



CALSTRS®

LEARN AND DISCOVER • Midcareer

THE BENEFIT OF A LIFETIME



Dear CalSTRS member,

CalSTRS is your retirement plan, and we are dedicated to helping you achieve a secure financial future. As a vested member, you're eligible to receive a lifetime monthly benefit from us when you retire, regardless of how well the CalSTRS Investment Portfolio performs.

This *Learn and Discover: Midcareer* publication is a helpful resource—it provides information about your defined benefit pension, your survivor and disability benefits, Social Security and the decisions you'll need to start thinking about at this stage of your career. I invite you to check out the webinars we offer to help you learn more at [CalSTRS.com/webinars](https://www.calstrs.com/webinars).

Your CalSTRS retirement benefit will generally replace 50% to 60% of your final salary—yet you'll likely need more income in retirement. Consider starting an additional savings account to supplement your pension. Learn about CalSTRS Pension2® 403(b) and 457(b) plans on pages 10–11.

Thank you for choosing education as your career. Your valuable work helps create a brighter future for the next generation.

Sincerely,



Cassandra Lichnock
Chief Executive Officer

Our mission

Securing the financial future and sustaining the trust of California's educators

Keep your address current

Be sure we have your current mailing and email addresses so you don't miss important communications from us.

Moved or planning a move soon?

Three ways to update your contact information:

1. *myCalSTRS* makes it easy. From the home page, select *Update Your Profile*, then follow the instructions. Not yet registered for *myCalSTRS*? Complete the registration process today to activate your account.
➤ [myCalSTRS.com](https://mycalstrs.com)
2. Complete the *Address Change Request* form, sign, date and mail it to us.
➤ [CalSTRS.com/member-forms](https://www.calstrs.com/member-forms)
3. Call us at **800-228-5453**. To use this option, you must have a valid email address. Best times to call are early morning and late afternoon on Wednesday, Thursday and Friday.

For your security, when you update your mailing or email address, we will send you a letter and an email confirming the update.



We're here for you

You work tirelessly for your students and passionately prepare them for the next stage of their lives. We're here to help you prepare for one of your important life stages—retirement. That's why we created this *Learn and Discover* career stage retirement resource. Use the “10 things to do now” checklist on the next page to learn more about your CalSTRS benefits.



10 things to do now

- Open this Learn and Discover: Midcareer resource
- Access your account information on *myCalSTRS* 2
- Estimate your retirement benefit 4
- Increase your retirement benefit 9
- Increase your 403(b) or 457(b) contribution 11
- Review your Retirement Progress Report 12
- Get the facts on Social Security 13
- Learn about your survivor benefits 14
- Understand your retirement decisions 16
- Attend a webinar 19

You're helping students build their futures—remember to plan for yours.

Also inside

- Your CalSTRS retirement at a glance 3
- Your retirement formula: How it works 5
- Additional money for retirement 7
- Learn about your disability benefits 15
- Working after retirement 18
- Your retirement picture 20
- Your estimated monthly retirement expenses 21
- Inflation factor 22
- Your retirement income worksheet 23
- Stay informed 24

CalSTRS is governed by the Teachers' Retirement Law, available at CalSTRS.com, and other governing laws. If there is a conflict between the law and this booklet, the law prevails. We make reasonable effort to provide accurate information in our publications, but such information is not meant to replace the law or provide legal or financial advice. To stay informed, consult a variety of sources, including CalSTRS.com, the California State Legislative Counsel website at leginfo.legislature.ca.gov, your union and elected legislative representatives. We can provide you with information on your benefit choices but we do not provide any legal, financial, tax or other advice. For such advice, consider consulting a professional in the relevant field.

Why are we sending you this publication?

The mission of the California State Teachers' Retirement System—securing the financial future and sustaining the trust of California's educators—drives everything we do. This *Learn and Discover: Midcareer* resource explains your CalSTRS benefits and issues fundamental to California educators, such as Social Security offsets and other policies that could affect your financial future. *Learn and Discover: Midcareer* is part of our career stage retirement resource series that places essential information at your fingertips during key times in your career—right when you need it.

It's important for you to understand the value and security of the CalSTRS defined benefit pension you're earning. Yet when asked, most midcareer educators report they have a limited understanding of their CalSTRS benefits. For more than 10 years, we have refined this publication based on your feedback. We hope you find it helpful.

THE BENEFIT OF A LIFETIME

Your CalSTRS defined benefit pension may be your greatest asset. Look through this booklet now to learn more.



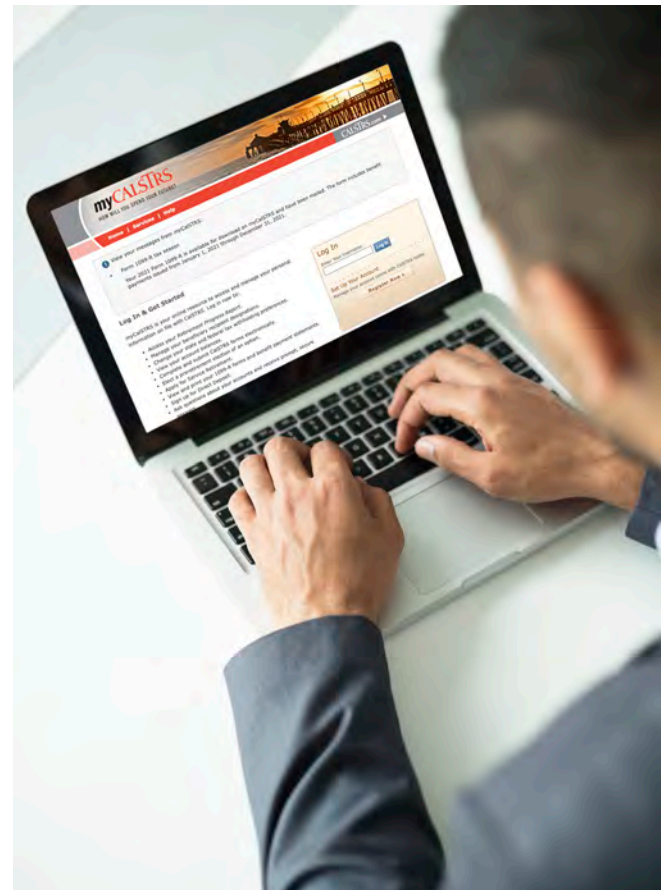
Access your CalSTRS information online

myCalSTRS offers easy, secure and convenient access to your accounts and forms—anytime, anywhere. Register at [myCalSTRS.com](https://mycalstrs.com).

With myCalSTRS, you can:

- Update your contact information.
- Access your annual *Retirement Progress Report* and view information reported by your employer.
- View your account balances.
- Name and update your one-time death benefit recipient.
- Exchange secure messages with CalSTRS representatives.
- Complete and submit forms.
- Link to your CalSTRS Pension2 403(b) or 457(b) account, if you have one.

➤ Register at [myCalSTRS.com](https://mycalstrs.com).



Your CalSTRS retirement at a glance

As a vested member of CalSTRS, you're entitled to a guaranteed, lifetime monthly benefit when you retire.

Your income in retirement is a shared responsibility between CalSTRS and you. Your CalSTRS retirement benefit is a strong foundation, but you'll likely need more to meet your retirement income goal.

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 account funds.
- Your investment savings, such as CalSTRS Pension2 403(b) and 457(b) plans.
- 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

CalSTRS Defined Benefit Program

- You contribute a percentage of your earnings to the Defined Benefit Program.
- Once you retire, you'll receive a guaranteed lifetime monthly benefit.
- Your benefit will be a fixed percentage of your final compensation based on the age you retire and your years of service credit.
- Your benefit is determined by this formula:
service credit × age factor × final compensation
- Your benefit is not based on how much you contributed or your account balance.
- Your benefit is not dependent on how the CalSTRS Investment Portfolio performs.

See pages 4–6 to learn more.

Cash balance plans

CalSTRS Defined Benefit Supplement Program

- The funds in your Defined Benefit Supplement account generally come from outgrowth, or extra-pay assignments, such as club adviser, athletic coach or band director.
- A portion of your and your employer's contributions are credited to your Defined Benefit Supplement account based on your eligible earnings.
- Your account earns guaranteed interest and, when the Teachers' Retirement Board declares, additional earnings credits.
- At retirement, you're eligible to receive a lump-sum or annuity benefit based on your total account balance.

See pages 7–8 to learn more.

CalSTRS Cash Balance Benefit Program

- If you're a part-time educator, you may belong to this retirement plan designed specifically for your unique financial needs.

Defined contribution plan

CalSTRS Pension2

- This voluntary savings account helps you save more for retirement.
- You can choose from 403(b), 457(b), Roth 403(b) and Roth 457(b) plans.
- You make contributions through paycheck deductions.
- The amount you have at retirement depends on your contributions, investment gains or losses, and expenses.

See pages 10–11 to learn more.

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



Estimate your retirement benefit

How much will your benefit be each month? Your Defined Benefit Program account is your primary CalSTRS retirement benefit account. This benefit is based on a formula set by law:

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

As a result of the California Public Employees’ Pension Reform Act of 2013, CalSTRS has two benefit structures:

CalSTRS 2% at 60: Members first hired to perform service that could be credited to the Defined Benefit Program on or before December 31, 2012, in addition to certain other members.

CalSTRS 2% at 62: Members first hired to perform service that could be credited to the Defined Benefit Program on or after January 1, 2013.

The 2% refers to the percentage of your final compensation you’ll receive as a retirement benefit for every year of service credit, also known as the age factor. Other differences between the two benefit structures include final compensation, normal retirement ages, creditable compensation caps and contribution rates.

Service credit

Service credit is the accumulated period of time, in years and partial years, during which you receive creditable compensation and make contributions to the Defined Benefit Program.

If you earn more than one year of service credit in a school year by performing service such as outgrowth assignments or working in multiple positions, most of your and your employer’s contributions from the additional service will go into your Defined Benefit Supplement Program account (see pages 7–8).

Final compensation

Final compensation is your highest average annual compensation earnable for 36 consecutive months, or 12 consecutive months if you’re a CalSTRS 2% at 60 member and have 25 or more years of qualified service credit.

➤ See the “Your retirement benefit” section in the **Member Handbook**.

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

Estimate your projected retirement benefit using the calculator at [CalSTRS.com/calculators](https://www.calstrs.com/calculators).

Age factor

Your age factor is a percentage based on your age on the last day of the month in which you retire. The age factor is less if you retire at an earlier age and is more if you retire at a later age.

CalSTRS 2% at 60 | Retirement age

55	56	57	58	59	60
1.40%	1.52%	1.64%	1.76%	1.88%	2.00%
61	62	63+			
2.13%	2.27%	2.40%			

CalSTRS 2% at 62 | Retirement age

55	56	57	58	59	60
1.16%	1.28%	1.40%	1.52%	1.64%	1.76%
61	62	63	64	65+	
1.88%	2.00%	2.13%	2.27%	2.40%	

➤ For more detailed age factor tables, see the **Member Handbook**.

Your retirement formula: How it works

Let's look at Faye:

Faye, a CalSTRS 2% at 60 member, 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 gross monthly salary is \$5,708.

Below are three examples for her Member-Only retirement benefit calculation, not including any unused sick leave she may have that will be converted to service credit at retirement. The examples assume she works full time, earns one full year of service credit, does not elect an option to provide a lifetime benefit to someone upon her death, and her pay stays the same.

If Faye retires with at least 30 years of service credit, a 0.2% career factor will be added to her age factor, up to a maximum age factor of 2.4%.

$$\text{service credit} \times \text{age factor} \times \text{final compensation} = \text{retirement benefit}$$

Example 1

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

29	×	1.76%	×	\$5,708	=	\$2,913
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	×	2.2%	×	\$5,708	=	\$3,893
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 2.4%, giving her a monthly retirement benefit of:

33	×	2.4%	×	\$5,708	=	\$4,521
service credit		age factor + career factor		final compensation		retirement benefit

CalSTRS 2% at 62 members: There is no career factor benefit enhancement to the age factor.

➤ See the career factor and age factor tables in the *Member Handbook* at [CalSTRS.com/member-publications](https://www.calstrs.com/member-publications).

Contributions to your CalSTRS retirement

CalSTRS pays retirement benefits using a combination of investment income and contributions.

Your member contributions

Your contribution rate depends on whether you're a CalSTRS 2% at 60 member or a CalSTRS 2% at 62 member. See [CalSTRS.com/contributions](https://www.calstrs.com/contributions) for current contribution rates.

Employer and state contributions

Employer and state contribution rates vary year to year and are deposited in the Teachers' Retirement Fund to help pay benefits for all members and their beneficiaries. If you stop teaching and take a refund, you are not entitled to these contributions.

Inflation protection

Your retirement benefit is protected against rising prices in two ways:

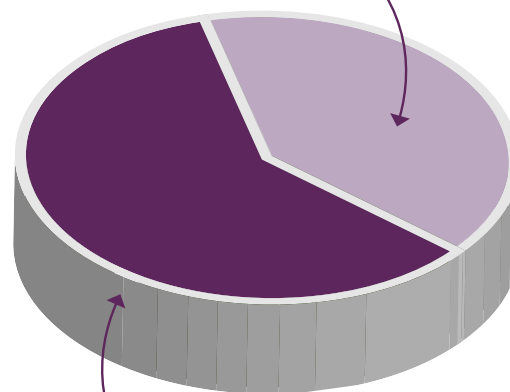
1. Starting September 1 after the first anniversary of your retirement date, your benefit increases automatically each year by 2% of your initial benefit.
2. If inflation erodes the purchasing power of your retirement benefit, you'll receive an additional quarterly payment, subject to the availability of funds set aside for purchasing power protection. See [CalSTRS.com/inflation-protection](https://www.calstrs.com/inflation-protection) for the current purchasing power protection level.

Your CalSTRS retirement benefit— Will it be enough?

On average, the CalSTRS retirement benefit replaces 50% to 60% of a career educator's salary. You'll need to close any gap between your retirement income goal and your retirement benefit with savings and investments, such as CalSTRS Pension2.

➤ See pages 10–11 to learn more.

Your savings and investments
and your CalSTRS Defined
Benefit Supplement funds



Your CalSTRS Defined
Benefit Program pension

Securing your financial future

Your CalSTRS defined benefit plan is likely the cornerstone of your retirement savings. Since it's set by a formula, not by the amount of contributions you make, it's structured to shield you from the risks of investment. In addition to receiving monthly income for the rest of your life, you also have access to disability benefits while working and to survivor benefits to provide financially for your loved ones.

Additional money for retirement

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

Your Defined Benefit Supplement account

Your contributions for up to one year of service performed in a school year go into your Defined Benefit Program account. Any contributions on your earnings in excess of one year of service are credited to your Defined Benefit Supplement account. If you're a CalSTRS 2% at 60 member, your contributions on limited-term payments are also credited to your Defined Benefit Supplement account. For current contribution rates, see [CalSTRS.com/contributions](https://www.calstrs.com/contributions).

Your Defined Benefit Supplement account balance earns a guaranteed interest rate. When you retire, you'll receive the funds in this account as either a lump sum or an annuity equal to the total balance of your account. You can find the current Defined Benefit Supplement interest rate in the *CalSTRS Member Handbook*.

Contributions to your Defined Benefit Supplement account don't affect your ability to make contributions to 403(b), 457(b) or similar tax-advantaged accounts.

➤ Find your account balance on your *Retirement Progress Report* at [myCalSTRS.com](https://mycalstrs.com).

Excess contributions

If you make contributions on earnings in excess of one year of service, you're eligible for a return of your contributions that exceed the contribution rate for compensation creditable to your Defined Benefit Supplement account. See [CalSTRS.com/contributions](https://www.calstrs.com/contributions) for current contribution rates.

The dollar value of those excess contributions is reported each year on your *Retirement Progress Report*. Your *myCalSTRS* account shows a breakdown of excess contributions by employer.

Your employer is responsible for returning your excess member contributions to you, less any authorized adjustments or tax withholding. If you have questions regarding the return of your excess contributions, contact your employer.

See the example on the next page to better understand your Defined Benefit Supplement account and excess contributions.

▶ View the Defined Benefit Supplement Program video series at [CalSTRS.com/videos](https://www.calstrs.com/videos).



If you're among the more than 80% of CalSTRS members who have performed additional service beyond their regular full-time assignment, you're already building your Defined Benefit Supplement balance.

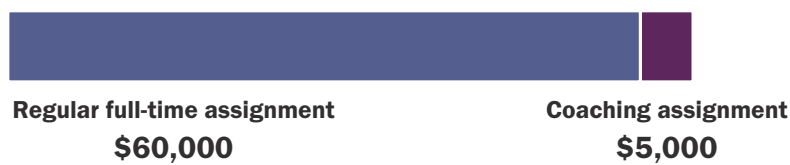
Defined Benefit Supplement account: Excess contributions

Example

Gabriel is a CalSTRS 2% at 62 member who earned \$60,000 last year in his regular full-time assignment and an additional \$5,000 coaching an after-school program. During the school year, he paid a 10.205% contribution rate on all his earnings. In the fall, CalSTRS credited 17% of his after-school coaching pay to his Defined Benefit Supplement account (9% from Gabriel and 8% from his employer), and his employer returned \$60.25 to him (**$\$5,000 \times 10.205\%$**) - (**$\$5,000 \times 9\%$**) = **\$60.25**.

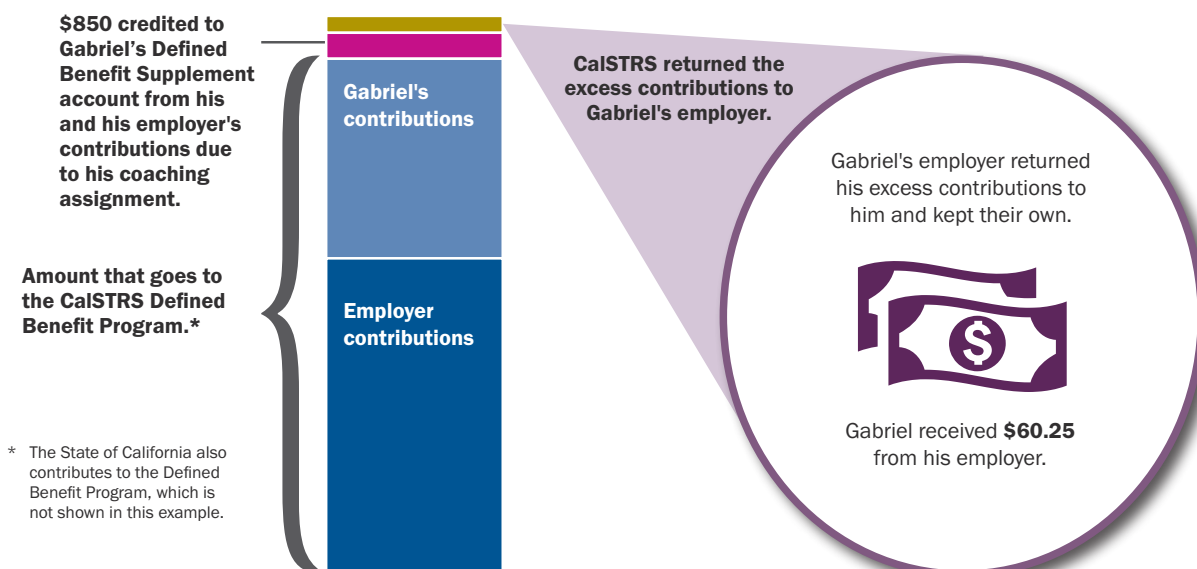
Gabriel's total earnings last year

Gabriel and his employer both remitted contributions to CalSTRS for all the service he performed.



If you perform excess service, CalSTRS will return excess contributions to your employer in the fall. Your employer is responsible for returning those funds to you.

At the end of the school year, CalSTRS determined Gabriel had earned more than a year of service credit. His coaching assignment is not creditable to the Defined Benefit Program, but it is creditable to his Defined Benefit Supplement account.





Increase your retirement benefit

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

service credit × age factor × final compensation

Purchase additional service credit

The more service credit you have at retirement, the greater your retirement benefit.

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

➤ See the *Purchasing Additional Service Credit* booklet at [CalSTRS.com/member-publications](https://www.calstrs.com/member-publications).

▶ View the *Purchasing Service Credit* video at [CalSTRS.com/videos](https://www.calstrs.com/videos).

Work a while longer

The longer you work, the more service credit you'll have—and if you're under the CalSTRS 2% at 60 benefit structure, you may qualify for the one-year final compensation and career factor benefit enhancements.

The older you are, the higher your age factor, which is the percentage of your final compensation you'll receive as a retirement benefit for every year of service credit you earn. The age factor is less if you retire early and is more if you retire at a later age.

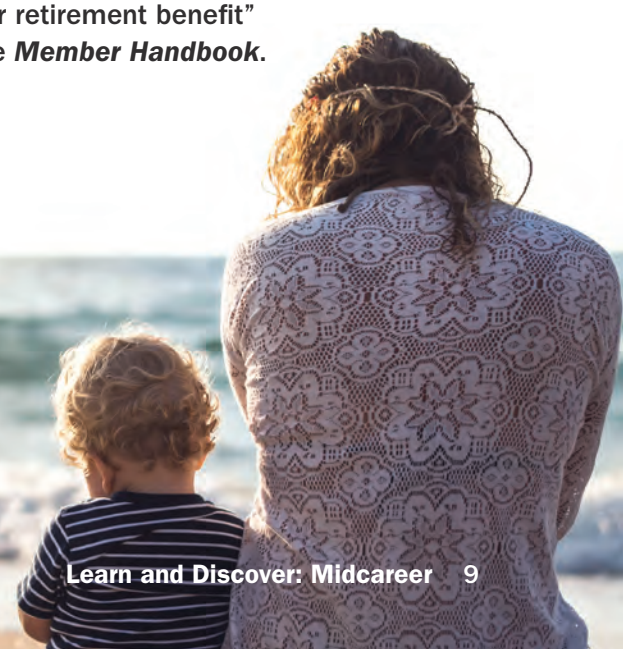
Also, if you postpone your retirement, you can still make tax-advantaged contributions to your 403(b), 457(b) or IRA account. Take advantage of catch-up contributions starting at age 50.

Convert unused sick leave to service credit at retirement

CalSTRS will convert your unused sick leave to service credit when you retire. If you change employers during your career, be sure to coordinate with your former employer to arrange for the transfer of your accumulated unused sick leave to your new employer.

➤ See the "Your retirement benefit" section in the *Member Handbook*.

It costs less to buy service credit now rather than later. Estimate the cost to purchase at [CalSTRS.com/calculators](https://www.calstrs.com/calculators).



Learn the advantages of CalSTRS Pension2 403(b) and 457(b) plans



If you're like many educators, you'll likely need additional savings to bridge the gap between your CalSTRS retirement benefit and your retirement income goal. Ask your school district if Pension2 is an option for you.

With Pension2, you'll belong to a supplemental savings plan with:

- 403(b), Roth 403(b), 457(b) and Roth 457(b) options.
- Low and transparent costs.
- Flexible investment options:
 - » **Easy Choice Portfolios**—Consider your risk tolerance and retirement date, with a mix of the core investment options.
 - » **Core Investment Options**—Build your own portfolio from a list of more than 20 funds.
 - » **Self-Directed Brokerage Account**—Access a greatly expanded range of mutual funds.
- Professional advice, services and retirement income planning tools.
- View the Pension2 ebook and enroll online at Pension2.com or call toll-free **888-394-2060**.

Have other retirement savings accounts? Bring them together!

Now is the perfect time to combine your retirement accounts. By rolling over money from other qualified retirement plans to CalSTRS Pension2, you'll manage your retirement savings all in one place.

Asset consolidation is a powerful management strategy. Managing one account rather than several makes it easier to implement and track your investment strategy.

You may be able to save on fees. Less in fees can translate into more money for you.

- To get a no-cost, no-obligation comparison of the fees you may pay elsewhere and with Pension2, call toll-free **888-394-2060**.





Increase your 403(b) or 457(b) contribution

Are you saving enough? One way to save is to invest in a 403(b) or 457(b) tax-advantaged account.

403bCompare™

Find the right 403(b) for you

403bCompare is your resource for information on the 403(b) plans offered by your school district. You'll find everything you need to compare, select and start building your personal retirement savings.

Visit 403bCompare to:

- Learn the advantages of a 403(b) account.
- Find your district's approved list of 403(b) vendors.
- Compare 403(b) plans side by side, including fees, services and performance.
- Get information about how to enroll and start easy paycheck contributions.

➤ Check out **403bCompare.com** today.



It's never too late to start

Power of time and money. With compound interest, you earn interest on your total balance—your original contribution plus all interest earned and any additional contributions—so your money can grow faster.

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) or Roth 457(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.

Investing involves risk, including risk of loss of principal.

To help keep your savings on track, use the savings calculator at **CalSTRS.com/calculators**. See how much more you could have at retirement if you increased your monthly contribution by \$100.



Review your Retirement Progress Report

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 mid-September.

Your *Retirement Progress Report* summarizes:

- Your service credit.
- The name of your one-time death benefit recipient.
- Accumulated contributions and interest in your Defined Benefit Program and Defined Benefit Supplement accounts.
- Information about your disability and survivor benefit coverage.
- Two estimates of your CalSTRS monthly retirement benefit and your Defined Benefit Supplement account distribution, once you've reached age 45. These are estimates only and not binding.

Be sure to:

- Verify your paycheck information, including your deductions, each pay period.
- Keep your mailing and email addresses current at **myCalSTRS.com**.



A personal report for: DEFINED BENEFIT MEMBER Birth year: 1954
Client ID: 203333333 Initial membership date: 01/01/2007

Your Retirement Progress Report provides an overview of your CalSTRS benefits. Review this report and verify your account information is accurate. The information reported by your employer, such as your years of service credit, will be used to calculate your retirement benefit. Contact your employer to correct an error or request a disclosure.

Your retirement benefit basics
As a CalSTRS member, you participate in a defined benefit program consisting of traditional defined benefit (Defined Benefit Program), cash balance (Defined Benefit Supplement Program) and voluntary defined contribution (CalSTRS Pension2) plans.

Your benefit structure
CalSTRS 2% at 60. You are eligible to retire at age 50 with at least 30 years of service credit, at age 55 with the work of service credit or benefit if you are under the special circumstances of retirement retirement.

Defined Benefit Program
Your retirement benefit is a defined benefit pension calculated using a formula that provides a fixed percentage of your final compensation based on the age when you retire and your years of service credit, not on how much you contribute or how well CalSTRS investments perform. The formula:
service credit x age factor x final compensation = your retirement benefit
Service credit is time, in full and partial years, that you earned creditable compensation for CalSTRS-covered service. Your total service credit is listed below.

SERVICE CREDIT ACTIVITY	SERVICE CREDIT
CR beginning balance as of July 1, 2020	12,389
CR ending balance as of June 30, 2021	13,389

Defined Benefit Program account activity shows your 2020-21 final pay contributions and interest. For 2020-21, Defined Benefit Program benefits earned 1.26%. Interest on your monthly benefit is based on the formula above, not on your contributions or total account balance. For more information, see "Your Defined Benefit Program membership" in the Member Handbook at CalSTRS.com/retirement.

DEFINED BENEFIT PROGRAM ACCOUNT ACTIVITY	MEMBER		INTEREST (E)	TOTAL (E)
	FAVOR	AGAINST		
CR beginning balance as of July 1, 2020	570	90,767.51	1,102,421	993,858.24
Interest credited for 2020-2021		7,688.83	1,861.59	1,861.59
Convey your contributions	6,000	87,832.19	6,796.58	94,627.76
CR ending balance as of June 30, 2021				

Additional information

Defined Benefit Supplement account
Most of the contributions you and your employer make for your pension from service in excess of your limit of service credit up to the compensation cap, are credited to your Defined Benefit Supplement account. You can track your account by logging in to myCalSTRS.com with an employer-issued or network address. If you're a CalSTRS 2% at 60 member, contributions for defined benefit benefits are also credited to your Defined Benefit Supplement account.

Excess contributions
Your contribution rate to the Defined Benefit Program can be higher than your contribution rate for the Defined Benefit Supplement Program. As a result, you may have excess contributions for compensation from service you performed that exceeded your rate for the set amount due from the Defined Benefit Program in the Defined Benefit Supplement Program. You and your employer are eligible to receive a refund of excess contributions. We return the excess contributions to your employer, and your employer is responsible for returning your portion to you. The amount and timing of any funds returned to you by your employer will vary if you make excess contributions in the 2020-21 fiscal year. The total amount of excess contributions is provided in the SPECIAL MESSAGE SECTION on page 1. Please contact your employer if you have any questions.

Additional earnings credit
The Defined Benefit Supplement Plan includes a credit when the funded status of the Defined Benefit Supplement Program becomes certain thereafter after periods of substantial investment earnings. If you received an additional earnings credit, you can view it in the Defined Benefit Supplement account activity table on page 4. For more information, go to CalSTRS.com/ABC.

Social Security—What to know
As a CalSTRS member, you do not contribute to Social Security, which means you will not receive Social Security benefits from your CalSTRS-covered work. If you request to receive a Social Security benefit through your employer or your spouse, you belong under the Windfall Elimination Provision and the Government Pension Offset—how these apply with a Social Security benefit of any type is not covered by CalSTRS. See the Social Security benefit and how they affect at CalSTRS.com/eligibility.

CalSTRS benefits planning webinars
CalSTRS offers a number of benefits planning webinars, each designed to meet your needs at different stages during your career.

Go to CalSTRS.com/benefits planning to see services available online. Or call 800-228-5433, option 5, to speak with a benefits specialist in your area.

CalSTRS Pension2—Save more for your future
Your CalSTRS benefit may not be enough for your retirement. CalSTRS Pension2 is a voluntary supplemental savings program that offers 401(k), 457(b), Roth 401(k) and Roth 457(b) plans to help you set aside additional money for retirement. CalSTRS Pension2 plans include:
• Flexible investment options.
• Tax-deferred investment or contributions.
• Low and transparent costs—no commissions, no load fees and no surrender charges.
Learn more at Pension2.com.

Compare Us—401(k) Compare
401(k)Compare is your resource for information on the 401(k) plans offered by your employer. Find out everything you need to compare and select the 401(k) plan that best fits your needs, including information on fees, services and performance. Visit 401kcompare.com.

Update your myCalSTRS account
Appoint for your services myCalSTRS account at myCalSTRS.com. With myCalSTRS, you can:
• Update your contact information.
• Name and update your one-time death benefit recipient.
• View your account balances.
• Access your compensation information requested by your employer.
• Add beneficiaries and account owners, account names.
• Link to your CalSTRS Pension2 401(k) or 457(b) account, if you have one.
• Complete and submit forms, including your Service Retirement Application and the Retirement Election of an Option form.
• For your state of use, set up your electronic signature for use at the most commonly submitted forms on myCalSTRS.
Your report is available online on myCalSTRS.com for mail and online delivery based on your preferences. Log in to your myCalSTRS account to change your delivery preference and receive your next report online.

Need help?
For assistance reading your report, contact us at 800-228-5433. For help understanding a term in the report, visit our glossary at CalSTRS.com/glossary.

If you believe there's a discrepancy in your report, contact your employer immediately to correct errors.

➤ View your Retirement Progress Report at **myCalSTRS.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're 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 Social Security benefit at all.

Your CalSTRS retirement benefit will not be reduced by these rules. Social Security is a federal program, and neither CalSTRS nor the State of California has control over eligibility requirements or benefit calculations.

Government Pension Offset

Affects the Social Security benefit you receive as a spouse, widow or widower:

- 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.

Example: If your spouse is receiving \$2,000 a month from Social Security, you could be eligible for \$1,000 per month before the application of the Government Pension Offset. If you're receiving a CalSTRS benefit of \$1,500 or more, then you will not be eligible to receive a Social Security spousal benefit at this time because two-thirds of \$1,500 is \$1,000. You still may be eligible to receive a widow's or widower's benefit in the future.

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.
- 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 the *Social Security, CalSTRS and You* fact sheet at [CalSTRS.com/member-publications](https://www.calstrs.com/member-publications).

▶ View the *Introduction to Social Security* video at [CalSTRS.com/videos](https://www.calstrs.com/videos).

More than half of our 2021 Annual Member Survey respondents indicated they are unsure if the Government Pension Offset or the Windfall Elimination Provision will affect them. To help you determine if these federal rules may affect you, visit ssa.gov or call them at **800-772-1213**.



Learn about 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.
Find your coverage on your *Retirement Progress Report*.
- Your membership status.
- If you elect an option.

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

- One-time death benefit.
- Defined Benefit Program monthly benefit.
- Defined Benefit Supplement account distribution.

NOTE: All survivor benefits are considered taxable income.

One-time death benefit recipient

You may designate one or more recipients to receive a one-time death benefit—a person, trust, estate, charitable organization, corporation or public entity. See the *Member Handbook* for the current benefit amounts. To name your one-time death benefit recipient, use your *myCalSTRS* account and be sure to keep your recipient information current.

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

Defined Benefit Program 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 elect an option to provide a lifetime monthly benefit to one or more beneficiaries, instead of a monthly survivor benefit, when you're eligible to retire. You can also elect an option at retirement, or under the Coverage B disability retirement based on your earned income.

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, we will pay the balance to your estate.

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 the *Survivor Benefits* booklet at [CalSTRS.com/member-publications](https://www.calstrs.com/member-publications).

▶ View the *Survivor Benefits* video at [CalSTRS.com/videos](https://www.calstrs.com/videos).

Learn about 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

- Duties in a comparable level position.

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

In order to have income while your application for disability benefits is being evaluated, you may apply while:

- You're still working.
- You're receiving sick leave or differential pay.

In addition, if you're eligible to service retire, you can apply for service retirement during the evaluation of your application. However, if your disability benefits application isn't approved, you'll remain in service retirement and won't be eligible to apply for disability again.

Your disability benefit does not require your disability to be work related, unlike worker's compensation benefits.

A disability benefit is calculated differently from a service retirement benefit. In some situations, a service retirement benefit may be a more appropriate choice.

Schedule a benefits planning session and ask for a customized benefit estimate to help make your decision. Call us at 800-228-5453, option 3.

- See *Your Disability Benefits Guide* and the "Your disability benefits" section in the *Member Handbook* at [CalSTRS.com/member-publications](https://www.calstrs.com/member-publications).

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% of your wages toward Medicare, the federal health insurance program for people age 65 and older.



Understand your retirement decisions

It's never too early to start planning for your retirement. Attend a CalSTRS webinar or benefits planning session to help you with your retirement decisions.

Are you eligible to retire?

If you're under the CalSTRS 2% at 60 benefit structure, you're eligible to 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 under the special circumstances of concurrent retirement.

If you're under the CalSTRS 2% at 62 benefit structure, you're eligible to retire at age 55 with at least five years of service credit or under the special circumstances of concurrent retirement.

Do you want to provide a lifetime monthly retirement 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'll receive a reduced monthly lifetime benefit, known as a Modified 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%, 75% or 50% of your modified Member-Only Benefit. Or you can choose the Compound Option that lets you provide a lifetime monthly benefit for one or more individuals and keep a portion of your benefit as a Member-Only Benefit. After you retire, you can change your option beneficiary only under limited circumstances.

To find out how each option would affect your retirement benefit, use the *Retirement Benefits Calculator* at [CalSTRS.com/calculators](https://www.calstrs.com/calculators) or schedule a benefits planning session at [CalSTRS.com/benefits-planning-services](https://www.calstrs.com/benefits-planning-services).

Electing an option beneficiary before retirement

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

Advantages 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 preelect an option beneficiary and you die before retirement, your beneficiary may receive a smaller lifetime benefit or none at all.
- In most cases, the Modified Benefit you'll receive in retirement will be higher if you preelect 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 may 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 Election of an Option* form online using *myCalSTRS*.

➤ 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](https://www.calstrs.com/videos).

How do you want to receive the funds in your Defined Benefit Supplement account?

When you retire, you'll 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 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 choice depends on whether you elect a Member-Only Benefit or a Modified Benefit. You can choose a lump-sum payment, annuity payments or both.
- See the “Your retirement benefit” section in the *Member Handbook*.
- ▶ View the three-part Defined Benefit Supplement Program video series at [CalSTRS.com/videos](https://www.calstrs.com/videos).

Ease into retirement under the Reduced Workload Program

If you're 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). This program allows you to work less than full time but continue to earn service credit as if you were working full time. You and your employer continue to pay CalSTRS contributions based on your full-time annualized pay rate.

To participate, you must be at least age 55, have at least 10 years of service credit and have been employed full time in a CalSTRS-covered position 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 the “Reduced Workload Program” section in the *Member Handbook*.

If you contributed to another public retirement system

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

When calculating your service retirement benefit, CalSTRS may be able to use your compensation for service performed under the other retirement system if you did not work for both systems at the same time.

- See the *Concurrent Retirement* fact sheet at [CalSTRS.com/member-publications](https://www.calstrs.com/member-publications) for more information.

Are you saving enough?

According to the 21st Annual Transamerica Retirement Survey, 68% of U.S. workers agree they're currently building a large enough retirement nest egg, yet 24% do not have a retirement strategy.

Use the worksheets on pages 21 and 23 to estimate your income and expenses in retirement.

- Estimate your projected retirement benefit using the calculator at [CalSTRS.com/calculators](https://www.calstrs.com/calculators).

Working after retirement

As you plan for retirement, consider how you will spend your days and 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 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, your CalSTRS benefit will be reduced by the amount you earn performing retired member activities during the first 180 calendar days following your most recent retirement date, up to your benefit amount payable during that period. This includes performing retired member activities in the California public school system, including substitute teaching, as an employee, an independent contractor or an employee of a third party.
- If you perform retired member activities in the California public school system, including substitute teaching, as an employee, an independent contractor, or an employee of a third party, there's a limit to the amount of money you can earn in a year without affecting your retirement benefit. See [CalSTRS.com/limits](https://www.calstrs.com/limits) for the current postretirement earnings limit.
- 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. as an employee, independent contractor or an employee of a third party.

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 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 benefit 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 school year (July 1 to June 30), we will reduce your retirement benefit by \$3,000.

NOTE: About half of CalSTRS retirees volunteer their time during retirement. If you volunteer, be aware that an employment arrangement that involves volunteering in a position to perform service that would otherwise be creditable to CalSTRS may be in violation of the postretirement earnings limitations.

- See the *Working After Retirement* fact sheet and "Reinstatement to active member status" in the *Member Handbook* at [CalSTRS.com/member-publications](https://www.calstrs.com/member-publications).

90% of retired CalSTRS member survey respondents report being satisfied with their retirement overall.

Source: CalSTRS 2021 Annual Member Survey



Attend a webinar

Want to learn more about your benefits as a CalSTRS member and how to save, plan and protect your financial future? Take advantage of our retirement and financial awareness webinars.

Retirement webinars

These interactive webinars show you how to make the most of your CalSTRS membership.

My Retirement System—Introduces your retirement, survivor and disability benefits, how to calculate your retirement benefit, and why it pays to start a 403(b) or 457(b) supplemental savings plan sooner rather than later.

My Retirement Benefits—Provides more in-depth information about your benefits, earned and purchased service credit, and the gap between your CalSTRS benefit and your retirement income goal and ways you can bridge it.

My Retirement Decisions—Covers the decisions you'll need to make before you retire, including if you want to elect a beneficiary option, how to complete the application and what you'll need to know after retirement.

Financial awareness webinars

Learn how to make smart decisions today about your financial future. You'll take home a booklet of helpful checklists and worksheets after attending each of our three financial awareness webinars.

Save for Your Future—Discover ways to create a spending plan, understand your credit score and credit report, build and keep good credit, and manage debt.

Plan for Your Future—Create an action plan for your retirement, estimate your income and expenses in retirement and learn about Medicare basics and Social Security offsets.

Protect Your Future—Learn how to maximize and protect your income and reduce the risk of underestimating your expenses, and how to choose a financial professional.

Register for one or more of these webinars at [CalSTRS.com/webinars](https://www.calstrs.com/webinars) today. Or, you can speak with one of our representatives by telephone at **800-228-5453**, option 3.



Your retirement picture!

Would you like to start a new business? Volunteer? Travel? Spend more time with family or pursue new hobbies?
 Check all the activities you see yourself doing when you retire.

Work

- Start a new career or business
- Work part time or consult
- Volunteer
- Be a mentor

Family

- Visit family
- Care for grandchildren
- Care for a parent
- Care for a spouse

Education

- Take classes
- Learn a language
- Read more
- Focus on staying healthy

Travel

- Travel often
- Take one trip per year
- Buy an RV

Fun

- Spend more time on hobbies
- Dine out often
- Attend special events
- Plant a garden

Transportation

- Reduce the number of cars I own
- Use public transportation

Housing

- Stay in my current home
- Downsize my living space
- Pay off a home mortgage
- Remodel
- Do maintenance projects
- Rent
- Buy a second or vacation home
- Move to an active adult community
- Live with family
- Look into assisted living

Location

- Live near friends or family
- Live in a different climate
- Live closer to my interests
- Move somewhere with a lower cost of living

Other _____

Your estimated monthly retirement expenses

Fill in the first column with the amount you're now spending monthly. Next, calculate the inflation factor by following the steps listed on the inflation factor table on the following page, then place the inflation factor in the second column. Multiply the first column by the second column to get an idea of the income you'll need during your first year of retirement. Mortgage, rent, loan and credit card payments are set under specific terms and rates, so no inflation applies.

Expense	Current monthly cost	Inflation factor	Monthly cost at retirement (current cost × inflation factor)
Mortgage/rent (excluding property taxes and insurance)	\$	N/A	\$
Property taxes	\$		\$
Homeowner's insurance	\$		\$
Homeowner's association dues	\$		\$
Utilities (gas, electric, water, sewage, trash)	\$		\$
Internet, streaming services, cable television	\$		\$
Home maintenance	\$		\$
Automobile/transportation (gas, maintenance, insurance)	\$		\$
Food (groceries, eating out)	\$		\$
Clothing	\$		\$
Personal care	\$		\$
Dependent care	\$		\$
Health care/Medicare	\$		\$
Loan payments (car, home equity, credit line)	\$	N/A	\$
Credit cards (minimum payment)	\$	N/A	\$
Entertainment	\$		\$
Travel	\$		\$
Charitable donations or gifts	\$		\$
Other	\$		\$
MONTHLY TOTAL	\$		\$

Inflation factor

Inflation is defined as a sustained increase in the general level of prices for goods and services.

It's measured as an annual percentage. As inflation rises, every dollar you own buys a smaller percentage of goods and services. While inflation affects everyone, those on a fixed income may feel the effect more than others.

The steps to calculate the inflation factor for the worksheet on the previous page are:

1. Choose the number of years until your retirement starts from the far left column in the table below.
2. Select an estimated annual inflation rate from the row across the top. Inflation cannot be predicted from year to year. From 2010 to 2019, California inflation averaged 2.25%; from 2000 to 2009, inflation averaged 2.99%; from 1990 to 1999, inflation averaged 2.73%; and from 1980 to 1989, inflation averaged 6.17%. You'll have to make an educated guess.
3. Read across and down to find the appropriate inflation factor corresponding to your predicted rate of inflation. For example, if your retirement is five years out and you guess a 5% annual inflation rate, your inflation factor will be 1.28. List your inflation factor in the inflation factor column of your worksheet.
4. Finally, multiply your estimated monthly living expenses from the first column by the inflation factor in the second column to get an idea of the income you'll need for your first month of retirement if you would like to maintain your current lifestyle.

	Annual inflation rate			
Years to retirement	3%	5%	7%	10%
1	1.03	1.05	1.07	1.10
5	1.16	1.28	1.40	1.61
10	1.34	1.63	1.97	2.59
15	1.56	2.08	2.76	4.18
20	1.81	2.65	3.87	6.73
25	2.09	3.39	5.43	10.83
30	2.43	4.32	7.61	17.45

Your retirement income worksheet

Enter your monthly income amounts before taxes to see what your income in retirement will look like.

Guaranteed income

Defined Benefit Program pension	
My benefit	\$
Other benefit	\$
Defined Benefit Supplement payment	
Lifetime monthly annuity	\$
Social Security	
My benefit from other work	\$
Other benefit	\$
Veteran's benefit	
My benefit	\$
Other benefit	\$
Annuities	
My annuity income	\$
Other annuity income	\$
Other guaranteed income	
Other income	\$
Total guaranteed monthly income	\$

Guaranteed income checklist

- Have I received estimates of my monthly benefits from all sources?
- Do these income sources adjust with inflation?
- What are the tax considerations of these income sources?
- What happens to these income sources if I or my significant other dies?

Nonguaranteed income

403(b), 457(b), 401(k), IRA	
Monthly distributions	\$
Roth 403(b), Roth 457(b), Roth 401(k), Roth IRA	
Monthly distributions	\$
Brokerage and savings accounts	
Monthly distributions	\$
Full-time and part-time work	
Income	\$
Income outside of work	
Real estate rental income	\$
Other annuity income	\$
Other	\$
Total nonguaranteed monthly income	\$

Nonguaranteed income checklist

- Do I have a strategy for taking distributions from each account?
- Have I looked into converting these accounts to guaranteed income, if needed?
- How do the IRS required minimum distribution rules affect these accounts?
- What are the tax considerations of these income sources?

TOTAL MONTHLY INCOME	\$
-----------------------------	-----------

Stay informed



Benefits planning sessions

Attend a benefits planning session for help with the decisions you'll need to make when you retire.

➤ CalSTRS.com/benefits-planning-services



Member services

Contact us online or by telephone. We're here to help. Please be ready to provide your Client ID or Social Security number, and your date of birth.

➤ CalSTRS.com/contact-us

➤ 800-228-5453



Social media

Connect with us to keep up on the latest CalSTRS news, plus share ideas and interact with other educators.

➤ CalSTRS.com/contact-us



Pension Sense blog

Subscribe to our blog for the latest information about your benefits, our member service center hours, our investment portfolio and our company engagement activities.

➤ CalSTRS.com/pension-sense



Reports

Read our reports to discover how CalSTRS is a leader in diversity and sustainability.

- *Diversity in the Management of Investments Report*
- *Green Initiative Task Force Report*
- *Sustainability Report*

➤ CalSTRS.com/reports-and-studies



Retirement will be here before you know it. Find out what you'll need to be aware of as you get closer to retirement by viewing our *Learn and Discover: Near Retirement* resource at CalSTRS.com/member-publications.



CalSTRS benefits planning offices

Hours and services vary at our member service centers and satellite offices.
For the most current listing of our offices, visit [CalSTRS.com/local-offices](https://www.calstrs.com/local-offices).

Member service centers			
Fresno	Irvine	San Diego	West Sacramento
Glendale	Riverside	Santa Clara	

Satellite offices				
Bakersfield	Hanford	Ontario	Salinas	Santa Rosa
Ceres	Hayward	Oxnard	San Francisco	Visalia
Cordelia	Hesperia	Palm Desert	San Marcos	Walnut
Culver City	Lancaster	Palm Springs	San Mateo	
Downey	Los Alamitos	Pleasant Hill	Santa Barbara	
El Centro	Murrieta	Redding	Santa Maria	

CalSTRS resources



WEB

[CalSTRS.com](https://www.calstrs.com)
[myCalSTRS.com](https://www.mycalstrs.com)
[403bCompare.com](https://www.403bcompare.com)
[Pension2.com](https://www.pension2.com)

STAY CONNECTED



CALL

800-228-5453
Calls from within the U.S.
916-414-1099
Calls from outside the U.S.
888-394-2060
CalSTRS Pension2®
Personal wealth plan
844-896-9120 (toll free)
CalSTRS Compliance
and Ethics Hotline
[CalSTRShotline.ethicspoint.com](https://www.calstrshotline.ethicspoint.com)



WRITE

Postal mail
CalSTRS
P.O. Box 15275
Sacramento, CA
95851-0275
**Overnight delivery to
CalSTRS Headquarters**
100 Waterfront Place
West Sacramento, CA
95605



VISIT

Find your nearest
CalSTRS office at
[CalSTRS.com/localoffices](https://www.calstrs.com/localoffices).
Call ahead for the hours
and services available
at your local office.



FAX

916-414-5040



California State Teachers' Retirement System
COM 1767 (rev 7/22)

Printed on recycled paper

