



Dear CalSTRS member,

You've been helping your students build their futures, don't forget about yours.

CalSTRS is dedicated to your secure financial future and helping you get there.

Your income in retirement is a shared responsibility between CalSTRS and you. Your CalSTRS benefit will replace about half of your final pay. How much will you need for your future? Pension2, CalSTRS' voluntary supplemental savings plan, can help fill the gap. See pages 12-13 to learn more.

If you haven't already done so, we encourage you to attend one of our retirement planning workshops. You'll also find member education videos online at CalSTRS.com/videos.

We invite you to take a few minutes now to look through your kit.

Thank you for choosing education for your career.

Sincerely,



Jack Ehnes
Chief Executive Officer

CALSTRS®

YOUR SMART TARGET MEMBER KIT

Mid-Career

2015



THE BENEFIT OF A LIFETIME

Will You Have Enough?

Consider increasing the amount you contribute each month to your 403(b), 457(b) or IRA account.

See pages 12–13.

3 Reasons Why

- 1 Close your retirement income gap.
- 2 Give yourself a tax break.
- 3 Peace of mind for a secure future.

➤ See the Pension2 ebook on Pension2.com to learn more.

CALSTRS
pension 2[®]
personal wealth plan

Tools to Get You Started

myCALSTRS

➤ View your personal accounts, complete and submit forms, and more at myCalSTRS.com.

📁 Member Benefit Videos

Browse our library of three- to five-minute member education videos:

Understanding the Formula: Know how your retirement benefit is calculated.

The Gap: Consider how much of your working salary you'll need to live the retirement you want.

Defined Benefit Supplement: Learn about this additional source of money for retirement.

Beneficiary Options: Learn how to provide a lifetime monthly benefit to your loved ones after your death.

Introduction to Social Security: Get the facts if you're counting on a Social Security benefit from your spouse or other employment.

➤ CalSTRS.com/videos

Connect With Us on Social Media

Connect and engage with us on your favorite social media. We're here because you are. It's a great way to keep up on the latest CalSTRS news, share ideas and connect with other educators. Invite your colleagues to join us too.

CalSTRS.com/stay-connected



CalSTRS Is Mobile Friendly



CalSTRS Member Handbook



Find the current version at CalSTRS.com/publications.
Understand your benefits.

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Things to do now for your **smarttarget**

You're helping students
build their futures, don't
forget yours! How much
money will you need for
your retirement?

THE BENEFIT OF A LIFETIME

Your defined benefit pension may
be your greatest asset. Take a
few minutes now to learn more.



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on *myCalSTRS*

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Access Your CalSTRS Information Online, Any Time

myCalSTRS offers easy, secure and convenient access to your accounts and CalSTRS forms. Register at myCalSTRS.com. Once you complete the one-time process, your myCalSTRS account will be active.

With myCalSTRS, you can:

- 1 Update your contact information.
- 2 Access your annual *Retirement Progress Report* and view information reported by your employer.
- 3 View your account balances.
- 4 Name and update your beneficiary designations.
- 5 Submit and receive secure messages to and from CalSTRS representatives.
- 6 Complete and submit forms online.



Need help registering?
View the self-paced, interactive online registration guide on **myCalSTRS**.

How do you picture spending your future?



Spending time with family



Starting a new career



Indulging in your favorite hobbies



Traveling the world



Get Smart About Your Future

Your Benefit of a Lifetime

As a vested member of CalSTRS, you're entitled to a guaranteed, lifetime monthly benefit when you retire. Your retirement benefit is a defined benefit pension based on a formula set by law, not on how much you contribute or how well investments perform:

service credit x age factor x final compensation = your retirement benefit

CalSTRS Is Here for You

Our primary responsibility is to provide you with retirement, disability and survivor benefits. We also offer resources specific to your career stage:

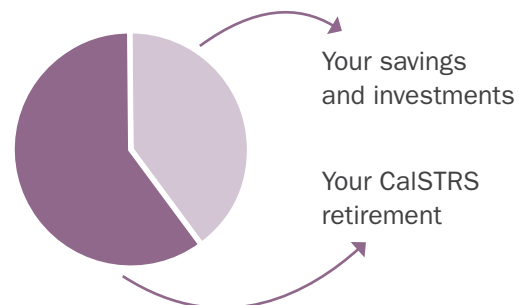
- Your annual *Retirement Progress Report*, available on *myCalSTRS*, which provides a summary of your accounts and service credit.
 - Online services and forms on *myCalSTRS*.
 - Customer service by email, phone, letter or in person.
 - Knowledgeable CalSTRS representatives to help you understand your benefits and more.
 - Publications, including the *Purchase Additional Service Credit* booklet, workshops and member education videos.
 - CalSTRS Pension2® 403(b) and 457(b) plans with low fees and expenses for additional income in retirement.
 - Side-by-side investment comparisons of 403(b) plans in California at 403bCompare.com.
- Find publications, forms, videos, workshops and more at CalSTRS.com.

Calculate
your gap.
See page 10.

Your CalSTRS Retirement Benefit— Will It Be Enough?

The median CalSTRS retirement benefit replaces about 60 percent of a member's salary. You'll need to close any gap between your retirement goal and your retirement benefit with savings and investments, such as CalSTRS Pension2.

➤ See page 12 to learn more.



Your CalSTRS Retirement at a Glance

If you're like most educators, your retirement income will come from four main sources:

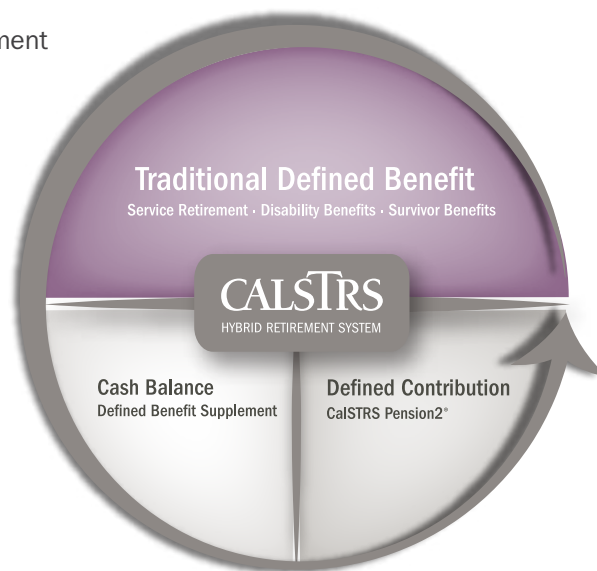
- Your CalSTRS monthly retirement benefit.
- Your CalSTRS Defined Benefit Supplement funds.
- Your investment savings, such as CalSTRS Pension2 403(b), 457(b) and Roth 403(b) accounts.
- Other personal savings.

CalSTRS administers a hybrid retirement system consisting of traditional defined benefit, cash balance and voluntary defined contribution plans:

- **Traditional defined benefit plan:** Your CalSTRS monthly retirement benefit is a defined benefit pension based on a formula:

service credit x age factor x final compensation

- **Cash balance plan:** Your CalSTRS Defined Benefit Supplement is a cash balance plan. Your contributions and your employer's contributions earn a guaranteed annual interest rate. All the funds in your account are yours at retirement.
- **Defined contribution plan:** CalSTRS Pension2 offers 403(b), 457(b) and Roth 403(b) plans for additional income in retirement. Contribute to your tax-advantaged account through paycheck deductions. The amount you have at retirement depends on your contributions, investment gains or losses, and expenses.



Your income in retirement is a shared responsibility between CalSTRS and you.



Valerie
Elementary school teacher
CalSTRS member for 11 years



Estimate Your Retirement Benefit Online

Your primary retirement benefit is based on a formula set by law:

service credit x **age factor** x **final compensation**

You can retire as early as age 50 with at least 30 years of service credit, or age 55 with at least five years of service credit—or less, if retiring concurrently from certain other California public retirement systems.

Service Credit

Service credit is the number of school years, including partial years, you have worked and contributed to CalSTRS:

- You earn service credit every day you work or are on paid leave.
- You can earn up to one year of service credit in a school year. If you work less than full time, your service credit for the year may be less than one year.

If you earn more than one year of service credit in a school year by performing extra-pay assignments for school activities, most of your and your employer's contributions from the additional service will go into your Defined Benefit Supplement account (see page 7).

Age Factor

Age factor is a percentage based on your age at the time you retire. The age factor is set at 2 percent at age 60. It decreases if you retire before age 60 and increases up to a maximum of 2.4 percent at age 63.

- Estimate your projected retirement benefit using the calculator at CalSTRS.com/calculators.

Final Compensation

Final compensation is your highest average annual compensation earnable for 36 consecutive months, or your highest 12 consecutive months if you have more than 25 years of qualified service credit.

- See “Your Retirement Benefit” in the *Member Handbook*.

📺 View the Understanding the Formula video at CalSTRS.com/videos.

Your Retirement Benefit—Your Options

The highest retirement benefit you can receive is the Member-Only Benefit. The Member-Only Benefit stops with your death. You can choose to provide a lifetime monthly benefit to someone upon your death. If you choose to do so, your benefit will be reduced based on your age and your beneficiary's age at the time you elect an option, and the option you elect.

📺 View the Beneficiary Options video at CalSTRS.com/videos.

Contributions to Your CalSTRS Retirement

CalSTRS pays retirement benefits using a combination of investment income and contributions. Under the 2014 CalSTRS Full Funding Plan, increased contribution rates will be phased in over several years.

Member Contributions

You now contribute 9.20 percent of your Defined Benefit creditable earnings to help finance your retirement benefit. The rate increases to 10.25 percent in 2016–17.

Employer Contributions

For 2015–16, your employer contributes an amount equal to 10.73 percent of your Defined Benefit creditable earnings. Employer contributions are increasing every year, up to 19.1 percent in 2020–21.

State Contribution

The State of California contributes a percentage of the annual earnings of all members, plus an amount for purchasing power protection, currently about 7.39 percent. The rate is gradually rising to 8.828 percent in 2016–17.

Inflation Protection

Your retirement benefit is protected against rising prices two ways:

- Starting September 1 after the first anniversary of your retirement date, your benefit increases automatically each year at 2 percent of your initial benefit.
- If inflation erodes the purchasing power of your retirement benefit to less than 85 percent of your initial monthly benefit, you will receive an additional quarterly payment, subject to the availability of funds set aside for purchasing power protection.

Health Insurance in Retirement

CalSTRS does not provide health benefits. Your health benefits depend on your district's agreement with your employee bargaining unit. Many retired educators have to contribute to or pay their own health insurance costs. **Consider setting aside extra money now for your future.**

You and your employer each pay 1.45 percent of your wages toward earning coverage under Medicare, the federal health insurance program for people age 65 and older.

Securing Your Financial Future

The 2014 CalSTRS Full Funding Plan, enacted in Assembly Bill 1469, sets a course for CalSTRS' long-term viability. The plan relies on gradual contribution increases from all parties—members, employers and the state—without reducing benefits:

- Your member contribution rate will be increasing to 10.25 percent in 2016–17.
- The employer contribution rate will be gradually increasing to 19.1 percent in 2020–21.
- The state's contribution rate will be increasing to 8.828 percent, including purchasing power protection, in 2016–17.

Investment returns from the CalSTRS portfolio provide 58 percent of the funds to pay benefits, with contributions providing 42 percent. Lower than expected returns largely due to the economic downturns in the last decade resulted in a funding shortfall, which was too large to rely on healthy returns to make up the ground lost.

With a responsible plan in place, we're on target to meet our promise of a secure financial future for California's educators.

Your Defined Benefit Supplement Account— Additional Money for Retirement

As a Defined Benefit member, you have a Defined Benefit Supplement account that provides additional savings for your retirement.

You cannot earn more than one year of service credit in a school year. Most of your and your employer's contributions from your earnings in excess of one year, up to the compensation cap, will go into this account. You can build your account by taking on extra-pay assignments such as summer school, yearbook adviser, soccer coach or band director.

Your account balance earns a guaranteed rate of interest. For 2015–16, the rate is 3.15 percent. When you retire, you'll receive your CalSTRS monthly retirement benefit and your Defined Benefit Supplement funds.

- Find your current balance on your *Retirement Progress Report* at *myCalSTRS*.

Excess Contributions

Starting July 2014, if you make contributions on earnings in excess of one year of service credit in a school year, you are eligible for a return of your contributions that exceed the 8 percent contribution rate on Defined Benefit Supplement compensation. Any excess contributions will be reported on your *Retirement Progress Report*, available on *myCalSTRS* in September. CalSTRS will return any excess contributions to your employer in October. Your employer is responsible for returning the excess contributions to you. Please contact your employer if you have any questions.

📺 View the Defined Benefit Supplement videos at CalSTRS.com/videos.



Your Retirement Formula: How It Works.

Let’s look at Faye:

Faye is a first-grade teacher with 29 years of service credit. She just turned 58 and though not in a hurry to retire, she’s been thinking more about retirement lately. Her monthly pay is \$4,708.

Here are three examples for her retirement benefit calculation, not including any unused sick leave she may have that will be converted to service credit at retirement. The examples assume her pay stays the same and she doesn’t elect an option to provide a lifetime benefit to someone upon her death.

If Faye retires with at least 30 years of service credit, a 0.20 percent career factor will be added to her age factor, up to a maximum age factor of 2.40 percent.

service credit x age factor x final compensation

Example 1

If Faye were to retire today, her monthly retirement benefit would be:

29	x	1.76%	x	\$4,708	=	\$2,403
service credit		age factor		final compensation		retirement benefit

Example 2

If she continues working until her 60th birthday, she would qualify for the career factor. Her monthly retirement benefit would be:

31	x	2.20%	x	\$4,708	=	\$3,211
service credit		age factor + career factor		final compensation		retirement benefit

Example 3

If she continues working until her 62nd birthday, she would be eligible for the maximum combined age factor and career factor of 2.40 percent, giving her a monthly retirement benefit of:

33	x	2.40%	x	\$4,708	=	\$3,729
service credit		age factor + career factor		final compensation		retirement benefit

➤ Find the “Age Factor Table” and “Career Factor Table” in the *Member Handbook* at [CalSTRS.com/publications](https://www.calstrs.com/publications).

📺 View the Understanding the Formula video at [CalSTRS.com/videos](https://www.calstrs.com/videos).



Review Your Retirement Progress Report Online

Keep tabs on your CalSTRS account and service credit balances by reviewing your *Retirement Progress Report* each year. Your new report is available online on *myCalSTRS* in September.

Your report summarizes:

- The service credit you earned the previous year.
- Your total accumulated service credit.
- The name of your one-time death benefit recipient.
- Accumulated contributions and interest in your Defined Benefit and Defined Benefit Supplement accounts.
- Information about your disability and survivor benefit coverage.
- Two estimates of your retirement benefit. These are estimates only and not binding.

If you believe there's a discrepancy in your report, do not wait to correct errors. Contact your employer immediately.



Be sure to verify your paycheck information, including your deductions, each pay period.

Your Retirement Income Gap

How much money will you have to enjoy the future you want?

1. My Retirement Goal

My goal is to retire with _____ % of my working income.

According to financial advisers, you'll need 80–90 percent of your monthly income to maintain your standard of living in retirement.

Consider increasing the amount of your 403(b) or 457(b) contribution. Every dollar you set aside from your paycheck lowers your current taxable income by a dollar.

2. Calculate My Gap

$$\begin{array}{rcl} \frac{\text{Service Credit}}{\text{Age Factor}} & \times & = \frac{\text{}}{\text{}} \% \\ \frac{\text{My Goal}}{\text{}} \% & - & \frac{\text{}}{\text{}} \% = \frac{\text{My Gap}}{\text{}} \% \end{array}$$

3. Bridge My Gap: What if I extend my career?

$$\begin{array}{rcl} \frac{\text{Adjusted Service Credit}}{\text{Adjusted Age Factor}} & \times & = \frac{\text{}}{\text{}} \% \\ \frac{\text{My Goal}}{\text{}} \% & - & \frac{\text{}}{\text{}} \% = \frac{\text{My Adjusted Gap}}{\text{}} \% \end{array}$$

4. Bridge My Gap: What if I purchase service credit?

$$\begin{array}{rcl} \frac{\text{Adjusted Service Credit}}{\text{Age Factor}} & \times & = \frac{\text{}}{\text{}} \% \\ \frac{\text{My Goal}}{\text{}} \% & - & \frac{\text{}}{\text{}} \% = \frac{\text{My Adjusted Gap}}{\text{}} \% \end{array}$$

➤ See “Purchasing Permissive Service Credit” and the “Age Factor” and “Career Factor” tables in the *Member Handbook*.

📺 View The Gap video at CalSTRS.com/videos.



Increase Your Retirement Benefit

You can increase your benefit by increasing one or more of the elements of the retirement benefit formula:

- Purchase additional service credit, if you're eligible to do so.
- Work longer to increase years of service credit and age factor, and to qualify for benefit enhancements.
- Convert unused sick leave to service credit at retirement.

service credit x age factor x final compensation

Purchase Additional Service Credit

The more service credit you have at retirement—earned or purchased—the greater your retirement benefit:

- Purchase service credit for eligible service in out-of-state or foreign public schools, the military, Peace Corps or Job Corps; or eligible employer-approved maternity, paternity or sabbatical leave and leave approved under the federal Family Medical Leave Act or California Family Rights Act.
- Redeposit previously refunded contributions and restore service credit if you return to CalSTRS membership or work in certain other California public retirement systems.
- Purchase nonmember service, such as part-time or substitute service in the California public school system, before you were a CalSTRS member or after taking a refund and before becoming a member again.

➤ See “Purchasing Permissive Service Credit” in the *Member Handbook*. Also see *Purchasing Additional Service Credit* at CalSTRS.com/publications.

📺 View the Purchase Service Credit video at CalSTRS.com/videos.

It's cheaper to buy service credit now than later in your career. Estimate the cost to purchase service credit at CalSTRS.com/calculators.

Work a While Longer

By working longer, you'll continue to earn service credit, which will increase your retirement benefit and can be used to qualify for the one-year final compensation and career factor benefit enhancements.

The older you are at retirement, the higher your age factor, up to a maximum age factor of 2.4 percent at age 63. If you retire with 30 or more years of service credit, you qualify for the career factor benefit enhancement, which adds 0.2 percent to your age factor up to a maximum combined age factor and career factor of 2.4 percent at age 61 years and 6 months.

Continue Tax-Advantaged Contributions

Postpone your retirement and you can still make tax-advantaged contributions to your 403(b), 457(b) or IRA plan. Your retirement savings have the potential to grow larger and your tax bill may be smaller. You also can take advantage of catch-up contributions starting at age 50.

Convert Unused Sick Leave to Service Credit at Retirement

Your unused sick leave will be converted to service credit when you retire. As soon as you change employers during your career, coordinate with your former employer to arrange for the transfer of your accumulated unused sick leave to your new employer.

➤ See “Converting Unused Sick Leave to Service Credit” in the *Member Handbook*.

↑ Increase Your 403(b) or 457(b) Contribution

When it comes to investing for your retirement, one of the smartest ways is to invest in a 403(b), 457(b) or IRA tax-advantaged account. Use the savings calculator in the front of this booklet to help you keep your savings on track.

It's Smart

Earn money by saving money. With compounding, you earn interest on your total balance—your original contribution plus all interest earned and any additional contributions.

Tax advantages. When you contribute to your 403(b) or 457(b) account directly out of your paycheck, you defer taxes on the money you invest each month. Your earnings grow tax-deferred, and your monthly taxable income is lower. Contribute to a Roth 403(b) account through your paycheck and you won't get a tax break up front, but your contributions and earnings will be tax-free at retirement when you withdraw your funds.

More time to take risks. The earlier you start, the longer you'll be able to weather financial downturns and reap the benefits of strong economic times.

It's Easy

To increase your monthly contribution, simply complete another Salary Reduction Agreement, available from your district's payroll office, with your new contribution amount.

Haven't started a retirement savings account yet? We've made it easy:

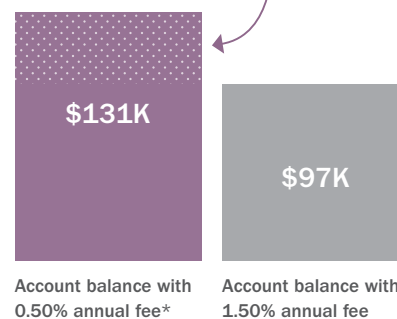
- 1 **Open your account** by calling toll free 844-353-2872 or enrolling online from the Pension2 ebook at Pension2.com.
- 2 **Determine how much you want to invest.**
- 3 **Fill out your district's Salary Reduction Agreement.** Find the form at your payroll office or 403bCompare.com (select *My Employer*).

Pension2 Has Low Fees—Something Everyone Likes

Most investment plans charge fees and expenses. Even 1 percent can make a big difference in your bottom line over time. Compare fees charged by 403(b) plans in California at 403bCompare.com.

The Difference 1 Percent Can Make

Let's say you invest \$20,000 for 30 years, make no contributions and earn an average of 7 percent. Investment fees usually range from 0.5 percent to 1.5 percent a year. After 30 years, you'd have 35 percent more—that's an additional \$34,000.



* 0.50% = the average cost for Pension2 participants (0.25% admin fee + 0.25% average expense ratio)

Check out CalSTRS Pension2 403(b) and 457(b) plans with flexible investments, low fees and expenses.



CalSTRS Pension2 Complements Your Retirement Benefit

Pension2®, the CalSTRS voluntary supplemental savings plan, offers low cost, flexible 403(b), 457(b) and Roth 403(b) plans.



Need more for your future?

CalSTRS Pension2—Designed With Your Interests in Mind

- Investment options that match all levels of investment ability:
 - » **Easy Choice Portfolios**—designed to take into account your risk tolerance and retirement date, each is a ready-made mix of the core investment options.
 - » **Core Investment Options**—build your own portfolio from a carefully selected list of more than 20 funds.
 - » **Self-Directed Brokerage Account**—gives you access to a greatly expanded range of mutual funds.
- Simple, low-cost and transparent fee structure
- No commissions or surrender charges
- Easy payroll deduction of contributions
- Powerful planning and educational resources
- 24/7 account access

Pension2.com
Learn more about
Pension2 plans
and low fees.

Your future starts now.
Call us today at
888-394-2060
to learn more.

➤ See the Pension2 ebook with online enrollment at [Pension2.com](https://www.pension2.com).



Get the Facts on Social Security

As a California public school educator, you do not contribute to Social Security, so you will not receive a Social Security benefit for your CalSTRS-covered employment when you retire.

If you are counting on Social Security through your spouse or other employment, two federal rules—the Government Pension Offset and the Windfall Elimination Provision—may leave you with a smaller Social Security benefit or possibly no benefit at all.

Your CalSTRS retirement benefit will not be reduced by these rules.

Government Pension Offset

Affects the Social Security benefit you receive as a spouse or surviving spouse.

- May reduce or eliminate your spousal Social Security benefit.
- Will offset your Social Security benefit by two-thirds of the amount of your CalSTRS retirement benefit.

For example: Assume your expected spousal Social Security benefit is \$600 and your CalSTRS retirement benefit is \$1,200. Since two-thirds of \$1,200 is \$800, which is more than your \$600 Social Security benefit, you would not get a Social Security benefit.

Windfall Elimination Provision

Affects your Social Security benefit that is based on your earnings from other employment.

- May reduce your Social Security benefit but will not eliminate it. The amount of reduction depends on your years of Social Security earnings and the amount of your CalSTRS benefit. For 2015, the maximum reduction is \$413 per month with 20 or less years of substantial earnings.
- The reduction to your Social Security benefit cannot be more than half of your monthly CalSTRS benefit.
- Does not apply if you have 30 or more years of Social Security substantial earnings.

➤ See “Purchasing Permissive Service Credit” in the *Member Handbook*. Also see *Purchasing Additional Service Credit* at CalSTRS.com/publications.

📺 View the Introduction to Social Security video at CalSTRS.com/videos.

For More Information

Find details, including calculators, to help you determine if these federal rules might affect you at socialsecurity.gov (select *Government Employees* under *Benefits*).



Norm

Elementary school computer teacher
CalSTRS member for 17 years



Name Your One-Time Death Benefit Recipient

You're working hard to earn your CalSTRS benefits. Be sure to name your loved ones or a favorite organization to receive your one-time death benefit. You also have disability benefits.

Your Survivor Benefits

Your spouse, children and other loved ones may be eligible for survivor benefits after your death. The type and amount of benefits depend on:

- Your years of service credit.
- Your type of coverage: A or B.
- Your membership status.
- Whether you elect an option.

Depending on your coverage and member status at the time of your death, your beneficiaries may be eligible for three types of benefits:

- One-time death benefit.
- Monthly benefit.
- Defined Benefit Supplement distribution.

One-Time Death Benefit

After your death, your one-time death benefit recipient will receive a one-time death benefit if eligibility requirements are met. The amount of this benefit depends on whether you die before or after retirement. You may name a living person, estate, trust or charity as your recipient.

You can change your death benefit recipient any time, with no financial penalty.

Monthly Benefit

If you die before retirement, your survivors, including your spouse or registered domestic partner and dependent children, may be eligible for a monthly survivor benefit.

You may choose to provide a lifetime monthly benefit, also known as an option, to your beneficiary instead of a monthly survivor benefit:

- When you are eligible to retire.
- Under Coverage B disability retirement.
- When you retire.

➤ See “Protecting Your Loved Ones Before You Retire” in the *Member Handbook*.

Defined Benefit Supplement Distribution

Your membership status when you die determines how the balance in your Defined Benefit Supplement account will be distributed.

If you die before retirement, your Defined Benefit Supplement account balance will be distributed to your one-time death benefit recipient. If you did not name a recipient, CalSTRS will pay the balance to your estate.

Name your one-time death benefit recipient using *myCalSTRS*. Then be sure to keep your recipient information current.



If you die after retirement, your account balance will be distributed to your one-time death benefit recipient or option beneficiary, depending on the distribution you elected at retirement.

➤ See “Survivor Benefits” in the *Member Handbook* and the *Survivor Benefits* brochure at CalSTRS.com/publications.

📺 View the *Survivor Benefits* video at CalSTRS.com/videos.

Your Disability Benefits

You may be eligible for disability benefits if you have a medically determined physical or mental impairment that is permanent or expected to last at least 12 consecutive months and:

- Prevents you from performing your usual duties with or without reasonable accommodation, or
- Prevents you from performing duties in a comparable level position.

In general, the basic disability benefit is 50 percent of your final compensation. The maximum benefit, including benefits for eligible dependent children, is 90 percent of your final compensation.

So that you have income while your application for disability benefits is pending, you can apply for service retirement during evaluation of your application, if you're eligible to service retire, or you may apply while:

- You are still working.
- You are receiving sick leave or differential pay.

Unlike workers' compensation benefits, your disability benefit does not require your disability to be work-related.

➤ See “Disability Benefits” in the *Member Handbook* and the brochure, *Introduction to CalSTRS Disability Benefits*, at CalSTRS.com/publications.





Attend a Workshop

Take advantage of our retirement planning resources. In addition, CalSTRS representatives are available by phone or email to answer your questions.

Workshops: Find descriptions of workshops at CalSTRS.com/workshops.

Member benefit videos: View education videos, including ones on beneficiary options, rollovers and Social Security at CalSTRS.com/videos.

Benefit calculators: Estimate your retirement benefit or the cost to purchase service credit using the calculators at CalSTRS.com/calculators.

Benefits planning sessions: Meet with a CalSTRS benefits specialist to understand how different decisions will affect your benefit. It's easier to schedule a session during the nonpeak months of August–March.

Connections newsletter: Keep up to date by reading *Connections*, published twice a year. Sign up on *myCalSTRS* to receive your newsletter electronically to help us conserve natural resources and reduce costs.



➤ CalSTRS.com/workshops
CalSTRS.com/planning
CalSTRS.com/videos



myCALSTRS | my retirement

Ready to Retire?

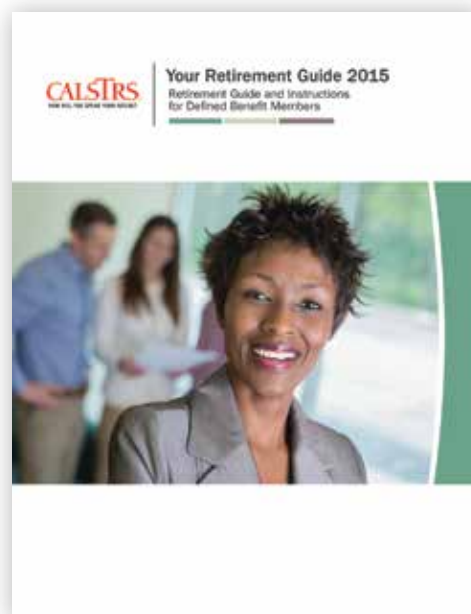
Complete and submit your *Service Retirement Application* online using your myCalSTRS account. Or, if you have a complex application, complete it online, then print and mail or fax it to us.

When you complete your application online using myCalSTRS:

- Step-by-step guidance means you complete your application correctly.
- Your member-specific information is auto-filled, saving you time.
- Your application is processed automatically, for a faster turnaround.
- You'll receive immediate email confirmation when CalSTRS receives your application and after it has been processed.
- You'll receive prompt emails if we need additional information to process your application.

Need help completing your application?

Read the *Your Retirement Guide*, available at CalSTRS.com/publications, attend a Service Retirement Application roundtable, or give us a call at **800-228-5453**.





Understand Your Retirement Decisions

It's never too early to start planning for your retirement. Attend a CalSTRS workshop or benefits planning session to help you with your retirement decisions. Then when you're ready, complete and submit your *Service Retirement Application* online using *myCalSTRS*.

Your Retirement Benefit Choices

You're guaranteed a lifetime monthly benefit when you retire. You can also provide a lifetime monthly benefit to someone after your death.

Member-Only Benefit

The Member-Only Benefit provides the highest monthly benefit. It does not provide a monthly lifetime benefit for someone after your death. After your death, any remaining balance in your account will be paid to your one-time death benefit recipient.

Modified Benefit

You can choose to distribute your retirement benefit over your life and the life of one or more people. You will receive a reduced monthly lifetime benefit based on the option you choose, your age and your beneficiary's age at election. When you die, your option beneficiary will receive a lifetime monthly benefit.

Your option choices include providing your beneficiary with 100 percent, 75 percent or 50 percent of your modified retirement benefit.

To find out how each option would affect your retirement benefit, use the *Retirement Benefits Calculator* at CalSTRS.com/calculators.

Electing an Option Beneficiary Before Retirement

You can elect an option beneficiary when you are eligible but not yet ready to retire.

Advantages of electing an option before retirement include:

- The benefit begins immediately after your death.
- If you die before you retire, your option beneficiary will receive a monthly lifetime benefit. If you did not pre-elect an option beneficiary and you die before retirement, your beneficiary may receive a smaller or no lifetime benefit.

- In most cases, the Modified Benefit you'll receive in retirement will be higher if you pre-elect an option than if you elect an option at the time of retirement.

Disadvantages include:

- If you cancel or change your option before retiring, a lifetime assessment will be applied to your retirement benefit. The assessment may reduce your retirement benefit for life.
- If your option beneficiary dies before you retire, the election will be canceled automatically. Your retirement benefit will be subject to an assessment that may reduce your benefit for life.

If you choose to elect an option before retirement, complete and submit the Preretirement Option Election form online using your *myCalSTRS* account for faster processing.

- See “Protecting Your Loved Ones Before You Retire” and “Protecting Your Survivors With a Lifetime Benefit” in the *Member Handbook*.

📺 View the Beneficiary Options video at CalSTRS.com/videos.

Your Defined Benefit Supplement Account

When you retire, you will also receive the funds in your Defined Benefit Supplement account. Your most recent *Retirement Progress Report* shows the total amount in your account at the end of the last school year.

Things to Consider

The amount in your Defined Benefit Supplement account determines how you can receive your funds at retirement:

- If you have less than \$3,500 in your account, you will receive your account balance as a lump-sum payment. You may receive your funds directly or roll them into a qualified retirement plan, such as CalSTRS Pension2.

- If you have \$3,500 or more in your account, your choices depend on whether you elect a Member-Only Benefit or a Modified Benefit. The choices include a lump-sum payment, annuity payments or both.

➤ See “Your Retirement Benefit, Defined Benefit Supplement Program” in the *Member Handbook*.

📺 View the three-part Defined Benefit Supplement series at CalSTRS.com/videos.

Ease Into Retirement Under the Reduced Workload Program

If you are not ready to retire but want to cut back on the number of hours you work, consider the Reduced Workload Program (also known as the Willie Brown Act). It allows you to work less than full time but continue to earn service credit as if you were working full time. You continue to pay your CalSTRS member contributions based on your full-time salary and your employer continues to pay its CalSTRS contributions based on your full-time salary.

To participate, you must be at least age 55, have at least 10 years of service credit and be employed full time for the last five years. Talk to your employer to find out whether the program is offered. Availability and participation are at your employer’s discretion.

➤ See “Reduced Workload Program” in the *Member Handbook*.

Not sure how much you’ll need?

Try living on your estimated retirement income for a few months while you're still working.

If You Contributed to Another Public Retirement System

If you are also a member of another public retirement system in California, you will need to file for retirement separately with each system.

When calculating your retirement benefit, CalSTRS may be able to use the salaries for service performed under the other retirement system if you didn’t work for both systems at the same time. If you worked under both retirement systems during the same pay period, however, we are required by law to use your CalSTRS salary. If you perform service under either system between the two retirement dates, we must use your CalSTRS salary.

➤ See the *Concurrent Retirement* fact sheet at CalSTRS.com/publications.



Mary

Recently retired third-grade teacher
CalSTRS member for 18 years

Working After Retirement

As you plan for retirement, consider how you will spend your days as well as how much money you will need.

If you think you may return to work, here's what you need to know:

- You can work in any job outside of the California public school system with no restrictions on your earnings. This includes working for private schools, state colleges and universities, and the private sector.
- Under the separation-from-service requirement, also known as the zero-dollar earnings limit, your CalSTRS retirement benefit will be reduced by the amount you earn in a CalSTRS-covered position during the first 180 calendar days following your most recent retirement date, up to your benefit amount payable during that period.
- If you work in a CalSTRS-covered position, including one for a third-party employer on behalf of a California public school, there's a limit to the amount of money you can earn without affecting your retirement benefit. For fiscal year 2015–16, the postretirement earnings limit is \$40,321.
- If you retired under the Retirement Incentive Program, you will lose the ongoing increase in your benefit from the incentive if you return to work within five years of retirement in any job with the employer that granted the incentive.

Your Responsibility

If you return to work in the California public school system, you will need to keep track of your gross earnings (your income before any taxes are deducted) so that you do not exceed the earnings limit. CalSTRS will also monitor your earnings, but it usually takes three to four months to receive, review and post your earnings to your account.

If you earn more than the limit, your monthly retirement benefits will be reduced by the excess amount, up to the amount of your total annual benefit. For example, if you earn \$3,000 above the limit in a fiscal year (July 1 to June 30), we will reduce your retirement benefits by \$3,000.

- See “Working After Retirement” and “Reinstatement to Active Member Status” in the *Member Handbook*.



Raymond

Junior high math teacher
CalSTRS member for 14 years



Keep Your Address Current

Be sure CalSTRS has your current mailing and email addresses, so you don't miss out on important communications from us.

Moved or planning a move soon?

Two ways to update your contact information



myCalSTRS makes it easy. From the home page, select *Update Your Profile*, then follow the instructions. Not yet registered for *myCalSTRS*? Complete the one-time registration process today to activate your account.

➤ myCalSTRS.com



Complete the *Address Change Request* form, sign and mail it to us.

➤ CalSTRS.com/forms



CalSTRS Resources



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