Glossary of Terms Used in CalSTRS Retirement Progress Reports

Age Factor
The percentage of your final compensation that you will receive as a retirement benefit for every year of service credit. The age factor is based on your age on the last day of the month in which your retirement is effective. The maximum age factor is 2.4 percent.

CalSTRS 2% at 60:
The age factor at age 60 is 2 percent. The age factor gradually decreases to 1.1 percent at age 50 and increases to the maximum 2.4 percent at age 63. For example, if you retire at age 60 and have 20 years of service, you will receive 2 percent (your age factor at age 60) of your final compensation multiplied by the 20 years of service credit, or 40 percent of your final compensation (2 percent x 20).

CalSTRS 2% at 62:
The age factor at age 62 is 2 percent. The age factor gradually decreases to 1.16 percent at age 55 and increases to the maximum 2.4 percent at age 65.

Additional Earnings Credit
A percentage increase to the account balance of Defined Benefit Supplement Program members and Cash Balance Benefit Program participants that may be granted by the Teachers’ Retirement Board when investment earnings exceed what is necessary to meet the liabilities of the programs.

Assessment
The reduction applied to your benefit if you change or cancel your preretirement election of an option—or if your option beneficiary dies before you retire. The amount is the actuarial equivalent of the coverage you received as a result of the preretirement election.

CalSTRS 2% at 60
CalSTRS 2% at 62
The California Public Employees’ Pension Reform Act of 2013 made significant changes to the benefit structure for Defined Benefit Program members and Cash Balance Benefit Program participants first hired to perform service that could be credited to the Defined Benefit Program on or after January 1, 2013. As a result, CalSTRS has two benefit structures:

- CalSTRS 2% at 60: Members and participants first hired on or before December 31, 2012.
- CalSTRS 2% at 62: Members and participants first hired on or after January 1, 2013.

Educators who were members of a concurrent retirement system on or before December 31, 2012, who performed service that could be credited to the Defined Benefit Program under that system within six months of becoming a CalSTRS member are under the CalSTRS 2% at 60 benefit structure, as are those who performed service that could be credited to the Defined Benefit Program that was subject to coverage under a different retirement system, including Social Security, on or before December 31, 2012.

The 2 percent refers to the age factor, or percentage of final compensation, that Defined Benefit Program members will receive as a retirement benefit for every year of service credit. To receive an age factor of 2 percent, you must work until age 62 if you’re under CalSTRS 2% at 62. The basic age factor for members under CalSTRS 2% at 60 is 2 percent at age 60.

Other benefit differences for CalSTRS 2% at 62 include a 36-month final compensation period (based on the highest average annual compensation earnable for 36 consecutive months regardless of years of service credit), lower compensation cap, no career factor, and a higher retirement age (you are not eligible to retire as early as age 50 with 30 years of service credit).

CalSTRS Pension2®
The CalSTRS voluntary defined contribution plan offers 403(b), 457(b), Roth 403(b) and Roth 457(b) plans for additional income in retirement. Select from a variety of investment options with low fees and expenses. To learn more, see Pension2.

Career Factor
For members under the 2% at 60 benefit structure: An increase in the percentage of final compensation on which your Defined Benefit service retirement is based. If you retire with at least 30 years of earned service credit, 0.2 percent is added to the age factor up to the maximum age factor 2.4 percent, which is reached at age 61½ with the career factor. The career factor doesn’t apply if you die before retirement unless you filed a preretirement option election with CalSTRS.
Glossary of Terms Used in CalSTRS Retirement Progress Reports

CalSTRS 2% at 62:
There is no career factor enhancement to the age factor.

Cash Balance Benefit Program
CalSTRS Cash Balance Benefit Program is for part-time, substitute, adjunct or temporary educators. Your district may offer the Cash Balance Benefit Program as an alternative to Social Security. Your eligibility to participate in the Cash Balance Benefit Program is determined by your basis of employment, rather than the actual number of hours or days you work, and whether your employer offers the program. Your Cash Balance contributions are made through pre-tax payroll deductions. There are no fees or expenses. In addition to a retirement benefit, you’re eligible for survivor and disability benefits.

For more information about the Cash Balance Benefit Program, go to CalSTRS.com/cash-balance-benefit-program or see the Member Handbook.

Client ID
A CalSTRS randomly generated number used to identify members. CalSTRS uses it instead of your Social Security number to protect your identity.

Current Year Excess Service and Enhancements
You can only earn up to one year of service credit in a school year, so 16 percent of your compensation for service that exceeds one full year is transferred into your Defined Benefit Supplement account at the close of the school year—8 percent from your member contribution and 8 percent from your employer. These contributions are not credited to the Defined Benefit Program. Certain other enhancements, such as retirement incentives, are also credited to your Defined Benefit Supplement account.

Defined Benefit Account Activity
This section lists your contributions, plus interest earned, for your Defined Benefit account. Contributions are shown for your beginning balance, current fiscal year contributions, any prior year adjustments made by your employer and end-of-year totals. This is the amount you would receive if you were to forfeit rights to your benefit upon a separation of service by requesting a refund. Your member contributions are listed by taxed and tax-deferred contributions.

Taxed (or after-tax) contributions are those for which you already paid taxes. In general, you will not have any contributions in this field unless you redeposited or purchased permissive service credit with after-tax dollars.

Tax-deferred (or before-tax) contributions are those for which both state and federal income taxes are deferred until after you retire or take a refund after ending your CalSTRS-covered employment.

Defined Benefit Supplement Program
The Defined Benefit Supplement Program is a cash balance plan for Defined Benefit Program members that provides additional savings for retirement. Benefits are based on contributions and interest credited to your Defined Benefit Supplement account. Your contributions and your employer’s contributions earn a guaranteed annual interest rate. At retirement, you receive all the funds in your account. Contributions are made on earnings in excess of one year of service and, for CalSTRS 2% at 60 members, limited-term payments and retirement incentives. From January 1, 2001, through December 31, 2010, 25 percent of your regular monthly Defined Benefit member contribution was also credited to your account.

CalSTRS 2% at 62:
You and your employer make contributions into this account on compensation earned for service performed in excess of one year, up to the compensation cap.

Defined Benefit Supplement Account Activity
This section lists contributions and interest earned in the Defined Benefit Supplement Program. These funds are paid to you when you begin to take a monthly benefit from the Defined Benefit Program, or six months after you terminate CalSTRS-covered employment and receive a refund of your Defined Benefit account contributions and interest. For more information, see the Member Handbook.

Defined Benefit Supplement Account and Annuity Estimates
We use the information in your account to project your balance, generally at ages 55 and 60. If you have reached those ages, we use the next appropriate ages.
Glossary of Terms Used in CalSTRS Retirement Progress Reports

Disability and Survivor Benefit Coverage
This section defines your coverage. You have Coverage A if you were hired on or before October 15, 1992, and did not elect Coverage B during a special election held between October 1992 and April 1993. If you were hired after October 15, 1992, or switched during the special election, you have Coverage B. For more information about these coverages, see the Member Handbook.

ELECTING A RETIREMENT OPTION
When you are eligible to retire, you may make a preretirement election of an option to ensure a monthly lifetime income for one or more loved ones after your death. When you elect an option, your monthly benefit will be reduced from the Member-Only Benefit. The percentage of the reduction is based on the option you elect, your age and the ages of your beneficiaries when you elect the option. For more information, see the Member Handbook.

Employer Details
This includes the information we’ve received from your employer regarding your employment in a CalSTRS-covered position.

Base Hours
Base hours are the number of hours you are required to work in one school year to earn 1.000 year of service credit in that position. For community college instructors and adult education instructors, base hour requirements for full-time and part-time instructors are different and must be at least the minimum time required by law. CalSTRS receives base hour information from your employer.

Excess Contributions
As a Defined Benefit member, you have a Defined Benefit Supplement account that provides additional savings for your retirement. If you earn compensation for service in excess of one year, your and most of your employer’s contributions from your earnings in excess of one year, up to the compensation cap, will go into this account.

If you make contributions on earnings in excess of one year of service in a school year, you’re eligible for a return of your contributions that exceed the 8 percent contribution rate for Defined Benefit Supplement compensation. Any excess contributions you made for the past school year are reported on your Retirement Progress Report.

CalSTRS will return any excess contributions to your employer. Your employer is responsible for returning excess member contributions to you, less any authorized adjustments or tax withholding. CalSTRS will process the transactions in October, but it may take 30 days or more for the funds to be transferred to employers. The timing of any excess member contributions returned to you by your employer will vary. Please contact your employer if you have questions.

Final Compensation
The highest average annual compensation earnable during a specified period of CalSTRS-covered paid employment. The period is 12 consecutive months if you have at least 25 years of service credit. Otherwise, the period is 36 consecutive months if you have fewer than 25 years of service credit.

CalSTRS 2% at 62
Final compensation is based on highest average annual compensation earnable during any consecutive 36 months.

Hybrid Retirement System
CalSTRS administers a hybrid retirement system consisting of traditional defined benefit (Defined Benefit Program), cash balance (Defined Benefit Supplement and Cash Balance Benefit programs) and voluntary defined contribution (CalSTRS Pension2) plans. CalSTRS also provides survivor and disability benefits.

• Traditional defined benefit plan: Your CalSTRS retirement benefit is a traditional defined benefit pension. It’s based on a formula, not on how much you contribute or how well CalSTRS investments perform. The formula is based on your years of service credit, age and final compensation.

• Cash balance plan: CalSTRS Defined Benefit Supplement and Cash Balance Benefit programs are cash balance forms of defined benefit plans where employees and employers contribute fixed amounts and interest is credited at guaranteed annual rates. The Teachers’ Retirement Board may also grant additional earnings credits for both plans when investment earnings exceed certain thresholds of what is
必要措施以满足负债。退休、伤残、终止和死亡福利均基于你的账户平衡来确定。在退休时，你将获得账户中的所有资金。

- **定义性贡献计划**：一种退休计划，其中福利取决于你的贡献、投资收益或损失以及费用。定义性贡献计划的福利不是有保证的。CalSTRS Pension2是CalSTRS的自愿性定义性贡献计划。更多信息，请参见Pension2。

**停职会员**
一个在过去的一年内没有做出贡献的会员。

**长寿奖金**
一种福利增强，如果你在2010年12月31日或之前有至少30年的合格服务信用，则可以增加你的月度福利。如果被保险人先于你去世，你的福利将被减少，如果你选择一个受益人。

**月度唯一福利估计**
我们预测两个可能的退休日期以帮助你规划你的退休。月度唯一福利通常是你可以获得的最高月度福利，因为当您退休时，它不包括任何为了向一个选择的受益人提供福利而减少的金额。

在2011年之前，CalSTRS会使用Employer报告的收入信息来计算你的最终补偿额。在2011年之后，CalSTRS会使用预期的收入信息来计算你的最终补偿额，这可能使你的最终补偿额被高估。

**修改后的福利估计**
如果你在退休前选择了一个选项以提供一个月度CalSTRS福利，那么我们将会预测两个可能的退休年龄，类似于月度唯一福利估计，但显示你选择的选项后所导致的福利减少。受益人通常为你的配偶或子女。

**选择受益人**
你为退休后其生命提供月度CalSTRS福利的人。只有在你符合退休条件时，你才能选择一个选择受益人。对于非配偶选择受益人，有额外的指导方针。

**Ombudsman**
CalSTRS的经理，被委任为CalSTRS成员的倡导者。Ombudsman可以收到来自学校雇员、成员、员工组织、立法机构和公众的关于CalSTRS雇员行为的投诉。

Ombudsman can be contacted at 916-414-1411.

**一次性死亡福利受益人**
你的受益人在你去世后可获得的一次性死亡福利。这种福利取决于你的保险和你是在退休前还是退休后去世。此部分描述了你的资格并列出了你指定的任何受益人。更多信息，请参见CalSTRS Member Handbook。

**选择**
一个允许你在退休后将你的退休福利分配给你的生活和你其他人的生活计划特征。选择一个选项会减少你的月度支付，以便覆盖你去世后其他人的福利。

- **100%受益人选项**：在你去世后，减少的福利将支付给你的选择受益人。如果你的受益人比你先去世，你的福利将被提高到唯一福利金额。
- **75%受益人选项**：在你去世后，支付给你的选择受益人四分之三的减少的福利。如果你的受益人先于你去世，你的福利将被提高到唯一福利金额。
- **50%受益人选项**：在你去世后，支付给你的选择受益人一半的减少的福利。如果你的受益人先于你去世，你的福利将被提高到唯一福利金额。
- **复合选项**：在你去世后，支付给一个或多个选择受益人。由该受益人和你选择的选项所决定的个人受益人的支付。

**选择受益人**
你为退休后其生命提供月度CalSTRS福利的人。只有在你符合退休条件时，你才能选择一个选择受益人。对于非配偶选择受益人，有额外的指导方针。

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**选择**
一个允许你在退休后将你的退休福利分配给你的生活和你其他人的生活计划特征。选择一个选项会减少你的月度支付，以便覆盖你去世后其他人的福利。

- **100%受益人选项**：在你去世后，减少的福利将支付给你的选择受益人。如果你的受益人比你先去世，你的福利将被提高到唯一福利金额。
- **75%受益人选项**：在你去世后，支付给你的选择受益人四分之三的减少的福利。如果你的受益人先于你去世，你的福利将被提高到唯一福利金额。
- **50%受益人选项**：在你去世后，支付给你的选择受益人一半的减少的福利。如果你的受益人先于你去世，你的福利将被提高到唯一福利金额。
- **复合选项**：在你去世后，支付给一个或多个选择受益人。由该受益人和你选择的选项所决定的个人受益人的支付。

**选择受益人**
你为退休后其生命提供月度CalSTRS福利的人。只有在你符合退休条件时，你才能选择一个选择受益人。对于非配偶选择受益人，有额外的指导方针。

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Option Factor
An actuarially determined factor used to calculate the reduction to your monthly benefit when you elect to provide a lifetime monthly benefit to a designated option beneficiary after your death.

The option factor is based on the option you elect, your age and the age of your beneficiaries at the time you elect an option. If you make a preretirement election of an option, you will receive the highest option factor available to you on either your election date or your retirement date.

Prior-Year Contribution Adjustments
This includes prior-year information from your employer that we did not receive in time to include in last year's report.

Service Credit Activity
This is the accumulated period in full and partial years for which you earned creditable compensation and made contributions under the Defined Benefit Program. Service credit is one of the factors used to determine your eligibility for benefits under the program.

This information includes your balance at the start of the fiscal year, how much you earned in the current fiscal year and your ending balance.

Service credit cannot exceed 1.000 year in any one school year. If you earn more than 1.000 year of service in a year, contributions in excess of one year go to your Defined Benefit Supplement account in which you and your employer each contribute 8 percent of your earnings.

Special Compensation Adjustment
Service credit you earned for service that is termed “Special Compensation.”