

Preretirement Election of an Option—Instructions

If you are eligible to retire, you may make a preretirement election of an option of one of the following:

- 100% Beneficiary Option
- 75% Beneficiary Option
- 50% Beneficiary Option
- Compound Option

If you wish to elect the Compound Option, do not complete this form. You will need to complete the Preretirement Compound Option Election form. A Compound Option allows you to elect more than one option beneficiary.

The preretirement option election is available if you do not yet wish to retire, but you want to ensure a lifetime monthly income to another person if you die before retirement. The monthly benefit is based on the Modified Benefit you would have received if you had retired as of the date of death. At retirement, your monthly benefit will be modified under the elected option. See “Protecting Your Loved Ones Before You Retire” in the *Member Handbook* for more information.

You are eligible to retire if you meet any one of the following:

- Are at least 50 years of age and have 30 years of service credit.
- Are at least 55 years of age and have five years of service credit.
- Are eligible to retire concurrently with retirement under the California Public Employees’ Retirement System, University of California Retirement System, San Francisco Employees’ Retirement System, Legislators’ Retirement System or the 1937 Act County Retirement Systems.

ADVANTAGES AND DISADVANTAGES

What are the advantages and disadvantages of choosing a preretirement election of an option?

Advantages: If you die before retirement, your option beneficiary or beneficiaries will receive a lifetime monthly benefit. The benefit begins immediately upon your death, regardless of the ages of your option beneficiaries.

In most cases, your Modified Benefit will be higher if you make a preretirement election of an option than if you elect an option at the time of retirement.

Disadvantages: If you cancel or change your preretirement election of an option before retiring, a lifetime assessment may be applied to your future retirement benefit. If your option beneficiary dies before you retire, your election will be automatically canceled and a lifetime assessment may be applied to your future retirement benefit. *An assessment may reduce your retirement benefit for life.*

CHANGING OR CANCELING A PRERETIREMENT ELECTION OF AN OPTION

If you change or cancel your preretirement election of an option, or if your beneficiary dies before your retirement date, your payment may be reduced at retirement by an amount determined by the Teachers’ Retirement Board to be the actuarial equivalent of the coverage you received as a result of the preretirement election. See the *Member Handbook* for more information.

OTHER IMPORTANT INFORMATION

If you become disabled after making a preretirement election of an option:

- Under **Coverage A**, you may maintain your election.
- Under **Coverage B**, your election will be automatically voided as of the effective date of an approved disability retirement. However, you can then elect an option under disability retirement.

To find out how each option would affect your retirement benefit, make an appointment with a benefits counselor at CalSTRS.com/counseling.

COMPLETING THE FORM

Use blue or black ink. Do not erase. Erasures will void your election. If you make a mistake, complete a new form or line through the error, make your correction, and date and initial your correction.

SECTION 1: ELECTION, CHANGE, CANCELLATION

Election: If you do not currently have a preretirement election of an option in effect with CalSTRS and you wish to make a preretirement election, check the *Election* box. An election is effective as of your signature date on your form. Your election is not valid if we do not receive your form, with your spouse's signature, if applicable, before your requested date of retirement and no later than 30 days from your signature date.

Change: If you wish to make a change to your preretirement election of an option (change the option elected, your designated option beneficiary, or both), check the *Change* box. *Changing your preretirement election may result in a lifetime assessment to your future retirement benefit.* CalSTRS must receive this form, with your spouse's signature, if applicable, no later than 30 days from your signature date. If you are an active member, the effective date of your option change is your signature date. If you are retired, CalSTRS must receive this form no later than 30 days from the date your first benefit payment is issued, and the effective date of your option change is the day prior to your retirement date.

Cancellation: If you wish to cancel your preretirement election of an option, check the *Cancellation* box. *Canceling your preretirement election may result in a lifetime assessment to your future retirement benefit.* CalSTRS must receive this form, with your spouse's signature, if applicable, no later than 30 days from your signature date. If you are an active member, the effective date of your option cancellation is your signature date. If you are retired, CalSTRS must receive this form no later than 30 days from the date your first benefit payment is issued, and the effective date of your option cancellation is the day prior to your retirement date.

If you are electing, changing or canceling an option due to a divorce or termination of domestic partnership, contact our Legal Office at 916-414-1725.

SECTION 2: MEMBER INFORMATION

Be sure your name matches your name as it appears on your Social Security card. If you know it, include your Client ID instead of your Social Security number. Include your telephone number so we can contact you if we have any questions. You can find your Client ID on your *Retirement Progress Report*.

SECTION 3: OPTION ELECTION

The modification in your future service retirement payments will be made in accordance with the option elected on your form and will be based on your age and your option beneficiary's age on the date you sign your form. An option factor based on actuarial valuation tables is used to determine your Modified Benefit.

Your payment amount will be determined using the higher of the option factor in effect at the time you made the preretirement election or the factor in effect at the time of your retirement or death, whichever occurs first.

If you decide to make a preretirement election of an option, check the appropriate option box and complete the option beneficiary information. If you elect the 100%, 75% or 50% Beneficiary Option, only one option beneficiary may be designated. A Compound Option allows you to elect more than one option beneficiary. **If you wish to elect the Compound Option, complete the Preretirement Compound Option Election form.**

100% Beneficiary Option: Upon your death, your option beneficiary will continue to receive the same benefit that you were receiving. If your option beneficiary predeceases you, your benefit will rise to the Member-Only Benefit level.

75% Beneficiary Option: Upon your death, the option beneficiary will receive 75 percent of the amount you were receiving. If your option beneficiary predeceases you, your benefit will rise to the Member-Only Benefit level.

50% Beneficiary Option: Upon your death, your option beneficiary will receive one-half of the amount you were receiving. If your option beneficiary predeceases you, your benefit will rise to the Member-Only Benefit level.

Nonspouse Option Beneficiary

Under federal law, if you name someone other than your current or former spouse of a different gender to be your option beneficiary, the type of option you may elect depends on your age and the age of your option beneficiary.

Under the 75% Beneficiary Option, your nonspouse option beneficiary cannot be more than exactly 19 years younger than you.

Federal age restrictions also apply to registered domestic partners and spouses of the same gender.

Note: If your option beneficiary's death occurs before your effective date of retirement, *your option election will be automatically canceled* one day after your option beneficiary's date of death. Your future benefit may be reduced for life depending on the option you elected and the period of time it was in effect. For more information about the advantages and disadvantages of electing an option before retirement, see the *Member Handbook*.

SECTION 4: BENEFICIARY INFORMATION

Enter your beneficiary information. Include birth date verification unless your beneficiary is a CalSTRS member.

Acceptable birth date verification documentation includes a clear, unaltered photocopy of:

- Certified birth record
- Passport ID page
- Certain military IDs

If your option beneficiary's name has been changed from the name shown on the birth record, a clear, unaltered copy of the marriage certificate or court order documenting the change is required. If you do not have either of these records, contact us at 800-228-5453.

SECTION 5: REQUIRED SIGNATURES

Sign and date your form. If you are married or registered as a domestic partner, your spouse or partner also must sign and date it. The election will be effective on the date you signed your form, provided CalSTRS receives your form no later than 30 days from the signature date and before your retirement date.

If your spouse or registered domestic partner does not sign your form, you must include a completed and signed *Justification for Non-Signature of Spouse or Registered Domestic Partner* form.

If you divorced or terminated a domestic partnership and a portion of your CalSTRS benefits was awarded to a former spouse or partner, check the box that indicates this. You may need to refer to your settlement agreement. If your court documents have not been reviewed by CalSTRS, you may be asked to provide them later.

SUBMITTING YOUR FORM

CalSTRS must receive your form no later than 30 days from the signature date. (See section 1 for additional requirements for changing or canceling an election.) Keep a copy for your records.

Hand Delivery

Hand deliver your form to a local CalSTRS benefits counseling office. For a listing of offices, visit CalSTRS.com/localoffices.

Mailing Address

CalSTRS
PO Box 15275, MS 65
Sacramento, CA 95851-0275

Overnight Delivery

If you are using a special mailing service such as UPS or FedEx, send your form to:

CalSTRS
Member Services
100 Waterfront Place
West Sacramento, CA 95605

Fax Delivery

916-414-5964 or 916-414-5965

Preretirement Election of an Option

SR 0307 (rev. 1/12)

CALSTRS

California State Teachers' Retirement System
P.O. Box 15275, MS 65
Sacramento, CA 95851-0275
800-228-5453
CalSTRS.com

Please read the instructions before completing this form.

Section 1: Election, Change, Cancellation

For an "Election" or "Change," complete all sections. For a "Cancellation," complete sections 1, 2 and 5.
Choose one:

- Election** I am eligible to retire but do not wish to retire at this time. I am making a preretirement election of an option.
- Change** I revoke any previous preretirement election of an option I made. I am making the following preretirement election change. I understand this may result in a lifetime assessment to my future service retirement benefit.
- Cancellation** I revoke any previous preretirement election of an option I made. I understand this may result in a lifetime assessment to my future retirement benefit.

Section 2: Member Information

NAME (LAST, FIRST, INITIAL)

CLIENT ID OR SOCIAL SECURITY NUMBER

MAILING ADDRESS

DATE OF BIRTH (MM/DD/YYYY)

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CITY

STATE

ZIP CODE

HOME TELEPHONE

E-MAIL ADDRESS

GENDER: MALE FEMALE

Section 3: Option Election

I have read the descriptions of the options, and I elect one of the following:

- 100% Beneficiary Option 75% Beneficiary Option 50% Beneficiary Option

Section 4: Beneficiary Information

Your option beneficiary must be a living person—your beneficiary cannot be a trust, estate, charity or other entity.

NAME (LAST, FIRST, INITIAL)

CLIENT ID OR SOCIAL SECURITY NUMBER

MAILING ADDRESS

DATE OF BIRTH (MM/DD/YYYY)

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CITY

STATE

ZIP CODE

HOME TELEPHONE

E-MAIL ADDRESS

GENDER: MALE FEMALE

Is your beneficiary a CalSTRS member?

YES NO

Relationship:

SPOUSE REGISTERED DOMESTIC PARTNER OTHER

If your beneficiary is not a member of CalSTRS, you must attach birth date verification.




SR0307

I have read and I fully understand the instructions for the preretirement election. I fully understand that:

1. **This election does not constitute an application for service retirement.** I still must submit the *Service Retirement Application* to receive a service retirement benefit.
2. If my option beneficiary predeceases me before my retirement date or if I cancel or change this option election before service retirement, my future service retirement benefit may be reduced for life for each year or portion of a year this option election was in force.
3. I cannot change this option election after 30 days from the date my first benefit payment is issued unless my option beneficiary predeceases me; or my option beneficiary is my spouse or registered domestic partner and a final decree for a dissolution of marriage, annulment, dissolution or termination of partnership, or action for separate maintenance, has been entered on or after January 1, 1978; or my option beneficiary is not my current or former spouse or partner and I change my election to my current spouse or partner.
4. Under Coverage A, although I may receive a disability benefit and maintain this option election, my otherwise qualified survivors will not be entitled to a *family allowance* benefit in the event of my death unless this option election has been canceled in writing before the date of my death.
5. Under Coverage B, my otherwise qualified survivors will not be entitled to a *survivor* benefit in the event of my death unless this option election has been canceled in writing before the date of death. On the effective date of my disability retirement, this option election will become void.
6. Court-ordered option elections: A divorced member or member who is a party to a dissolution of domestic partnership that is required to elect a discontinued option (2, 3, 4, 5, 6 or 7) may do so if CalSTRS has previously received and approved a certified court order filed before January 1, 2007.

Section 5: Required Signatures

Check all that apply.

- I am married or registered as a domestic partner and both our signatures are below.
- I am married or registered as a domestic partner and my spouse or registered domestic partner did not sign below. I have completed, signed and attached the *Justification for Non-Signature of Spouse or Registered Domestic Partner* form. 
- I have never been married or in a registered domestic partnership, or I am widowed or my registered domestic partner has died.
- I have been divorced or have terminated a registered domestic partnership and my former spouse or partner was awarded a portion of my CalSTRS benefits.
- I have been divorced or have terminated a registered domestic partnership and my former spouse or partner was *not* awarded a portion of my CalSTRS benefits.

Member's Signature

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct. I understand that perjury is punishable by imprisonment for up to four years (Penal Code section 126).

I understand it is a crime to fail to disclose a material fact or to make any knowingly false material statements for the purpose of altering a benefit administered by CalSTRS and it may result in penalties, including restitution, up to one year in jail and a fine of up to \$5,000 (Education Code section 22010).



Member's Signature

Signature Date (MM/DD/YYYY)



Spouse's or Registered Domestic Partner's Signature

Signature Date (MM/DD/YYYY)