



Understanding plan fees

Participating in your employer's plan is the first step to turn your retirement goals into reality. When making investment decisions about your account, you should keep in mind how long you have until retirement, your tolerance for risk, your financial goals, and the impact of plan fees.

At TIAA, we are committed to helping you make informed decisions. Below is a description of our services and the fees that may apply to your account.

What are the different types of plan fees?

Generally, there are three types of plan fees:

1. General administrative services

Numerous services are necessary for the day-to-day operation of your employer's retirement plan. The expenses associated with these services may or may not be covered by your employer and include items such as:

- Recordkeeping, accounting and legal services
- Customer service support
- Ongoing participant communications

Some of these expenses are set at a fixed rate and others may vary from year to year.

2. Specific investment services

Mutual fund and variable annuity investments offered in your plan have annual operating expenses and other fees.

But, you pay only for the investments you actually use and in proportion to the amount of your investment. These fees are not deducted directly from your account; they are paid indirectly through the investment's "expense ratio" (see next question for more information).

3. Personalized services

Personalized services provide you with access to a number of plan features and investments that you pay for, only if you use them. For example, if your plan allows for loans and you apply for one, you may pay a one-time loan initiation fee and/or annual loan maintenance charges. These fees are typically charged to your account—if and when you use the service.

What is an expense ratio?

An expense ratio is the fee charged to operate and manage an investment, generally expressed as percentage of assets. It may cover items such as:

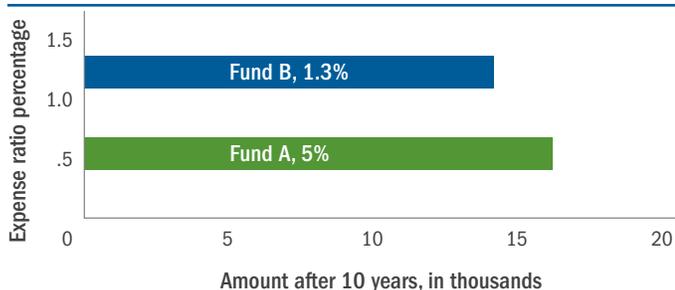
- Accounting and legal fees
- Investment manager's compensation
- Recordkeeping and other plan services
- Advertising

In some cases, investment providers may share in the cost of plan administration. This practice is commonly called "revenue sharing," whereby an investment company pays a portion of a fund's expense ratio to TIAA, the recordkeeper, to help offset the cost of plan administration.

Expense ratios are displayed as a percentage of assets. For instance, an expense ratio of 0.50% means you'd pay \$5.00 annually for every \$1,000 in assets. It's important to understand expense ratios because they affect your investment return. Your total return is "net" of these fees. In other words, your return is calculated after these fees have been deducted from the investment. This allows you to compare the performance of investments that have different fees.

The following chart compares a \$10,000 investment with the same investment return (5% hypothetical annual rate of return) and two different expense ratios—illustrating the effect of each on potential savings. As you can see, even small differences in expense ratios can translate into sizable differences in returns over time.

Example of expense ratios and impact on savings¹



Keep in mind that fees do not necessarily correlate with performance. A higher expense ratio does not guarantee better performance.

Some investment options also charge transaction fees, nonrecurring fees, or have restrictions on exchanges or withdrawals (such as a short-term redemption fee) which you need to be aware of when you choose your investments.

Competitive investment expenses

The expense ratios of all mutual funds and variable annuity accounts managed by TIAA generally are less than half the mutual fund industry average.² Expenses can vary among investment options due to the complexity of their investment strategies, risks and other factors. For example, fees for international stock funds are typically higher than fees for domestic stock funds.

How can TIAA help me plan my future?

Fees should be just one factor in your decision-making process since the lowest cost option may not be the best one for you. The quality of the services received in exchange

for the fees must also be considered. We offer a wide range of services to help you manage your savings to and through retirement:

- Personalized retirement plan advice and guidance on the plan's investment options from highly trained consultants
- A variety of investment products to help you create a diversified portfolio
- Lifetime income options to help generate a monthly income stream of retirement income
- Comprehensive tools and resources such as planning calculators, seminars and podcasts
- A full range of financial services as you need them, including IRAs, state-sponsored 529 college savings plans, life insurance and lifetime income planning

It's all about you and helping you plan for your financial well-being. Once we understand where you are today and where you want to be at retirement, we'll work with you to develop a course of action to help you reach your goals.

Take control of your financial future

Choosing the right mix of investments is important to help you live comfortably in retirement, and we're here to help—online, in person and by phone:

- Visit [TIAA.org](https://www.tiaa.org) for planning tools and information about TIAA investment options
- Schedule a meeting with an experienced TIAA financial consultant at [TIAA.org/schedulenow](https://www.tiaa.org/schedulenow)
- Speak with a TIAA representative at **800-842-2252**, weekdays, 8 a.m. to 10 p.m. or Saturday, 9 a.m. to 6 p.m. (ET)

1. This is a hypothetical example and is for illustrative purposes only. It is not intended to predict or project investment results/future values. The calculations assume no withdrawals during the period indicated and do not reflect any redemption fees. Total returns and the principal value of investments will fluctuate and results will vary. Expense ratios may change over time.
2. Applies to mutual fund and variable annuity expense ratios. Source: Morningstar Direct, September 30, 2016. The expense ratio on all mutual fund products and variable annuity accounts managed by TIAA-CREF is generally less than half the mutual fund industry average. **67%** are less than half their respective Morningstar Universe average and **60%** are less than half their respective Morningstar Universe median. 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.

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.

Investment products may be subject to market and other risk factors. See the applicable product literature, or visit [TIAA.org](https://www.tiaa.org) for details.

You should consider the investment objectives, risks, charges and expenses carefully before investing. Please call 877-518-9161 or go to [TIAA.org/prospectuses](https://www.tiaa.org/prospectuses) for current product and fund prospectuses that contain this and other information. Please read the prospectuses carefully before investing.

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