Live with confidence in retirement

5 steps to creating your retirement income plan

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Get ready for your next chapter

Making the switch from saving to spending your retirement money is a big transition.

Common questions

- Where will my income come from?
- How will I know what I can safely spend?
- How will I know which accounts to withdraw from first?

Create your blueprint for a more secure retirement

An income plan prepares you to make smart decisions with your money.

Retirement income can...

- Come from different places
- Kick in at different times
- Have different tax rules
- Have different outcomes for you and your beneficiaries

An income plan can help you...

- Maximize your savings
- Reduce the risk of running out of money
- Know what you can safely spend
- Avoid the pitfalls that can undermine your financial security

Look forward to a smooth transition

Creating your retirement income plan may be easier than you think when you follow key steps.

STEP 1

Start with your expense estimate

STEP 2

Understand your income sources

STEP 3

Build your strategy for lifetime income

STEP 4

Plan how to withdraw your retirement assets

STEP 5

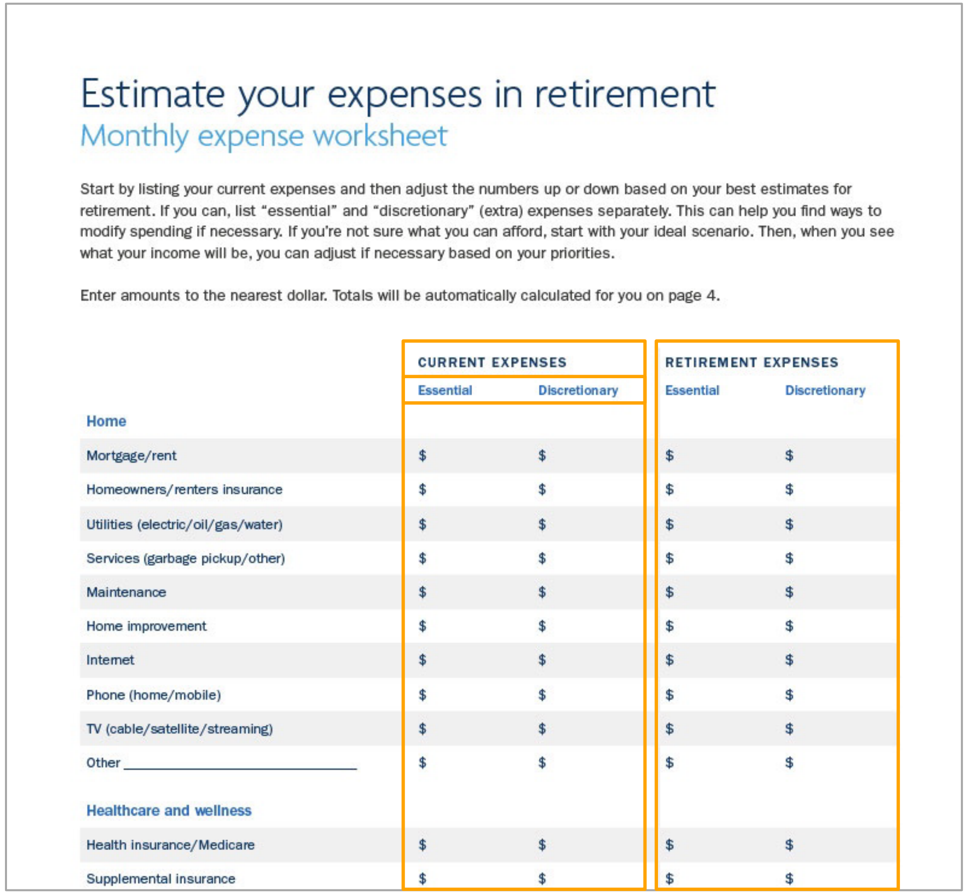
Review your income plan regularly

Step 1: Start with your expense estimate

Tally up how much your expenses may be in retirement.

- Use the expense worksheet provided
- Totals fill in automatically
- Separate "essential" and "discretionary" expenses if you can
- Start by listing current expenses, then adjust for retirement

Go to TIAA.org/webinars and look for "Write your next chapter" for more help with estimating expenses.



Estimate your expenses in retirement

Monthly expense worksheet

Start by listing your current expenses and then adjust the numbers up or down based on your best estimates for retirement. If you can, list "essential" and "discretionary" (extra) expenses separately. This can help you find ways to modify spending if necessary. If you're not sure what you can afford, start with your ideal scenario. Then, when you see what your income will be, you can adjust if necessary based on your priorities.

Enter amounts to the nearest dollar. Totals will be automatically calculated for you on page 4.

	CURRENT EXPENSES		RETIREMENT EXPENSES	
	Essential	Discretionary	Essential	Discretionary
Home				
Mortgage/rent	$	$	$	$
Homeowners/renters insurance	$	$	$	$
Utilities (electric/oil/gas/water)	$	$	$	$
Services (garbage pickup/other)	$	$	$	$
Maintenance	$	$	$	$
Home improvement	$	$	$	$
Internet	$	$	$	$
Phone (home/mobile)	$	$	$	$
TV (cable/satellite/streaming)	$	$	$	$
Other ______________________	$	$	$	$
Healthcare and wellness				
Health insurance/Medicare	$	$	$	$
Supplemental insurance	$	$	$	$

Step 2: Understand your income sources

Lifetime income provides the foundation for your retirement.

Lifetime income sources

Social Security

Pensions

Fixed and variable annuities

Step 2: Understand your income sources

Other monthly income and retirement assets will make up the rest.

Lifetime income sources

Social Security

Pensions

Fixed and variable annuities

Other monthly income sources

Part-time work

Alimony or child support

Rental income

Withdrawals from retirement assets

Retirement accounts

Personal investments

Cash and savings

Inheritance money

Add up your income sources

The income worksheet will show you what's needed from your savings.

- Your total monthly income needed fills in automatically
- List your monthly income from lifetime income sources
- Then list any other monthly income
- The total amount needed from your savings will fill in automatically
- List total value of your savings/investments

TOTAL MONTHLY INCOME NEEDED (from expense worksheet)	$

	MONTHLY INCOME
Lifetime income sources	
Social Security (retirement)	$
Social Security (disability/survivor)	$
Pensions	$
Fixed annuities[2]	$
Variable annuities (CREF or other)	$
Other ______________	$
LIFETIME INCOME TOTAL	$
Other monthly income sources	
Gross employment income	$
Alimony/child support	$
Rental income	$
Royalties	$
Other ______________ (e.g., trust income)	$
OTHER MONTHLY INCOME TOTAL	$
TOTAL MONTHLY INCOME	$

MONTHLY INCOME NEEDED FROM RETIREMENT ASSETS	$

	TOTAL VALUE
Retirement assets	
Retirement accounts	
Employer retirement accounts[3]	$
Traditional IRAs	$
Roth IRAs	$
Other ______________	$
Investments	
Stocks/bonds/mutual funds/ brokerage accounts	$
Other ______________	$
Cash assets to be used for retirement	
Savings/money market accounts	$
Other ______________	$
TOTAL VALUE	$

Retirement income has evolved over time

The responsibility for retirement security has mostly shifted to individuals.

Before 1980s

Pensions

Majority of income guaranteed for life

Secure but inflexible

Retirement income has evolved over time

Change **is being driven by a need for both security and flexibility.**

Before 1980s

Pensions

Majority of income guaranteed for life

Secure but inflexible

1980s to 2019

Savings plans

Majority of income not guaranteed for life

Flexible but not secure

Retirement income has evolved over time

Plans with lifetime income offer guarantees along with flexibility.

Before 1980s

Pensions

Majority of income guaranteed for life

Secure but inflexible

1980s to 2019

Savings plans

Majority of income not guaranteed for life

Flexible but not secure

2019 shift

Savings plans with lifetime income options

Majority of income guaranteed for life (with annuities alongside Social Security/pension)

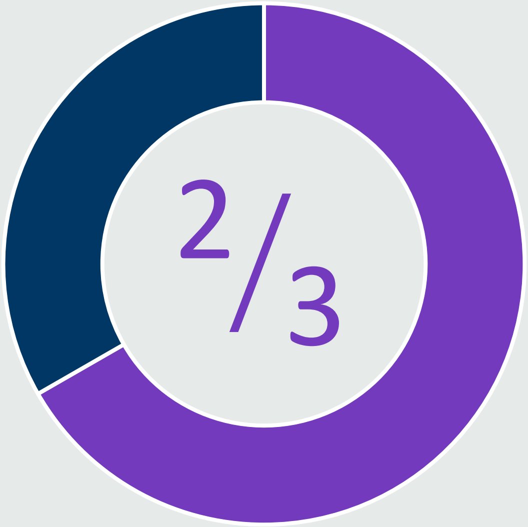
Balance of security and flexibility

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

Step 3: Build your strategy for lifetime income

TIAA suggests covering 2/3 of your needs with lifetime income.*

Your retirement income



- Social Security
- Pensions
- Annuities

Why lifetime income?

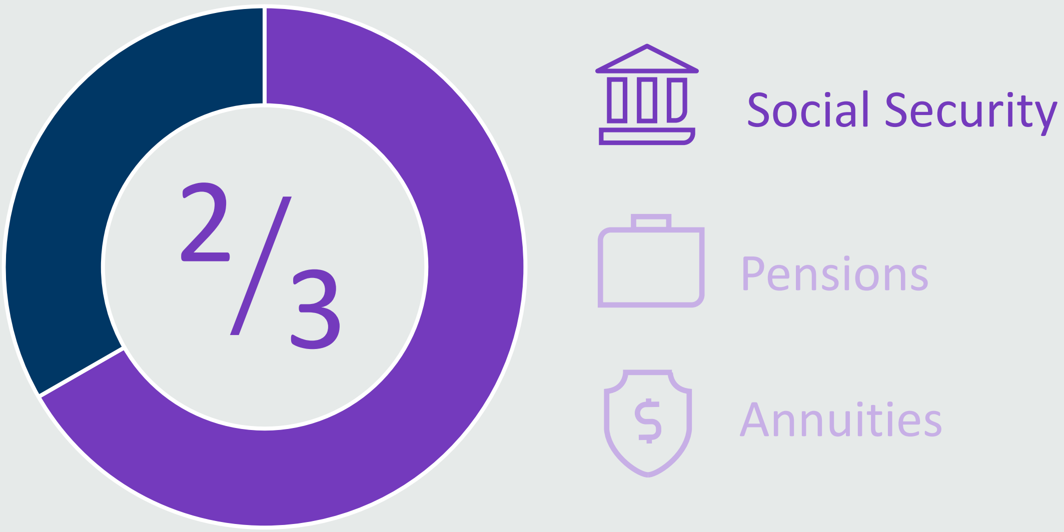
- Reduced risk of running out of money
- No investments to manage
- Automatic deposits every month
- Less pressure on your savings to cover everyday expenses

*This point of view is designed to be a starting point for the retirement income conversation. It is not a recommendation.

Build your strategy for lifetime income

Social Security benefits go up the longer you wait to claim them.

Your retirement income



Consider when to start taking benefits

- ~~Claim anytime from age 62 to 70~~
- Benefits increase each year until age 70
- Worth waiting if you can afford it

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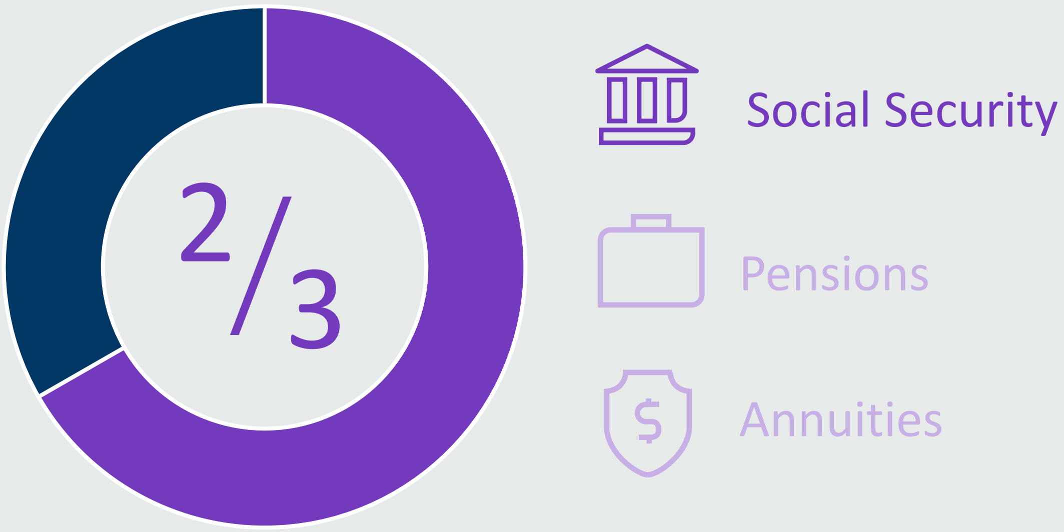
Alaska, Colorado, Louisiana, Maine, Massachusetts, Nevada and Ohio may have different rules regarding Social Security and/or disability benefits for public employees.

Build your strategy for lifetime income

Coordinating with your spouse can help you maximize benefits.

Your retirement income



Consider options with your spouse

- Who has the higher benefit?
- Should you claim together or claim separately?
- Try out different options at ssa.gov > my Social Security

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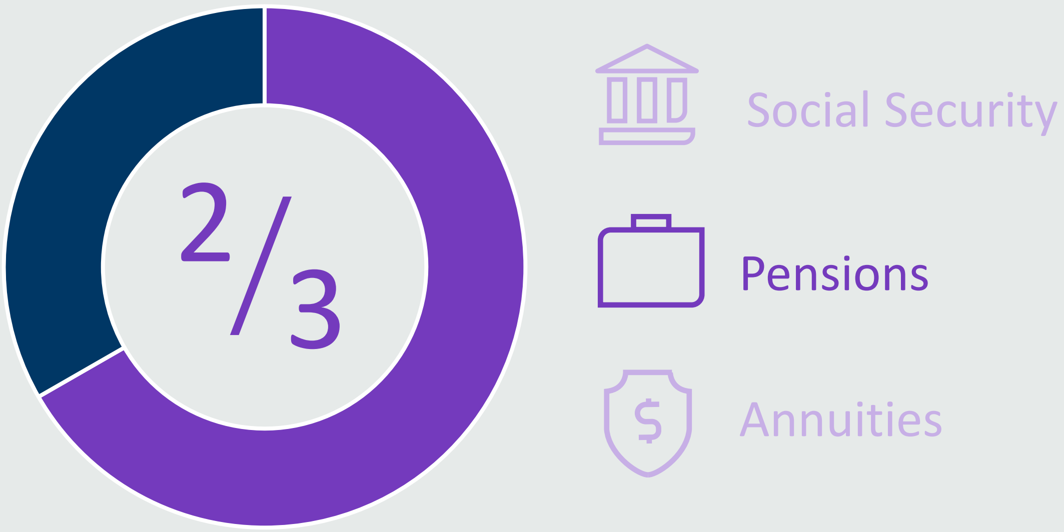
Build your strategy for lifetime income

Include any pension benefits you may have.

Your retirement income



Find out how your pension works

- Consider lump sum options carefully
- Contact the employer for your income estimate

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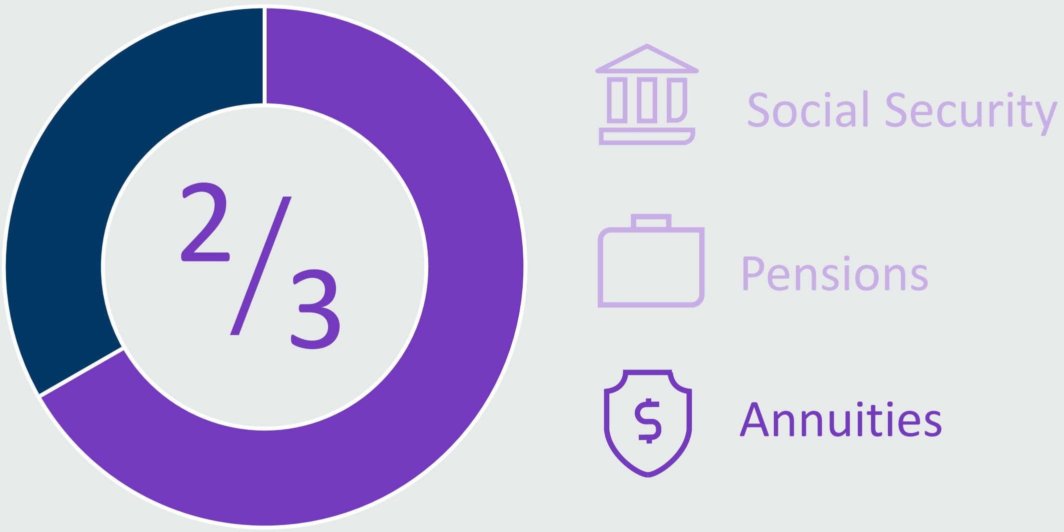
Build your strategy for lifetime income

Make up the difference with a mix of fixed and variable annuities.

Your retirement income



Choose options to suit your needs

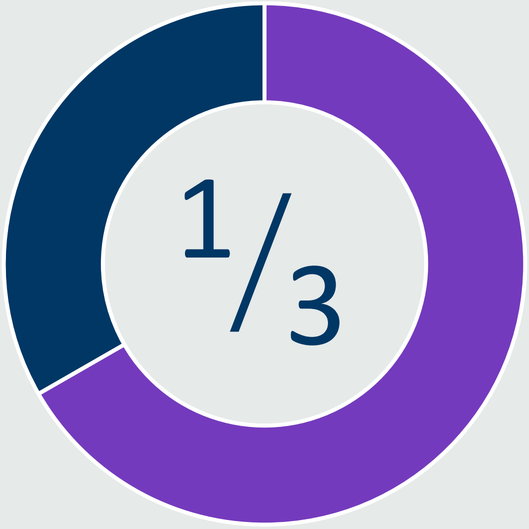
- Fixed annuities protect your income with a guaranteed amount
- Variable annuities provide lifetime income with growth potential
- TIAA.org/IncomeCalculator
- TIAA.org/setyourgoals

This point of view is designed to be a starting point for the retirement income conversation. It is not a recommendation. All guarantees are based on the claims-paying ability of the issuer. Variable annuity payments are not guaranteed, can rise or fall based on investment performance and loss of principal is possible. Converting some or all of your savings to income benefits (referred to as "annuitization") is a permanent decision. Once income benefit payments have begun, you are unable to change to another option. Diversification is a technique to help reduce risk. It is not guaranteed to protect against loss.

Build your strategy for lifetime income

The other 1/3 would be covered by your savings and other income.

Your retirement income



Other income

Savings

Other income and savings

- Factor in any other monthly income first, like part-time work, alimony or rental income
- Then consider how to draw from your savings and investments
- Taxes are a big factor in what you do

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Step 4: Plan how to withdraw your retirement assets

Tax-deferred accounts can continue to grow without taxes until age 72.

Employer plans, traditional IRAs

- Accessible without penalty at 59½
- Mandatory withdrawals (RMDs) beginning at 72
- May be eligible for rollovers to other retirement accounts

Tax treatment

- Ordinary income tax due for the year received
- Large withdrawals may push you into a higher tax bracket, costing you more in taxes

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Plan how to withdraw your retirement assets

Roth IRAs and contributions can grow and be passed on tax free.

Roth IRAs and contributions

- Available without penalty at age 59½ if owned for at least 5 years
- No mandatory withdrawals

Tax treatment

- No taxes when withdrawn, even on gains
- 10% penalty plus taxes for early withdrawal of gains only

Plan how to withdraw your retirement assets

Other after-tax personal money may be subject to tax on gains.

Investment and bank accounts

- Easy to access
- No minimum withdrawal age
- No mandatory withdrawals

Tax treatment

- No ordinary income taxes
- May owe capital gains taxes on assets that are sold

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Consider conventional wisdom for withdrawing assets

Think of your assets as falling into three categories.

NOW	LATER	LAST
After-tax assets • Bank accounts Your go-to source for immediate needs • Investment accounts Easy to access, taxed only on gains		

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Consider conventional wisdom for withdrawing assets

Think of your assets as falling into three tax-based categories.

NOW	LATER	LAST
After-tax assets • Bank accounts Your go-to source for immediate needs • Investment accounts Easy to access, taxed only on gains	**Tax-deferred assets** • Workplace retirement plans, traditional IRAs Can grow tax-deferred until RMDs at age 72 • CDs Accessible once they mature	

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Consider additional strategies for more complex needs

How you withdraw your money depends on your circumstances.

NOW	LATER	LAST
After-tax assets • Bank accounts Your go-to source for immediate needs • Investment accounts Easy to access, taxed only on gains	**Tax-deferred assets** • Workplace retirement plans, traditional IRAs Can grow tax-deferred until RMDs at age 72 • CDs Accessible once they mature	**Tax-free assets** • Roth IRAs and contributions Can grow tax free for life and be left to heirs tax free. • Life insurance Generally tax-free death benefits. Can provide for beneficiary or heirs.

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Consider additional strategies for more complex needs

These key questions can help you with a withdrawal strategy.

What will the investment/asset be used for?

How liquid or easy to withdraw is it?

How is each investment/asset taxed on withdrawal?

What is it invested in—what is the risk?

Step 5: Review your income plan regularly

Your circumstances can change quickly, so always adjust as needed.

Are you spending more or less than you thought?

Do you have an emergency expense to cover?

Are you selling a house or other asset?

Is your monthly income changing?

Consider simplifying your accounts

Consolidating multiple accounts may make planning and withdrawals easier.

Clearer view of your total savings

Easier investment and income management

Less to keep track of, less paperwork, potentially fewer fees

Before rolling over assets, consider your other options. You may be able to leave money in your current plan, withdraw cash or roll over the assets to your new employer's plan if one is available and rollovers are permitted. Compare the differences in investment options, services, fees and expenses, withdrawal options, required minimum distributions, other plan features, and tax treatment. Speak with a TIAA consultant and your tax advisor regarding your situation. Learn more at TIAA.org/reviewyouroptions.

Before transferring assets or replacing an existing annuity, be sure to carefully consider the benefits of both the existing and new product. There will likely be differences in features, costs, surrender charges, services, company strength and other important aspects. There may also be tax consequences associated with the transfer of assets. Indirect transfers may be subject to taxation and penalties.

You're ready to take action

Create your retirement income plan and live with confidence in retirement.

1. Start with your expense estimate
2. Understand your income sources
3. Build your strategy for lifetime income
4. Plan how to withdraw your retirement assets
5. Review your income plan regularly

What's next?

Get help with estimating expenses.

- "Write your next chapter: 5 steps to setting your retirement date"

Find out what you need to know.

- Social Security webinar
- Estate planning webinar

Go to TIAA.org/webinars

Schedule a call with a TIAA financial consultant.

800-732-8353
Weekdays, 8 a.m. to 8 p.m. (ET)

TIAA.org/schedulenow

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Annuities are designed for retirement savings or for other long-term goals. They offer several payment options, including lifetime income. Guarantees are based on the claims-paying ability of the issuing company. Payments from variable annuities are not guaranteed, and the payment amounts may rise or fall depending on investment returns. The contract value of a deferred variable annuity is subject to market fluctuations and investment risk so that, when withdrawn, it may be worth more or less than its original value. Annuity contracts contain terms for keeping them in force. We can provide you with costs and complete details.

Withdrawals of earnings from a retirement account or annuity are subject to ordinary income tax, plus a possible federal 10% penalty if you make a withdrawal before age 59½.

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