

# CREF Variable Annuities

## Product Fact Sheet



**Product Category:** In-Plan Variable Annuities

**Product Category Defined:** A variable annuity is a type of investment fund, which is backed by an insurance contract that allows for the accumulation of savings on a tax-deferred basis. The investment value of a variable annuity, similar to a mutual fund, is tied to market performance. Variable Annuities offer participants the distinct benefit to receive income for life along with other income options. Examples include the CREF Stock Account, TIAA Access and TIAA Real Estate Account.

### Product Summary:

<b>Asset Class participation (via Accumulation and Annuity Units)</b>	Yes	<b>Annuitization required</b>	No
<b>Nature of guarantee structure (Mortality and expense risk charge)</b>	0.005%	<b>Availability of account value (i.e. liquidity) (Accumulation (A), Distribution (D))</b>	A and D
<b>Form of guarantee (High Water (HW), Minimum Rate (MR))</b>	N/A	<b>Fees for guarantees (implicit or explicit)</b>	Explicit, M&E 0.005%
<b>Income guarantee applies during (Accumulation (A) Distribution (D))</b>	N/A	<b>Total fees</b>	Vary by Account Class
<b>Payments guaranteed for life</b>	Yes	<b>Portability (IRA, QPDA)</b>	IRA
<b>COLA Option Available</b>	N/A	<b>Participation education with no additional fee</b>	Yes

### Product Description

CREF (The College Retirement Equities Fund) is a suite of 8 single-layer variable annuity Accounts with strategies ranging from conservative to aggressive. CREF, like any variable annuity, is an insurance contract and includes underlying investments whose value, similar to a mutual fund, are tied to market performance.

The CREF accounts seek to provide long-term performance and growth during participants' working years, and monthly income payments throughout their retirement. CREF offers participants control and flexibility to choose among both investment and

income options to suit their needs. Each Account has the potential to grow and benefit from market returns over time, similar to a mutual fund. When participants are ready to retire, they have the option to choose lifetime income or other preferable income payout option and can designate beneficiaries as a part of their legacy planning.

### Investment Structure

The 8 CREF variable annuity accounts range in asset class from equity to fixed income and multi-asset across domestic and international markets. Each Account is managed by an experienced portfolio management team supported by expert research and/or credit analysts. The flagship Account, the CREF Stock Account, combines

elements of active, passive and quantitative investment management approaches, while each of the other accounts pursues active or passive strategies or have elements of both.

### Participant Investment Choices

Incepted in 1952, the CREF Stock Account is the world’s first variable annuity. As it stands today, CREF consists of 8 investment account options ranging from global equities to fixed income and multi-asset strategies.

The 8 CREF Accounts grouped by their investment strategy are as follows:

#### Global Equities:

- Stock Account
- Global Equities Account

#### U.S. Equities:

- Growth Account
- Equity Index Account

#### Specialty/Multi-Asset:

- Social Choice Account

#### Fixed-Income:

- Bond Market Account
- Inflation-Linked Bond Account
- Money Market Account

The CREF accounts are managed for retirement, and as such, have a long-term investment perspective.

### Fees and Expenses

All CREF Accounts are offered “at cost” and “fully bundled” for the benefit of participants. At cost means that each Accounts’ expense ratios increase/decrease depending on changes in net assets and total expenses. In contrast to some other variable annuity products, CREF operates without markup or profit. Fully bundled or CREF’s “all in” pricing structure, combines all expenses into one expense ratio that covers costs associated with investment management; distribution; administrative services; and recordkeeping and plan related services necessary.

CREF offers three expense classes (R1, R2 and R3) for

each Account. Institutional clients’ expense class designations are determined by their total CREF assets across plans according to a predetermined schedule.

For example, CREF Stock Account pricing is as follows:

Expense Class	Total Annual Expense Deductions
Class R1	0.445%
Class R2	0.290%
Class R3	0.240%

(Source: CREF Prospectus, as of May 1, 2021)

### Distribution Channel(s)

#### Types of plans Available

403(b), IRA

#### Annuity Contract Types

- RA (Retirement Annuity) and GRA (Group Retirement Annuity).
- SRA (Supplemental Retirement Annuity) and GSRA (Group Supplemental Retirement Annuity)
- Retirement Choice/Retirement Choice Plus Annuities
- GA (Group Annuity) and Institutionally Owned GSRA
- Traditional and Roth IRAs
- Keogh Contracts
- ATRA (After-Tax Retirement Annuity)

### Accumulation Phase Characteristics

Participants or holders of CREF Accounts are issued accumulation units. CREF’s accumulation unit values reflect the market performance of the underlying investment within each Account. Unit values are updated daily and are published on our public website.

Participants may invest in any or all of the CREF Accounts based upon their investment goals. Account balances may increase or decrease based upon the performance of the account(s) selected. Additionally, participants have the option to transfer between Accounts without liquidity restrictions or transfer fees prior to electing income and even after a lifetime income option has been initiated.

### Lifetime Income/Distribution Phase Characteristics

## Lifetime Income Options

- **One-Life Annuity with or without Guaranteed Period**
- **Annuity for a Fixed Period**
- **Two-Life Annuity with or without Guaranteed Period**
- **Minimum Distribution Option (“MDO”)**
- **Income Test Drive:** Income Test Drive is an optional feature that lets participants try variable income payments for a 2-year period without making an irrevocable decision.

Participants retain their accumulation units during the Income Test Drive period, and payments made during the Income Test Drive are withdrawals from their accumulation units.

## Age Life Income Can Begin

Lifetime income may begin at any time subject to plan rules and applicable regulations. Both single and joint life options are available and can be paired with a guaranteed period ranging from 10 to 30 years. Multiple payment frequency options are offered -- monthly, quarterly, semi-annual and annual.

## Choosing Beneficiaries

Subject to the terms of plan requirements, death benefits under CREF contracts are payable to the beneficiaries participants designate. When participants purchase their annuity contract, they can name one or more beneficiaries to receive the death benefit upon passing. Generally, selected beneficiaries can be changed at any time before a participant dies. Changing beneficiaries may impact a participant’s annuity options, even for annuities that have already begun to make payments.

## Effects of Spousal Income Benefit Election

In general, providing for a spousal benefit will reduce the amount of annuity income payments versus a single life annuity.

## Payments During Lifetime Income Phase

### Assumed Investment Return:

CREF uses a 4% Assumed Investment Return.

### Initial income payments from CREF are determined by:

- 4% AIR
- Lifetime income option(s) selected (single life/ joint life etc.)
- Age of annuitant (and spouse)

### Future income payments from CREF are determined by:

- Account(s) rate of return relative to the 4% AIR
- Sequence of investment returns throughout the year
- Actuarial mortality projections

### Revaluation Period:

Participants may select annual or monthly revaluation of income payments at the time that they begin the annuity. Annual revaluation payments will change effective May 1<sup>st</sup> each year based upon the investment performance of the underlying accounts for the period of April 1<sup>st</sup> of the prior year-March 31<sup>st</sup> of the current year.

## Withdrawal Availability

A participant may withdraw funds from the CREF Variable Annuity in a lump-sum or periodic withdrawal strategy subject to the retirement plan rules and restrictions.

## Insurance Companies Offering Product

TIAA

## Participant Experience

### Education and Training for participants

TIAA provides various resources to plan recordkeepers to enhance the participant experience including web-based tools, collateral, support, lifetime income projections, and fact sheets. In addition, a dedicated phone number is available for recordkeeper call center representatives to conference in a TIAA Lifetime Income Consultant.

## Contact Information (Insurer)

TIAA Corporate Retirement Solutions team:

- Email: [CREFVariableAnnuitiesSupport@tiaa.org](mailto:CREFVariableAnnuitiesSupport@tiaa.org).
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