

# An Independent Advisor Model: How to work with an independent advisor

## Participant Choice



### What is a Registered Investment Advisor?

A Registered Investment Advisor (RIA) is an individual or firm who has registered with the Securities and Exchange Commission (SEC) or state regulatory agency(ies) for the purpose of providing financial advisory services for others. A Registered Investment Advisor is held to a high standard as a fiduciary to their clients and is generally compensated on a fee basis, such as a percentage of assets.

### What is an Independent Advisor Model?

TIAA-CREF recognizes the importance of independent financial advisors and the value they bring to participants who are planning for retirement and other life goals. For this reason, we offer a service that your employer added to your retirement plan that allows participants to receive advice from local independent advisors. These independent advisors are not affiliated with TIAA-CREF. They are acting as a fiduciary on your behalf and as such have a legal obligation to put your interests ahead of their own. These services are optional and complementary to the advice and guidance services currently offered through TIAA-CREF.

### Why choose an independent advisor?

Because you understand the need in saving for retirement, you want to make sure that your retirement savings are working as hard as they can. Regardless of what level of investor you are, advice from an independent Registered Investment Advisor (RIA) can help participants like you manage their retirement portfolio to achieve the best possible outcome.

Your employer has made it easier for you to access independent advice by adding TIAA-CREF's Participant Choice option to your retirement plan. With this service, you have the opportunity to work with any independent Securities and Exchange Commission (SEC) or state-registered investment advisor that:

- Is in good standing with the regulatory authorities
- Has established an operational relationship with TIAA-CREF

### How do I go about working with an advisor?

First, you will need to find the right advisor for your situation and that requires you to do some due diligence by interviewing potential advisors. A good place to start is asking an advisor the following five questions before you hire them:

1. Are you a fiduciary?
2. How are you compensated?
3. What is your educational background and experience?
4. Have you ever been disciplined by a regulatory body?
5. Are you properly insured?

Whether you are hiring a new advisor or you already have your own advisor, you will need to provide them with the appropriate authorization to manage your TIAA-CREF retirement account. If your advisor is already working with us, they can help you with this process. If they are not set up with us yet, they will need to contact us to initiate the process. Once properly set up, your advisor will be able to manage your account and you will be able to pay for the advisor's investment advisory services directly out of your TIAA-CREF retirement account. Keep in mind, your advisor must be registered with the SEC or by your resident state.



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### What is a fiduciary?

An RIA held to a Fiduciary Standard occupies a position of special trust and confidence when working with a client. As a fiduciary, the RIA is required to act with undivided loyalty to the client. This includes disclosure of how the RIA is to be compensated and any corresponding conflicts of interest.

### Are these independent advisors affiliated with TIAA-CREF?

No, they are independent. This means they are not agents of, employees of, or affiliated with TIAA-CREF in any way other than being able to work on our platform to assist you with managing your retirement plan accumulations.

### Does TIAA-CREF recommend advisors?

No, TIAA-CREF does not recommend advisors. We strongly recommend you conduct your own due diligence before hiring an advisor.

### How do you benefit from access to independent advice?

#### **Greater choice and flexibility in how you receive advice**

Everyone's financial situation is different and changes over time, so your need for advice may change as well. With access to an independent RIA, you can find the best advisor for your situation. Of course, keep in mind that you can work directly with TIAA-CREF or use our web-based tools through your online access, if that meets your advice needs.

#### **Independent Registered Investment Advisors are fiduciaries**

RIAs have a legal obligation to put your interests first and are paid directly by you not for selling products, so you can be assured that their advice is unbiased and in your best interest.

#### **Complex and more holistic investment advice**

Whether it is considering your tax situation, retirement and estate planning needs, or any other aspect of your financial life, RIAs generally provide advice that is more holistic in nature by taking your entire financial life into consideration. As your financial situation becomes more complex, you may find this holistic view more beneficial.

#### **Access professional advice that you may not otherwise be able to afford**

For many individuals, their employer-sponsored retirement plan is their largest asset and they may not have other financial resources to pay for professional advice. Since your retirement plan offers access to independent RIAs, you can pay your advisor's fees directly from your retirement accumulations.

#### **Save on fees**

Since your plan views the fees of independent RIAs as fees of the retirement plan, your advisor fees are paid with pre-taxed dollars, effectively reducing the overall cost of the advice by your marginal tax bracket.

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Independent Advisors are not employees or agents of Teachers Insurance and Annuity Association (TIAA), College Retirement Equities Fund (CREF) or any of their respective affiliates or subsidiaries. TIAA-CREF acts as recordkeeper for institutional plans and is not a fiduciary to any plan or its respective participants. TIAA-CREF is not making a recommendation or acting as a fiduciary when plan sponsors or participants select an Advisor, nor is it responsible for the investment advice and other services provided by any Advisor.

Plan sponsors and participants should do their own due diligence before hiring an Advisor or any other financial professional. The [U.S. Securities and Exchange Commission](#) offers publications such as [Investment Advisers: What You Need to Know Before Choosing One](#) and [Protect Your Money: Check Out Brokers and Investment Advisers](#) to assist investors. TIAA-CREF shall have no liability or responsibility for any losses arising out of or relating to a plan sponsor or participant's decision to engage an Advisor.

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