

1. Introduction

The *CalSTRS Member Handbook* is for full-time and part-time California public educators, their beneficiaries, retirees and others interested in the many benefits and services offered through the California State Teachers' Retirement System. It explains the many components of the Defined Benefit, the Defined Benefit Supplement and the Cash Balance Benefit programs, including retirement, disability and survivor benefits.

From program descriptions to retirement benefit formulas, examples and worksheets, this handbook can be used as a reference for retirement benefits, eligibility and planning. It also includes a Checklist for a Secure Financial Future on the inside front cover and a Service Retirement Application Timeline on page 48.

Quick Start Guide to CalSTRS Benefits and Services

The following guide introduces the main CalSTRS program benefits and indicates where to look in this handbook for more information on each topic.

Defined Benefit Program

As a Defined Benefit Program member, you can receive a guaranteed lifetime retirement benefit after you qualify for retirement. Your retirement benefit will be a steady source of income and will be based on your age, final compensation and years of service credit at retirement—not the amount in your account. If you are employed full time performing creditable service in a California public school or community college, your membership in CalSTRS begins on your first day of employment. You will contribute 8 percent of your income to your retirement.

For an overview of your Defined Benefit Program membership and benefits, [see Section 2, Your Membership and Benefits](#).

Defined Benefit Supplement Program

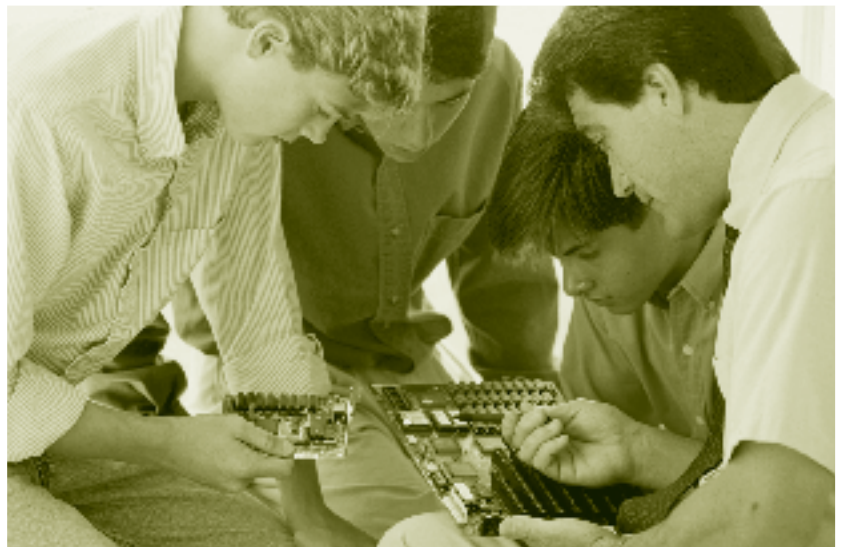
All members of the Defined Benefit Program also contribute to a Defined Benefit Supplement account. The Defined Benefit Supplement Program provides additional income based on the amount in your account. One-fourth of your CalSTRS 8 percent payroll contribution will be allocated to your Defined Benefit Supplement account through 2010. If you earn more than one year of service credit in a school year, contributions from both you and your employer will also go into this supplemental account until you retire.

For information on this account, [see Section 2, Your Membership and Benefits](#). For information on how benefit choices will affect your Defined Benefit Supplement account, [see Section 6, Your Retirement Benefit](#).

Disability Benefits

Once you meet the eligibility requirements, your disability benefits may be equal to half your final compensation, plus another

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10 percent for each eligible dependent child up to a total of 90 percent. Coverage for your eligible dependent children continues until your children reach age 21 or 22, depending on your coverage. While you are disabled, the member portion of your benefit:

- May change at age 60 if you are under Coverage A.
- Continues for life if you are under Coverage B.

To learn more, [see Section 8](#), Disability Benefits.

NOTE

If you are the victim of an unlawful act on the job and have completed one year of service credit, you may qualify for disability benefits. Contact us for more information.

Survivor Benefits

Depending on your amount of service credit and whether you die before or after retirement, your survivors could receive a refund of the balance in your retirement account, a one-time amount or a monthly benefit, or both.

For more information, [see Section 9](#), Survivor Benefits.

Medicare Premium Payment Program

CalSTRS does not provide health insurance coverage; however, we will pay the Medicare Part A premium for Defined Benefit members who retire before July 1, 2012, depending on their eligibility. Benefit recipients may authorize us to deduct Medicare Part B and other group insurance premiums from their monthly benefit check.

[See Section 5](#), Approaching Retirement, to learn more.

Cash Balance Benefit Program

The Cash Balance Benefit Program is CalSTRS' alternative retirement program that employers may choose to offer part-time educators. With the Cash Balance Benefit Program, your employer must contribute at least 4 percent of the salary you earn as a part-time employee. You usually pay 4 percent as well; however, your contribution rate may be collectively bargained with your employer.

For more information, [see Section 3](#), Benefits for Part-Time Educators.

CalSTRS Pension2® Personal Wealth Plan

If your district participates in CalSTRS Pension2 personal wealth plan, you have the option to set aside more savings through voluntary payroll deductions. CalSTRS Pension2 provides competitively priced services and investment options.

You will find more information about [CalSTRS Pension2 in Section 4](#), Building Your Financial Future.

CalSTRS Home Loan Program

CalSTRS Home Loan Program is open to active, inactive and retired CalSTRS members and Cash Balance Benefit Program participants. Several options are available for a conventional home purchase or loan refinance.

See [Section 4](#), Building Your Financial Future, for more information.

CalPERS Long-Term Care Program

You and some members of your family are eligible for the CalPERS Long-Term Care Program. To learn more, see [Section 5](#), Approaching Retirement.

Where You Can Find Information

Throughout your career in California's public school system and the years to follow, you and your dependents can rely on CalSTRS as a trusted resource. Our customer service representatives are available to answer your questions online or by calling our toll-free number, 800-228-5453.

See [Section 4](#), Building Your Financial Future, for details on setting up an appointment with one of our benefits counselors.

Visit Us on the Web

Our Web site at www.CalSTRS.com provides current information for members, employers and anyone interested in CalSTRS. The CalSTRS site includes features such as the *Retirement Benefit Calculator*, which lets you estimate your retirement benefit. You can also order or download forms and publications. To send us an e-mail, go to www.CalSTRS.com/contactus.

Recent Changes to CalSTRS Benefits

Purchasing Power Increases

The minimum purchasing power level has increased from up to 80 percent to up to 85 percent, effective July 1, 2008. To provide you with a consistent standard of living, CalSTRS provides supplemental benefits which now begin when your CalSTRS monthly benefit drops below 85 percent of its original purchasing power. The purchasing power level of your benefit is determined by the change in the All Urban California Consumer Price Index, which is adjusted annually. Supplemental benefits are funded by the Supplemental Benefit Maintenance Account and School Lands Revenue.

Rollover Distributions to Roth IRAs

The Pension Protection Act of 2006 allows eligible rollover distributions to be placed in Roth IRAs, non-taxable amounts to be paid into qualified plans, and direct rollovers to be made to any designated beneficiary. Your designated beneficiaries, including registered domestic partners, may now make a direct rollover of eligible payments. Previously, registered domestic partners could not make direct rollovers.

Service Retirement Pending Disability Eligibility

Effective January 1, 2008, if you are applying for a disability benefit, you may be eligible to receive a service retirement benefit while your application for disability benefits is being evaluated. Please contact us at 800-228-5453 for instructions on how to apply and for important considerations about this choice.

Option Factors to Decrease

With the rise in life expectancy, the Teachers' Retirement Board in May 2008 approved a recalculation of option factors—the actuarially determined factors used to calculate your monthly benefit if you choose an option to provide a lifetime monthly benefit to a beneficiary after your death. Most members who retire or elect a preretirement option after 2009 will receive slightly decreased benefits to spread retirement benefits over today's longer life spans.

The Governor and Legislature occasionally make statutory changes that may affect your CalSTRS benefits and any decision you make concerning your career or retirement. While we make every effort to inform you of these changes, legislation sometimes changes quickly. To stay informed about any possible legislative benefit changes, consult a variety of sources, including the California State Legislative Counsel Web site at www.leginfo.ca.gov, or your union or elected legislative representatives. You may also call us at 800-228-5453 or visit www.CalSTRS.com.

myCalSTRS

When you register for myCalSTRS at www.CalSTRS.com, you can access certain personal account information online in a secure environment. If you are a Defined Benefit recipient, you can access your Form 1099-Rs beginning with the year 2000, and *Retirement Progress Reports* and benefit payment stubs beginning with 2002. If you are a Cash Balance Benefit recipient, you can access your Form 1099-Rs and benefit payment stubs beginning with 2003 and *Retirement Progress Reports* starting with 2004.

You can also review or calculate your tax withholding choices, view your beneficiary choices and update your mailing address and telephone number. The Online Messaging feature lets you send and receive confidential information.

Retirement Progress Report

Each year you will receive a *Retirement Progress Report* that contains your annual statements for your Defined Benefit and Defined Benefit Supplement accounts (or Cash Balance Benefit account). Your *Retirement Progress Report* is one of your most important CalSTRS records. You should review it carefully and save it with your important records. You can also view and print your reports online using myCalSTRS at www.CalSTRS.com. Retired members and benefit recipients do not receive a report.

Call Us

Call us at 800-228-5453 and select one of these options:

Press: For:

- 1 Account Data
- 2 Quick Topics, Web Site Information, Customer Service Hours and Addresses
- 3 Order Forms, Brochures, Duplicate 1099-Rs and *Retirement Progress Reports*
- 4 Disability and Survivor Benefits Caseworkers
- 5 Benefits Counselors and Workshops
- 0 Customer Service
7 a.m. to 6 p.m. Monday–Friday

Publications

For additional information, you can read the following publications:

Informational Brochures

Cash Balance: An Exceptional Plan for Your Future (for PreK-12 Part-Time Teachers)

Cash Balance: An Exceptional Plan for Your Future (for Community College Part-Time Instructors)

Community Property Information

Home Loan Program Fact Sheet

Join CalSTRS? Join CalPERS?

Purchase Additional Service Credit

Refund: Consider the Consequences

Social Security, CalSTRS and You

Tax Considerations for Rollovers

Newsletters

CalSTRS Connections
for active members

Retired Educator
for retired members and other benefit recipients

Your Money Matters
for active members in their 40s

Forms

Your Retirement Guide
(*Service Retirement Application*)

Your Disability Benefits Guide
(*Application for Disability Benefits*)

Report

Comprehensive Annual Financial Report

You can view or order these publications online at www.CalSTRS.com (select *Forms and Publications* under *Tools*) or request a copy by calling 800-228-5453 and selecting option 3.