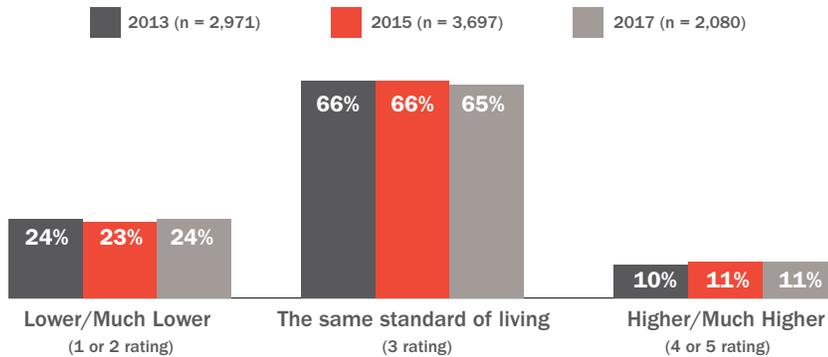


## Standard of Living in Retirement vs. Prior to Retirement



[Biennial survey](#) of CalSTRS members' attitudes shows remarkable consistency over several years.

## 3 out of 4 CalSTRS Retirees Maintain Similar or Higher Standard of Living

According to the latest CalSTRS Retirement Readiness Assessment, more members are using online resources for retirement planning, while balancing current life expenses with future planning appears to be improving.

Among the notable findings:

- Use of myCalSTRS, CalSTRS.com and Pension2.com for retirement planning continues to increase.
- Roughly 22 percent of retired members work for pay. Additionally, 51 percent of retirees actively volunteer.
- Borrowing from retirement plans while working in a CalSTRS-covered position decreased.
- The majority of retired members rate their retirement income as sufficient to ensure their retirement security.

The use of online resources to plan for retirement continues to rise for active and retired members. Active members who visited myCalSTRS for retirement planning rose from 33 percent in 2013 to 60 percent in 2017. Additionally, visits to Pension2.com—the site for CalSTRS' voluntary defined contribution plan—nearly

quadrupled from 4 percent of all members in 2013 to 15 percent in 2017.

More than 80 percent of retired members say their CalSTRS benefit meets or exceeds their expectations in helping maintain their standard of living. Additionally, 63 percent of retired members report their retirement income is either mostly or completely sufficient in ensuring their retirement security.

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## CalSTRS Providing Outreach and Training

### Goal to Increase Employer Reporting Accuracy

CalSTRS' ability to provide accurate payments to members and beneficiaries requires accurate reporting by employers on things such as age, service credit and sick leave. Because of the importance of employer reporting, CalSTRS dedicates significant resources to assist employers to provide accurate and timely reporting.

The CalSTRS Member Account Services Division (MAS) has six teams that have day-to-day contact with the 71 county offices of education and direct reporting agencies that represent the 1,749 district employers who report to CalSTRS. In this fiscal year already, MAS has responded to more than 12,000 inquiries from employers.

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## Board News:



### Tom Unterman Departs

Thomas Unterman stepped down from the board, where he served since being appointed by the governor in 2013. Mr. Unterman has been an adjunct faculty member at the UCLA School of Law since 2011 and has held several positions at Rustic Canyon Partners since 1999, including founder and founding partner. He held multiple executive positions at the Times Mirror Co. Unterman is a member of the ProPublica Board of Directors and the Museum of Contemporary Art, Los Angeles Board of Trustees.



### Joy Higa Reappointed

Joy Higa has been reappointed by Governor Brown to a second term as a public representative to CalSTRS board. Ms. Higa is the vice president, regulatory affairs, for UnitedHealthcare's West and Central Regions, where she manages relationships and policy activities. She previously served as deputy chief of staff to the state controller and chief deputy cabinet secretary in the Office of the Governor. She received her B.A. from Cornell University. Ms. Higa serves as vice chair of three standing committees: Investments, Benefits & Services and Audits & Risk Management.

Dana Dillon  
Board Chair

Sharon Hendricks  
Vice Chair

John Chiang  
Ex-Officio Member, State Treasurer

Michael Cohen  
Ex-Officio Member, Director of Finance

Joy Higa  
Public Representative

Harry M. Keiley  
K-12 Classroom Teacher

Paul Rosenstiel  
Public Representative

Tom Torlakson  
Ex-Officio Member, State Superintendent of Public Instruction

Nora E. Vargas  
School Board Representative

Karen Yamamoto  
Retiree Representative

Betty Yee  
Ex-Officio Member, State Controller

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## 3 out of 4 CalSTRS Retirees Maintain Similar or Higher Standard of Living

About one in five retired members—22 percent—works for pay. Additionally, half of retired members—51 percent—do ongoing or regularly scheduled volunteer work. These members volunteer, on average, about nine hours per week. Research suggests that positive, long-term mental health outcomes can be achieved when the population aged 65 and older remain engaged in the workforce.

The Retirement Readiness Assessment is a biennial survey of active and retired members that assesses their overall financial standing. The 2017 Assessment was sent via email to a random sample of active and retired members between late May and early June. Nearly 3,000 active members and over 2,000 retired members responded. [View the entire report.](#)

## Board Approves Investments Beliefs

The Investment Committee adopted the last in a set of investment beliefs that strengthen the fund's governance. The beliefs ensure the investment portfolio is implemented around a common set of core views. The Investment Beliefs include eight specific statements relating to diversification, market efficiency, investment costs, internal management, the illiquidity risk premium, managing short-term drawdown risk, the benefits of responsible corporate governance and alignment of interests with external advisers and managers. The complete list of approved [Investment Beliefs](#) can be found on CalSTRS.com.

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## CalSTRS Providing Outreach and Training

At its February meeting, the Teachers' Retirement Board was provided with a presentation on employer support and education, which highlighted some of the ways in which CalSTRS works with employers to ensure accurate and timely reporting.

The CalSTRS Secure Employer Website (SEW) is the portal employers use to submit information and to communicate securely with CalSTRS. The MAS Communications and Legislation team communicates updates and other important information through SEW. The MAS Audit Support Team works with the CalSTRS Audit Division by following up on audit findings and working with employers to ensure corrections are made. This team also makes training recommendations.

The MAS Training Team provides employers with training on reporting topics such as SEW reporting, membership and creditable service, excess sick leave and post-retirement earnings. MAS offers its training through a variety of means such as webinars, conferences calls and on-location, in-person training sessions.

When the team conducts trainings in the field, CalSTRS partners with county offices of education to reach out to additional area employers. The goal is to provide information and training to as many as possible to ensure consistency of understanding throughout a region.

When CalSTRS uncovers reporting errors through audits or other means, we view such findings as opportunities for education and improvement, and so do employers. As Christine Briceno, director of member account services, explained during her presentation: "Our experience is that employers want to work with us to do the right thing and to report accurately to CalSTRS."

## CalSTRS Presents 3 Studies

*Sustainability, Green Investments, Diversity*



In the [fourth annual sustainability report](#), CalSTRS demonstrates its commitment to long-term value creation and organizational sustainability in corporate governance, risk-mitigation policies, workforce succession plans, and increasing our members' financial awareness and retirement security with a focus on a renewable future.

The 11th annual [Green Initiative Task Force Report](#) highlights CalSTRS environmental-themed investments and related risk-management efforts. The Green Team identified four initiatives to achieve the goal of incorporating environmental considerations into investment risk management and opportunity capture.

The [Diversity in the Management of Investments annual progress report](#) provides the board and the Legislature with updates on the five-year strategic plan for emerging investment manager participation across all asset classes by outlining the plethora of activities CalSTRS regularly engages in to further our commitment to advancing diversity across the industry and global markets.

Next board meeting dates: March 28-29, 2018, Riverside

View [minutes](#), [full items](#) and [video archives](#) of past meetings.

# CALSTRS

California State Teachers' Retirement System | P.O. Box 15275 | Sacramento, CA 95851-0275

For more information on board meeting items and video archives, visit [www.CalSTRS.com/teachers-retirement-board](http://www.CalSTRS.com/teachers-retirement-board)