

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. This guide is designed to focus on the Defined Benefit Program and to explain its many components that can help you to a secure financial future including retirement, disability and survivor benefits as well as the Defined Benefit Supplement account. From program descriptions to retirement benefit formulas, examples and worksheets, this handbook can be used as a reference for retirement benefits, eligibility and planning. This guide also includes a Checklist for a Secure Financial Future on the back cover and a Retirement Application Timeline in Section 6, Your Retirement Benefit.

Quick Start Guide to CalSTRS Benefits and Services

The following briefly 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, your retirement is guaranteed for life once you have at least five years of service credit and are eligible to retire. Your retirement benefit is a steady source of income and is based on your age, final compensation and years of service credit at retirement, not on how much is in your account. If you are employed full time to perform creditable service in a California public school or community college, your membership in CalSTRS begins on your first day of employ-

ment. You contribute 8 percent of your pay as a CalSTRS member.

For an overview of your Defined Benefit Program membership and benefits, see Section 2, Your Membership and Benefits.

Defined Benefit Supplement Program

Your Defined Benefit Supplement account will provide you additional retirement income based on the amount in the account. One-fourth of your CalSTRS 8 percent payroll contribution will be allocated to your DBS 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 affect the Defined Benefit Supplement account, see Section 6, Your Retirement Benefit.

Disability Benefits

Once you are vested and meet the eligibility requirements, disability benefits may be half your highest average annual salary, plus another 10 percent for each eligible child, up to a total of 90 percent, until the child reaches age 21 or 22, depending on coverage. This continues for life, as long as you are disabled under Coverage B. Under Coverage A, the benefit may change at age 60.

See Section 8, Disability Benefits.

Survivor Benefits

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

See Section 9, Survivor Benefits.

Medicare Premium Payment Program

CalSTRS does not provide health insurance coverage; however, CalSTRS will pay the Medicare Part A premium for Defined Benefit members who retire before July 1, 2007, depending on eligibility. All benefit recipients may authorize CalSTRS to deduct Medicare Part B and other group insurance premiums from their monthly benefit check.

See Section 5, Approaching Retirement.

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, employers must contribute 4 percent of the salary you earn as a part-time employee. You usually pay 4 percent; however, your contribution rate may be collectively bargained with your employer.

See Section 3, Benefits for Part-Time Educators.

Voluntary Investment Program

If your district participates in this 403(b) program, you can set aside even more retirement funds through tax-deferred savings. CalSTRS oversees the Voluntary Investment Program's competitively priced services and investment options.

See Section 4, Building Your Financial Future.

Home Loan Program

The 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 refinance loan.

See Section 4, Building Your Financial Future.

CalPERS Long-Term Care Program

You and some members of your family are eligible for the CalPERS Long-Term Care Program.

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 member services representatives are available to answer your questions online or by calling our toll-free number. Our benefits counselors can help you build a retirement plan to meet your specific needs. See Section 4, Building Your Financial Future, for details on setting up an appointment with a counselor.

You can contact us in the following ways:

Visit Our Web Site

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

myCalSTRS

Registered myCalSTRS users can access certain personal account information online in a secure environment. Defined Benefit members have access to Form 1099-Rs beginning with 2000, and annual statements and benefit payment stubs beginning with 2002. Cash Balance Benefit Program participants have access to Form 1099-Rs and benefit payment stubs beginning with 2003 and annual statements beginning with 2004.

You can also review your tax withholding and beneficiary choices or update your mailing address and telephone number. The Online Messaging feature allows you to send and receive confidential information. Go to the CalSTRS Web site at www.CalSTRS.com and log in or register to access myCalSTRS.

Call Us

Call us at 800-228-5453 and select an option as follows:

Press	For:
1	Account Data.
2	Teletalk, a recorded message system. Then press the three-digit code for information on a variety of topics. A partial list follows; see the complete Teletalk call list in Section 12.
3	Ordering forms, brochures and duplicate annual statements of accounts or 1099s.
4	Survivor/Disability caseworkers.
5	Cash Balance Benefit Program information.
6	Benefits Counselors/Workshops.
0	Member Services representatives – 8 a.m. to 5 p.m. Monday – Friday.

Publications and Newsletters

For additional information, you can order the following publications. To order publications go to www.CalSTRS.com or call 800-228-5453 and press 3.

CalSTRS Connections newsletter for active members
 Cash Balance Benefit Program Information Packet
Community Property Information
Comprehensive Annual Financial Report
Home Loan Program
Join CalSTRS? Join CalPERS?
Member Handbook
Purchase Additional Service Credit
Refund: Consider the Consequences
Retired Educator newsletter for retired members and other benefit recipients
Tax Considerations for Rollovers
Your Retirement Guide (Service Retirement Application)
 CD
Retirement: Your Next Journey (A Benefits Overview)

Teletalk – Automated Information Service via Your Telephone

The CalSTRS Teletalk information system provides recorded messages giving general information on a variety of CalSTRS subjects. To access the Teletalk system, call 800-228-5453 and then press 2. Teletalk calls are answered electronically and you can choose topics easily via your telephone keypad, for example:

Enter:	For this key topic:
100	General Information
150	Membership, Service Credit and Contributions
200	Benefits Counseling
250	Purchase of Additional Service Credit and Redeposits
300	Pre-Retirement Election of an Option
350	Service Retirement
400	Disability Benefits
420	Coverage A, Disability Allowance and Rehabilitation Program
450	Coverage B, Disability Retirement and Rehabilitation Program
500	Death Benefits
520	Coverage A, Family Allowance Program
550	Coverage B, Family Allowance Program
600	Increases in Benefits
650	Tax Liability
700	Refund of Contributions
750	Voluntary Investment Program
900	Cash Balance Benefit Program

You can find a complete list of Teletalk message codes and topics at the end of this guide.

Recent Legislative Changes to CalSTRS Benefits

- Effective January 1, 2006, the waiting period to withdraw your funds from the Cash Balance Benefit Program and the Defined Benefit Supplement Program after leaving CalSTRS-covered employment changes from one year to six months. Only one withdrawal will be allowed in a five-year period.
- Effective January 1, 2006, some employees of community college districts who were previously excluded from the Cash Balance Benefit Program will be allowed to participate in the program.

The Governor and Legislature occasionally make statutory changes that may affect your CalSTRS benefits and that may affect any decision you make concerning your career or retirement. CalSTRS makes every effort to communicate these changes to our members, but legislation can undergo rapid change.

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. Or you may call CalSTRS at 800-228-5453 or visit CalSTRS.com.