



# Your money. Your future. Your options.

**Learn the facts about your Rhode Island Defined Contribution Retirement Plan money**



**BUILT TO PERFORM.**

**CREATED TO SERVE.**



Important retirement plan decisions can be difficult to make. You don't have to do it alone. Call us—we're here to help.

Please call  
**800-897-1026** today.

For tax-related issues,  
consult a tax advisor.

This document is meant to help you identify some important considerations when planning for retirement. There may be other factors you should consider based on your specific circumstances.

Before you leave, it's important to be aware of the options you have when it comes to your Retirement Plan money. Today's decisions can have a substantial effect on your income in retirement.

### **Option 1: Leave your money in the Rhode Island Defined Contribution Retirement Plan**

#### **Potential advantages**

- Continued opportunity for tax-deferred growth
- Keep money in plan-specific investment options; investment alternatives may include lower-cost, institutional-class products
- Access to plan-specific advice, planning tools and education
- Penalty-free withdrawals permitted if separated from service after age 55
- Potential increased protection from creditors under federal law
- Retirement Plans' \$40 per year administrative fees may be lower administrative fees than other options you are exploring

#### **Issues to consider**

- The Retirement Plan has a limited number of investment options
- Withdrawal options may be restricted
- No additional contributions can be made
- Plan may impose limitations (e.g., income distribution or spousal waivers) or plan may be changed by employer (e.g., available investments, fees, services, providers, termination provisions)
- Managing assets across multiple plans or accounts may be difficult

### **TIAA can help you prepare for the years ahead**

Did you know you can work with a TIAA financial consultant at no additional cost? Your financial consultant can help you plan your next steps. You can ask about important topics like:

- How can I minimize taxes when taking money out of my retirement account?
- How can I keep my savings from running out too soon?
- How can I invest for the long term while using some of my savings now?

### **You don't have to go it alone**

Picture your future and make the most of what you've worked so hard to achieve. TIAA can help you understand your options and create a strategy that may be right for you.

Please call **800-897-1026** or go to **TIAA.org/ri** and scroll down the page to request an appointment with an advisor.

### Option 2: Move your money directly into an Individual Retirement Account (IRA)

#### Potential advantages

- Depending on the type of rollover, there may be no income tax or penalties
- Typically a broader range of investment options
- Continued opportunity for tax-deferred growth
- Access to IRA-specific advice, planning tools and education
- Continue to make contributions subject to IRS limits
- Ability to set up periodic and ad hoc withdrawals
- Many IRA providers offer managed accounts, which can provide professional portfolio management tailored to your investment preferences
- Ability to convert to a Roth IRA
- Access to trust services with some IRAs

#### Issues to consider

- Some investment expenses and account fees may be higher
- Access to plan-specific investments may not be available
- Some IRA investments may include trading-related expenses, including commissions and fees
- May need to liquidate investments before rolling over to an IRA
- Some IRAs may not include an annuity product

### Option 3: Move your money directly into your new employer's retirement plan

#### Potential advantages

- Continued opportunity for tax-deferred growth
- Plan may allow for a loan or hardship withdrawal
- No income tax or penalties with a direct rollover
- Penalty-free withdrawals permitted if separated from service after age 55
- Potential increased protection from creditors and legal judgments
- Plan may have lower administrative fees than other options
- Investment alternatives may include lower-cost, institutional-class products
- Access to plan-specific advice

#### Issues to consider

- New employer's plan may not accept rollovers, so this option may not be available
- Withdrawal options may be restricted
- Typically limited investment choices
- May need to liquidate investments
- Plans may have higher administrative fees (e.g., recordkeeping, compliance or trustee fees) than the \$40 per year for the Retirement Plan
- Plan may offer more expensive investment options, including commissions, than the Retirement Plan
- Plan may impose limitations (e.g., income distribution) or plan may be changed by employer (e.g., available investments, fees, services, providers, termination provisions)

#### Option 4: Withdraw your money in cash

##### Potential advantages

- Immediate access to your cash
- Option to specify the amount and frequency of cash you withdraw

##### Issues to consider

- 20% federal income tax withheld; state taxes may also apply
- Distributions will be taxed as ordinary income when you file your taxes
- Potential 10% early withdrawal penalty may apply if you are under age 59½
- Loss of potentially tax-deferred, long-term growth
- 60-day window to roll over before funds are taxed as ordinary income and could incur potential penalties

As a retiree, or someone who has just separated from service, you have many options available for your State of Rhode Island Defined Contribution Retirement Plan. Important decisions can be difficult to make, but you don't have to do it alone.

Please call **800-897-1026** today to speak with a TIAA financial consultant regarding your situation—we're here to help.



This material is for informational or educational purposes only and does not constitute an 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.

**You should consider the investment objectives, risks, charges, and expenses carefully before investing. Please call 800-897-1026 or log on to [TIAA.org](http://TIAA.org) for underlying product and fund prospectuses that contain this and other information. Please read the prospectuses carefully before investing.**

Prior to rolling over, consider your other options. You may be able to leave money in your current plan, withdraw cash or roll over the assets to a 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](http://TIAA.org/reviewyouroptions).

**Investment, insurance, and annuity products are not FDIC insured, are not bank guaranteed, are not deposits, are not insured by any federal government agency, are not a condition to any banking service or activity, and may lose value.**

The tax information provided is not intended to be used, and cannot be used, to avoid possible tax penalties. Neither TIAA-CREF nor its affiliates offer tax advice. Taxpayers should consult an independent tax advisor for advice based on their own particular circumstances.

TIAA-CREF Individual & Institutional Services, LLC, Teachers Personal Investors Services, Inc., and Nuveen Securities, LLC, Members FINRA and SIPC, distribute securities products. Annuity contracts and certificates are issued by Teachers Insurance and Annuity Association of America (TIAA) and College Retirement Equities Fund (CREF), New York, NY. Each is solely responsible for its own financial condition and contractual obligations.

©2021 Teachers Insurance and Annuity Association of America-College Retirement Equities Fund, 730 Third Avenue, New York, NY 10017