A BUDGET BILL submitted by the Governor
in accordance with Article VII of the Constitution

AN ACT relating to the merger of the College Retirement Equities
Fund and the Teachers Insurance and Annuity Association of
America; and to repeal chapter 124 of the laws of 1952
relating to the charter of the college retirement equities
fund (Part);

The People of the State of New York, represented in Senate and Assem-
bley, do enact as follows:

1 PART __

2 Section 1. Chapter 124 of the laws of 1952 relating to the charter of
3 the college retirement equities fund, is REPEALED.
4 § 2. Definitions. For purposes of this act the following terms shall
5 have the following meanings:
6 (a) "CREF" shall mean the College Retirement Equities Fund, formed
7 pursuant to chapter 124 of the laws of 1952 as a companion organization
8 to TIAA (as defined in this act) for the issuance of variable annuity
9 contracts;
10 (b) "CREF Board of Overseers" shall mean the individuals designated as
11 overseers of CREF, pursuant to chapter 124 of the laws of 1952, who are
12 the sole members of CREF;
13 (c) "Plan of Combination" shall mean the agreement and plan of combi-
14 nation of TIAA and CREF adopted and approved in accordance with the
15 provisions of this act;
16 (d) "Superintendent" shall mean the superintendent of the New York
17 State department of financial services;
(e) "TIAA" shall mean the Teachers Insurance and Annuity Association of America, an insurance company formed pursuant to the laws of New York;

(f) "TIAA Board of Overseers" shall mean the corporation formed pursuant to chapter 880 of the laws of 1937, which is the sole owner of the issued and outstanding stock of TIAA; and

(g) "TIAA Separate Account" shall mean the separate account of TIAA created pursuant to the Plan of Combination.

§ 3. (a) Subject to the provisions of this act and the terms set forth in the Plan of Combination, CREF is hereby authorized and empowered to combine with TIAA, with TIAA continuing in existence as the surviving entity following such combination and with CREF ceasing to be a corporate entity. TIAA shall continue to be an insurance company formed pursuant to the laws of the State of New York. The TIAA Separate Account shall be subject to the insurance law, and neither TIAA nor the TIAA Separate Account shall be subject to the not-for-profit corporation law. The TIAA board of overseers shall remain subject to the not-for-profit corporation law.

(b) Such combination shall be deemed a merger under the laws of the State of New York, and shall be approved by not less than two-thirds of the individual overseers of the CREF Board of Overseers as the sole members of CREF, and not less than two-thirds of the individual members of the TIAA Board of Overseers as the sole shareholder of TIAA. Thereafter, the Plan of Combination shall be submitted to the superintendent for approval. Following the receipt of all necessary corporate and regulatory approvals, including authorization by the TIAA and CREF Boards of Overseers and TIAA and CREF boards of trustees, a certified copy of the Plan of Combination with the approval of the superintendent endorsed
thereon shall be filed in the office of the clerk of New York County, and upon such filing the combination shall become effective.

§ 4. (a) At the effective time of and pursuant to the Plan of Combination, all assets and liabilities of CREF including causes of action and defenses thereto, shall vest by operation of law in TIAA, and all variable annuity contracts and certificates issued by CREF and in force at the effective time of the combination, shall be and become TIAA variable annuity contracts and certificates as of the effective time of the combination; provided, however, that at the effective time of the combination (i) without further act or deed, the assets and liabilities of CREF relating to the outstanding variable annuity contracts and certificates of CREF shall immediately be assets and liabilities of and allocated to the TIAA Separate Account without such assets becoming general account assets of TIAA; and (ii) each investment account of CREF immediately prior to the combination shall comprise an investment sub-account of the TIAA Separate Account, with the assets and liabilities of each such investment account vesting immediately and directly in that investment sub-account.

(b) At the effective time, TIAA shall assume the obligations of the CREF contracts and certificates, and all holders of CREF contracts and certificates shall be notified of the combination.

(c) At all times the assets of the TIAA Separate Account, and of each investment sub-account, shall be segregated from the assets of the general account of TIAA and any other TIAA separate account and investment sub-account. That portion of the assets of the TIAA Separate Account, and of each investment sub-account, not exceeding the reserves and other contract liabilities with respect to the TIAA Separate Account and each investment sub-account, shall not be chargeable with liabil-
ities arising out of any other business of TIAA. The income, gains and
losses, whether or not realized, from assets allocated to the TIAA Sepa-
rate Account, and each investment sub-account, shall be credited to or
charged against the TIAA Separate Account and each investment sub-ac-
count without regard to other income, gains or losses of TIAA.

§ 5. This act shall take effect immediately; provided, however, that
section one of this act shall take effect at the effective time of the
combination, and provided further, that the superintendent shall notify
the legislative bill drafting commission upon the occurrence of such
effective time in order that the commission may maintain an accurate and
timely database of the official text of the laws of the State of New
York in furtherance of effectuating the provisions of section 44 of the
legislative law and section 70-b of the public officers law.