



CALSTRS®

LEARN AND DISCOVER • Near Retirement

THE BENEFIT OF A LIFETIME



Dear CalSTRS member,

You work tirelessly for your students and passionately prepare them for the next stage of their lives. As your retirement plan, CalSTRS is dedicated to your secure financial future and preparing you for one of your most important life stages—retirement. That's why we created this *Learn and Discover: Near Retirement* publication.

As a vested CalSTRS member, you're eligible to receive a lifetime monthly benefit when you retire. I invite you to take a few minutes to look through this publication today. You'll find information that will help you make decisions before and after retirement.

Consider attending one of our webinars or benefits planning sessions, or scheduling an appointment with one of our benefits planning specialists. To learn more, see page 21.

Thank you for dedicating your career to education.

Sincerely,



Cassandra Lichnock
Chief Executive Officer

Our mission

Securing the financial future and sustaining the trust of California's educators



Your timeline

This event timeline from the year before you retire up to your first benefit payment will give you an idea of what to do and when.

01

Anytime:

- Activate your *myCalSTRS* account, if you haven't already. Go to [myCalSTRS.com](https://mycalstrs.com).
- Attend benefits planning or financial awareness webinars. Sign up at [CalSTRS.com/webinars](https://calstrs.com/webinars).

02

10–12 months before your retirement date:

- Read *Your Retirement Guide*, available at [CalSTRS.com/member-publications](https://calstrs.com/member-publications).
- Make your retirement benefit decisions. See pages 16–17.
- Check if pending or new legislation may affect your benefit or influence the timing of your retirement.
- Visit [CalSTRS.com/benefits-planning-sessions](https://calstrs.com/benefits-planning-sessions) to sign up for a benefits planning session.

03

Six months before you plan to retire:

- Attend a Service Retirement Application Demonstration prior to completing your *Service Retirement Application*.
- Submit your *Service Retirement Application* and other forms using *myCalSTRS*, or download forms at [CalSTRS.com/forms](https://calstrs.com/forms).
- Submit your application no earlier than six months before your requested retirement date.

04

After you submit your application:

- Check the status of your application on *myCalSTRS*, if you submitted it online.
- Review your award letter, which includes the amount of your retirement benefit.
- Look for your first benefit payment, which you should receive within 45 days of your retirement date or the date your application was processed, whichever is later.

10 things to do now

- Open this Learn and Discover: Near Retirement resource
- Access your account information on myCalSTRS. 2
- Estimate your retirement benefit. 4
- Increase your retirement benefit 9
- Increase your 403(b) or 457(b) contribution 11
- Get the facts on Social Security 12
- Review your Retirement Progress Report 13
- Learn about your survivor benefits 14
- Understand your retirement decisions . . 16
- Attend a webinar. 21

You've been helping students build their futures, now it's time to get ready to enjoy yours!

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CalSTRS is governed by the Teachers' Retirement Law, available at CalSTRS.com, and other governing laws. If there is a conflict between the law and this booklet, the law prevails. We make reasonable effort to provide accurate information in our publications, but such information is not meant to replace the law or provide legal or financial advice. To stay informed, consult a variety of sources, including CalSTRS.com, the California State Legislative Counsel website at leginfo.legislature.ca.gov, your union and elected legislative representatives. We can provide you with information on your benefit choices but do not provide any legal, financial, tax or other advice. For such advice, consider consulting a professional in the relevant field.

Why are we sending you this publication?

The mission of the California State Teachers' Retirement System—securing the financial future and sustaining the trust of California's educators—drives everything we do. This *Learn and Discover: Near Retirement* resource explains CalSTRS benefits and other issues fundamental to California's educators who are nearing retirement, such as Social Security offsets and other policies that could affect your secure financial future.

Learn and Discover: Near Retirement is part of our retirement resource series that places essential information at your fingertips during key times in your career—right when you need it. Understanding the value and security of the CalSTRS defined benefit you're earning is important. We hope this publication answers the questions you have as you near retirement.

THE BENEFIT OF A LIFETIME

Your CalSTRS defined benefit pension may be your greatest asset. Look through this booklet now to learn more.



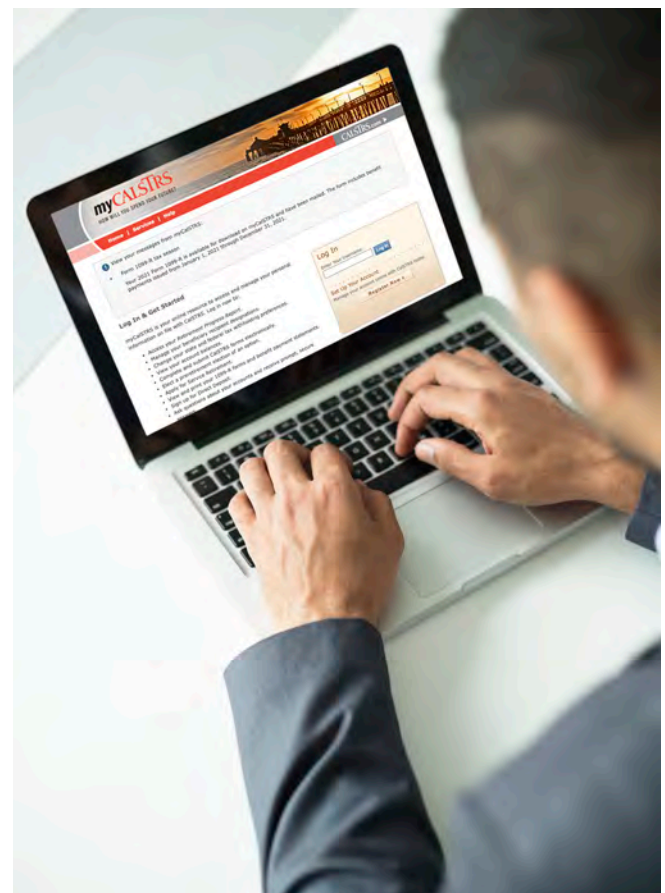
Access your CalSTRS information online

myCalSTRS offers easy, secure and convenient access to your accounts and forms—anytime, anywhere. Register at [myCalSTRS.com](https://mycalstrs.com).

With *myCalSTRS*, you can:

- Update your contact information.
- Access your annual *Retirement Progress Report* and view information reported by your employer.
- View your account balances.
- Name and update your one-time death benefit recipient.
- Exchange secure messages with CalSTRS representatives.
- Complete and submit forms.
- Link to your CalSTRS Pension2® 403(b) or 457(b) account, if you have one.

➤ Register at [myCalSTRS.com](https://mycalstrs.com).



Your CalSTRS retirement at a glance

As a vested member of CalSTRS, you're entitled to a guaranteed, lifetime monthly benefit when you retire.

Your income in retirement is a shared responsibility between CalSTRS and you. Your CalSTRS retirement benefit is a strong foundation, but you'll likely need more to meet your retirement income goal.

If you're like most educators, your retirement income will come from four main sources:

- Your CalSTRS monthly retirement benefit.
- Your CalSTRS Defined Benefit Supplement account funds.
- Your investment savings, such as CalSTRS Pension2 403(b) and 457(b) plans.
- Other personal savings.

CalSTRS administers a hybrid retirement system consisting of traditional defined benefit, cash balance and voluntary defined contribution plans.

Traditional defined benefit plan

CalSTRS Defined Benefit Program

- You contribute a percentage of your earnings to the Defined Benefit Program.
- Once you retire, you'll receive a guaranteed lifetime benefit.
- Your benefit will be a fixed percentage of your final compensation based on the age you retire and your years of service credit.
- Your benefit is determined by this formula:
service credit × age factor × final compensation
- Your benefit is not based on how much you contributed or your account balance.
- Your benefit is not dependent on how the CalSTRS Investment Portfolio performs.

See pages 4–5 to learn more.

Your income in retirement is a shared responsibility between CalSTRS and you.

Cash balance plans

CalSTRS Defined Benefit Supplement Program

- The funds in your Defined Benefit Supplement account generally come from outgrowth, or extra-pay assignments, such as club adviser, athletic coach or band director.
- A portion of your and your employer's contributions are credited to your Defined Benefit Supplement account based on your eligible earnings.
- Your account earns guaranteed interest and, when the Teachers' Retirement Board declares, additional earnings credits.
- At retirement, you're eligible to receive a lump-sum or annuity benefit based on your total account balance.

See pages 6–7 to learn more.

CalSTRS Cash Balance Benefit Program

- If you're a part-time educator, you may belong to this retirement plan designed specifically for your unique financial needs.

Defined contribution plan

CalSTRS Pension2

- This voluntary additional savings account helps you save more for retirement.
- You can choose from 403(b), 457(b), Roth 403(b) and Roth 457(b) plans.
- You make contributions through paycheck deductions.
- The amount you have at retirement depends on your contributions, investment gains or losses, and expenses.

See pages 9–10 to learn more.



Estimate your retirement benefit

Your defined benefit account is your primary CalSTRS retirement benefit account. This benefit is based on a formula set by law:

service credit × age factor × final compensation = your retirement benefit

As a result of the California Public Employees’ Pension Reform Act of 2013, CalSTRS has two benefit structures:

CalSTRS 2% at 60: Members first hired to perform service that could be credited to the Defined Benefit Program on or before December 31, 2012, in addition to certain other members.

CalSTRS 2% at 62: Members first hired to perform service that could be credited to the Defined Benefit Program on or after January 1, 2013.

The 2% refers to the percentage of your final compensation you’ll receive as a retirement benefit for every year of service credit, also known as the age factor. Other differences between the two benefit structures include final compensation, normal retirement age, creditable compensation caps and contribution rates.

Service credit

Service credit is the accumulated period of time, in years and partial years, during which you receive creditable compensation and make contributions to the Defined Benefit Program.

If you earn more than one year of service credit in a school year by performing service, such as outgrowth assignments or working in multiple positions, most of your and your employer’s contributions from the additional service will go into your Defined Benefit Supplement Program account, see pages 7–8.

Final compensation

Final compensation is your highest average annual compensation earnable for 36 consecutive months, or 12 consecutive months if you’re a CalSTRS 2% at 60 member and have 25 or more years of qualified service credit.

➤ See the “Your retirement benefit” section in the *Member Handbook*.

▶ View the *Understanding the Formula* video at CalSTRS.com/videos.

Age factor

Your age factor is a percentage based on your age on the last day of the month in which you retire. The age factor is less if you retire at an earlier age and is more if you retire at a later age.

CalSTRS 2% at 60 | Retirement age

55	56	57	58	59	60
1.40%	1.52%	1.64%	1.76%	1.88%	2.00%
61	62	63+			
2.13%	2.27%	2.40%			

CalSTRS 2% at 62 | Retirement age

55	56	57	58	59	60
1.16%	1.28%	1.40%	1.52%	1.64%	1.76%
61	62	63	64	65+	
1.88%	2.00%	2.13%	2.27%	2.40%	

➤ For more detailed age factor tables, see the *Member Handbook*.

Estimate your projected retirement benefit using the calculator at CalSTRS.com/calculators.

Your retirement formula: How it works

Let's look at Faye:

Faye, a CalSTRS 2% at 60 member, is a first-grade teacher with 29 years of service credit. She just turned 58, and though not in a hurry to retire, she's been thinking more about retirement lately. Her gross monthly salary is \$5,708.

Below are three examples for her Member-Only retirement benefit calculation, not including any unused sick leave she may have that will be converted to service credit at retirement. The examples assume she works full time, earns one full year of service credit, does not elect an option to provide a lifetime benefit to someone upon her death, and her pay stays the same.

If Faye retires with at least 30 years of service credit, a 0.2% career factor will be added to her age factor, up to a maximum age factor of 2.4%.

service credit × age factor × final compensation = retirement benefit

Example 1

If Faye were to retire today, her monthly retirement benefit would be:

$$\frac{29 \times 1.76\%}{\text{service credit} \quad \text{age factor}} \times \frac{\$5,708}{\text{final compensation}} = \frac{\$2,913}{\text{retirement benefit}}$$

Example 2

If she continues working until her 60th birthday, she would qualify for the career factor. Her monthly retirement benefit would be:

$$\frac{31 \times 2.2\%}{\text{service credit} \quad \text{age factor} + \text{career factor}} \times \frac{\$5,708}{\text{final compensation}} = \frac{\$3,893}{\text{retirement benefit}}$$

Example 3

If she continues working until her 62nd birthday, she would be eligible for the maximum combined age factor and career factor of 2.4%, giving her a monthly retirement benefit of:

$$\frac{33 \times 2.4\%}{\text{service credit} \quad \text{age factor} + \text{career factor}} \times \frac{\$5,708}{\text{final compensation}} = \frac{\$4,521}{\text{retirement benefit}}$$

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

➤ Find the career factor and age factor tables in the *Member Handbook* at [CalSTRS.com/member-publications](https://www.calstrs.com/member-publications).

Contributions to your CalSTRS retirement

CalSTRS pays retirement benefits using a combination of investment income and contributions.

Your member contributions

Your contribution rate depends on whether you're a CalSTRS 2% at 60 member or a CalSTRS 2% at 62 member. See [CalSTRS.com/contributions](https://www.calstrs.com/contributions) for your current contribution rate.

Employer and state contributions

Employer and state contribution rates vary year to year and are deposited in the Teachers' Retirement Fund to help pay benefits for all members and their beneficiaries.

Securing your financial future

Your CalSTRS defined benefit plan is likely the cornerstone of your retirement savings. Since it's set by a formula, not by the amount of contributions you make, it's structured to shield you from the risks of investment. In addition to receiving monthly income for the rest of your life, you also have access to disability benefits while working and to survivor benefits to provide financially for your loved ones.

Inflation protection

Your retirement benefit is protected against rising prices in two ways:

1. Starting September 1 after the first anniversary of your retirement date, your benefit increases automatically each year by 2% of your initial benefit.
2. If inflation erodes the purchasing power of your retirement benefit, you'll receive an additional quarterly payment, subject to the availability of funds set aside for purchasing power protection. See [CalSTRS.com/inflation-protection](https://www.calstrs.com/inflation-protection) for the current purchasing power protection level.

Health insurance in retirement

CalSTRS does not provide health benefits. Your health benefits depend on your district's agreement with your employee bargaining unit. Many retired educators have to contribute to or pay their own health insurance costs. **Consider setting aside extra money now for your future.**

You and your employer each pay 1.45% of your wages toward earning coverage under Medicare, the federal health insurance program for people age 65 and older.

Are you a part-time educator?

Working in multiple positions can affect your retirement benefit. Be sure to meet with a CalSTRS benefits specialist at least three years before you plan to retire. See the *Considerations for Part-time Educators* at [CalSTRS.com/member-publications](https://www.calstrs.com/member-publications) for more information.

Additional money for retirement

As a Defined Benefit member, you have a Defined Benefit Supplement account that can provide additional savings for your retirement.

Defined Benefit Supplement account

Your contributions for up to one year of service performed in a school year go into your Defined Benefit account. Contributions on your earnings in excess of one year of service are credited to your Defined Benefit Supplement account. If you're a CalSTRS 2% at 60 member, your contributions on limited-term payments are also credited to your Defined Benefit Supplement account. For current contribution rates, see [CalSTRS.com/contributions](https://www.calstrs.com/contributions).

Your Defined Benefit Supplement account balance earns a guaranteed interest rate. When you retire, you'll receive the funds in this account as either a lump sum or an annuity equal to the total balance of your account.

Contributions to your Defined Benefit Supplement account don't affect your ability to make contributions to 403(b), 457(b) or similar tax-advantaged accounts. You can find your current account balance on your *Retirement Progress Report* at [myCalSTRS.com](https://mycalstrs.com).

- Find the current Defined Benefit Supplement interest rate in the *Member Handbook*.

Excess contributions

If you make contributions on earnings in excess of one year of service, you're eligible for a return of your contributions that exceed the contribution rate for compensation creditable to your Defined Benefit Supplement account. See [CalSTRS.com/contributions](https://www.calstrs.com/contributions) for current contribution rates.

The dollar value of those excess contributions is reported each year on your *Retirement Progress Report*. Your *myCalSTRS* account shows a breakdown of excess contributions by employer.

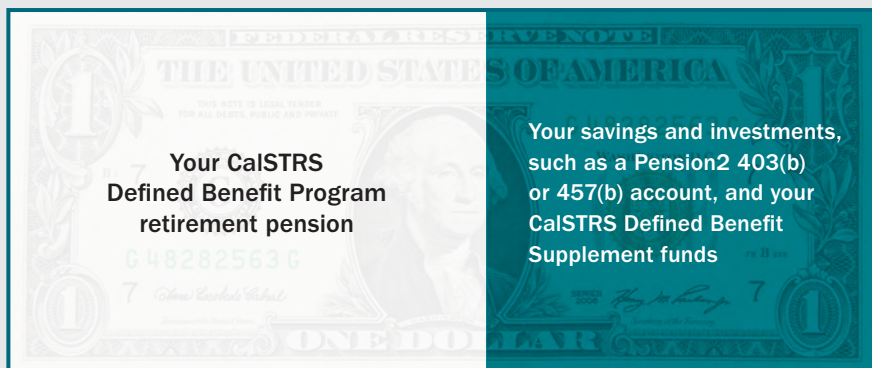
Your employer is responsible for returning your excess member contributions to you, less any authorized adjustments or tax withholding. If you have questions regarding the return of your excess contributions, contact your employer.

See the example on the next page to better understand your Defined Benefit Supplement account and excess contributions.

- ▶ View the Defined Benefit Supplement Program video series at [CalSTRS.com/videos](https://www.calstrs.com/videos).

Your CalSTRS retirement benefit is a healthy start—Will it be enough?

On average, the CalSTRS defined benefit pension replaces 50% to 60% of a career educator's salary. You'll need to close any gap between your retirement income goal and your retirement benefit with savings and investments. Don't know where to begin? See page 10 to learn more.



Invest sooner rather than later. That's the top recommendation from a poll of California educators ages 40 to 49 when asked what advice they would give their younger colleagues.

- ▶ View The Gap video at [CalSTRS.com/videos](https://www.calstrs.com/videos).

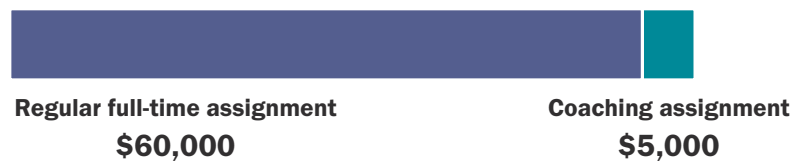
Defined Benefit Supplement account: Excess contributions

Example

Gabriel is a CalSTRS 2% at 60 member who earned \$60,000 last year in his regular full-time assignment and an additional \$5,000 coaching an after-school program. During the school year, he paid a 10.25% contribution rate on all his earnings. In the fall, CalSTRS credited 16% of his after-school coaching pay to his Defined Benefit Supplement account (8% from Gabriel and 8% from his employer), and his employer returned \$112.50 to him ($\$5,000 \times 10.25\%$) - ($\$5,000 \times 8\%$) = **\$112.50**.

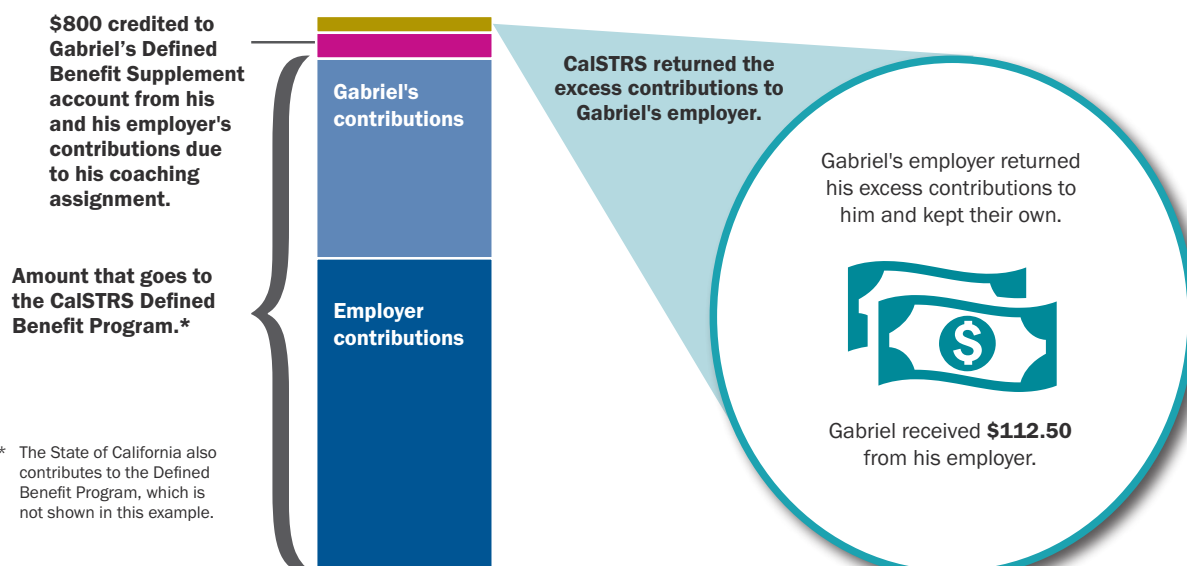
Gabriel's total earnings last year

Gabriel and his employer both remitted contributions to CalSTRS for all the service he performed.



If you perform excess service, CalSTRS will return excess contributions to your employer in the fall. Your employer is responsible for returning those funds to you.

At the end of the school year, CalSTRS determined Gabriel had earned more than a year of service credit. His coaching assignment is not creditable to the Defined Benefit Program, but it is creditable to his Defined Benefit Supplement account.





Increase your retirement benefit

You can increase your benefit by increasing one or more components of the retirement benefit formula:

$$\text{service credit} \times \text{age factor} \times \text{final compensation}$$

Purchase additional service credit

The more service credit you have at retirement, the greater your retirement benefit. You can:

- Redeposit previously refunded contributions and restore service credit if you return to CalSTRS membership or work covered by another eligible California public retirement system.
- Purchase nonmember service, such as part-time or substitute service in the California public school system, earned before you were a CalSTRS member or after taking a refund and before becoming a member again.
- Buy permissive service credit for employer-approved leaves or service not previously credited, if eligible.

➤ See the *Purchase Additional Service Credit* booklet at CalSTRS.com/member-publications.

▶ View the *Purchase Service Credit* video at CalSTRS.com/videos.

Work a while longer

The longer you work, the more service credit you'll have—and if you're under the CalSTRS 2% at 60 benefit structure, you may qualify for the one-year final compensation and career factor benefit enhancements:

- With 25 or more years of service credit, your final compensation will be based on your highest average annual compensation earnable for 12 consecutive months.
- With 30 or more years, 0.2% will be added to your age factor to a maximum combined age factor and career factor of 2.4% at age 61 and 6 months.

Convert unused sick leave to service credit at retirement

CalSTRS will convert your unused sick leave to service credit when you retire. As soon as you change employers during your career, coordinate with your former employer to arrange for the transfer of your accumulated unused sick leave to your new employer.

If you're employed full time as an educator, sick leave credit is calculated by dividing the number of accumulated unused sick leave days by the number of base service days, excluding holidays, required to complete the last school year:

$$\frac{\text{accumulated days of unused sick leave}}{\text{number of base days for full-time service}} = \text{service credit}$$

If you work part time, the base service days are calculated in proportion to the full-time equivalent.

Sick leave service credit cannot be used to meet eligibility requirements for service retirement. However, if you're under the CalSTRS 2% at 60 benefit structure, up to two-tenths of one year of unused sick leave may be used to qualify for benefit enhancements.

➤ See the "Your retirement benefit" section in the *Member Handbook*.

Learn the advantages of CalSTRS Pension2 403(b) and 457(b) plans



If you're like many educators, you'll likely need additional savings to bridge the gap between your CalSTRS retirement benefit and your retirement income goal. Ask your school district if Pension2 is an option for you.

With the Pension2 supplemental savings plan, you'll have:

- 403(b), 457(b), Roth 403(b) and Roth 457(b) plan options.
 - Low and transparent costs.
 - Flexible investment options that match your investment ability:
 - » **Easy Choice Portfolios**—Consider your risk tolerance and retirement date, and include a mix of core investment options.
 - » **Core Investment Options** —Build your own portfolio from a list of more than 20 funds.
 - » **Self-Directed Brokerage Account**—Access an expanded range of mutual funds.
 - Professional advice, services and retirement income planning tools.
- View the Pension2 ebook and enroll online at [Pension2.com](https://www.pension2.com) or call toll free **888-394-2060**.

Have other retirement savings accounts? Bring them together!

Now is the perfect time to combine your retirement accounts. When you roll over money in other qualified retirement plans to CalSTRS Pension2, you manage your retirement savings all in one place.

Asset consolidation is a powerful management strategy. Managing one account rather than several makes it easier to implement and track your investment strategy.

You may be able to save on fees. Less in fees can translate into more money for you.

- To get a no-cost, no-obligation comparison of the fees you may pay elsewhere and with Pension2, call **888-394-2060**.





Increase your 403(b) or 457(b) contribution

Are you saving enough? One way to save is to invest in a 403(b) or 457(b) tax-advantaged account. It's never too late to start.

403bCompare™

Find the right 403(b) for you

403bCompare is your resource for information on the 403(b) plans offered by your school district. You'll find everything you need to compare, select and start building your personal retirement savings.

Visit 403bCompare to:

- Learn about the advantages of a 403(b) account.
- Find your district's approved list of 403(b) vendors.
- Compare 403(b) plans side by side, including fees, services and performance.
- Get information about how to enroll and start easy paycheck contributions.

➤ Check out [403bCompare.com](https://www.403bcompare.com) today.



Did you know?

Power of time and money. With compound interest, you earn interest on your total balance—your original contribution plus all interest earned and any additional contributions—so your money can grow faster.

Tax advantages. When you contribute to your 403(b) or 457(b) account directly out of your paycheck, you defer taxes on the money you invest each month. Your earnings grow tax-deferred, and your monthly taxable income is lower.

Contribute to a Roth 403(b) or Roth 457(b) account through your paycheck and you won't get a tax break up front, but your contributions and earnings will be tax-free at retirement when you withdraw your funds.

Investing involves risk, including risk of loss of principal.

To help keep your savings on track, use the savings calculator at [CalSTRS.com/calculators](https://www.CalSTRS.com/calculators). See how much more you could have at retirement if you increased your monthly contribution by \$100.



Get the facts on Social Security

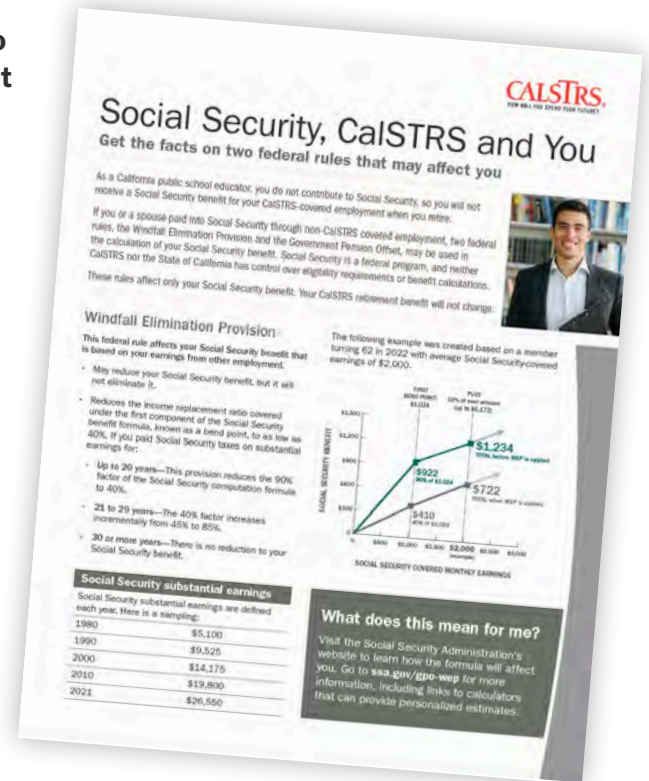
As a California public school educator, you do not contribute to Social Security, so you will not receive a Social Security benefit for your CalSTRS-covered employment when you retire.

If you or a spouse paid into Social Security through other employment, two federal rules—the Windfall Elimination Provision and the Government Pension Offset—may be used in the calculation of your Social Security benefit. The application of these offsets may leave you with a smaller Social Security benefit or possibly no Social Security benefit at all.

Your CalSTRS retirement benefit will not be reduced by these rules. Social Security is a federal program, and neither CalSTRS nor the State of California has control over eligibility requirements or benefit calculations.

➤ See the *Social Security, CalSTRS and You* fact sheet at CalSTRS.com/member-publications.

▶ View the *Introduction to Social Security* video at CalSTRS.com/videos.



Find details, including calculators, to help you determine if these federal rules might affect you at ssa.gov, or you can call them at 800-772-1213.

Consider investing the percentage of your salary that would have gone to Social Security into a tax-advantaged 403(b) or 457(b) account, such as CalSTRS Pension2.

POP QUIZ

When are you eligible to retire?

You can retire at age 55 with five years of service credit—or fewer if you service retire concurrently from one or more eligible California public retirement systems. If you're a CalSTRS 2% at 60 member, you can retire as early as age 50 if you have at least 30 years of service credit.

➤ See page 16 to learn more.



Review your Retirement Progress Report

Keep tabs on your CalSTRS account and service credit balances by reviewing your *Retirement Progress Report* each year. Your new report is available online on *myCalSTRS* in mid-September.

Your *Retirement Progress Report* summarizes:

- Your service credit.
- The name of your one-time death benefit recipient.
- Accumulated contributions and interest in your Defined Benefit and Defined Benefit Supplement accounts.
- Information about your disability and survivor benefit coverage.
- Two estimates of your CalSTRS monthly retirement benefit and your Defined Benefit Supplement account distribution, once you've reached age 45. These are estimates only and not binding.

Be sure to:

- Verify your paycheck information, including your deductions, each pay period.
- Keep your mailing and email addresses current at myCalSTRS.com.



A personal report for: DEFINED BENEFIT MEMBER Birth year: 1954
Client ID: 233333333 Initial membership date: 01/01/2002

Additional information

Defined Benefit Supplement account

Service Credit Activity

MEMBER	TAX DEFERRED	INTEREST (%)	TOTAL (\$)
DB beginning balance as of July 1, 2020	0.00	89,186.74	5,183.45
DB ending balance as of July 1, 2021	0.00	7,638.42	1,807.10
DB ending balance as of June 30, 2021	0.00	97,825.16	6,990.55

Service Credit

MEMBER	TAX DEFERRED	INTEREST (%)	TOTAL (\$)
DB beginning balance as of July 1, 2020	0.00	89,186.74	5,183.45
DB ending balance as of July 1, 2021	0.00	7,638.42	1,807.10
DB ending balance as of June 30, 2021	0.00	97,825.16	6,990.55

Additional earnings credit

Social Security - What to know

CalSTRS benefits planning webinars

Need help?

If you believe there's a discrepancy in your report, contact your employer immediately to correct errors.

➔ View your Retirement Progress Report at myCalSTRS.com.



Learn about your survivor benefits

Your spouse, children and other loved ones may be eligible for survivor benefits after your death. The type and amount of benefits depend on:

- Your years of service credit.
- Your type of coverage: A or B.
Find your coverage on your *Retirement Progress Report*.
- Your membership status.
- If you elect an option.

Depending on your member status at the time of your death, your beneficiaries may be eligible for three types of benefits:

- One-time death benefit.
- Defined Benefit Program monthly benefit.
- Defined Benefit Supplement account distribution.

NOTE: All survivor benefits are considered taxable income.

One-time death benefit recipient

You may designate one or more recipients to receive a one-time death benefit—a person, trust, estate, charitable organization, corporation or public entity.

See the *Member Handbook* for the current benefit amounts. To name your one-time death benefit recipient, use your *myCalSTRS* account and be sure to keep your recipient information current.

Defined Benefit Program monthly benefit

If you die before retirement, your survivors, including your spouse or registered domestic partner and dependent children, may be eligible for a monthly survivor benefit.

You may choose to elect an option to provide a lifetime monthly benefit to one or more beneficiaries, instead of a monthly survivor benefit, when you're eligible to retire. You can also elect an option at retirement, or under the Coverage B disability retirement based on your earned income.

Defined Benefit Supplement distribution

Your membership status when you die determines how the balance in your Defined Benefit Supplement account will be distributed.

If you die before retirement, your Defined Benefit Supplement account balance will be distributed to your one-time death benefit recipient. If you did not name a recipient, CalSTRS will pay the balance to your estate.

If you die after retirement, your account balance will be distributed to your one-time death benefit recipient or option beneficiary, depending on the distribution you elected at retirement.

➤ See the *Survivor Benefits* brochure at [CalSTRS.com/member-publications](https://www.calstrs.com/member-publications).

▶ View the *Survivor Benefits* video at [CalSTRS.com/videos](https://www.calstrs.com/videos).

You can change your one-time death benefit recipient any time, with no financial penalty.

Learn about your disability benefits

You may be eligible for disability benefits if you have a medically determined physical or mental impairment that is permanent or expected to last at least 12 consecutive months and prevents you from performing:

- Your usual duties with or without reasonable accommodation.

OR

- Duties in a comparable level position.

In general, the basic disability benefit is 50% of your final earned compensation. The maximum benefit, including benefits for eligible dependent children, is 90% of your final earned compensation.

In order to have income while your application for disability benefits is being evaluated, you may apply while:

- You're still working.
- You're receiving sick leave or differential pay.

In addition, if you're eligible to service retire, you can apply for service retirement during the evaluation of your application. However, if your disability benefits application isn't approved, you'll remain in service retirement and won't be eligible to apply for disability again.

Your disability benefit does not require your disability to be work related, unlike worker's compensation benefits.

- See the "Your disability benefits" section in the *Member Handbook* and *Your Disability Benefits Guide* at [CalSTRS.com/member-publications](https://www.calstrs.com/member-publications).

A disability benefit is calculated differently from a service retirement benefit. In some situations, a service retirement benefit may be a more appropriate choice.

Schedule a benefits planning session and ask for a customized benefit estimate to help you make your decision. Call us at 800-228-5453, option 3.





Understand your retirement decisions

It's never too early to start planning for your retirement. Attend a CalSTRS webinar or benefits planning session to help you with your decisions. Then when you're ready, complete and submit your *Service Retirement Application* online using *myCalSTRS*.

Are you eligible to retire?

If you're under the CalSTRS 2% at 60 benefit structure, you're eligible to retire as early as age 50 with at least 30 years of service credit or age 55 with at least five years of service credit or under the special circumstances of concurrent retirement.

If you're under the CalSTRS 2% at 62 benefit structure, you're eligible to retire at age 55 with at least five years of service credit or under the special circumstances of concurrent retirement.

Do you want to provide a lifetime monthly retirement benefit to someone after your death?

Member-Only Benefit

The Member-Only Benefit provides the highest monthly benefit. It does not provide a monthly lifetime benefit for someone after your death. After your death, any remaining balance in your account will be paid to your one-time death benefit recipient.

Modified Benefit

You can choose to distribute your retirement benefit over your life and the life of one or more people. You'll receive a reduced monthly lifetime benefit, known as a Modified Benefit, based on the option you choose, your age and your beneficiary's age at election. When you die, your option beneficiary will receive a lifetime monthly benefit.

You can provide your beneficiary with 100%, 75% or 50% of your modified Member-Only Benefit. Or you can choose the Compound Option that lets you provide a lifetime monthly benefit for one or more individuals and keep a portion of your benefit as a Member-Only Benefit. After you retire, you can change your option beneficiary only under limited circumstances.

To find out how each option would affect your retirement benefit, use the *Retirement Benefits Calculator* at

CalSTRS.com/calculators or schedule a benefits planning session at **CalSTRS.com/benefits-planning** or call **800-228-5453**, option 3.

Electing an option beneficiary before retirement

You can elect an option beneficiary when you're eligible but not yet ready to retire. This is called a preretirement election of an option.

Advantages include:

- The benefit begins immediately after your death.
- If you die before you retire, your option beneficiary will receive a monthly lifetime benefit. If you do not preelect an option beneficiary and you die before retirement, your survivors may receive a smaller benefit or none at all.
- In most cases, the Modified Benefit you'll receive in retirement will be higher if you preelect an option than if you elect an option at the time of retirement.

Disadvantages include:

- If you cancel or change your option before retiring, a lifetime assessment will be applied to your retirement benefit. The assessment may reduce your retirement benefit for life.
- If your option beneficiary dies before you retire, the election will be canceled automatically. Your retirement benefit will be subject to an assessment that may reduce your benefit for life.

If you choose to elect an option before retirement, complete and submit the *Preretirement Election of an Option* form online using *myCalSTRS*.

- See "Protecting your loved ones before you retire" and "Protecting your survivors with a lifetime benefit" in the *Member Handbook*.

📺 View the *Beneficiary Options* video at **CalSTRS.com/videos**.

How do you want to receive the funds in your Defined Benefit Supplement account?

When you retire, you'll receive the funds in your Defined Benefit Supplement account. Your most recent *Retirement Progress Report* shows the total amount in your account at the end of the last school year.

Things to consider

The amount in your account determines how you can receive your funds at retirement:

- If you have less than \$3,500 in your account, you will receive your account balance as a lump-sum payment. You may receive your funds directly or roll them into a qualified retirement plan, such as CalSTRS Pension2.
- If you have \$3,500 or more in your account, your choice depends on whether you elect a Member-Only Benefit or a Modified Benefit. You can choose a lump-sum payment, annuity payments or both.

➤ See “Your Defined Benefit Supplement account distribution” in the *Member Handbook*.

▶ View the three-part Defined Benefit Supplement Program video series at [CalSTRS.com/videos](https://www.calstrs.com/videos).

Ease into retirement under the Reduced Workload Program

If you're not ready to retire but want to cut back on the number of hours you work, consider the Reduced Workload Program (also known as the Willie Brown Act). This program allows you to work less than full time but continue to earn service credit as if you were working full time. You and your employer continue to pay CalSTRS contributions based on your full-time salary.

To participate, you must be at least age 55, have at least 10 years of service credit and have been employed full time in a CalSTRS-covered position

for the last five years. Talk to your employer to find out whether the program is offered. Availability and participation are at your employer's discretion.

➤ See the “Reduced Workload Program” section in the *Member Handbook*.

If you contributed to another public retirement system

If you're also a member of another public retirement system in California, you'll need to file for retirement separately with each system.

When calculating your service retirement benefit, CalSTRS may be able to use compensation for service performed under the other eligible retirement system if you didn't work for both systems at the same time.

➤ See the *Concurrent Retirement* fact sheet at [CalSTRS.com/member-publications](https://www.calstrs.com/member-publications) for a list of eligible public retirement systems.

When it's time to retire...

Register to attend a Service Retirement Application Roundtable Demonstration at [CalSTRS.com/webinars](https://www.calstrs.com/webinars) before you complete your *Service Retirement Application*.



Working after retirement

As you plan for retirement, consider how you'll spend your time as well as how much money you'll need.

If you think you may return to work, here's what you need to know:

- You can work in any job outside the California public school system with no restrictions on your earnings. This includes working for private schools, state colleges and universities, and the private sector.
- Under the separation-from-service requirement, your CalSTRS benefit will be reduced by the amount you earn performing retired member activities during the first 180 calendar days following your most recent retirement date, up to your benefit amount payable during that period. This includes performing retired member activities in the California public school system, including substitute teaching, as an employee, an independent contractor or an employee of a third party.
- If you perform retired member activities in the California public school system, including substitute teaching, as an employee, an independent contractor, or an employee of a third party, there's a limit to the amount of money you can earn in a year without affecting your retirement benefit. Visit [CalSTRS.com/limits](https://www.calstrs.com/limits) to find out the current postretirement earnings limit.

- If you retired under the Retirement Incentive Program, you will lose the ongoing increase in your benefit from the incentive if you return to work within five years of retirement in any job with the employer that granted the incentive as an employee, independent contractor or an employee of a third party.

Your responsibility

If you return to work in the California public school system, you'll need to keep track of your gross earnings (your income before any taxes are deducted) so you do not exceed the earnings limit. CalSTRS will also monitor your earnings, but it usually takes three to four months to receive, review and post your earnings to your account.

If you earn more than the limit, your monthly retirement benefits will be reduced by the excess amount, up to the amount of your total annual benefit. For example, if you earn \$3,000 above the limit in a school year (July 1 to June 30), we will reduce your retirement benefits by \$3,000.

NOTE: About half of CalSTRS retirees volunteer their time during retirement. If you choose to volunteer, be aware that an employment arrangement that involves volunteering in a position to perform service that would otherwise be creditable to CalSTRS may be in violation of the postretirement earnings limitations.

- See the *Working After Retirement* fact sheet and "Reinstatement to active member status" in the *Member Handbook* at [CalSTRS.com/member-publications](https://www.calstrs.com/member-publications).

Retirement will be here before you know it.

Find out what you'll need to be aware of once you're retired by viewing our *Learn and Discover: Newly Retired* resource at [CalSTRS.com/member-publications](https://www.calstrs.com/member-publications).

Stay connected and informed



Be in touch

Contact us online or by telephone. We're here to help. You'll need to provide your Client ID or Social Security number, and your date of birth.

- CalSTRS.com/contact-us
- 800-228-5453

Stay connected with us to keep up on the latest CalSTRS news.



Benefits planning sessions

Attend a benefits planning session for help with the decisions you'll need to make when you retire.

- CalSTRS.com/benefits-planning-services



Pension Sense blog

Subscribe to our blog for the latest information about your benefits, our member service center hours, our investment portfolio and our company engagement activities.

- CalSTRS.com/pension-sense



Reports

Read our reports to discover how CalSTRS is a leader in diversity and sustainability.

- *Diversity in the Management of Investments Report*
- *Green Initiative Task Force Report*
- *Sustainability Report*

- CalSTRS.com/reports-and-studies

Are you saving enough?

According to the 21st Annual Transamerica Retirement Survey, 68% of U.S. workers agree they're currently building a large enough retirement nest egg, yet 24% do not have a retirement strategy.

Use the worksheets on pages 23–24 to estimate your income and expenses in retirement.

- Estimate your projected retirement benefit using the calculator at CalSTRS.com/calculators.

myCALSTRS | my retirement

Ready to retire?

Complete and submit your *Service Retirement Application* online using your myCalSTRS account. Or, if you're unable to submit online, you can print and mail or fax it to us.

When you complete your application online using myCalSTRS:

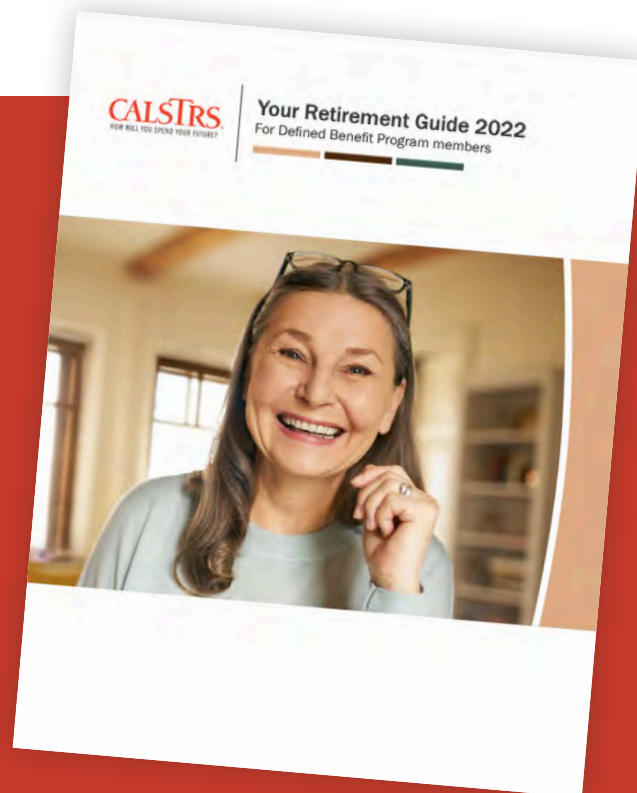
- You'll receive step-by-step guidance to help you complete your application correctly.
- Your member-specific information is auto-filled, saving you time.
- You'll receive an immediate email confirmation when we receive your application and after it has been processed.
- We'll promptly contact you via email if we need additional information to process your application.

Need help completing your application?

First, read *Your Retirement Guide*, available at [CalSTRS.com/member-publications](https://www.calstrs.com/member-publications).

If you'd like more assistance, sign up for an *Online Service Retirement Application Demonstration* if you're submitting your application online or a *Paper Service Retirement Application Demonstration* if you're submitting your application in hard copy. Register at [CalSTRS.com/webinars](https://www.calstrs.com/webinars).

Or, give us a call at 800-228-5453, option 3.





Attend a webinar

Want to learn more about your your benefits and how to save, plan and protect your financial future? Take advantage of our webinars and benefits planning sessions.

Understand your retirement timelines and decisions

Sign up for the **Your Retirement Decisions** webinar. You'll learn how:

- We calculate your defined benefit monthly retirement benefit.
- You can provide a lifetime monthly benefit to your survivors—and how this would affect your monthly benefit.
- To receive the funds in your Defined Benefit Supplement account.
- To submit your *Service Retirement Application*.
- You can return to work in the California public school system in retirement.

Financial awareness webinars

Learn how to make smart decisions today about your financial future by attending these financial awareness webinars:

Save for Your Future—Discover ways to create a spending plan, understand your credit report, build and keep good credit, manage debt and ask the right questions before investing.

Plan for Your Future—Create an action plan for your retirement, estimate your income and expenses in retirement, and learn about Medicare basics and Social Security offsets.

Protect Your Future—Learn how to maximize and protect your income and reduce the risks of underestimating your expenses in retirement, and how to choose a financial professional.

Benefits planning session

Are you eligible to retire or considering retirement within the next five years? Learn about your retirement decisions and review personalized estimates prepared by a CalSTRS benefits specialist in a confidential, yet interactive, small-group setting.

The **CalSTRS and Your Retirement** session covers:

- Your CalSTRS accounts and personalized benefit estimates.
- How to leave a lifetime benefit to a loved one.
- How to purchase service credit and what happens to your unused sick leave.
- Concurrent retirement—retiring from more than one California public retirement system.
- Considerations regarding health benefits, Medicare and Social Security.
- How to apply for retirement and when to expect your benefit.

Do you know how much you'll need?

Try living on your estimated retirement income for a few months while you're still working. Use the monthly retirement income and expense worksheets on pages 23–24 to get an idea of where you stand now.

Register for one or more of these webinars at CalSTRS.com/webinars today. You can speak with one of our representatives by telephone at **800-228-5453, option 3.**



Your retirement picture

According to our 2021 Annual Member Survey, 90% of retired CalSTRS respondents report they are satisfied with their quality of life in retirement. How do you envision your retirement?

Check all the activities you see yourself doing:

Work

- Start a new career or business
- Work part time or consult
- Volunteer
- Mentor

Family

- Visit family often
- Care for grandchildren
- Care for a parent
- Care for a spouse

Education

- Take classes
- Learn a language
- Read more
- Focus on staying healthy

Travel

- Travel as much as possible
- Take one trip per year
- Buy an RV

Fun

- Spend more time on hobbies
- Dine out often
- Attend special events
- Plant a garden

Transportation

- Reduce the number of cars I own
- Use public transportation

Housing

- Stay in my current home
- Downsize my living space
- Pay off a home mortgage
- Remodel
- Rent
- Buy a second or vacation home
- Move to an active adult community
- Live with family
- Look into assisted living

Location

- Live near friends or family
- Live in a different climate
- Live closer to my interests
- Move somewhere with a lower cost of living

Other

Your retirement income worksheet

Enter your monthly income amounts before taxes to see what your income in retirement will look like.

Guaranteed income

Defined Benefit Program pension	
My benefit	\$
Other benefit	\$
Defined Benefit Supplement payment	
Lifetime monthly annuity	\$
Social Security	
My benefit from other work	\$
Other benefit	\$
Veteran's benefit	
My benefit	\$
Other benefit	\$
Annuities	
My annuity income	\$
Other annuity income	\$
Other guaranteed income	
Other income	\$
Total guaranteed monthly income	\$

Guaranteed income checklist

- Have I received estimates of my monthly benefits from all sources?
- Do these income sources adjust with inflation?
- What are the tax considerations of these income sources?
- What happens to these income sources if I or my significant other dies?

Nonguaranteed income

403(b), 457(b), 401(k), IRA	
Monthly distributions	\$
Roth 403(b), Roth 457(b), Roth 401(k), Roth IRA	
Monthly distributions	\$
Brokerage and savings accounts	
Monthly distributions	\$
Full-time and part-time work	
Income	\$
Income outside of work	
Real estate rental income	\$
Other annuity income	\$
Other	\$
Total nonguaranteed monthly income	\$

Nonguaranteed income checklist

- Do I have a strategy for taking distributions from each account?
- Have I looked into converting these accounts to guaranteed income, if needed?
- How do the IRS required minimum distribution rules affect these accounts?
- What are the tax considerations of these income sources?

TOTAL MONTHLY INCOME	\$
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Your retirement expense worksheet

Categorize each monthly expense as a must-have or a want. If an item is both, allocate separate amounts for each and then total them.

Expenses	Must-have	Want	Total
Taxes			
State	\$	\$	\$
Federal	\$	\$	\$
Home			
Mortgage/rent	\$	\$	\$
Property tax and insurance	\$	\$	\$
Association dues	\$	\$	\$
Home repair and maintenance	\$	\$	\$
Utilities			
Utilities (gas, electricity, water)	\$	\$	\$
Home phone/cell phone	\$	\$	\$
Food and household items			
Groceries	\$	\$	\$
Eating out	\$	\$	\$
Household supplies	\$	\$	\$
Transportation			
Loan payments	\$	\$	\$
Gas	\$	\$	\$
Insurance	\$	\$	\$
Maintenance/repairs	\$	\$	\$
Health and grooming			
Health insurance premiums	\$	\$	\$
Life insurance premiums	\$	\$	\$
Long-term care insurance premiums	\$	\$	\$
Medical out-of-pocket expenses	\$	\$	\$
Prescription medication	\$	\$	\$
Gym/health club dues	\$	\$	\$
Clothing	\$	\$	\$
Personal care products/maintenance	\$	\$	\$
Entertainment and recreation			
Cable TV, internet, streaming services	\$	\$	\$
Movies, concerts, sports, other events	\$	\$	\$
Pet care	\$	\$	\$
Newspapers, magazines, books	\$	\$	\$
Vacations/travel	\$	\$	\$
Hobbies	\$	\$	\$
Gifts	\$	\$	\$
Debt obligations			
Credit card payments	\$	\$	\$
Loan payments	\$	\$	\$
Other			
Other	\$	\$	\$
Other	\$	\$	\$
TOTAL	\$	\$	\$



CalSTRS benefits planning offices

Hours and services vary at our member service centers and satellite offices.
For the most current listing of our offices, visit [CalSTRS.com/local-offices](https://www.calstrs.com/local-offices).

Member service centers

Fresno	Irvine	San Diego	West Sacramento
Glendale	Riverside	Santa Clara	

Satellite offices

Bakersfield	Hanford	Ontario	Salinas	Santa Rosa
Ceres	Hayward	Oxnard	San Francisco	Visalia
Cordelia	Hesperia	Palm Desert	San Marcos	Walnut
Culver City	Lancaster	Palm Springs	San Mateo	
Downey	Los Alamitos	Pleasant Hill	Santa Barbara	
El Centro	Murrieta	Redding	Santa Maria	

CalSTRS resources



WEB

[CalSTRS.com](https://www.calstrs.com)

[myCalSTRS.com](https://www.mycalstrs.com)

[403bCompare.com](https://www.403bcompare.com)

[Pension2.com](https://www.pension2.com)

STAY CONNECTED



CALL

800-228-5453
Calls from within the U.S.

916-414-1099
Calls from outside the U.S.

888-394-2060
CalSTRS Pension2®
Personal wealth plan

844-896-9120 (toll free)
CalSTRS Compliance
and Ethics Hotline
[CalSTRShotline.ethicspoint.com](https://www.calstrshotline.ethicspoint.com)



WRITE

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

**Overnight delivery to
CalSTRS Headquarters**
100 Waterfront Place
West Sacramento, CA
95605



VISIT

Find your nearest
CalSTRS office at
[CalSTRS.com/localoffices](https://www.calstrs.com/localoffices).

Call ahead for the hours
and services available
at your local office.



FAX

916-414-5040



California State Teachers' Retirement System

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