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CALSTRS Connections



YOUR MONEY MATTERS

SEMIANNUAL PUBLICATION FOR ACTIVE AND INACTIVE CALSTRS MEMBERS

► **Teacher Talk:** Spotlight on California's educators Professor works with prisoners, formerly incarcerated students



Josh Fernandez

English and creative writing

Folsom Lake College,
Mule Creek State Prison

CalSTRS member: Eight years

Community college professor Josh Fernandez didn't take a direct path to teaching, nor was it originally his calling. It took finding someone who believed in him while he was in college and a whole other career in journalism before he became a professor. Now, he works to help prisoners and formerly incarcerated students, as well as his community.

Where do you work?

Fernandez teaches English writing and composition and creative writing at Folsom Lake College. He also serves as

the faculty coordinator for the college's Prison and Reentry Education Program and teaches composition classes at Mule Creek State Prison through that program. "I'm trying to build bridges for formerly incarcerated students to all of the resources that we have in academia and beyond in the community."

His last semester teaching composition classes at the prison was one of the best teaching experiences for Fernandez. "The inmates were so excited. It was the first writing class in the prison, and they were great writers and super enthusiastic. It was a really fun class."

He plans to return to the program once in-person teaching resumes.

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CalSTRS releases valuation for 2019

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View your 2019-20 Retirement Progress Report on myCalSTRS

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CalSTRS mission:

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

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Statements in this publication are general and the Teachers' Retirement Law is complex and specific. Nothing contained in this publication should be construed as legal advice.

If a conflict arises between information contained in this publication and the law, the law prevails.

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COVID-19 update: Serving our members remotely

To protect the health and safety of members and employees, our member service centers will remain closed to visits and forms drop-off until further notice. We have moved all member services to virtual or telephone sessions and our Contact Center is currently taking calls from 8 a.m. to 5 p.m.

While we continue to focus on serving you during the COVID-19 pandemic, we encourage you to use the online services available through your *myCalSTRS* account, including updating your beneficiary designations, viewing your latest *Retirement Progress Report* and updating contact information. For added convenience, several of our forms can now be signed electronically. If you haven't signed up for *myCalSTRS*, go to **myCalSTRS.com** and register today for immediate access to your accounts.

Have questions about your retirement benefits? Learn about your CalSTRS benefits and the services available to you through one of our webinars designed for early career and midcareer members. Sign up for a webinar today at **CalSTRS.com/webinars**. You can also schedule a telephone benefits planning session on *myCalSTRS* or by calling 800-228-5453, option 3.

Please visit our COVID-19 resources page for information on how to access all our services at **CalSTRS.com/covid-19-resources**.

➤ **Go to [CalSTRS.com](https://www.calstrs.com) for the latest updates.**



Find information about COVID-19 and how to protect yourself:

California Department of Public Health: **[cdph.ca.gov](https://www.cdph.ca.gov)**
Centers for Disease Control and Prevention: **[cdc.gov](https://www.cdc.gov)**

View your 2019–20 Retirement Progress Report on *myCalSTRS*

Keep track of your account and service credit balance online

Your *Retirement Progress Report* for 2019–20 is now available online. It's important to keep an eye on your CalSTRS account and service credit balances by reviewing your report every year. Log on to your secure *myCalSTRS* account at [myCalSTRS.com](https://mycalstrs.com), select *View Your Retirement Progress Reports* and then select the year. You can also:

- Use the online glossary if you have any questions about terms used in the report.
- Select the *Employer Detail* screen to view a breakdown of your earnings, contributions, compensation earnable and service credit by employer and by assignment.

In support of our commitment to sustainability, CalSTRS securely and automatically delivers your annual *Retirement Progress Report* to your *myCalSTRS* account, reducing paper and postage costs. If you want a printed version of next year's report mailed to you, submit the *Retirement Progress Report Delivery Preference* form, available at CalSTRS.com/forms, by July 1, 2021.



To learn more about the information included in your report, watch the *Your CalSTRS Retirement Progress Report* video at CalSTRS.com/member-benefit-education.

- If you're age 45 or older, your report will include two estimates of your retirement benefits.
- Contact your employer immediately if you believe there's a discrepancy in your report.
- Check your *Retirement Progress Report* to confirm that you have designated your one-time death benefit recipient. If none are listed, complete the *Recipient Designation* form online through your *myCalSTRS* account or download a form at CalSTRS.com/forms.

Have you received unsolicited email about CalSTRS retirement planning?

When communicating via email, a CalSTRS representative will always have "@CalSTRS.com" in the email address—for example: noreply@CalSTRS.com. We will never ask for your personal information in an unsolicited email or other type of electronic communication.

CalSTRS releases valuation for 2019

In its first-ever virtual meeting in May, the Teachers' Retirement Board received the results of the actuarial valuation for the CalSTRS Defined Benefit Program as of June 30, 2019. The valuation provides a snapshot in time of CalSTRS' financial health and is part of the ongoing effort to monitor and assess our ability to meet our long-term commitments.

While important, the actuarial valuation through June 30, 2019, does not account for recent market volatility experienced in global markets. We continue to monitor the developing economic effects of the COVID-19 pandemic. Because of the adoption of the CalSTRS Funding Plan in 2014, CalSTRS is better positioned today to handle volatility than it was a decade ago.

This actuarial valuation found that the unfunded actuarial obligation, known as the funding gap, decreased from \$107.2 billion at the June 30, 2018, valuation to \$105.7 billion as of the June 30, 2019, report. The funded ratio—the amount of assets on hand to pay benefits—improved from 64% to 66% during the same time period.

“CalSTRS continued to improve its funded status in the previous fiscal year, so we are stronger now in the face of current market volatility,” said Chief Executive Officer Jack Ehnes. “While we are long-term investors, in the short term we are focused on protecting the health of our staff, our members and also the fund during these unprecedented times.”

Scam alert: Verify your CalSTRS representative

Recently, we've received reports from members who believed they set up an appointment or spoke with a CalSTRS representative but instead found themselves meeting with an impersonator.

Only CalSTRS representatives can provide you with accurate information regarding your CalSTRS Defined Benefit and Pension2® accounts. If someone asks you to provide a copy of your *Retirement Progress Report* or Pension2 statement in order to assess your accounts, that person is not affiliated with CalSTRS.

Authorized CalSTRS representatives:

- Can provide a CalSTRS ID badge or business card.
- Have an email address ending in @CalSTRS.com.
- Have access to your CalSTRS and Pension2 account information.
- Do not provide refreshments at offsite events.
- Do not sell insurance products.
- Will never meet you at your home.

Important information for Pension2 account holders

Since 2014, Voya Financial® has provided recordkeeping services for the CalSTRS Pension2 program—our voluntary defined contribution plan offering 403(b) and 457(b) plans for additional retirement savings. Several Voya representatives work exclusively with CalSTRS Pension2. These representatives have an @Voya.com email address and their names and photos can be found at [CalSTRS.com/trust-calstrs](https://www.calstrs.com/trust-calstrs).

CalSTRS reports 3.9% investment return for fiscal year 2019–20 amid volatile markets

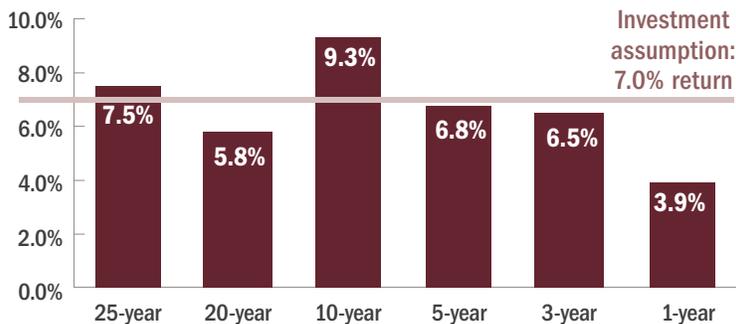
In July, CalSTRS announced a 3.9% net return on investments for the fiscal year ending June 30, 2020, and recorded the year-end fund value at \$246.0 billion. The 2019–20 return reflects the ongoing effect of the COVID-19 pandemic on global financial markets.

“Over CalSTRS’ more than 100 years, we have seen the fund weather several recessions, two world wars and the pandemic of 1918,” said Chief Executive Officer Jack Ehnes. “This crisis is unique in many ways, but for CalSTRS, this is the first time we have gone into a recession with a funding plan. We are ready and able to guide the fund through times of uncertainty.”

CalSTRS is a long-term investor with a goal of achieving an average return of 7% over a multiyear horizon to meet pension obligations for current and future retirees. The 25-year, 10-year and five-year fund performance are all above or near the 7% investment return assumption at 7.5%, 9.3% and 6.8%, respectively. The three-year fund performance landed at 6.5%.

CalSTRS investment fund performance long-term historical perspective

(Net of fees as of June 30, 2020)



Financial markets experienced unprecedented volatility over the first half of 2020. January through March 2020 was the worst first quarter ever recorded in stock market history. March 2020 was also the most volatile month in history since the November 1929 stock market crash. After the spring 2020 decline, markets saw the quickest rebound in U.S. history.

“We have never seen the level of volatility the U.S. and global financial markets exhibited over the short period from late February to May,” said Chief Investment Officer Christopher J. Ailman.

“We evaluated risk daily, and sometimes multiple times a day, and were able to manage the portfolio remotely during shelter-in-place. CalSTRS adapted quickly and rose to the occasion during a year when the entire world has been called upon to go above and beyond.”

– Chief Investment Officer Christopher J. Ailman

➤ See [CalSTRS.com/news-releases](https://www.calstrs.com/news-releases) for more information.

CalSTRS Demographic Survey

Last year, we conducted our first demographic study and heard from more than 11,000 active members. We learned a lot of things about you such as:

- More than 45% of early career respondents are carrying student loan debt.
- A majority of respondents joined the teaching profession to make a difference in the lives of students.
- About three quarters of respondents reported they were satisfied with their work/life balance.

This kind of information helps us align our products and services to better suit your needs. To learn more about the demographic study, read the report “The People Behind California Public Education: A Demographic Study of CalSTRS Members” online at [CalSTRS.com/reports-and-studies](https://www.calstrs.com/reports-and-studies).



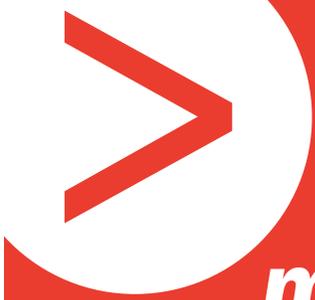
- ▶ We offer webinars geared toward every stage of your career, whether you're just starting out or beginning to think about when you'll retire. Learn more about your benefits and how to save for retirement by registering at [CalSTRS.com/webinars](https://www.calstrs.com/webinars).

CalSTRS hotline protects the system from fraud and abuse

CalSTRS has launched an Ethics and Compliance Hotline—a safe, secure and confidential way to report unethical acts or pension abuse. Any member of the public or CalSTRS employee can make anonymous reports online at [CalSTRShotline.ethicspoint.com](https://www.calstrshotline.ethicspoint.com) or by calling 844-896-9120 toll free. Your inquiry will be reviewed within 12 hours and you can also create a password to check in on your report's status. The hotline is available 24 hours a day, seven days a week.

Reporting the death of a member or beneficiary

Contact CalSTRS as soon as possible to notify us of the death of a member, benefit recipient, option beneficiary or designated recipient by submitting a Notification of Death online or calling us at 800-228-5453. You'll need to provide the person's full name, Social Security number or CalSTRS Client ID, date of birth and date of death. You can also upload and submit a copy of the death certificate. Find more information at [CalSTRS.com](https://www.calstrs.com) by clicking on the *I would like to...* drop-down menu in the upper right corner and choose the *Report a Death* option.



myCALSTRS

Access CalSTRS online services 24/7

myCalSTRS offers easy, secure and convenient access to your accounts and CalSTRS forms, anytime, anywhere. Register at myCalSTRS.com.



With *myCalSTRS*, you can:

- 1 Update your contact information.
- 2 Access your annual *Retirement Progress Report* and view information reported by your employer.
- 3 View your account balances.
- 4 Name and update your one-time death benefit recipient.
- 5 Complete and submit forms.
- 6 Link to your CalSTRS Pension2® 403(b) or 457(b) account, if you have one.
- 7 Ask questions about your accounts and receive prompt, secure answers.
- 8 Request e-delivery of newsletters, notifications and statements.

> **Need help registering?**

View the self-paced, interactive online registration guide at myCalSTRS.com.

You'll find help with resetting your password at CalSTRS.com/myCalSTRS-help-videos.

Teacher Talk: Spotlight on California's educators

Professor works with prisoners, formerly incarcerated students

How has the pandemic changed what you do?

Fernandez said his work changed drastically when classes moved online. "My strength as a teacher is connecting with students in person, being there for students in person, opening my office to students and meeting with them outside of school to help them with their work and with anything, really. It's been hard to translate everything I love into an online course."

Why did you become a professor?

"I had a horrible education experience from kindergarten through high school. I counted out academia and education early in my life. I had a rough time after high school, for a long time. I kind of moved around the country doing odd jobs and restaurant work."

But his view toward education changed when he took an English class at Sacramento City College. "My professor liked the way I wrote and saw something in me I never saw in myself. That was the moment when everything changed for me—my worth as a human being, the things I could do for other people. She got me a job as at the writing center as a tutor. All these things were life changing because I started to see myself as a different person."

After college, Fernandez worked in journalism for about 11 years. But as journalism shifted online and as news outlets went under, he needed a backup plan. His former professor encouraged him to start teaching college. "Now it's great. I'm in the position to help students fulfill whatever they want to fulfill, even if it's not in academia."

What's one fun thing about you? We understand you write poetry

"Poetry is not as much fun as it is labor," Fernandez said. "I do write. I'm at the end of writing a book of creative nonfiction, sort of about growing up and my

experiences with school and violence and how I turned into a community organizer and an educator, which is actually pretty fun. I've been doing it with a writer friend, and we've been trading our books back and forth and editing together."

Tell us about your family

Fernandez and his wife have two small children and they work hard to give back to the community. They helped start the Sacramento Community Self Defense Collective to teach mixed martial arts classes. "We feed houseless folks in the park every Sunday morning and we clothe them. We are trying to keep as busy as we can to help the most marginalized people in our community with every resource we can."

What's one thing you're proud of doing as an educator?

In his first week of online classes, Fernandez held an open office hour via Zoom. Nobody was required to come, but everyone showed up. "For me, that was insane. It wasn't a requirement. They weren't getting graded. I was worried that my online classes weren't interesting or that my personality and care for students wasn't coming through. It was a great moment. I knew my students were in it as much as I was in it. I've been down about this COVID pandemic and isolating so much. There are very few moments of joy, and few moments of just togetherness and connection, and that was one."

Teacher Talk is a series of profiles on California educators. For the full-length version of this story, visit [CalSTRS.com/teacher-talk-profiles](https://www.calstrs.com/teacher-talk-profiles). To be considered for a future profile, please email Communications@CalSTRS.com, with "Teacher Talk" in the subject line.



The California Teachers Study: Cancer research update

In 1995, 133,000 CalSTRS members enrolled in the California Teachers Study, a long-term research study designed to identify risk factors for breast and other cancers. The ongoing commitment of these participants over the last 25 years has enabled research on how lifestyle, environmental and genetic factors affect participants' risk of developing different diseases.

The California Teachers Study website offers three new resources to study participants

and the general public—summaries of each scientific publication searchable by topic area, interactive charts that enable users to explore study data, and a blog highlighting recent projects and new areas of research.

- Visit CalTeachersStudy.org to learn more. If you are a participant and need to update your contact information, please go to CalTeachersStudy.org/contact-us.

Have you named your one-time death benefit recipient yet?

If you haven't named your one-time death benefit recipient, just log on to your *myCalSTRS* account and select *Manage Your Beneficiary Selections*. You may name one or more recipients for the one-time death benefit—a person, trust, charity, estate, parochial institution, corporation or public entity.

When you use *myCalSTRS* to complete your *Recipient Designation* form, you and your spouse or registered domestic partner can now electronically sign through DocuSign. DocuSign does not require *myCalSTRS* registration for your spouse or registered domestic partner, making submitting this form online easy!

Online forms submission made easier with DocuSign

For your convenience, we have implemented electronic signing via DocuSign on some of our most commonly used forms. You and your spouse or registered domestic partner can now fill out, electronically sign, and submit the *Refund Application* and *Recipient Designation* forms through your *myCalSTRS* account.

If you haven't signed up for *myCalSTRS* yet, go to myCalSTRS.com and register for safe and secure 24/7 access to your accounts and CalSTRS forms.

Governor reappoints Karen Yamamoto to board

Karen Yamamoto was reappointed as a retiree representative to the Teachers' Retirement Board by Gov. Gavin Newsom in February. Her reappointment was confirmed by the California State Senate in August. Yamamoto is a retired second grade teacher from the Washington Unified School District in West Sacramento and has served on the board since 2017. She has a master's degree in early childhood education from California State University, Sacramento. Her term runs through December 31, 2023.

Governor appoints Jennifer Urdan as public representative

Governor Newsom appointed Jennifer Urdan to the Teachers' Retirement Board as a public representative in August. Her appointment is subject to Senate confirmation. Urdan is a financial services executive with extensive experience in global investing and corporate finance.

California Rule court case update

In a July 30, 2020, ruling, the California Supreme Court held that the 2013 Public Employees' Pension Reform Act, known as PEPRRA, legally closed loopholes in the County Employees Retirement Law of 1937 regarding types of pay that can be calculated for pensions. According to the ruling, these clarifications did not violate the California Rule, which protects public pensions as a vested right. There is no direct impact for CalSTRS retirees or current members because the ruling applies to the County Employees Retirement Law of 1937, part of the California Government Code. CalSTRS benefits are governed under the Teachers' Retirement Law in the Education Code.

This information is not intended to be, and CalSTRS cannot provide, legal advice. If you would like legal advice, please contact an attorney. CalSTRS' public statement on the case can be found at [CalSTRS.com/news-releases](https://www.calstrs.com/news-releases).



► Need help choosing a 403(b) plan?

Check out **403bCompare.com** to explore your options and easily compare among hundreds of plans.



► Pension Sense blog online

Check out our Pension Sense blog where you'll find helpful information on your benefits, the CalSTRS Investment Portfolio, corporate engagement activities and more.

► Visit **CalSTRS.com/pension-sense-blog**

How Pension2 fits into your future



CalSTRS Pension2® 403(b) and 457(b) plans give you a smart way to build personal savings that complement your CalSTRS retirement benefit.

- You control how you save and invest.
 - Your costs are lower, with no commissions.
 - You choose funds to match your investing style.
 - Your account can potentially grow tax-deferred with taxes generally not due until money is withdrawn.
- **A CalSTRS retirement benefit will replace, on average, about 50% to 60% of a member's salary. It's never too early to start saving more money for your future.**

► **Learn more at [Pension2.com](https://www.pension2.com).**

It's your future. Choose Pension2™.

CalSTRS resources

WEB CalSTRS.com
Click *Contact Us* to email
myCalSTRS.com
403bCompare.com
Pension2.com

CALL **800-228-5453**
Calls from within the U.S.
916-414-1099
Calls from outside the U.S.
888-394-2060
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CalSTRS Compliance and Ethics Hotline
844-896-9120 (toll free)
CalSTRShotline.ethicspoint.com

WRITE **Postal mail**
P.O. Box 15275
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West Sacramento, CA 95605

VISIT Find your nearest CalSTRS office
at CalSTRS.com/localoffices.
The COVID-19 pandemic has affected
our hours and services. Call ahead to
verify your local office is open.

FAX **916-414-5040**

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Moved or planning a move soon? Two ways to update your contact information:



myCalSTRS makes it easy. From the homepage, select *Update Your Profile*, then follow the instructions.

➤ myCalSTRS.com



Complete the *Address Change Request* form, sign, date and mail it to us.

➤ CalSTRS.com/forms

➤ For your security, when you update your mailing or email address, we will send you a letter and an email confirming the update. Make sure we have your personal email address so we'll be able to reach you.

CalSTRS website security update

We have updated our website security features. Our website no longer supports out-of-date internet browsers. A popup message will prompt you to update your browser if it is outdated.