

7. After You Retire

Annual Benefit Adjustment

Each year, you will receive an increase equal to 2 percent of your initial benefit, beginning on September 1 after the first anniversary of your retirement. The adjustment will appear in your October 1 payment. These adjustments are not compounded.

Purchasing Power Protection

Purchasing power is a measurement of how your retirement benefit keeps pace with inflation. For example, if your benefit stays the same, but prices have doubled, your purchasing power is only 50 percent of what it was.

In addition to the annual benefit adjustment, two types of post-retirement benefit enhancements support the purchasing power of retired CalSTRS members:

- One-year supplemental benefit payments, payable in quarterly installments. CalSTRS makes these payments to retired members and beneficiaries whose benefits have fallen below a certain level of purchasing power. Purchasing power protection level is currently set at up to 85 percent.
- The Legislature occasionally grants ad hoc, or one-time, permanent increases to your monthly benefit.

Medicare Premium Payment Program

For Defined Benefit members who retire before July 1, 2012, CalSTRS will pay Medicare Part A, hospital premiums, for eligible retired members who do not receive Medicare Part A premiums free. The benefit may be extended by the Teachers' Retirement Board to members who retire in the future. For details on the Medicare Premium Payment Program, [see Section 5, Approaching Retirement](#).

Working After Retirement

You may accept employment outside the California public school system in any capacity and continue to receive your CalSTRS retirement benefit with no limitation on your earnings.

Your only restriction on employment after service retirement is within the public school system of California. The law prohibits a retired member from working in a classified position, except, in certain circumstances, as a teacher's aide. If your employer gave you a retirement incentive and, within five years, you return to work for that same employer, you will forfeit the retirement incentive from the date you returned to work.



Purchasing power is a measurement of how your retirement benefit keeps pace with inflation.

Earnings Limits

The law restricts the amount you can earn without affecting your CalSTRS retirement benefit if you perform creditable service teaching in prekindergarten through community college as an:

- Employee of a public school district
- Independent contractor
- Employee of a third party

Earnings from teaching summer school and intersession count toward the post-retirement earnings limit. For exceptions, see Exemptions from the Earnings Limit below.

The earnings limit on post-retirement earnings from public school employment for the 2008-09 school year is \$29,700. This limit is adjusted each July 1 and CalSTRS notifies employers and retired members who have returned to work of each year's post-retirement earnings limit.

Your CalSTRS retirement benefit will be reduced by the amount of creditable earnings from public school employment in excess of the earnings limit.

Post-retirement employment for creditable service may not begin earlier than your effective date of retirement.

For more information on the earnings limit, visit www.CalSTRS.com or call us at 800-228-5453.

Exemptions from the Earnings Limit

Provided your employer submits the required documentation, the following post-retirement earnings are exempt from the earnings limit:

- If you return to post-retirement CalSTRS-covered employment without performing CalSTRS-covered employment for at least 12 consecutive months after your most recent retirement, you are automatically exempt from the earnings limit (this exemption ends June 30, 2010, and does not require employer documentation).

- If you retired on or before January 1, 2007, and are providing direct remedial education in a classroom for grades 2 through 12.

The following exemptions end June 30, 2010, unless extended by law.

- If you retired on or before January 1, 2007, and return to:
 - » Provide direct instruction in a prekindergarten classroom.
 - » Support or assess new teachers in the Beginning Teaching Support and Assessment Program.
 - » Provide support to individuals completing student teaching assignments, in the Pre-Internship Teaching Program, alternate certification programs or in the School Paraprofessional Teacher Training Program.
 - » Provide pupil services and instruction in Special Education and instruction in English language learner programs.
- If you return to work as a trustee or administrator for a financially insolvent employer, or as a trustee pursuant to the Immediate Intervention/Underperforming School Program or the High Priority Schools Grant Program.
- If you return to work in an emergency situation in an administrative position requiring highly specialized skills (this exemption may not exceed one-half of the full-time position).

In some cases, these exemptions may be limited by collective bargaining agreements.

NOTE

Reinstatement to Active Member Status

If you plan to reinstate to active member status, first make an appointment with a CalSTRS benefits counselor. The counselor will discuss all the aspects involved, including how your future benefits will be affected by your reinstatement. Call 800-228-5453 to make an appointment.

You may also request an estimate of your future benefits by writing to CalSTRS. In your letter, include your Client ID number or your Social Security number, address, telephone number and full name.

NOTE

For security and privacy, all members are given a randomly generated Client ID number for identification. The number is available on any letter from us and on your annual *Retirement Progress Report* and you may use it in communications to us about your account.

In addition, state your estimated salary, how long you plan to be an active member again and if you currently have an option or intend to elect an option prior to your subsequent retirement.

You can reinstate to active membership by submitting the *Reinstatement After Retirement* form which you can get online or by calling us. After we receive your request, your retirement and monthly benefits will end.

One Year Before Your Next Retirement

At least one year must elapse from the date of your reinstatement to active member status from either service retirement or disability retirement before you may retire again from CalSTRS.

Disability or Survivor Benefits

You must earn at least one year of service credit after the date of your reinstatement from service retirement before you qualify for disability benefits or for survivor benefits upon your death.

Retirement Incentive Program

If you retired on or after January 1, 1985, and reinstate, you will lose any additional service credit that you may have acquired by participating in the Retirement Incentive Program.

Preretirement Election of an Option

You are not eligible to file a preretirement election of an option until one year has elapsed after the date of reinstatement from service retirement. However, if you retired under an option, that option will automatically become a preretirement election when you reinstate.

Coverage B

When eligible, you will be covered by Coverage B for survivor and disability benefits. (If you started under Coverage A, retire, and then reinstate, you will stay under Coverage A for survivor and disability benefits.)

Discontinuing Deduction for Health Insurance Premiums

If CalSTRS is deducting health insurance premiums from your benefit and you decide to reinstate, you will need to make premium payment arrangements with your health insurance carrier.

Discontinuing Payment for Deduction of Medicare Premiums

If CalSTRS is paying your Medicare Part A or deducting your Medicare Part B premiums under the Medicare Premium Payment Program, you will have to pay these premiums yourself when you are reinstated. To arrange payment, contact the Social Security Administration at 800-772-1213. When you retire again, you may reapply for the Medicare Premium Payment Program.

Benefit Calculation if Reinstating

Reinstate for fewer than two years: When you retire a second time with fewer than two years of new service credit, your new service retirement benefit will be equal to the sum of both the following:

- An amount equal to the last Member-Only Benefit received immediately before reinstatement, increased by the 2 percent annual benefit adjustment that would have been applied to the benefit if you had not reinstated.

PLUS

- An amount based on service earned since your last reinstatement, your age at the subsequent retirement, and your final compensation. If your total credited service is 30 or more years, you may be eligible for the career factor and the longevity bonus on the credited service earned following reinstatement.

Reinstate for two years or more: When you retire a second time with two or more years of new service credit, all credited service earned during your entire career will be subject to the benefits in effect at the time of the subsequent retirement. The retirement benefit calculation will be adjusted to account for the period of retirement.

Keeping You Informed

The semiannual *Retired Educator* newsletter keeps you informed on issues you may face after retirement.

myCalSTRS at www.CalSTRS.com is also a good resource. At *myCalSTRS*, you can view your 1099-R forms and benefit pay stubs, see your one-time death benefit recipient information and more.

Also remember, you can always contact us with your questions on retirement benefits and reinstatement by going to www.CalSTRS.com/contactus or calling 800-228-5453.

