIGRS-CERT1; **Retirement Choice Plus** TIAA Contract form series IGRSP-01-5-ACC, IGRSP-01-60-ACC, IGRSP-01-84-ACC; TIAA Certificate series – IGRSP-CERT1-5-ACC, IGRSP-CERT1-60-ACC, IGRSP-CERT1-84-ACC; CREF Contract form series: CIGRSP; CREF Certificate series: CIGRSP-CERT1.

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