

RESPONDING TO EXPECTED DECLINES IN YOUR VARIABLE RETIREMENT INCOME

Seventy-six percent of TIAA-CREF's variable annuities and mutual funds rated by Morningstar exceeded their category median over the three-year period ending December 31, 2008, and 72% exceeded their category median over the five-year period ending December 31, 2008.* But with the overall decline in financial markets, TIAA-CREF anticipates that individuals whose TIAA-CREF variable annuity income adjusts annually will see reductions in income with their May 1, 2009 income payment.

Anticipated declines in income from these accounts reflect the performance of the markets in which the accounts invest.

We know how difficult changes in your income can be. With that in mind, TIAA-CREF has prepared the following questions and answers that may help you anticipate and navigate through them.

WE'RE HERE TO HELP.

For additional information, call **800 842-2776**, 8 a.m. to 10 p.m. (ET) Monday through Friday, and 9 a.m. to 6 p.m. (ET) Saturday to speak with a consultant, or visit tiaa-cref.org.

1) What impact will the decline have on my retirement income?

The answer will depend on closing prices for the equity, fixed-income, money market and real estate markets on March 31, 2009. As of the end of February, the declines in annual income may have been more than 50% for the CREF Stock, Global Equities, Growth and Equity Index Accounts, more than 30% for the CREF Social Choice Account and more than 20% for the TIAA Real Estate Account. The CREF Bond Market and Inflation-Linked Bond Accounts and the CREF Money Market Account would have experienced smaller declines.

Please note: If you're receiving lifetime annuity income from the TIAA Traditional Annuity, your payments will remain at their current levels through at least December 2009. If you receive Interest-Only payments from TIAA, your income will decline, as shown on your Confirmation of Payment Change statement, effective April 1.

2) What can I do about the drop in my annuity income?

Review your portfolio to ensure your asset allocation is aligned with your goals and tolerance for risk. Remember that if you allocated a portion of your investments to equities as part of a diversified portfolio, you did so for a good reason. For more information, you can speak with a TIAA-CREF consultant at **800 842-2776**.

3) The income I receive from my variable annuity currently is revalued annually. Can I switch to the monthly valuation method?

Yes, you can choose variable annuity income that changes either annually or monthly, or you can select a combination. Having the same income amount for a year can help you maintain a predictable household budget. But if you can accept



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greater income variability and want your income to immediately reflect the underlying accounts' investment performance, you can have your income revalued monthly. For example, through a monthly revaluation, you would have experienced more gradual income shifts over the past 12 months than through an annual revaluation. Both the annual and monthly revaluation methods provide equivalent values over the long term.

Please note: If you would like to change from the monthly to the annual valuation method, or vice versa, you must make your request by March 31 of every year. For assistance, please call 800 842-2776 to speak with a TIAA-CREF retirement specialist.

4) Can I change my annuity income allocation?

Yes. TIAA-CREF offers these options:

- Transfer among the nine TIAA-CREF variable annuity accounts.
- Transfer from the variable annuity accounts to the TIAA Traditional Annuity; these transfers can be made as often as once per calendar quarter.
- Transfer up to 20% of your TIAA Traditional Annuity to the CREF equity accounts (the CREF Stock, Global Equities, Growth or Equity Index Accounts) as often as once per year, or the entire amount in equal annual installments over five years. The portion of your TIAA Traditional Annuity that you transfer to the CREF accounts can then be transferred among the CREF equity accounts as frequently as once per calendar quarter. Please note that this money can't be shifted back to the TIAA Traditional Annuity or to the nonequity CREF accounts or the TIAA Real Estate Account.

Since a transfer from the TIAA Traditional Annuity to the CREF equity accounts is irrevocable, it's best to evaluate the potential risks and rewards of increasing your exposure in the equity markets.

You can transfer your savings among the TIAA and CREF accounts by calling **800 842-2776** and speaking with a TIAA-CREF retirement specialist.

5) If I transfer, when does my income change?

If you transfer among the variable accounts, your allocation will change right away, but your variable income will change on May 1 — if it is revalued annually. If you transfer among variable accounts and your income is revalued monthly, or if you transfer from a variable account to the TIAA Traditional Annuity or from the TIAA Traditional Annuity to the CREF equity accounts, you'll see a change in either your next payment or the following one, depending on the day of the month when you make the transfer.

* The Morningstar median represents the midpoint of an index of comparable funds/accounts grouped by factors such as investment objective and asset class.

All TIAA-CREF investment products are subject to market and other risk factors.

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