

California State Teachers'  
Retirement System

**CALSTRS**  
HOW WILL YOU SPEND YOUR FUTURE?

# Member Handbook

YOUR GUIDE TO CALSTRS BENEFITS

2006 – 2007

# CALSTRS

HOW WILL YOU SPEND YOUR FUTURE?

## CalSTRS Resources



### Web sites

[www.CalSTRS.com](http://www.CalSTRS.com)  
Click *Contact Us* to e-mail  
[www.403bCompare.com](http://www.403bCompare.com)



### Call

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### Write

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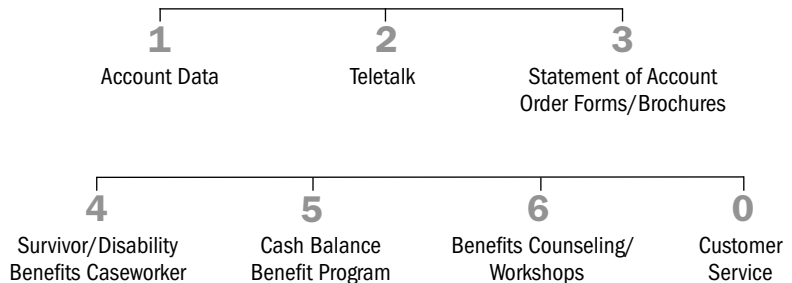
916-229-3879



### Visit

Member Services  
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Sacramento, CA 95826

**Dial 800-228-5453  
then press the numbers to access**



The summarized data pertain to the Teachers' Retirement Law (California Education code 22000 et. seq.) and procedures effective January 1, 2006. The *Member Handbook* is intended as a ready source of information about CalSTRS and not as a legal document or a substitute for the law. If differences appear between the law and the handbook, the law must prevail.

Permission is hereby granted to reproduce, copy, or duplicate the information in this handbook, provided credit is given to CalSTRS.



Dear Member,

Welcome to the California State Teachers' Retirement System. I am pleased to present the latest edition of the *Member Handbook*. Whether you are just beginning your career in education or are an experienced educator, this handbook will answer many of the questions you have about your benefit coverage. The information in it can help you make informed decisions during your active career and prepare fully for your retirement.

CalSTRS is the nation's largest teachers' pension fund and our dedicated, professional and conscientious staff work hard to improve service and responsiveness to your needs. Although we serve more than 775,000 California educators and their families, we are committed to providing exemplary service to each and every person who calls, writes or visits CalSTRS.

Service to CalSTRS members and the security of the Teachers' Retirement Fund remain our highest priorities. We look forward to assisting you throughout your career and retirement.

Sincerely,

A handwritten signature in black ink that reads "Jack Ehnes". The signature is fluid and cursive, with a large initial "J" and "E".

Jack Ehnes  
Chief Executive Officer

## **A Brief History of CalSTRS**

The California State Teachers' Retirement System was established by law in 1913 to provide retirement benefits to California's public school teachers. Membership in the CalSTRS Defined Benefit Program includes all employees in California public schools from kindergarten through community college in positions performing creditable service under the Defined Benefit Program.

### **Teachers' Retirement Board**

The Teachers' Retirement Board sets policies, makes rules for, and administers the California State Teachers' Retirement System. The board is also responsible for ensuring benefits are paid by the system in accordance with law.

Our 12-member Teachers' Retirement Board is made up of:

- Three member-elected positions representing current educators.
- A retired CalSTRS member appointed by the Governor and confirmed by the Senate.
- Three public representatives appointed by the Governor and confirmed by the Senate.
- A school board representative appointed by the Governor and confirmed by the Senate.
- Four board members who serve in an ex-officio capacity by virtue of their office: Director of Finance, State Controller, State Superintendent of Public Instruction and State Treasurer.

The board appoints a Chief Executive Officer to administer the system consistent with the board's policies and rules. The board also selects a Chief Investment Officer to direct the investment of the Teachers' Retirement Fund in accordance with board policy.

The board has five standing committees, Audits and Risk Management, Benefits and Services, Board Governance, Investments and Compensation.

### **Teachers' Retirement Fund**

The Teachers' Retirement Fund is a special trust fund established by law that holds the assets of the CalSTRS Defined Benefit, Defined Benefit Supplement and Cash Balance Benefit programs. The assets come from contributions by employees, employers and the state of California. The fund's investments create a stream of income to add to those assets.

When selecting investments, the Teachers' Retirement Board applies standards of safety, diversification, liquidity and structure for a complete and profitable investment portfolio. The portfolio includes stocks, bonds, real estate and short-term investments. Within these categories, CalSTRS further diversifies by holding a variety of issues within each segment.

The Teachers' Retirement Fund portfolio market value was \$137 billion as of December 31, 2005. CalSTRS ranks as the nation's second-largest public pension fund.

For further information about Teachers' Retirement Fund investments, visit our Web site at [www.CalSTRS.com](http://www.CalSTRS.com).

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