



TIAA-CREF financial education

**TIAA-CREF:
YOUR RETIREMENT
INCOME OPTIONS**

**UIC Retirement
Planning Conference**

April 9, 2011



FINANCIAL SERVICES

FOR THE GREATER GOOD®





RETIREMENT PLANNING WITH TIAA-CREF

- > Planning Issues and the Economy
- > Investment Strategies
- > Income Sources and Considerations
- > Income Options
- > Actions, Services, Products



WHO WE ARE

TIAA-CREF'S HISTORY OF SERVING PARTICIPANTS

Over **90 years** of service to education, research, medical and cultural institutions

Fortune 100 company and one of world's largest retirement plan providers, with over \$453 billion in combined assets*

Started by Andrew Carnegie** to help teachers retire

Unique nonprofit heritage: strength, stability, long term approach

* Based on assets under management as of 12/31/2010.

** Through the Carnegie Corporation of New York



THREATS TO YOUR RETIREMENT CASH FLOW

CONDITIONS THAT CAN IMPACT RETIREMENT PLANNING

**OUTLIVING
YOUR ASSETS**

**LOSS OF
PURCHASING
POWER**

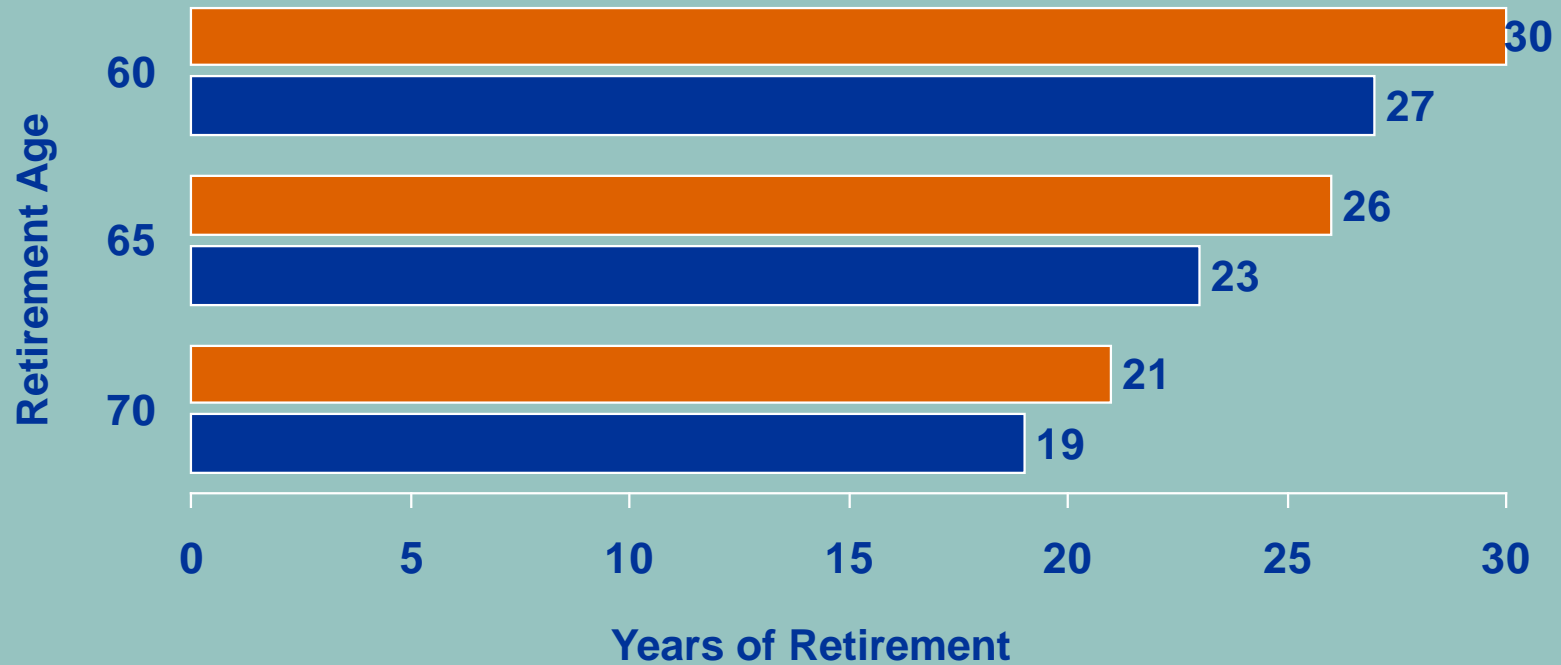
**RETURNS
LOWER THAN
ANTICIPATED**

THREATS TO YOUR RETIREMENT CASH FLOW

YOUR INCOME SHOULD LAST A LIFETIME

AVERAGE ANTICIPATED YEARS OF RETIREMENT FOR TIAA-CREF PARTICIPANTS

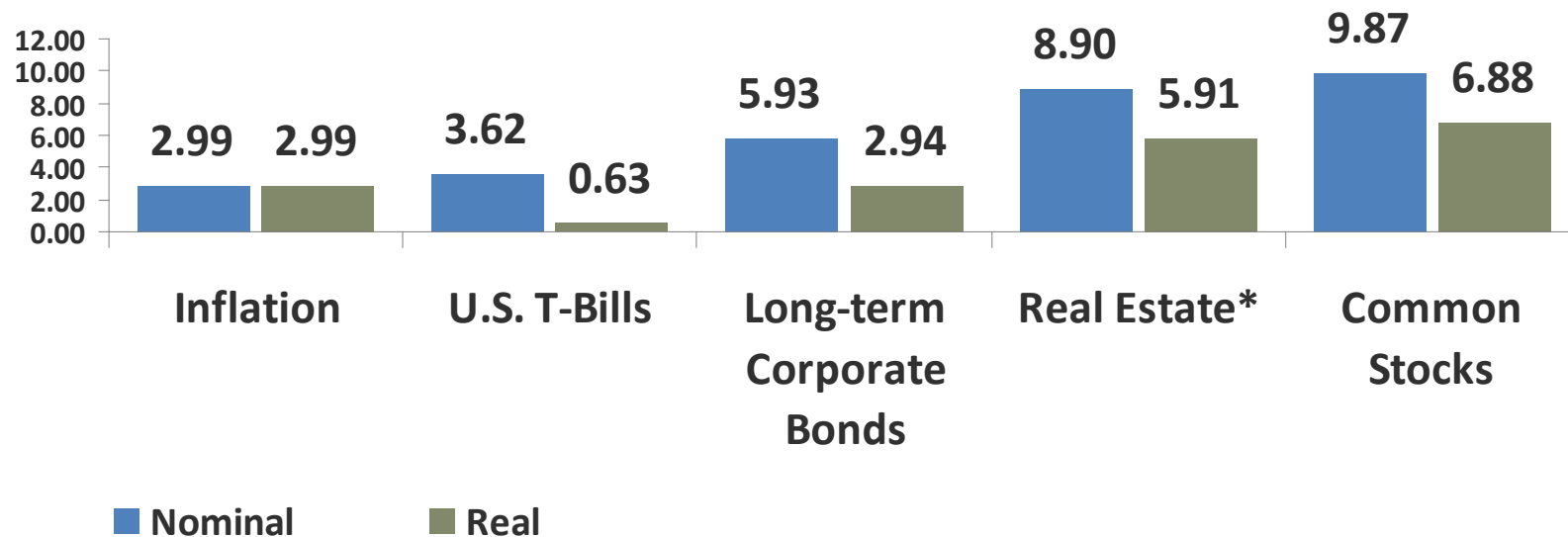
Women
Men



Source: TIAA-CREF Actuarial, 2008.

THREAT: LOSS OF PURCHASING POWER

AVERAGE ANNUAL TOTAL RETURNS (1926-2010)* EFFECTS OF INFLATION ON RETURNS



- Chart illustrates returns from 1/1/1926 to 12/31/2010. Real Estate returns are from 12/31/1978 – 12/31/2010 from NCREIF Index.
- Source: © Ibbotson Associates, a wholly owned subsidiary of Morningstar, Inc. These returns are for illustrative purposes only and do not reflect TIAA-CREF performance or the returns various kinds of investments may earn in the future. Stocks represent shares of ownership in a corporation, bonds are debt obligations and real estate is direct property ownership. The value of each will fluctuate with market conditions. Treasury bills (T-bills) and government bonds are insured as to timely payment of principal and interest by the U.S. government, unlike stocks and corporate bonds. T-bills are short-term money market instruments. Past performance does not guarantee future returns.

UNDERSTANDING EQUITY MARKET VOLATILITY

SIGNIFICANT DOWNTURNS ARE NOT UNCOMMON

PERIOD	LENGTH	DECLINE IN S&P 500 [®]
9/29-6/32	34 months	-83.4%
6/46-4/47	11 months	-21.0%
8/56-2/57	7 months	-10.2%
8/57-12/57	5 months	-15.0%
1/62-6/62	6 months	-22.3%
2/66-9/66	8 months	-15.6%
12/68-6/70	19 months	-29.3%
1/73-9/74	21 months	-42.6%
1/77-2/78	14 months	-14.1%
12/80-7/82	20 months	-16.9%
9/87-11/87	3 months	-29.5%
6/90-10/90	5 months	-14.7%
7/98-8/98	2 months	-15.4%
9/00-9/02	25 months	-44.7%
11/07 – 2/09	16 months	-50.9%

Next?

Source: Ibbotson Associates, Inc.; Final Period Source: CREF Investments. Both Sources: Large Company Stocks – Standard & Poor's 500[®], which is an unmanaged group of securities and considered to be representative of the stock market in general. The data assumes reinvestment of all income and does not account for taxes or transaction costs. The average return represents a compound annual return. An investment cannot be made directly in an index. Past performance is not a guarantee of future results.



ECONOMIC OUTLOOK

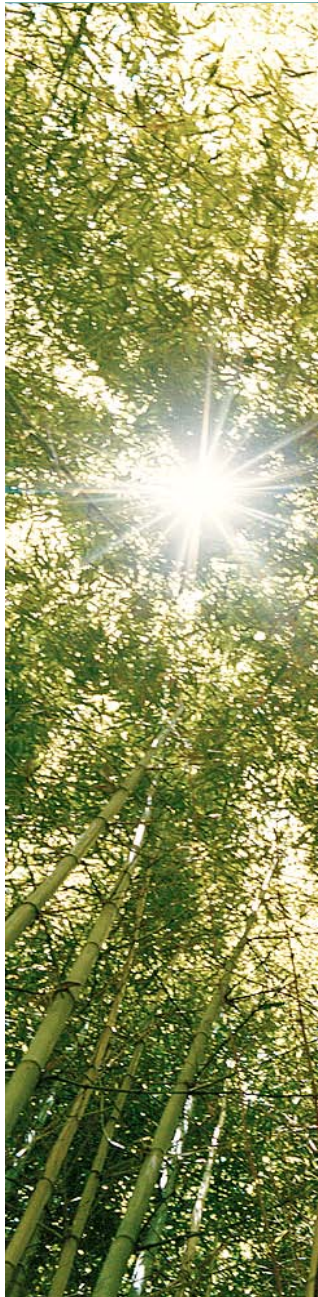
A FRAGILE ECONOMIC RECOVERY

The economy and market will be recovering when we see these signs:

- > Corporate earnings growth
- > Rising consumption
- > Stable housing prices
- > Fully liquid credit markets, in which AAA-rated companies are able to borrow at normal rates
- > Renewed investor confidence
- > Rising employment

INVESTMENT STRATEGIES

- > Diversification
- > Asset Classes
- > Considerations
- > Model Portfolios
- > Strategies and Expenses



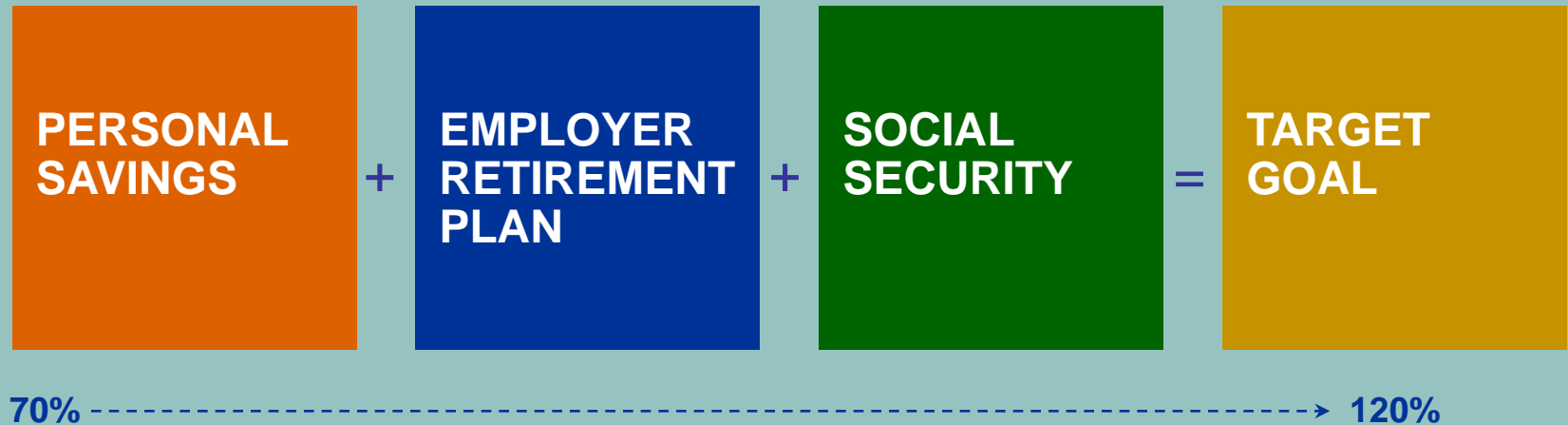
TIAA-CREF RETIREMENT INCOME OPTIONS

1. Sources
2. Considerations
3. Income Options

DETERMINE YOUR RETIREMENT INCOME NEEDS

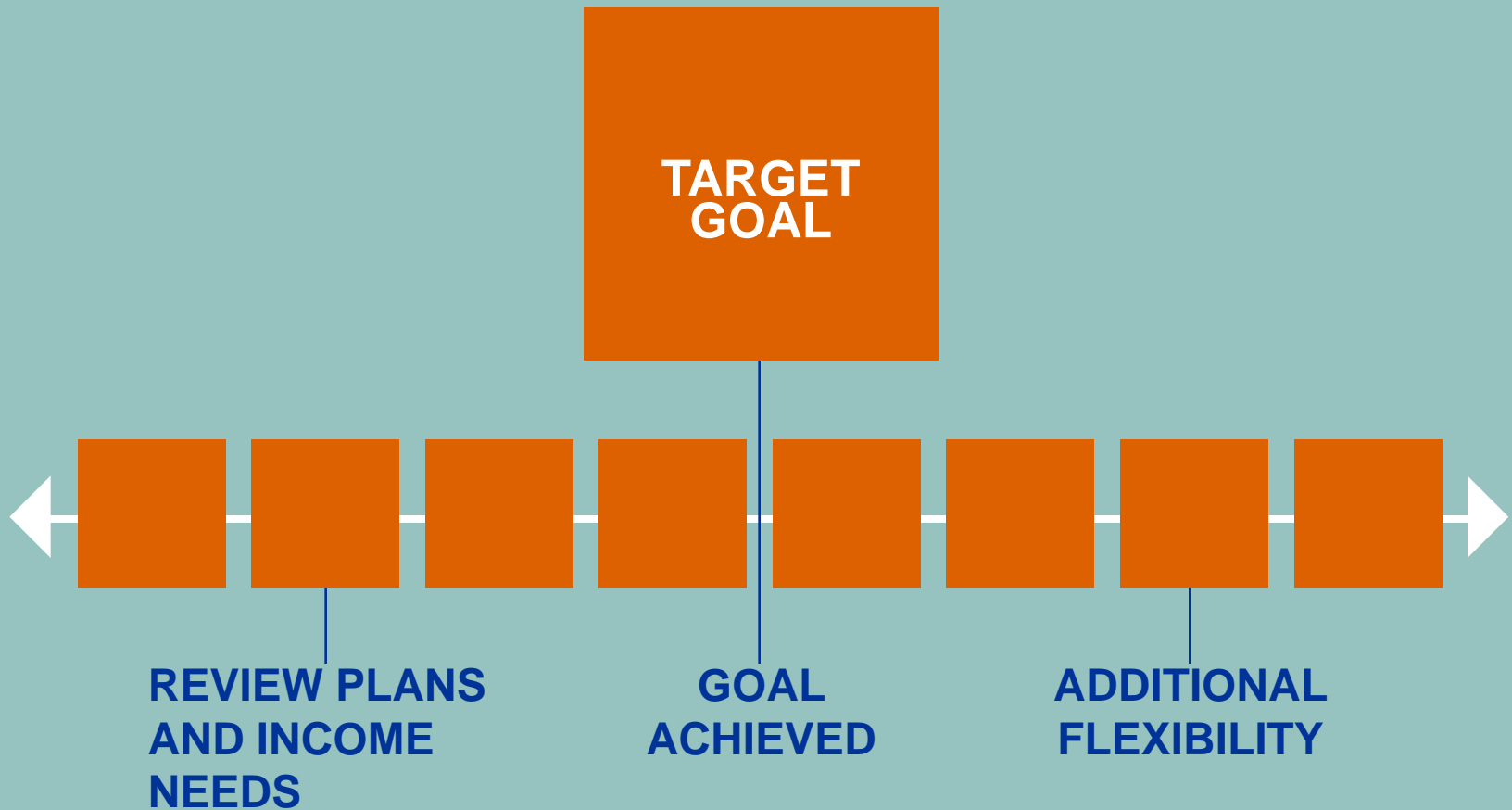
EVALUATE INCOME SOURCES

DETERMINE A REPLACEMENT PERCENTAGE GOAL - TARGET OF YOUR FINAL SALARY



DETERMINE YOUR RETIREMENT INCOME NEEDS

INCOME SOURCES VS INCOME NEEDS: ARE YOU ON TARGET TO REACH YOUR GOAL?





DETERMINE YOUR RETIREMENT INCOME NEEDS

PLANNING YOUR RETIREMENT

Considerations:

- > Providing for your partner/dependents
- > Your health and your partner's health
- > Availability of cash for emergency needs
- > Threats to retirement income
- > Solving income gap: increase contributions, change allocations, work longer, reduce income goal

WITHDRAWAL AND INCOME OPTIONS

TAKING INCOME WITH TIAA-CREF

AN ARRAY OF FLEXIBILITY AND CHOICE*



* Income option availability is subject to your institution's plan provisions.

** If you have an RA contract, the TIAA annuity contract does not allow lump-sum cash withdrawals from the TIAA

*** Traditional Annuity and transfers must be spread out in ten payments over a nine-year period. If you have a GRA or Retirement Choice (RC) contract, lump-sum withdrawals are available from the TIAA Traditional Annuity only within 120 days after termination of employment and are subject to a surrender charge. All other withdrawals and all transfers to the Real Estate Account or to CREF must be spread over a ten-year period (five years for withdrawals after termination of employment) for GRA and an 84-month (7 year) period for RC.



WITHDRAWAL AND INCOME OPTIONS

MINIMUM DISTRIBUTION OPTION

- > Pays IRS minimum
- > Maximizes income tax deferral and preserves accumulation
- > Delays deciding on lifetime income



WITHDRAWAL AND INCOME OPTIONS

FIXED-PERIOD ANNUITIES*

TIAA-CREF Fixed-Period Income:

- > Income for specified number of years
- > Benefits cease at the end of the period
- > Fixed period may not exceed life expectancy
- > If under age $59\frac{1}{2}$, income from fixed period may be subject to tax penalties

* Subject to employer's plan rules.

WITHDRAWAL AND INCOME OPTIONS

CASH WITHDRAWALS* - LUMP SUM OR SYSTEMATIC

Cash Withdrawals:

- > Distribute according to your needs
- > May allow for distribution of significant assets to beneficiaries
- > Available from TIAA Traditional in 10 annual installments**
- > Available from the CREF Accounts and the TIAA Real Estate Account

* Income option availability is subject to your institution's plan provisions.

** Applies to Retirement Annuity (RA) and Group Retirement Annuity (GRA) contracts

WITHDRAWAL AND INCOME OPTIONS

CASH WITHDRAWALS* - LUMP SUM OR SYSTEMATIC

Systematic Withdrawals:

- > Distribute according to your needs
- > Residual assets will be available to beneficiaries
- > Risk of outliving principal

**Visit [tiaa-cref.org](https://www.tiaa-cref.org) for a
Systematic Withdrawal illustration!**

* Income option availability is subject to your institution's plan provisions.

LIFE ANNUITY - OPTIONS

One- and Two-Life Annuities*

- > One-Life Annuity
 - Provides lifetime income to the annuitant only

- > Two-Life Annuity
 - Provides lifetime income to the annuitant and a second person

* Annuity account options are available through contracts issued by TIAA or CREF. These contracts are designed for retirement or other long-term goals, and offer a variety of income options, including lifetime income.



LIFETIME ANNUITY INITIAL MONTHLY PAYMENT TO ANNUITANT*

SINGLE LIFE ANNUITY	\$1,000
10-year guaranteed period	\$979
20-year guaranteed period	\$918

JOINT ANNUITY**	
75% benefit to annuity partner	\$893
2/3 benefit to survivor	\$945
1/2 benefit to 2 nd annuitant	\$926
Full benefit to survivor	\$862

*Assumes accumulation of \$160,925, 5% hypothetical interest rate, Mortality A2000 (2.75) There is no guarantee you will be able to achieve this rate over the same time period.

**TIAA Traditional Annuity with 20-year guaranteed period, both annuitants age 65. Note: Hypothetical Annuity Income. Source: TIAA-CREF

LIFE ANNUITY - BENEFICIARIES

Guaranteed Period*

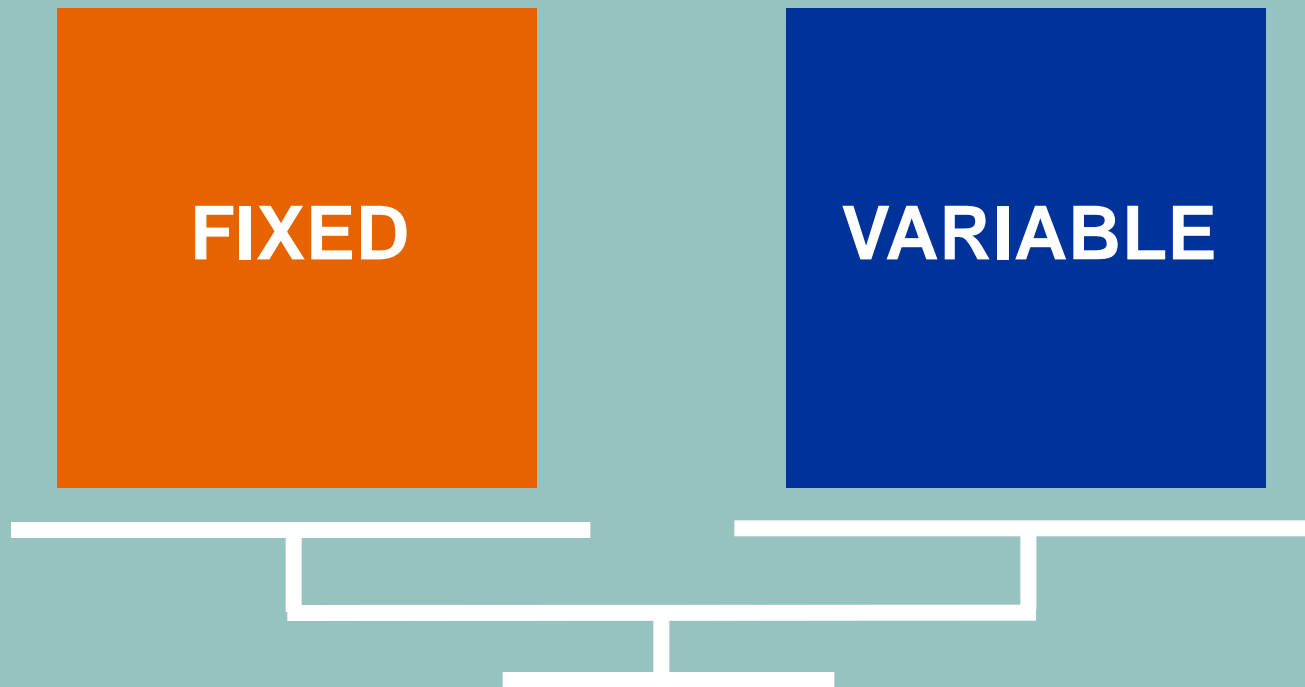
- > Outlines the number of years your beneficiaries can collect income payments after your death
- > Guaranteed period begins when your annuity income contract is opened
- > Options: 10, 15 or 20 years
- > Beneficiary can collect payments for the remainder of the guaranteed period
- > Assumes you and your annuity partner die within the time frame

* The guaranteed period cannot exceed life expectancy.

WITHDRAWAL AND INCOME OPTIONS

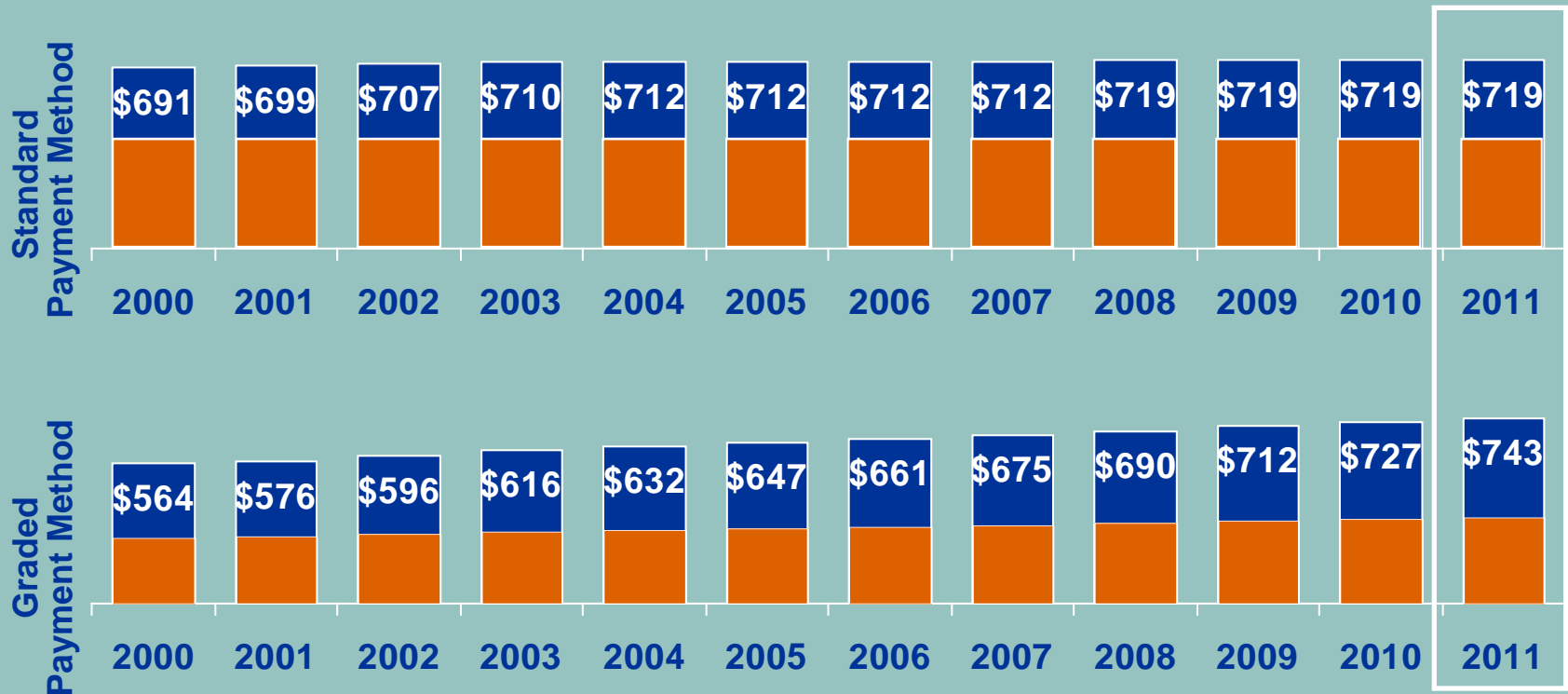
LIFE ANNUITY - INVESTMENTS

WEIGHING THE OPTIONS



WITHDRAWAL AND INCOME OPTIONS

MONTHLY ANNUITY INCOME: TIAA TRADITIONAL



Assumptions: \$100,000 accumulation in TIAA Traditional starting in Jan. 2000. Single-Life Annuity with a 10-year guaranteed period at age 65. The chart is for illustrative purposes only and does not reflect deduction of taxes, or predict future results of any TIAA-CREF account.

WITHDRAWAL AND INCOME OPTIONS

MONTHLY ANNUITY INCOME: CREF STOCK VARIABLE ANNUITY ACCOUNT



Assumptions: \$100,000 accumulation in CREF Stock Account starting as of 5/1/2000, age 65. Single-Life Annuity with a 10-Year Guaranteed Period at age 65. Income revaluation period is for May 1st of each year. Monthly income shown for each year is as of May 1 of that year. The chart is for illustrative purposes only and does not reflect deduction of taxes or predict future results of any TIAA-CREF account.

WITHDRAWAL AND INCOME OPTIONS

HOW WILL YOUR RETIREMENT INCOME BE AFFECTED BY TAXES?



An elderly couple is sitting at a dining table covered with a white tablecloth. The man, wearing a light blue polo shirt, is leaning over the woman, who is wearing a pink top. They are both looking at a laptop computer on the table. The woman is smiling. There are some items on the table, including a loaf of bread and some papers. A window is visible in the background.

Actions, Services, Products

ACTIONS TO TAKE TODAY

- > Income and Expenses
- > Savings and Debt
- > Retirement Contributions and Allocations
- > Insurance and Estate

STEPS TO TAKE TODAY

SIMPLIFY YOUR RETIREMENT

- > Complimentary one-on-one counseling
- > Personalized, objective advice from non-commissioned consultants
- > Consolidate your assets

There may be tax consequences associated with the transfer of assets. Indirect transfers may be subject to taxation, surrender charges and penalties. You should carefully consider potential differences in features, costs, expenses, and other important factors and consult your tax advisor regarding your particular situation.



TIAA-CREF IS HERE FOR YOU: tiaa-cref.org - 800-842-2252

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College
savings and
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saving

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Brokerage
Services

Mutual
Funds

* There is no account fee to own a TIAA-CREF IRA; however, brokerage transaction fees may apply. In addition, investors are subject to the underlying funds' portfolio management fees and expenses.



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