July 24, 2024

Re: Creative Learning Academy of Pensacola 403(b) Plan Termination

Dear 403b Participant,

For those who are currently a participant in the **Creative Learning Academy** TIAA 403(b) Plan, we want to notify you of a change that will affect the 403(b) Plan.

Effective August 30, 2024, Creative Learning Academy will be terminating the 403(b) Plan. This means that you will need to decide how you would like your account under the 403(b) Plan to be distributed to you. In addition, the 403(b) Plan will no longer allow for loans or the rolling over of assets into the 403(b) Plan. Despite the termination of the 403(b) Plan, it's important that you continue to invest your savings effectively to maximize your retirement benefits. You have several distribution options available for your retirement balances.

Your distribution options:

1. **Do Nothing**
   - If you do not make an election, you will continue to maintain your contract as an individual annuity, please note that the contracts will no longer be maintained under the **Creative Learning Academy plan**. You currently own your annuity contract and would have received a certificate upon enrollment, if you cannot locate this certificate please call TIAA at the number below to receive another copy. You can continue to own your contract and have it serviced by TIAA. Your account will maintain its tax-deferred status and you may still transfer between investment accounts within your annuity. No additional contributions may be made to this contract.

2. **Rollover Your Plan Assets**
   - Funds invested with TIAA may be rolled into another eligible plan or IRA to the extent permitted by the terms of the contracts. This transaction is not a taxable event; a rollover continues the tax-deferred status of your accounts.
   - To actively move your savings to a **TIAA** rollover IRA, contact TIAA at the number listed below.

3. **Withdrawal: Full or Partial**
   - Participants at TIAA have the option to take a distribution of your Plan account in any of the options available under the applicable Plan and funding vehicle. You may elect a full lump sum, partial withdrawal, installment payments or an annuity option. If you elect a partial withdrawal or installment payments the remainder of your account will be treated as described in Option 1 above.

   Note: TIAA participants are subject to certain limitations on distributions from the TIAA Traditional account held under the TIAA group retirement annuity contract. These TIAA Traditional balances are subject to limitations on lump sum withdrawals. A Transfer Payout Annuity is available for a withdrawal from TIAA Traditional. Please call TIAA as detailed blow to discuss your options.

Distributions from your retirement accounts will be taxed as ordinary income. In addition, if you withdraw money before the age of 59½, you may be subject to an additional 10% early distribution tax penalty.
[ERISA only] If you are married, depending on the election you make, you may also need to obtain your spouse's notarized consent to the distribution. We also suggest that you consult your tax advisor before making your distribution election.

What if I have a loan outstanding from the 403(b) Plan?

- Participants with collateral-style retirement loans, TIAA will honor your existing loan as-is. You will continue to make your repayments as scheduled. The collateral amount of 110% of the outstanding loan balance will remain in your TIAA contract as it does today and will not be eligible for distribution until the loan is paid in full. New loans are no longer available.
- **IMPORTANT**: Participants with Retirement Plan Loans, please contact TIAA to understand how this change may affect you. To repay loan balances, visit TIAA.org or call 800-842-2252.

* For questions about tax implications, please contact a licensed tax professional.

Please note:

Any of the above actions may be taken on or after August 30, 2024. If you take no action, your funds will be treated as detailed in Option 1.

What if I have other standing Systematic Transactions

For Plans with Annuity Only Menus:

Participants that have a Minimum Distribution Option (MDO)/Recurring Required Minimum Distribution (RRMD); Transfer Payout Annuity (TPA); Interest Only payment option (IPRO); Systematic Withdrawal and Transfer (SWAT) or Account Rebalancing feature on their contract will continue with their payments options as originally scheduled.

---OR---

For Plans with Mutual Funds Contained in Menu:

Participants that have a Minimum Distribution Option (MDO)/Recurring Required Minimum Distribution (RRMD); Transfer Payout Annuity (TPA); Interest Only payment option (IPRO); Systematic Withdrawal and Transfer (SWAT) or Account Rebalancing feature on their contract and are invested in mutual funds will experience an impact to their systematic transactions by the plan termination will need to contact TIAA with new instructions. If no action is taken, these transactions could be interrupted or cancelled.

How to get more information and make your distribution election(s):

As you begin to reevaluate your retirement planning strategy, be assured that TIAA remains committed to helping you prepare for your financial goals. To help you better understand your distribution options under the 403(b) Plan, and to learn more about the services available to you, we invite you to contact TIAA:

TIAA:

- Visit TIAA: www.TIAA.org
- Call TIAA: **800 842-2252**, Monday to Friday, 8:00 a.m. to 10:00 p.m. ET

If you have any questions, please contact TIAA at the number above.

Sincerely,

Karen Bowdich

Director of Operations

Creative Learning Academy