



Taking the next step

A guide for beneficiaries



BUILT TO PERFORM.

CREATED TO SERVE.



TIAA—listening, caring, ready to serve

We understand that losing a loved one is difficult. At TIAA, we're here to help you take care of the assets they worked so hard to build. With this guide, we'll introduce you to the options you have. TIAA consultants are available to help you with personalized advice on building a portfolio that suits your goals.

No amount of money can compensate for the loss of a spouse, family member or friend. However, the legacies they leave behind may provide some of the income and security you need for the future.

TIAA can help you take the next step.

Making decisions about financial issues may seem overwhelming—especially after you've lost your spouse, a family member or friend. And during this emotional time, it may be difficult to focus on practical matters and manage the estate left behind.

This guide is designed to help you make informed decisions about your financial needs and objectives. At TIAA, we are committed to helping you and hope you'll be comfortable with the decisions you make.

As a beneficiary, you're entitled to some or all of the retirement savings of the original TIAA account owner. The primary purpose of these assets was long-term savings to provide lifetime or other income.¹ If you don't have an immediate need for these funds, you may choose to continue to save and invest them with TIAA to help you meet your own future financial goals, such as retirement, a child's tuition or purchasing a home.

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¹ Any guarantees under annuities issued by TIAA are subject to its claims-paying ability.

Getting started

Preserving the assets left to you means assessing where they will fit in your overall financial plan. Considering your needs and objectives can help you determine how you can invest or use the funds.

As you think about your choices, you'll find that TIAA offers an array of investment options and services—including managed accounts, fixed and variable annuity accounts, mutual funds, brokerage services, advice services, wealth management and banking from TIAA Bank.^{®2} TIAA consultants are available to help you build a portfolio for your long-term financial goals.

Transferring ownership of the TIAA assets

Regardless of your short- and long-term plans for what you've inherited, it's important that you transfer the assets into your name. TIAA consultants can guide you through every step:

- Complete the forms to accept your inheritance
- Designate your own beneficiaries for the account
- Allocate your assets according to your investment needs
- Set up a schedule for Required Minimum Distributions

Also consider how you can:

- Assess your income sources
- Determine your income needs
- Manage your assets
- Consider tax issues

Don't risk losing potential sources of income because you're unaware of them. Be sure you have statements and documents for:

- | | |
|------------------------------|----------------------|
| ▪ Insurance policies | ▪ Securities |
| ▪ Benefit plans | ▪ Real estate deeds |
| ▪ Business agreements | ▪ Wills |
| ▪ Loan and credit agreements | ▪ Income tax returns |
| ▪ Bank books | |

² TIAA Bank is a division of TIAA, FSB. NMLS ID: 399805. TIAA, FSB is an Equal Housing Lender  Member FDIC.



Planning for Required Minimum Distributions

Federal law requires that a beneficiary must begin minimum distributions from an inherited account by a certain date. The law specifies the minimum amount and the portion of the assets that are subject to the rules. You must take the Required Minimum Distribution to avoid a tax penalty.

Required Minimum Distribution conditions

If the original participant's retirement plan was established under Internal Revenue Code Section 403(b) and:

- **The participant has died prior to the year in which he or she turns age 75,** only contributions and earnings credited after 1986 are subject to the minimum distribution rules. Contributions and earnings credited before 1986 are "grandfathered" and are not included in the Required Minimum Distribution calculation.
- **The participant would have been age 75 or older in the year of his or her death,** all contributions and earnings are subject to the Required Minimum Distribution rules and will be included in the yearly calculations.

The grandfather rule does not apply if you are a spouse beneficiary and roll over the assets to an IRA. In this case, the assets become subject to the Required Minimum Distribution rules once you turn age 70½.

Remember that there are deadlines for meeting the requirements, so it's important to transfer the inheritance into your name. TIAA consultants are available to help you set up a schedule for receiving required distributions and calculate the amount you must receive each year. The table on page 5 can help you determine your required date.

How to meet the IRS rules

You can meet the Required Minimum Distribution rules using any of our annuity income options. One easy way is to set up a Required Minimum Distribution withdrawal plan. When you do this, your assets remain invested as they originally were under the TIAA and CREF fixed, variable and mutual fund accounts, and we automatically pay you the required minimum income each year.

If you have questions about Required Minimum Distributions for beneficiaries, you can call us at **888-380-6428**. We'll let you know when you need to receive distributions and whether you have any "grandfathered" amounts. We'll also calculate your Required Minimum Distribution.



Minimum distribution requirements for different beneficiaries

Spouse beneficiaries	Non-spouse beneficiaries	Beneficiaries that are entities
<p>You may stay in the employer plan and receive Required Minimum Distributions when your spouse would have reached age 70½ or the year following death, whichever is later.</p> <p>You must also continue to receive Required Minimum Distributions every year after that. If you miss receiving the required distributions, you may be subject to a 50% federal excise tax on the amount you should have received as income.</p> <p>Example: If your spouse (the original participant) passed away in 2019 and would have turned age 70½ in 2021, you must receive a minimum distribution payment by December 31, 2021. If your spouse had already reached age 70½ or older at his or her death, you must start minimum distributions by December 31, 2020.</p> <p>If you roll over the assets to:</p> <ul style="list-style-type: none"> ▪ An IRA, you must begin receiving required distributions when you turn age 70½. ▪ Another eligible retirement plan, you must begin required distributions when you turn age 70½ or retire, whichever is later. <p>Once you set up a Required Minimum Distribution schedule, we'll let you know the year you must begin and we will calculate the required payment each year, based on IRS rules.</p> <p>In addition to automatically receiving Required Minimum Distributions, you can also satisfy the requirement using one of our annuity options. Once you have transferred ownership of your inheritance, you can speak with one of our consultants or your own tax attorney for more information.</p>	<p>You are required to begin receiving at least a specified minimum amount from your account no later than December 31 of the year after the original participant's death.</p> <p>You must also continue to receive Required Minimum Distributions every year thereafter. If you miss receiving the required distributions, you may be subject to a 50% federal excise tax on the amount you should have received as income.</p> <p>Example: If the original participant passed away in 2019, you must receive a minimum distribution payment by December 31, 2020.</p> <p>If you don't receive the first minimum distribution by that date, IRS rules require that you withdraw the entire account balance by December 31 of the fifth anniversary year of the participant's death.</p> <p>Example: If the original participant passed away on January 1, 2019, you must start receiving Required Minimum Distributions by December 31, 2020. If you don't begin distributions, you must withdraw the entire account balance no later than December 31, 2024.</p> <p>Once you schedule your Required Minimum Distributions, we'll let you know the year you must begin and we will calculate the required payment each year, based on IRS rules.</p> <p>In addition to automatically receiving Required Minimum Distributions, you can also satisfy the requirement using one of our annuity options. Once you have transferred ownership of your inheritance, you can speak with one of our consultants or your own tax attorney for more information.</p> <p>Second-generation beneficiaries</p> <p>Beneficiaries who inherit assets from a deceased beneficiary, and not directly from the original participant, are subject to the same payment rules as the original beneficiary. The required payment amount is based on the calculation previously used for the original beneficiary's payment amount.</p>	<p>When a beneficiary is not a person and is an entity such as an organization, estate or non-look-through trust, the inherited amount can stay invested at the financial company until the fifth year after the year of the original participant's death. This is called the "five-year rule."</p> <p>The trustee, executor or administrator can set up a schedule to have the account balance paid out periodically over time, or can simply have the entire account balance paid on December 1 of the fifth year after the participant's death.</p> <p>Once you sign up for the five-year rule, we'll let you know the date by which you must receive the entire inherited amount. And if you decide to set up a schedule and spread out the payments over the five years, we'll calculate the amount you must receive each year, based on our understanding of IRS rules.</p> <p>In addition to automatically receiving Required Minimum Distributions, you can also satisfy the five-year rule using our fixed-period annuity option. You can speak with one of our consultants or the entity's tax attorney for more information.</p>

Note that the choices and distribution schedule available to you as a beneficiary depend on whether the original participant died before or after the required begin date (generally age 70½), and how the beneficiary(ies) were named on the account. The TIAA group of companies does not provide tax advice. As with any tax-related issue, we recommend that you consult your tax advisor about your situation prior to making a decision. For more information about your particular situation, you can call us at **888-380-6428**. A TIAA consultant can help you determine which choices are available and suited for your goals.

Assessing your income sources

As you think about your choices, it's important to take into account all of your current sources of income. These may include:

- Employment
- Social Security
- Life insurance
- Personal savings
- Investments

Also, consider the tax implications of receiving income from these sources.

Determining your need for income

Once you identify all your other income sources and transfer ownership of the assets into your name, consider whether you need your TIAA assets to provide additional income.

Depending on your situation, you may not know right away if you need some or all of these assets now. This is especially true if you have additional financial responsibilities following the death of the original participant.

To help get a clearer picture of your finances, you may want to compare your income to your expenses. You can do this type of cash flow analysis by estimating your past year's income and expenses, and dividing each by 12. Use the space below to do a quick calculation—simply subtract your average total monthly expenses from your average total monthly income to arrive at your average monthly net income.

Average total monthly income _____

Average total monthly expenses _____

Average monthly net income _____



If your average monthly net income is positive, you may want to consider an income option that allows your TIAA assets to continue to be invested or earn interest until you're ready to use them. If your average monthly net income is negative, you may want to look at your spending patterns and what you may need to do to supplement your income.

If you find that you need at least some funds right away, take a look at what you need for supplementary income versus one-time large payments, such as paying off a mortgage.

Based on your need—now or in the future—you can choose to:

- Set up a payment plan to receive immediate income as periodic payments, or a single-sum payment for your current living or capital expenses.
- Save and invest part of the assets while receiving the rest as income now.
- Save and invest all of the assets in TIAA accounts if you don't need income right away, and receive only the federally required minimum distributions.



Page 11 provides more information about distribution options. The options available to you as a beneficiary depends on your relationship to the original participant.

Managing your assets

We realize that the retirement account assets you receive as a beneficiary may be only a portion of the funds you'll need in retirement. That's why you may also want to consider consolidating your other retirement assets with your TIAA account. This can allow you to tap into TIAA's investment experience to help better understand your overall finances, and potentially reduce the number of statements and mailings you'll receive. Your financial professional can provide you with additional information. Also, TIAA consultants are available at **888-380-6428**.

Before consolidating any outside retirement assets, carefully consider other available options. You may be able to leave money in your existing retirement account, roll over money to an IRA, or cash out all or part of the account value. Each option has its own advantages and disadvantages, including the investment options and services you want, fees and expenses, withdrawal options, Required Minimum Distributions, tax treatment, and your unique financial needs and retirement plan. Your financial professional and tax advisor can provide more guidance before you consolidate assets.

In determining the best use of your money, consider all of the assets available to you and the withdrawal options each offers.

For example, it may be tempting to use your inherited TIAA assets to pay off large debts, such as a mortgage. But keep in mind that TIAA assets are tax deferred. This means they will be taxable as ordinary income when received as cash, so they may not be the best choice for an immediate capital need. Also weigh the pros and cons of using your inherited funds to pay off all your debts at once versus paying over time, and setting some funds aside so you have cash available when you need it later. In general, it's a good idea to consult with your tax advisor before taking any significant distribution.



Considering tax issues

As you review the information below, consider speaking with your tax advisor or estate planning professional; the TIAA group of companies does not give tax advice.

Estate taxes

The value of your inherited TIAA account is generally part of the original participant's estate for federal estate tax purposes.

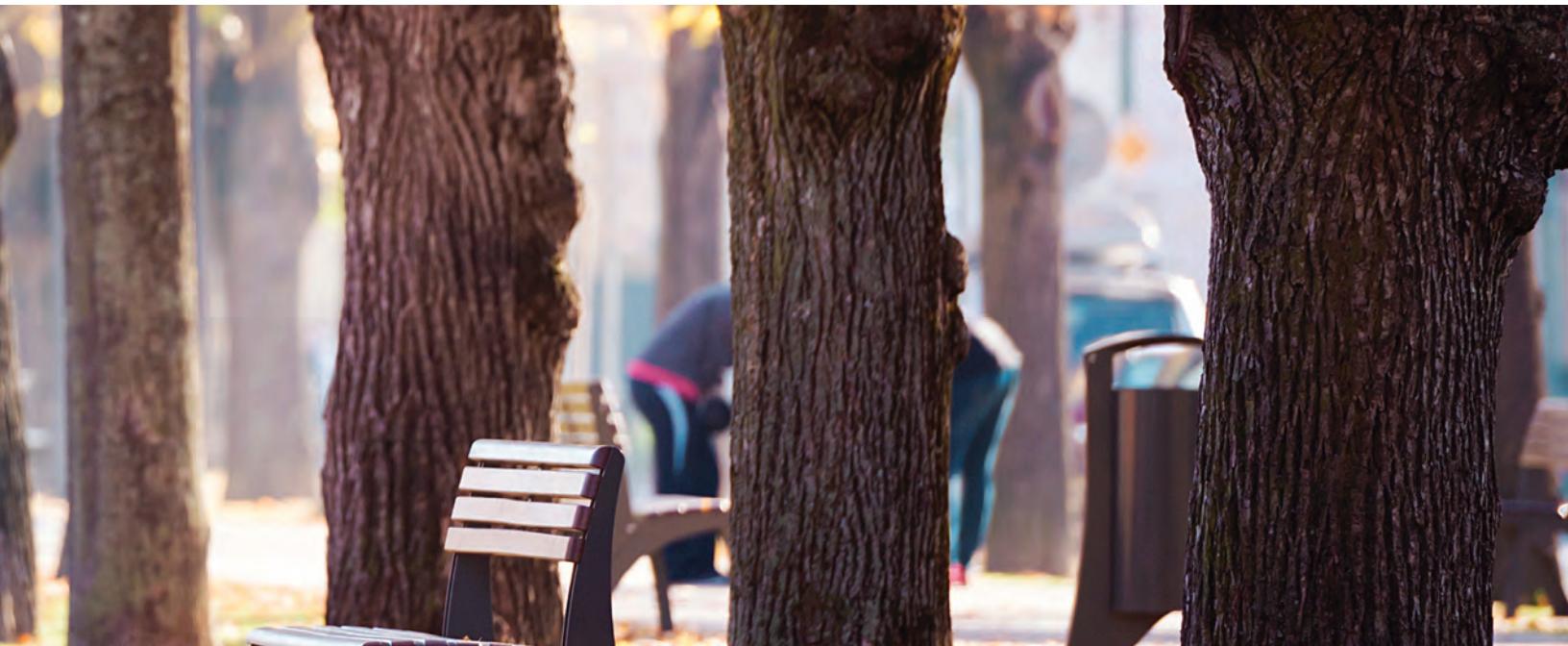
Ordinary income tax

Most contributions to TIAA annuities are tax deferred (i.e., before taxes have been paid) and, therefore, benefits are taxable as ordinary income when received. Since withdrawals from your account will be taxable, they will increase your tax liability in the year that you receive them. (If the original participant made any after-tax contributions, the portion of the withdrawals representing after-tax dollars won't be subject to taxes.)

If you want to defer taxes and do not need income now, consider an option that lets you continue saving and investing. Remember, even though earnings on these assets will be tax deferred, they'll still be subject to tax when you withdraw them.

No tax penalties for early withdrawals

Generally, distributions from retirement accounts prior to age 59½ are subject to a 10% tax penalty for early withdrawal. However, the 10% tax penalty does not apply to beneficiaries of the account.



Yearly tax liabilities

Determine whether your assets are in before- and after-tax accounts. Remember that money taken from before-tax accounts is taxed as ordinary income, while money (except earnings) in after-tax accounts is withdrawn tax free. It is important to know the difference between the two, especially if you're considering receiving some money in a large cash payment.

Some guidelines

Given the same investment results, tax-deferred assets grow faster than after-tax assets because you don't have to pay income tax on contributions and earnings until they're received. If you don't need income now, consider the tax-deferral advantage and allow the funds the potential for added compounding of interest and earnings.

Current marginal tax rates are important when considering liquidating a taxable asset. If you have an immediate capital expense, you may want to use the tax-free assets at your disposal instead of those taxable assets. (This is especially true if you expect your tax bracket to be lower in the future, e.g., in your retirement years.) Life insurance³ and marketable securities subject to capital gains can be liquidated without incurring an ordinary income tax liability.

³ Please see IRC 101(a) for exceptions regarding the receipt of death benefits.



Reviewing TIAA options

Now that you know some of the issues that can impact which TIAA option you select, we can help you evaluate what may be best for you. Your choices will depend on how much income you'll need, and how long you'll need it.

For example, if you don't need income right now, your assets can remain in the same investments under the TIAA and CREF fixed, variable and mutual fund accounts, where you can continue saving and investing. This may be a good idea if you want to use these funds to add to your own retirement savings or for other long-term income needs.

On the other hand, if you need to receive payments right away, perhaps to supplement your income or pay for a particular expense—such as outstanding debt, funeral expenses, a child's tuition—you can focus on the options that will provide income now.

Keep in mind that you can choose multiple options for different portions of your inherited TIAA assets. Since your financial priorities can change, our options are flexible to help meet your needs as they evolve over time.

The option you choose will depend on your financial goals

Goal: Saving and investing

- Stay in the plan of the original participant and automatically receive Required Minimum Distributions
- Roll over assets to a TIAA IRA or Inherited IRA
- Consolidate inherited assets from other carriers here at TIAA

Goal: Meeting current income needs

- Lifetime income
- Fixed-period income
- Single-sum cash payment or periodic cash withdrawals

Choices to suit your goals

Goal: Saving and investing

Choice	Benefits
Leave assets in the existing plan and receive Required Minimum Distributions	<ul style="list-style-type: none">▪ Your assets can continue to earn interest and participate in the investment experience of the plan's investment choices.▪ You maximize the tax deferral of assets.▪ You automatically receive Required Minimum Distributions based on IRS regulations.▪ You can take partial cash withdrawals or set up a series of systematic withdrawals, as needed.▪ Spouse beneficiaries can roll over these assets to an IRA or to their own retirement accounts later; non-spouse beneficiaries can roll over these assets to an Inherited IRA later.
Reinvest minimum distributions with TIAA	<p>Individual brokerage</p> <ul style="list-style-type: none">▪ You can select from a variety of investment choices, such as stocks, exchange-traded funds, mutual funds, bonds, FDIC-insured CDs and money market accounts. <p>TIAA-CREF mutual funds</p> <ul style="list-style-type: none">▪ You can choose from our selection of mutual funds, which includes single-fund solutions from our Lifestyle series. <p>Managed account</p> <ul style="list-style-type: none">▪ You can work with our investment professionals, for a fee. They can create and manage your portfolio based on your specific goals and objectives.
Roll over assets to a TIAA IRA (available for spouses only)	<p>Both Traditional and Roth IRAs</p> <ul style="list-style-type: none">▪ Your assets continue to earn interest and participate in the investment experience of the plan's investment choices.▪ There are flexible income options, ranging from lifetime income to periodic and one-time cash withdrawal plans.▪ You maximize the tax deferral of assets.▪ You preserve the interest and investment earnings potential of assets. <p>Traditional IRA only</p> <ul style="list-style-type: none">▪ Your rollover is generally a tax-free event.▪ You can take withdrawals any time.▪ Withdrawals are penalty-free after age 59½ or if certain IRS requirements are met. <p>Roth IRA only</p> <ul style="list-style-type: none">▪ Earnings on your contributions are tax deferred.▪ You have potential for tax-free income.▪ Minimum distributions are not required for original owners (beneficiaries have Required Minimum Distributions).

Goal: Saving and investing

Choice	Benefits
Roll over assets and establish an Inherited IRA* (available to spouse, non-spouse and look-through trust beneficiaries through TIAA Brokerage)	<ul style="list-style-type: none">▪ You have a diverse selection of investment choices, including individual stocks, exchange-traded funds, mutual funds, bonds, FDIC-insured CDs and money market accounts. TIAA and CREF annuity accounts are not available in Inherited IRAs.▪ Spouse beneficiaries don't have to take minimum distributions until the original participant would have been age 70½ or the year after his or her death, whichever is later. They can also roll over these assets to their own IRAs.▪ There is no additional tax penalty for withdrawals before age 59½.

Goal: Meeting current income needs

Choice	Benefits
Receive lifetime income	<ul style="list-style-type: none">▪ You can't outlive income (subject to the claims-paying ability of the issuer).▪ You automatically meet the minimum distribution requirements.▪ You can transfer among the TIAA and CREF variable accounts and to the TIAA Traditional Annuity while receiving income.
Receive fixed-period income	<ul style="list-style-type: none">▪ You receive the highest temporary income.▪ You have payment flexibility, including the ability to stop periodic income and receive cash.
Take a cash withdrawal	<ul style="list-style-type: none">▪ You can receive cash immediately.

Note: There are potential tax advantages and disadvantages with the choices detailed in this chart. Please see "Considering tax issues" and "Some guidelines" on pages 9 and 10 for more information. Please keep in mind that if you choose to invest in variable annuity accounts, your money will be subject to the inherent risks associated with investing in securities. In addition, payments from the variable annuity accounts are not guaranteed and will rise and fall based on investment performance. If you move TIAA Traditional funds from the existing retirement account to a new IRA, these funds will be credited with the current guarantees and crediting rates.

* If you roll over assets to establish an Inherited IRA through TIAA Brokerage Services, we are not able to calculate your Required Minimum Distributions. These calculations are complex and include several variables. To protect you from unwanted tax consequences, we recommend that you consult your tax advisor. TIAA does not give tax advice.

Adding it all up...

TIAA has the experience, expertise and investment options to help you manage your inherited assets. You'll find that what makes TIAA different is that it's in our interest to serve your interest.

Our prudent investment selection, disciplined asset and risk management, and effective diversification⁴ can give your assets the potential needed to help meet your longer-term financial goals. TIAA stays focused on the interests of our participants with:

- Personalized investment education
- Expenses among the lowest in the industry⁵
- A wide array of investment choices
- A commitment to pursuing growth over the long term

What's more, as your needs change, TIAA gives you the flexibility to adjust your asset allocation. And remember, whether you choose to continue saving and investing these assets for now, receive some income or choose a combination of options, we're here to help.

Contact us

You can call us with your decisions or questions at 888-380-6428.

Consultants are available weekdays, 8 a.m. to 7 p.m. (ET).

You can visit
TIAA.org

TTY direct line
800-842-2755

This is a designated line for hearing- and speech-impaired individuals using text telephones. Consultants are available weekdays, 8 a.m. to 10 p.m. and Saturday, 9 a.m. to 6 p.m. (ET).

⁴ Diversification is a technique to help reduce risk. It is not guaranteed to protect against loss.

⁵ Applies to mutual fund and variable annuity expense ratios.

Source: Morningstar Direct, March 31, 2019. 80% of TIAA-CREF mutual fund products and variable annuity accounts have expense ratios that are in the bottom quartile (or 97.86% below median) of their respective Morningstar category. Our mutual fund and variable annuity products are subject to various fees and expenses, including but not limited to management, administrative, and distribution fees; our variable annuity products have an additional mortality and expense risk charge.

TIAA investment products may be subject to market and other risk factors. See the applicable product literature, or visit TIAA.org for details.



Notes

Notes



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.

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.

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 current product and fund prospectuses that contain this and other information. Please read the prospectuses carefully before investing.

Under Texas law, the benefits of an annuity purchased under the 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 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.

Advisory services are provided by Advice & Planning Services, a division of TIAA-CREF Individual & Institutional Services, LLC, a registered investment adviser.

TIAA-CREF Individual & Institutional Services, LLC, Teachers Personal Investors Services, Inc., and Nuveen Securities, LLC, Member 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. TIAA Brokerage, a division of TIAA-CREF Individual & Institutional Services, LLC, Member FINRA and SIPC, distributes securities. Brokerage accounts are carried by Pershing, LLC, a subsidiary of The Bank of New York Mellon Corporation, Member FINRA, NYSE, SIPC. Each of the foregoing is solely responsible for its own financial condition and contractual obligations.

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

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