

4. Building Your Financial Future

Whether you are new to teaching or a seasoned veteran, we can help you develop your financial future.

This section offers a series of steps to help you start your plan, with your CalSTRS benefit as the foundation:

- Step One—Determine how much you will need in retirement
- Step Two—Attend a workshop
- Step Three—Build supplemental income through CalSTRS Pension2
- Step Four—Achieve home ownership through CalSTRS Home Loan Program
- Step Five—Meet with a benefits counselor to get an estimate of your retirement benefit

Step One—Determine How Much You Will Need in Retirement

At retirement, career teachers can expect to have 60 to 65 percent of their salary replaced by their Defined Benefit retirement benefits. Financial planners recommend that to maintain your current lifestyle after retirement, you should plan to replace 80 percent to 90 percent of your salary. To meet this goal, it is important to have other sources of retirement income.

Traditional sources of retirement income for American workers consist of:

- Pension from employers
- Social Security
- Supplemental retirement savings plans

CalSTRS members typically have these three sources of retirement income:

- CalSTRS Defined Benefit monthly retirement benefits
- Defined Benefit Supplement account

- CalSTRS Pension2 personal wealth plan, which includes 403(b), 457, Roth 403(b) and Roth IRA savings plans.

CalSTRS members do not receive Social Security benefits from their CalSTRS-covered employment. However, if you will receive Social Security through other employment or expect to receive a Social Security benefit based on a spouse's earnings, [see Section 5, Approaching Retirement](#), for information on how your retirement benefits may affect your Social Security benefits. You can also



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visit Social Security at www.ssa.gov, or go to our Web site at www.CalSTRS.com (select *Members*, and then *Social Security, CalSTRS and You*).

Planning ahead to make the most of your retirement benefits will ensure you have the lifestyle you desire after you leave the classroom. CalSTRS offers services to guide you through any obstacles and help you prepare for this phase of your life.

Step Two—Attend a Workshop

You are encouraged to attend workshops to establish a foundation of knowledge about your CalSTRS benefits. The workshops provide an environment for asking questions and formulating plans as you go through your career. They are offered at no cost. Bring a spouse, family member or friend as your guest. Be sure to register your guest to reserve a space for them.

CalSTRS offers four core workshops—each designed to meet your needs at different stages during your career. For more information, go to www.CalSTRS.com (select *Members*, then *CalSTRS Workshops*.)

You can register for our workshops in two ways:

- Go online to www.CalSTRS.com (select *Members*, then *CalSTRS Workshops* under *Tools*).
- Call toll free 800-228-5453. If you are not sure which workshops are best for you, ask for help determining the ones that will be the most beneficial.

Step Three—Build Supplemental Income Through CalSTRS Pension2

CalSTRS Pension2 Personal Wealth Plan

An important component to maintaining your current standard of living after retirement is to set aside funds while you are working to supplement your CalSTRS retirement benefit. CalSTRS Pension2 offers public school employees the opportunity to invest in these additional funds on a tax-deferred basis to build a secure financial future.

As a 403(b) or 457 savings program, CalSTRS Pension2 allows you to save a pre-tax portion of your salary and invest it in funds or manage it yourself through a self-managed account.

Enhanced fund offerings and lower program fees make CalSTRS Pension2 an attractive way to save.

CalSTRS Pension2 offers:

- 14 *Core Investment Funds* giving you a well-diversified selection of funds, such as Vanguard, Artisan and Dodge & Cox.
- 15 *Easy Choice Portfolios* giving you distinct options to match your risk tolerance and your plans for the future. CalSTRS professional investment managers will automatically adjust your portfolio to keep it on track with your goals.
- *Enhanced online trading*, including a self-managed account, the Mutual Fund Brokerage Service, with its 5,000 mutual funds.
- *Greater ease of borrowing from your account*, for unexpected financial emergencies.
- *Low administrative costs*.
- *Knowledgeable and responsive service representatives*. Call 888-394-2060.
- *Great savings opportunities from CalSTRS*, your trusted retirement benefit provider.

Free Advice Available

CalSTRS has arranged for free, enhanced advice for CalSTRS Pension2 participants who would like to learn more about personalized savings and investments. Trained and licensed financial advisors through TIAA-CREF are available online or by telephone.

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The advisor service can help you:

- Build a personalized profile of your financial resources and retirement goals.
- Understand the likelihood of reaching your goals with your current savings and investment strategy.
- Design a personalized savings and investment plan to better meet your goals.

You will also receive free initial and ongoing consultations, expert and unbiased retirement planning advice, automatic investment rebalancing, and quarterly summaries of progress toward your retirement goals.

Rollovers to CalSTRS Pension2

In addition to payroll deductions, you can roll over an existing balance from other qualified retirement plans, such as 403(b) and 457 plans. You may also roll over all or a portion of the amount in an IRA provided the entire balance in the IRA is attributable to a prior rollover from a qualified pension, profit sharing, 401(k) or stock bonus plan.

CalSTRS members who are no longer employed in CalSTRS-covered employment may be able to roll over an existing balance

from qualified plans into CalSTRS Pension2 if their employer's written plan allows for it, but they cannot contribute additional funds until they resume CalSTRS-covered employment. CalSTRS retired members are also eligible to participate in the program by transferring funds from their qualified savings plan to CalSTRS Pension2 if their employer offered CalSTRS Pension2 before their retirement.

For More Information

To learn more, call CalSTRS Pension2 toll free at 888-394-2060 to request an enrollment kit or order the kit at www.CalSTRS.com/Pension2. The Web site also provides a list of current investment funds.

If your employer does not offer CalSTRS Pension2, please contact us at 888-394-2060.

Comparing Supplemental Savings Plans

No matter which 403(b) savings plan you choose, you have a tool to help you make an informed decision. The 403bCompare Web site at www.403bCompare.com provides detailed, objective information about the 403(b) plans available to you. 403bCompare,

CalSTRS Benefits Counseling Offices

In-Person Counseling Services	Appointment Scheduling	Hours of Operation
Auburn	530-886-2012	M-F 8-5
Bakersfield	661-636-4880	M-F 8-5
Camarillo	805-383-1993	M-F 7:30-5
Colton Apple Valley, Indio, Murrieta, Rancho Cucamonga, Riverside	909-433-4686	M-F 8-4:30
Costa Mesa Anaheim, Fountain Valley, Fullerton, Garden Grove, Laguna Hills, Los Alamitos	714-966-4251	M-F 10-4
Dublin	925-828-2551 ext. 5465	M-F 9-3
Elk Grove	800-228-5453 ext. 5 or 916-229-4347	M-F 7-6
Eureka	707-441-3953	M-F 8-5
Fairfield	707-399-4430	M-F 8-5
Foster City	650-312-7712	M-F 8-5
Fresno	559-497-3797	M-F 8-4:30
Hayward	510-670-4200	M-F 7:30-3:30
Los Angeles Antelope Valley, Downey, Los Angeles (downtown), Reseda	562-922-6838	M-F 8-4:30
Marysville	530-749-4979	M-F 8:30-5
Modesto	209-238-1614	M 8-2:30 T 8-4:30 W, TH 8-12
Monterey Park	323-780-3961	M, T 9-5 Sat 9-1
Pleasant Hill	925-942-5375	M-F 7-5
Rancho Cordova	916-861-0519	M-F 8-4:30
Redding	530-225-0203	M-F 8-5
Salinas	831-784-4195	M-F 7:30-5
San Diego	619-718-6783	M-F 8-5
San Francisco	415-241-6000 or 415-241-6110 ext. 3204	M-F 11-4
San Jose	408-535-6171	M-F 8-4:30
Santa Ana	714-466-8450	M-F 9-1
Santa Barbara Santa Maria	805-964-4710 ext. 2400 805-928-0542	M-F 8:30-4:30
Santa Cruz	831-466-5600	M-F 8-5
Santa Rosa	707-524-2627	M-F 8-5
Stockton	209-468-4864	MWF 7:30-5 T, TH 7:30-4:30
Visalia	559-733-6760	M-F 8-5

Note: Please call each office for its summer schedule hours.

created and managed by CalSTRS, will help you compare the performance, features and fees of registered 403(b) plans.

You can use the Web site to view the vendors approved by your employer and then compare the products they offer. The site provides investment options, fees and product performance, as well as each vendor's experience and services. You can only establish an account with vendors registered on the site. If a vendor is not listed on the site, the vendor cannot sell 403(b) plans in California.

In addition, the 403bCompare Web site has links to general retirement planning information and educational materials. Visit www.403bCompare.com and see how it can help you make better-informed investment decisions.

Step Four—Achieve Home Ownership Through CalSTRS Home Loan Program

A key part of a secure financial future can be homeownership. The CalSTRS Home Loan Program is open to active, inactive and retired CalSTRS members and Cash Balance Benefit Program participants. You can apply for conventional, fixed-rate, first-mortgage loans for the purchase or refinance of one to four-family owner-occupied properties in California. The program not only provides loans to members but also serves as a prudent investment of CalSTRS retirement funds.

The CalSTRS Home Loan Program includes:

- Your choice of lenders statewide
- 45-day rate lock period, with one float-down opportunity if interest rates fall
- Controlled lender origination fees

Several financing options are available including:

- Conventional Loan Program
- Zero Down Preferred (95/5) Program
- 80/17 Down Payment Assistance Program

Reverse mortgages are also available through the CalSTRS Home Loan Program.

Visit www.CalSTRS.com/homeloanprogram or call toll free 866-384-4457 for more information.

Step Five—Meet With a Benefits Counselor to Get an Estimate of Your Retirement Benefit

The last step in planning your financial future is to meet with a CalSTRS benefits counselor for personalized assistance. You can use this service more than once, and we encourage you to meet with our counselors throughout your career.

Our benefits counselors can explain the decisions you will need to make before you retire, including electing an option if you choose to do so. Our counselors can provide important information if you are facing retirement or disability, or if you experience other life-changing events such as the birth of a child. This information will help you make educated decisions for a secure financial future.

How to Schedule an Appointment

You can make an appointment to meet with a counselor in person or to talk to over the phone. Attending a workshop first will help you get more out of your counseling session by helping you know which questions to ask. Below are the steps to take to set up an appointment.

To meet with a benefits counselor in person:

- Contact the office that is most convenient for you. For locations and office hours, see the chart on the opposite page or visit www.CalSTRS.com/counseling. Appointments are usually scheduled about four weeks in advance and are scheduled during the work day.
- Be prepared to bring:
 - » Your last check stub, unused sick leave days and the number of days in your contract
 - » Your most recent CalSTRS *Retirement Progress Report*
 - » Your Social Security annual statement, if applicable

Your counselor will research your account history before your appointment and provide you with customized estimates as well as other appropriate plan forms and publications during your session.

To schedule a phone counseling appointment:

- Call our toll-free number, 800-228-5453, Monday through Friday, from 7 a.m. to 6 p.m. Appointments are usually available about four weeks in advance and can be scheduled during workdays, early evenings and on Saturdays.
- Be prepared to provide the following information to our scheduling coordinator:
 - » Your personal information, including your Client ID or Social Security number, birth date, address and phone number.
 - » Your projected retirement date.
 - » Your unused sick leave days and the number of days in your contract.
 - » Your option choice and the birth date of your option beneficiary, if applicable.

Your counselor will research your employment history and prepare your customized benefit estimates. You will receive a packet of information along with your estimates ahead of time so that you have them in front of you on the day of your telephone interview.

Whether you schedule a face-to-face meeting or a telephone counseling appointment, you will receive a confirmation letter before your appointment date. Each appointment takes about an hour. Your counselor will review various forms and publications with you during your interview as well as answer any questions you may have. You are encouraged to review your *Retirement Progress Report*, explore www.CalSTRS.com or look through the *Member Handbook* before your session. You will have a better understanding of your benefits and give your counselor more time to tailor your session to your needs.