



Frequently Asked Questions

CREF Money Market Account

TIAA Access – TIAA-CREF Money Market Fund

Overall

- We value our participants and their financial well-being is top of mind. We want to share some important information so plan sponsors can evaluate their fund line-up and make decisions with ample time.
- As you recall, in response to economic impacts of the Coronavirus (Covid-19) pandemic, the Federal Reserve cut the target rates to 0%-0.25% on March 15, 2020.
- Low interest rates can have a negative effect on money market returns and it is likely the yields of the CREF Money Market Account and TIAA Access - TIAA-CREF Money Market Fund's investments will be insufficient to cover expenses resulting in negative returns.
- The current fee waiver arrangement established in April 2020 was set to expire on December 31, 2020. To minimize disruption to participants and plan sponsors, in late 2020, TIAA sought and secured a short term extension of the fee waiver arrangement with our regulators through June 30, 2021. Note that regulators have said this waiver cannot be renewed.
- To secure this expense waiver and as part of our agreement with regulators, we are required to recover the waived expenses once a daily positive yield on a class of the account goes positive which could happen before or after the waiver expires. Be assured, recoupment will occur only when short-term interest rate levels produce a daily positive yield on a class of the Account. Each daily amount waived is subject to recoupment only for a 36 month period. Once that period has passed, those amounts cannot be recouped.
- Once this waiver expires on June 30, 2021, CREF Money Market Account investors could experience negative returns in the account. As a plan sponsor, you may want to make changes to the fund line-up to help mitigate against such negative returns. The options may be to change the default investment option or offer additional money market investment alternatives.
- Although fund-level expenses for the TIAA-CREF Money Market Fund will be waived to prevent negative yields, once the TIAA Access separate account expenses are deducted, the TIAA Access – TIAA-CREF Money Market Fund yield could be negative (See details under Question #4)
- Money Market funds/accounts generally are not considered to be Qualified Default Investment Alternatives (QDIAS).
- Any investment line-up changes should be communicated as soon as possible to ensure implementation by June 30, 2021:
 - Plan Sponsors should work with their relationship manager to ensure all approvals and information is completed and received by TIAA as soon as possible in order to meet a June 30, 2021 implementation deadline.
 - Plan Sponsors that are serviced by the Administrative Telephone Center (ATC) should review your plan change offer in PlanFocus on the Plan Enhancement Center page as soon as possible.

In response to the March 2020 market correction and amid the global Covid-19 pandemic, the Federal Reserve lowered the target rate to 0%-0.25%. This move by the Fed will drive interest rates down across the economy. A low interest rate environment may create a situation where the yields earned by the CREF Money Market Account's investments or the TIAA Access - TIAA-CREF Money Market Fund are not sufficient to cover expenses.

Due to these sudden and unexpected economic impacts, TIAA and CREF have worked with our regulators to allow for a limited and short-term waiver of CREF Money Market Account expenses to avoid the otherwise negative returns that investors would experience. This waiver has been extended until 06/30/2021 and will not be renewed.

The TIAA-CREF Money Market Fund (an underlying fund offered as an option within the TIAA Access annuity product) provides fee waivers to prevent the fund from experiencing a negative yield. However, the TIAA Access separate account wrap fees are not included in the waiver and therefore the TIAA Access TIAA-CREF Money Market Fund may still experience a negative yield.

Your Institution has the CREF Money Market Account or TIAA Access – TIAA-CREF Money Market Fund as Default

1. I thought TIAA said the waiver cannot be renewed - what changed?

In April of 2020, when the fee-waiver was established, we were provided guidance by our regulators, who approve the fee waiver arrangement between TIAA and the CREF Money Market Account. At that time, TIAA, our regulators, or any industry experts did not know how long the global pandemic would persist, and how it would impact interest rates long term. Once it was clear this would be an ongoing issue we felt it was prudent to approach our regulators to assess openness to a minimal extension to allow for more time for clients to take action.

2. Why was the expense waiver extension not communicated to Plan Sponsors earlier?

We communicated the extension to our consultant community once we received approval from our regulators, in late 2020. We wanted to ensure our consultants were aware and ready to partner with you to provide counsel as needed.

3. When should I make a final plan change decision in order for it to be implemented and live by June 30, 2021?

- Plan Sponsors should work with their relationship manager to ensure all approvals and information is completed and received by TIAA
Plan Sponsors that are serviced by the Administrative Telephone Center (ATC) should review your plan change offer in PlanFocus on the Plan Enhancement Center page
Please make these decisions as soon as possible.

4. Why is the CREF Money Market Account at-risk of a negative return?

In a low interest rate environment, like the one that we are currently experiencing, potential negative returns are possible when yields of the Account's investments are insufficient to cover the costs of managing the Account. This may be the case for your institution and many other providers' money market investment vehicles.

5. What is the CREF Money Market Account going to do to avoid negative returns?

Due to the sudden and unexpected economic impacts, TIAA has worked with our regulators in late 2020 to gain an extension for the limited and short-term waiver of CREF Money Market Account expenses to avoid the otherwise negative returns that investors could experience. This short-term waiver has been extended until June 30, 2021 and is intended to allow your participants time to make decisions on what action, if any, they would like to undertake. This will also give you as plan sponsors additional time to evaluate and provide more options for your employee's retirement plan, if you deem necessary.

6. What is an expense waiver and why doesn't the CREF Money Market Account *typically* offer one?

CREF operates at-cost which means it does not generate any profit. Typical money market mutual funds waive their fees and fund it through the profits generated on that fund. CREF does not have profits to fund the fee waivers and therefore cannot provide fee waivers to the Money Market Account. There was a period of time (2009-2017) during which TIAA voluntarily provided this fee waiver; however, this was required to be discontinued in 2017 after ongoing discussion with our regulators and the TIAA Board.

It is critical to note that the extension of the expense waiver for the CREF Money Market Account is a limited short-term solution and is only available through 06/30/2021. Should interest rates remain low after June 30, 2021, participants who continue to invest in the CREF Money Market Account should be prepared for the possibility of negative returns without the assistance of an expense waiver from TIAA.

7. Is the TIAA ACCESS – TIAA-CREF Money Market Fund impacted in the same way as the CREF Money Market Account? Is there a fee waiver on this option?

The TIAA-CREF Money Market Fund (used as an investment options within the TIAA Access annuity product) may experience negative yields. The fund's service providers may use their profits to waive fees to prevent a negative yield. However, the TIAA Access separate account wrap fees are not part of the waiver and therefore the TIAA Access - TIAA-CREF Money Market Fund sub-account may still experience a negative yield even if the underlying mutual fund expenses are waived.

8. Will there be a recoupment process for the CREF Money Market Account similar to the previous fee waiver agreement?

Yes, fees waived on the Account will be subject to possible recovery by TIAA. Recoupment, which is required based on regulators approving the waiver, will occur only when short-term interest rate levels produce a daily positive yield on a class of the Account, which could occur before or after the expiration of the expense waiver. Each daily amount waived is subject to recoupment only for a 36 month period. Once that period has passed, those amounts cannot be recouped. Keep in mind that waivers and recoupment are on a class by class basis.

9. As a plan sponsor, can I choose to redirect contributions from the CREF Money Market Account to other investment options?

This will depend on the contract type used by your institution. Due to individual contract restrictions, we cannot provide the ability to redirect contributions from the CREF Money Market Account to other plan options.

10. What is my institution's risk if the CREF Money Market Account is designated as our plan's default investment option?

If your institution uses the CREF Money Market Account as your plan's default investment option, you may want to consider other possible default options. Industry guidelines point toward using Qualified Default Investment Alternatives (QDIAs), such as lifecycle/target-date funds, balanced funds (under certain conditions) or certain professionally managed accounts as default investment options.

For ERISA plans, money market funds generally are not considered to be QDIAs under the applicable U.S. Department of Labor (DOL) regulation, except in the short term, and do not offer protections against liability.

You should consult with your legal counsel for more information.

11. What is my Institution's risk if the TIAA-Access – TIAA –CREF Money Market Fund is designated as our plan's default investment option?

While the TIAA-CREF Money Market Fund provides fee waivers to prevent a negative yield for the fund, once the TIAA Access separate account wrap fees are deducted, the TIAA Access - TIAA-CREF Money Market Fund will still experience a negative yield. If you use the TIAA-Access – TIAA-CREF Money Market Fund as your plan's default investment option, you may want to consider other possible default options. Industry guidelines point toward using Qualified Default Investment Alternatives (QDIAs), such as lifecycle/target-date funds or certain professionally managed accounts as default investment options.

12. What options does my institution have to consider as we evaluate the market effects on the CREF Money Market Account or TIAA-Access – TIAA-CREF Money Market Fund. You can:

Change your plan's default investment option to meet the U.S. Department of Labor's (DOL) "safe harbor" Provision - also called a Qualified Default Investment Alternative (QDIA).

Change to a different default investment option that meets the needs of plan participants who have not selected an investment. Keep in mind that money market investments aren't generally intended to be used as a long-term retirement strategy for building wealth, but rather for short-term holdings while developing a long-term retirement strategy.

13. What other options are available to my plan if the annuity only line-up is required?

The TIAA Access product offers the TIAA-CREF Lifecycle series as an underlying investment option that qualifies as a QDIA. If your institution would like to make a plan line-up change, please contact your Relationship Manager or if you are serviced by the Administrative Telephone Center (ATC) go to PlanFocus on the Plan Enhancement Center. Please make these changes as soon as possible to meet the June 30, 2021 deadline.

14. If my institution wants to make a change to our plan's use of money market funds, how can we do that?

Call your relationship manager to discuss options for the plan's investment menu or if you are serviced by the Administrative Telephone Center (ATC) go to PlanFocus on the Plan Enhancement Center by Please make this change as soon as possible to meet the June 30, 2021 deadline.

Institutions without another Money Market Option in Plan

15. If my plan currently only offers the CREF Money Market Account, what should I know about money

market investment options more generally?

There are three categories of money market accounts available in the marketplace – government, retail, and institutional. CREF Money Market is classified as a government money market account. These accounts have distinct advantages and distinct disadvantages that should be considered when deciding which type of account to offer to employees. From a positive perspective, employees do not have restrictions or fees on liquidity in the account. However, these accounts can earn a lower yield than other types of money market accounts. In a low interest rate environment, like the one we are currently experiencing, this can result in a negative yield on the account when expense waivers are not being offered.

16. What options does my institution have to consider as we evaluate the market effects on the CREF Money Market Account. You can:

Add additional Money Market accounts to diversify the choices available to plan participants

Do nothing—keep the CREF Money Market Account

Change the default from CREF Money Market to another default option

17. What other options are available to my institutions plan if we are required to have an annuity only line-up?

TIAA stable value product or an annuity wrapped mutual fund might be a suitable option. Please contact your Relationship Manager to discuss all available options. If serviced by the ATC, you can review all available options in PlanFocus on the Plan Enhancement Center page. Please take action as soon as possible.

18. If your institution wants to make a change to the plan's use of money market funds, how can we do that?

Call your relationship manager to discuss options for your plan's investment menu. If serviced by the ATC, you can review all available options in PlanFocus on the Plan Enhancement Center. Please take action as soon as possible.

Special Consideration for Institutions utilizing the TIAA Access – TIAA-CREF Money Market Fund

19. Is the TIAA Access – TIAA-CREF Money Market Fund impacted in the same way as the CREF Money Market Account? Is there a fee waiver on this option?

The TIAA-CREF Money Market Fund (used as an investment options within the TIAA Access annuity product) may experience negative yields. However, the fund's service providers may use their profits to waive fees to prevent a negative yield. However, the TIAA Access separate account wrap fees are not part of the waiver and therefore the TIAA Access - TIAA-CREF Money Market Fund sub-account will still experience a negative yield even if the underlying mutual fund expenses are waived.

20. What is my institution's risk if the TIAA Access – TIAA-CREF Money Market Fund is designated as our plan's default investment option?

While the TIAA-CREF Money Market Fund provides fee waivers to prevent a negative yield for the fund, once the TIAA Access separate account wrap fees are deducted, the TIAA Access - TIAA-CREF Money Market Fund will still experience a negative yield. If the TIAA-Access – TIAA-CREF Money Market Fund is your plan's default investment option, consider other possible default options. Industry guidelines

point toward using Qualified Default Investment Alternatives (QDIAs), such as lifecycle/target-date funds or certain professionally managed accounts as default investment options. For all-annuity line-ups, Stable Value could be an alternative if your plan does not allow for mutual funds and TIAA Access Lifecycle funds can serve as a QDIA eligible default.



This material is for informational or educational purposes only and does not constitute investment advice under ERISA. This material does not take into account any specific objectives or circumstances of any particular investor, or suggest any specific course of action. Investment decisions should be made based on the investor's own objectives and circumstances.

Annuity account options are available through contracts issued by TIAA or CREF. These contracts are designed for retirement or other long-term goals, and offer a variety of income options, including lifetime income. Payments from the variable annuity accounts are not guaranteed and will rise or fall based on investment performance.

You could lose money by investing in the CREF Money Market Account. Because the accumulation unit value of the Account will fluctuate, the value of your investment may increase or decrease. An investment in the Account is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Account's sponsor has no legal obligation to provide support to the Account, and you should not expect that the sponsor will provide financial support to the Account at any time.

The TIAA Access Money Market Account (the "Account") uses the TIAA-CREF Money Market Fund (the "Fund") as its underlying mutual fund investment option. You could lose money by investing in the Account which, in turn, invests in the Fund. Although the Fund seeks to preserve the value of its shares at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

TIAA-CREF Individual & Institutional Services, LLC, member FINRA, distributes securities products. CREF variable annuities are issued by College Retirement Equities Fund (CREF), New York, NY. Each of the foregoing is solely responsible for its own financial condition and contractual obligations.

You should consider the investment objectives, risks, charges and expenses carefully before investing. Please call 877-518-9161 or go to 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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