Lifetime Income:
Help secure your retirement

Presented by:
Laura Sines
March 1, 2018
Annuitants: Lifetime income summary as of 12/31/17

289
Total annuitants with assets

79.22
Average age

14.13
Average years annuitized

<table>
<thead>
<tr>
<th>Age</th>
<th>&lt;60</th>
<th>60-64</th>
<th>65-69</th>
<th>70-79</th>
<th>80-89</th>
<th>90-99</th>
<th>100+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annuitants</td>
<td>0</td>
<td>13</td>
<td>35</td>
<td>92</td>
<td>112</td>
<td>36</td>
<td>1</td>
</tr>
<tr>
<td>Average Payout</td>
<td>$0</td>
<td>$8,883</td>
<td>$14,001</td>
<td>$20,822</td>
<td>$28,758</td>
<td>$17,556</td>
<td>$9,659</td>
</tr>
</tbody>
</table>

**Annual lifetime income payout by age**

- **$6.38 million**
  Total annual payout
- **$22,089**
  Average annual payment
- **$215,041**
  Largest annual payment
- **36 years**
  Longest number of years paid

This report is as of the period ending 12/31/2017 and reflects the trailing 12 months of activity unless otherwise noted. The report includes all TIAA plans except 457(f), 457(b) Private, Nonqualified Deferred Compensation, and Retirement Healthcare plans.
Goals for today’s discussion

- Our mission and heritage is lifetime income
- What are your retirement risks and concerns?
- Do you have a plan to secure lifetime income?
- Let us help you decode annuities
- Understanding lifetime income options of TIAA Traditional Annuity and CREF Variable Annuity Accounts
Since 1918, TIAA has been on a mission to help participants reach their retirement goals.

"No man becomes rich unless he enriches others."
—Andrew Carnegie, Founder

“...retirement savings has four components: Adequate funding; diversification; access to sound, objective advice; and a guaranteed portion of retirement income that will cover your basic needs.”
—Roger Ferguson, CEO (Pittsburgh Post-Gazette)
A strategy to replace your salary in retirement

Steps to consider:

1. Create a plan
   Know how you’ll generate income in retirement.

2. Think long term
   The average American may spend about 20 years or more in retirement. How can you generate income you cannot outlive?

3. Don’t go it alone
   Seek personalized advice and support.
Top four retirement concerns

1. Not having enough money to pay off your debt
2. Not being able to maintain the standard of living you enjoy
3. Not being able to pay medical costs in the event of a serious illness or accident
4. Not having enough money for retirement

American Institute of CPAs; Survey of Financial Planners October 6, 2016
**Four key retirement risks**

1. **Longevity**
   - 44% chance that one partner in a couple age 65, will live to 95.*

2. **Market**
   - Drop in the stock market from 2008-2009.
   - Risk of withdrawing money in a down market.
   - 47%

3. **Cognitive**
   - 1 in 9 people age 65 or older have Alzheimer’s and the prevalence doubles every five years after age 65.**

4. **Inflation**
   - Inflation erodes your purchasing power over time.
   - 1970: $0.60
   - 2013: $3.50

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* Based on 2016 TIAA dividend mortality tables

What do you own that can provide lifetime income?

Regular, permanent payments of lifetime income can come from Social Security, pensions and annuities.

**Discretionary Expenses**
- Entertainment
- Charitable Donations
- Gifts
- Travel
- Dining Out

**Essential Expenses**
- Transportation
- Utilities
- Health Care
- Home
- Food

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Lifetime Income: Help secure your retirement
TIAA solutions are designed to go from savings in accumulation to income in retirement.
An annuity is a contract between you and an insurance company.
Our fixed annuity, in addition to other products, is available in your plan

**TIAA Traditional Annuity**

- **Provides guaranteed retirement income that cannot be outlived**
- **Helps replace your “salary” in retirement to help cover essential expenses**
- **Has offered long-term investors higher payout rates when they annuitize**
- **Delivers income options to match retirement goals**

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1 Payout rate equals the yearly payment divided by accumulation. Calculation based on a monthly payment at age 65, Single Life Annuity with 10 years guaranteed using current TIAA dividend mortality as of 1/1/2016. Long-term participant assumes 30 years of monthly contributions, retiring May 1, 2016, new money assumes a transfer into TIAA Traditional on 1/1/2016.

All guarantees are subject to TIAA’s paying ability.

Past performance is no guarantee of future results.

TIAA Traditional Annuity is issued by Teachers Insurance and Annuity Association of America, New York, NY.
Each payment = two parts

1. A minimum guaranteed payment,\(^1\) plus

2. The potential for a larger payment based on additional amounts

As of October 1, 2016 the long-term contributor received over 20% more income\(^2\)

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\(^1\) All guarantees are subject to TIAA's claims-paying ability

\(^2\) Additional amounts, when declared by TIAA’s Board of Trustees, remain in effect for the “declaration year,” which begins each January 1, and are not guaranteed

\(^3\) Source: TIAA Actuarial Department. Total income shown for a 30-year contributor (level monthly premiums). Calculation based on a monthly payment at age 70, single-life annuity with 10 years guaranteed, using current TIAA dividend mortality as of 10/1/2016. Past performance is no guarantee of future results.
Understanding annuities based on life stages

Using our fixed and variable annuities as examples:

<table>
<thead>
<tr>
<th></th>
<th>TIAA Traditional</th>
<th>TIAA Traditional</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed Annuities</strong></td>
<td>Fixed rate of return</td>
<td>Fixed income payments</td>
</tr>
<tr>
<td><strong>Variable Annuities</strong></td>
<td>CREF &amp; REA Accounts</td>
<td>CREF &amp; REA Accounts</td>
</tr>
<tr>
<td></td>
<td>Returns vary based on portfolio returns</td>
<td>Variable income payments based on portfolio results</td>
</tr>
</tbody>
</table>

Reminder: Your plan may offer non-annuities investments that may be appropriate for your situation
## You may elect additional guarantees that provide protection

<table>
<thead>
<tr>
<th>Annuity option</th>
<th>Monthly payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Life Annuity (SLA)</td>
<td>$1,000</td>
</tr>
<tr>
<td>SLA w/10 years guaranteed</td>
<td>$978</td>
</tr>
<tr>
<td>SLA w/20 years guaranteed</td>
<td>$911</td>
</tr>
<tr>
<td>Last Survivor Full (LSF)</td>
<td>$861</td>
</tr>
<tr>
<td>LSF w/10 years guaranteed</td>
<td>$860</td>
</tr>
<tr>
<td>LSF w/20 years guaranteed</td>
<td>$848</td>
</tr>
</tbody>
</table>

Source: TIAA Actuarial Department. This illustration is hypothetical. The figures above are based on annuitants age 65, and can be higher or lower depending on actual ages. For the hypothetical illustration above, we assumed that a $176,000 balance was converted to TIAA Traditional annuity income. We used a 4.0% interest rate for TIAA Traditional; actual rates and income can be higher or lower than those shown above.
Creating lifetime income from a portion of your TIAA Traditional or other annuity assets to help cover essential expenses may:

1. Reduce the pressure on your other assets

2. Increase the likelihood you will be able to meet your retirement income needs

3. Increase the likelihood of retaining assets for legacy goals
CREF: Features of CREF Variable Annuity Accounts

A potentially key component in a diversified income plan

May help pay for retirement expenses above the essentials

Professionally managed
An array of professionally managed, retirement focused, low cost investment options.

Flexibility
Choice and flexibility at the steps along the path toward retirement

Designed to help keep pace with inflation and rising costs

Lifetime income
Certainty of having lifetime income options and market growth potential.

CREF payout annuities are variable. The payment can move up or down, sometimes widely, year-to-year, based on the performance of the underlying funds. While this can help offset the effects of inflation, something a fixed annuity typically cannot do, there is an added element of risk. Past performance is no guaranty of future results. There are risks with investing in variable annuities including the possible loss of principle.
Legacy and estate planning

NOTE: The TIAA group of companies does not provide tax or legal advice. Consult with your tax and legal advisors about your personal planning needs.
You wouldn’t feel good about driving over this bridge if it didn’t have guardrails, why enter retirement without the right protection in place?
Individual consultations

Call 800-732-8353
(choose option 3, then option 2)

TIAA.org/schedulenow

TIAA.org/tools

Planning tools

Preparing for Retirement
- Investment recommendations.

Retirement Income Planner
- Explore your retirement income options

Looking to Learn More about the needed steps to Retirement?
- Visit TIAA.org/pfr to learn more about preparing for retirement

Lifetime Income: Help secure your retirement
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Annuities are designed for retirement and other long-term goals. They offer several payment options, including lifetime income. Guarantees are based on the claims-paying ability of the issuer. However payments from CREF and TIAA variable annuities are not guaranteed and the payment amounts will rise or fall depending on investment returns. If you choose to invest in the variable investment products, your money will also be subject to the risks associated with investing in securities, including loss of principal. 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. The value of a variable annuity is subject to market fluctuations and investment risk so that, if withdrawn, it may be worth more or less than its original cost.

Please note that certain products and services are only available to eligible individuals.
You should consider the investment objectives, risks, charges and expenses carefully before investing. Please call 877-518-9161 or log on to TIAA.org for underlying product and fund prospectuses that contain this and other information. Please read the prospectuses carefully before investing.

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