



Purchase Service Credit Now

HAVE MORE MONEY FOR RETIREMENT LATER

Do you want more money when you retire, but you think there's nothing you can do about it? You can take action now by purchasing service credit.

It's simple. The more service credit you have at retirement – earned or purchased – the greater your pension will be. So buying “time” could pay off for you in the long run.

HERE'S HOW IT WORKS

Service credit is a key factor in calculating your retirement benefit. You earn up to one year of service credit for each full school year you work, and you can't earn more than one year of service credit. You have power over the amount of service credit in your account so buy the time you need.

If you've substituted, taken a sabbatical or refund of your CalSTRS account, been on a medical leave or performed certain other types of service, you may be eligible to purchase service credit.

IT'S ALWAYS AN OPTION

The sooner you purchase service credit, the better. It will cost less if you purchase it early in your career. However, even if you're a few short years away from retirement, you may be eligible to purchase service credit.

TYPES OF SERVICE CREDIT

There are many different types of service credit available to purchase:

Redeposit

You can restore service credit that you lost if you left public school employment, took a refund of contributions and interest and then returned to teaching.

Purchase service credit now – the sooner, the better.

CALSTRS

HOW WILL YOU SPEND YOUR FUTURE?

California State Teachers' Retirement System



Permissive Service

You may be eligible to purchase certain types of service credit, including but not limited to:

- Nonmember service, such as substitute or part-time teaching
- Maternity or paternity leave
- Family care or medical leave
- Sabbatical
- Certain military service
- Some out-of-state teaching
- University teaching
- Cash Balance Benefit

Nonqualified Service

You can purchase what is called “air time” if you are a CalSTRS member with at least five years of service credit. Nonqualified service credit is not connected to any specific prior employment, and it may not be used to qualify for the career factor or

longevity bonus. You may use it to retire before age 55 by helping you reach 30 years of service credit.

HOW IS THE COST CALCULATED?

Calculations for purchasing a redeposit, permissive or nonqualified service credit are calculated differently. Go to www.CalSTRS.com and click on *Calculators* to estimate the cost to purchase. **Note:** Any redeposits or purchases of permissive service credit must be paid in full by December 31, 2010, if that service credit is to be used for a longevity bonus eligibility.

I WANT MORE INFORMATION ABOUT PURCHASING SERVICE CREDIT

For more information, order a copy of the CalSTRS brochure, *Purchase Additional Service Credit*, at www.CalSTRS.com or call 800-228-5453.

Here's an Example of What Purchasing Service Credit Now Can Do for You

Tammy, age 32, purchased one year of service credit for her substitute teaching. Her highest annual earnable compensation from the last three years was \$35,000.

Years of Service Credit to Purchase	Contribution Rate	Highest Annual Earnable Compensation	Cost to Buy
1 x	17.9	x \$35,000 =	\$6,265

If Tammy waited until a later date, say at age 59 when she had a higher salary, to purchase this same substitute service credit, the cost would increase.

1 x	24.3	x \$60,000 =	\$14,580
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If Tammy retires at age 60 with 29 years of service credit (including the one year substitute teaching service credit) and is earning \$60,000, her monthly retirement benefit will increase by \$100 per month.

In this example, it will take Tammy 5.22 years to recover the purchase cost if she purchases the service credit at age 32.

Purchase Cost	Monthly Increase	Time to Recover Costs
\$6,265 ÷	\$100 = 62.65	÷ 12 months = 5.22 years

CalSTRS Resources

Web sites 
www.CalSTRS.com
 Click *Contact Us*
 to e-mail
www.403bCompare.com


Call 
 800-228-5453
 8 a.m. to 5 p.m.
 Monday through Friday
 TTY 916-229-3541

866-384-4457
 Home Loan Program

800-699-4032
 Voluntary Investment Program

Write 
 CalSTRS
 P.O. Box 15275
 Sacramento, CA 95851-0275

Fax 
 916-229-3879

Visit 
 Member Services
 7919 Folsom Boulevard
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