

Appendix 1: Before



FINANCIAL SERVICES
FOR THE GREATER GOOD®

Dear Participant:

Since you are at least age 70½ or older in 2006, we are notifying you about the IRS federal minimum distribution requirements. **If you receive lifetime retirement income or Minimum Distribution Option income from your entire accumulation in 2006, you will satisfy the federal requirement and do not need to read any further.**

Generally, minimum distribution requirements state that once you reach age 70½, you have to receive a minimum amount of income from your retirement accumulations each year. (After-Tax Retirement Annuities and Roth IRAs are not subject to the minimum distribution rules.) If you do not meet these requirements on a timely basis, you could be subject to a 50% excise tax on the amount you should have received as income.

When must you begin receiving distributions?

The amount you must receive and the date by which you have to receive income depends on several factors including your age:

- **If you turn age 70½ this year**, federal minimum distribution rules generally require that you receive some income from your retirement plan accumulations by April 1 following the year you turn 70½ — April 1, 2007 — or the April 1 after the year you retire,* whichever comes later. Although April 2007 is the deadline, you can receive your minimum distribution in 2006. If you wait until 2007 to receive your minimum distribution for 2006, you will receive two payments in 2007. One payment will satisfy the minimum distribution requirement for 2006 and another payment will satisfy the 2007 requirement.

You must also begin receiving income by April 1, 2007, regardless of your employment status, from any accumulations in TIAA-CREF's Traditional IRAs or other companies' traditional IRAs, or from qualified plans (including Keogh plans) if you are a 5% owner of the plan.

- **If you turned age 70½ before 2006**, you must receive enough income by December 31 of each year to satisfy minimum distribution requirements. Keep in mind, even if you have already received some income from your TIAA-CREF accumulations this year, you may need to take an additional distribution.

If your goal is to preserve your estate, you may be interested in TIAA-CREF's Minimum Distribution Option. Here, TIAA-CREF automatically pays the minimum income the IRS requires each year. For more information on this option, please review our brochure, "*A Guide to TIAA-CREF's Minimum Distribution Option*" which is available for viewing and ordering on our website at www.tiaa-cref.org (in the Publications section).

If you have questions about your specific requirements and what steps you may need to take to receive the required amounts, please call us at 800 842-2776. Consultants are available to help and review the options available to you

Begins with MDR without defining the terms. Mentioning the IRS causes stress. Underlining and bolding the second sentence evoked fear that the readers had done something wrong.

Gives definition after first introduced above. This confused readers by telling them exceptions before telling them the main point.

Uses only one heading that is formatted like the second sentence like the two have the same function and weight.

Gives numerical information in dense paragraph, which caused confusion.

Continues with insider language, which frustrated readers.

Introduces new information about MDO without linking this information to the purpose of the letter.

Should be more emphatic so readers know they MUST call to set up an MDO.

weekdays from 8 a.m. to 10 p.m., and Saturdays from 9 a.m. to 6 p.m. (ET). In order to provide you with the appropriate information and start your payments in a timely manner, please contact us approximately three months prior to when you'll need the income.

Sincerely,
Kevin Brown
Vice President, Client Services

* Please note that there are some exceptions to the minimum distribution rules, which may enable you to defer income if you are 70½ or older **and** still employed. For more detail on how this may affect you, please refer to our brochure, "*A Guide to TIAA-CREF's Minimum Distribution Option*" or call us at 800 842-2776.