



TIAA
CREF



Loans from your Retirement Accounts



Financial Services



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This booklet will answer questions you may have about taking and repaying loans from your employer's retirement plan.

Please keep in mind that all plans do not offer loans.* So, be sure to check if your employer's plan with TIAA-CREF has a loan feature and find out the type of TIAA-CREF annuity contract you have. You can get this information from your benefits office or call us at **800 842-2252**, Monday to Friday, 8 a.m. to 10 p.m. and Saturday, 9 a.m. to 6 p.m. (ET).

*These loans are from your retirement plan funded by TIAA-CREF contracts and are subject to your employer's plan rules. These are not Payroll Advantage Loans or Account Reduction Loans.

Borrowing limits and collateral

Generally, loans are available for a minimum of \$1,000 and a maximum of \$50,000 from each employer. However the amount you're eligible to borrow from your TIAA accounts under your employer's retirement plan generally depends on your account balance. And you'll need to set aside an amount equal to 110% of your loan as collateral in the TIAA Traditional Annuity.

Collateral requirements and interest rates vary by the type of TIAA-CREF retirement contract you have. Please refer to:

- Page 6 if you have a Retirement Annuity (RA), Group Retirement Annuity (GRA), Retirement Choice (RC) or Retirement Choice Plus (RCP) Annuity;
- Page 7 if you have a Supplemental Retirement Annuity (SRA) or Group Supplemental Retirement Annuity (GSRA) or if you participate in a 457(b) public plan; and
- Page 8 for interest rate information on loans issued in Arkansas, Hawaii and New Jersey.

Keep in mind...

- Your employer's plan may limit amounts available for loans.
- Plan loans require that you use your account balance as collateral, which means these funds are not available for withdrawals and other transactions.
- If your current plan doesn't allow for loans, you may still be eligible for a loan if a previous employer's plan allows loans for former employees.
- Your employer's plan may limit the number of loans available.
- TIAA-CREF does not offer loans on Roth balances in 403(b)/401(k) plans. The maximum loan amount available to you is calculated based on total account balance. However, Roth balances will be excluded from your loan collateral and therefore could have an impact on the maximum loan amount available.

Getting your loan: What you need to know

Q: How long does it take to get a loan?

A: We'll mail you a check within three to five business days of receiving your completed request — which includes your loan application and all the required supporting documentation.

Q: How is the loan secured?

A: The loan is secured with your TIAA Traditional account balance; this amount is referred to as collateral. We will calculate how much collateral you need. If you don't have enough (110% of your loan) in the TIAA Traditional Annuity already, we'll transfer the required amount pro rata from all your eligible annuity accounts and/or mutual funds to the TIAA Traditional Annuity.

Q: Can I get a loan if I already have one?

A: If your employer's plan permits, you can have more than one outstanding loan. The loan amount is subject to maximum loan guidelines of TIAA-CREF and federal law.

Note: If your employer added loans to their retirement plan after December 31, 2003 and you have defaulted on a loan that has not been foreclosed, IRS regulations may prohibit you from taking additional loans under any employer plan.

Q: Is the loan interest tax deductible?

A: No, the interest you pay on retirement plan loans is not tax deductible.

Q: Does my TIAA collateral amount continue to earn interest while the loan is outstanding?

A: Yes, it will earn TIAA Traditional contractual interest and additional amounts as declared by TIAA's Board of Trustees.

Note: This is different from the interest rate used to calculate your loan payments.

Q: If I have an outstanding loan, can I continue to contribute to my retirement accounts?

A: Yes, as long as you're still working for an employer that has a retirement plan with TIAA-CREF. However, you can't use your contributions to repay your loan.

Q: Can I receive retirement income or take withdrawals before my loan is repaid?

A: Yes, but the portion of your account balance reserved as collateral for your outstanding loan balance is not available for either retirement income or withdrawals.

Q: What happens if I die before fully repaying the loan?

A: The outstanding loan balance will be repaid from the collateral set aside in TIAA Traditional and will be treated as a taxable distribution to your estate. Any remaining balance will be available to your beneficiary.

Note: You can change your beneficiary at any time, online at tiaa-cref.org or by calling **800 842-2252** for a beneficiary change form.



Repaying your loan: What you need to know

Q: How long can I take to repay my loan?

A: You have from one to five years. However, if the loan is to purchase your primary residence, you may have up to 10 years to repay the loan.

Q: When are my payments due?

A: Your first payment is due the first day of the third month after your loan is issued. For example, if your loan is issued in January, your first payment is due April 1. After that, your payments will be due every month or quarter, whichever you choose when you apply for the loan.

Note: If you are performing military service, you may be eligible to suspend loan repayments during the period of your service, if permitted by your employer's plan. Please contact us for more details.

Q: What about late payments?

A: To avoid owing additional interest on your outstanding balance, we must receive your loan payments by the day they are due. There is no grace period.

Q: How do I repay my loan?

A: You may repay your loan monthly or quarterly. With monthly payments, you must use our Automatic Repayment Service, which is described below. If you choose quarterly payments, you can use this service or send us a check. And, you have the option to change to monthly payments at any time. You can't, however, change from monthly to quarterly payments. You can also make a single loan repayment electronically online at **tiaa-cref.org**.

We will send you a loan statement at least 10 days before a payment is due.

Q. What is Automatic Repayment Service?

A: Automatic Repayment Service is a free service that we offer to make repaying your loan as easy as possible. With this service, TIAA debits your checking or savings account on the day the payment is due. (Check with your bank to see if charges apply.) This way, you don't have to worry about writing checks or incurring additional interest if payments are late.

Q: Can I prepay?

A: Yes, you can make full or partial prepayments anytime without penalty. Any partial prepayment will reduce the dollar amount of your future payments, but not the number of payments. Keep in mind that any prepayments will first cover accrued interest due (if any) through the payment date and the balance of your payment will reduce your principal amount.

Q: What about defaults?

A: Your outstanding loan balance will be in default if we don't receive a loan repayment by the last day of the month it's due.

However, IRS regulations provide for a grace period before the loan will be declared in default. (You should also check your employer's plan rules to see if they permit a grace period.) During this grace period, you should send TIAA a check for the repayment amount plus accrued interest. If the total overdue amount is not paid by the end of the calendar quarter following the calendar quarter in which the repayment was due, the outstanding loan balance (including accrued interest) will be deemed a distribution and reported to the IRS as current taxable income.

Note: Defaults are taxable as ordinary income in the year they occur. If you are under age 59½, your default may also be considered an early distribution and be subject to a 10% federal tax penalty.

We'll deduct the outstanding balance from your collateral. Any funds that are not available for distribution – because you haven't met a triggering event, e.g., reaching age 59½ or separating from service – will be held in a separate account and accrue interest. Once you have met a triggering event, we will foreclose on the default balance and reclaim these funds. In the meantime, these non-distributable funds and any accrued interest will affect the amount available for future loans.

You may not be able to take an additional loan until you've reached a triggering event. Availability depends on your employer's plan rules.

Loans from retirement plans using Retirement Annuity, Group Retirement Annuity, Retirement Choice and Retirement Choice Plus contracts

Maximum amounts and collateral

The maximum loan amount is the lowest of the following:

- \$50,000 (minus the highest outstanding loan balance for all loans from the same employer within the last 12 months, minus the outstanding non-distributable default amount and accrued interest for all loans from the same employer)
- 45% of your combined TIAA and CREF Retirement Annuity, Group Retirement Annuity, Retirement Choice and Retirement Choice Plus Annuity balances (including mutual funds) under the retirement plan that offers loans
- 90% of your TIAA-CREF account balances (including variable annuities and mutual funds) available for loans under the employer's retirement plan that offers loans

In addition, you must set aside an amount equal to 110% of your loan as collateral in the TIAA Traditional Annuity. This will be held in a separate account called a Retirement Loan certificate.

Note: Your employer's retirement plan may restrict funds available for loans. If your entire balance is in the TIAA Traditional Annuity (which is generally not cashable), a loan will not be available since the collateral must come from the cashable variable accounts or mutual funds.

Interest rates

Interest rates are variable and subject to change every 12 months, but they cannot fall below 4%. The initial interest rate will be the same as the Moody's Corporate Bond Yield Average for the calendar month ending two months before your loan is issued. For example, if your loan is issued in April, we would use the rate from the previous January.

Your loan interest rate will increase or decrease once a year on the first day of the month in which your loan was originally issued, but only if the Moody's rate for the calendar month ending two months beforehand is at least .50% higher or lower than your current interest rate. Each year we'll tell you, about 10 days in advance, what your loan rate will be for the upcoming 12 months.

Loans from Group Supplemental Retirement Annuities issued under retirement plans and 457(b) public plans

Although you can't borrow directly from a Supplemental Retirement Annuity (SRA), you may be able to get a loan if your employer offers Group Supplemental Retirement Annuities (GSRAs).

Generally, you can transfer some or all of your balance from your existing SRA to your employer's GSRA. And if your employer's GSRA doesn't allow for loans, you may still be able to get a loan if a previous employer has a GSRA and you have an SRA or GSRA from that employer's plan.

Loans from 457(b) public plans follow the same eligibility, collateral and interest rate requirements as loans from GSRAs in retirement plans, described below.

Maximum amounts and collateral

The maximum GSRA loan amount is the lowest of the following:

- \$50,000 (minus the highest outstanding loan balance for all loans from the same employer within the last 12 months, minus the outstanding non-distributable default amount and accrued interest for all loans from the same employer)
- 45% of your combined TIAA Traditional and CREF GSRA account balances (including mutual funds)
- 90% of your TIAA Traditional GSRA account balance (you can transfer funds to TIAA Traditional to increase the amount available for a loan)

Once your loan is issued, you must keep an amount equal to 110% of your loan in the TIAA Traditional Annuity as collateral.

Interest rates

The initial loan rate will not exceed the higher of:

- The Moody's Corporate Bond Yield Average for the calendar month ending two months before the loan is issued.
- The interest rate credited on the balance in your Group Supplemental Retirement Annuity (as stated in the rate schedule in your contract), plus 1%. The interest rate will be subject to change every three months after the first payment due date, but it can't go below 4%. The rate changes only if the new rate is .50% higher or lower than the current rate. We'll notify you at least 10 days in advance if there is a change.

Loans issued in Arkansas and Hawaii and under the New Jersey Alternate Benefit Plan

Maximum amounts and collateral

Although your employer's retirement plan may restrict how much of your balance you can use for a loan, the maximum loan amount is generally the lesser of the following:

- \$50,000 (minus the highest outstanding loan balance for all loans from the same employer within the last 12 months, minus the outstanding non-distributable default amount and accrued interest for all loans from the same employer)
- 45% of your combined TIAA Traditional and CREF SRA* account balances (including mutual funds) under the employer's retirement plan that offers loans

And, you must set aside an amount equal to 110% of your loan as collateral in the TIAA Traditional Annuity.

Interest rates

The current loan rate is 8%, which remains fixed for the entire term of the loan.

*For loans from the New Jersey Alternate Benefit Plan, it is the combined account balances in Retirement Annuities and Group Retirement Annuities.

Next Steps

You can check your maximum loan amount, loan interest rates and apply for your loan online by logging in to your accounts at **tiaa-cref.org**.

You can also start the loan process by calling us at **800 842-2252**, Monday to Friday, 8 a.m. to 10 p.m. and Saturday, 9 a.m. to 6 p.m. (ET).





Financial Services

Investment, insurance and annuity products are not FDIC insured, are not bank guaranteed, are not bank 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 in to www.tiaa-cref.org/prospectuses for a prospectus that contains this and other information. Please read the prospectus carefully before investing.

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

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.

Retirement Annuity (RA) TIAA Contract form series 1000.24, CREF Certificate series C1000.11 STD.1; Group Retirement Annuity (GRA) TIAA Contract form series G1000.4 or G1000.5, G1000.6 or G1000.7 (not available in all states), CREF Certificate series CG-1000.1; Supplemental Retirement Annuity (SRA) TIAA Contract form series 1200.8, CREF Certificate series C1200.4; Group Supplemental Retirement Annuity (GSRA) TIAA Contract form series G1250.1 (GSRAs are not available in all states), CREF Certificate series CG1250.1; Retirement Choice Annuity TIAA Contract form series IGRS-01-5-ACC, IGRS-01-60-ACC, and IGRS-01-84-ACC, TIAA Certificate series IGRS-CERT1-5-ACC, IGRS-CERT1-60-ACC, IGRS-CERT1-84-ACC, CREF Contract form series CIGRS, CREF Certificate series CIGRS-CERT1; Retirement Choice Plus Annuity TIAA Contract form series IGRSP-01-5-ACC, IGRSP-01-60-ACC, IGRSP-01-84-ACC, TIAA Certificate series IGRSP-CERT1-5-ACC, IGRSP-CERT1-60-ACC, IGRSP-CERT1-84-ACC, CREF Contract form series: CIGRSP, CREF Certificate series: CIGRSP-CERT1.

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