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The Defined Benefit Supplement Program is a cash balance plan that provides additional savings for retirement for Defined Benefit Program members. Contributions from special limited-term payments, retirement incentives, compensation intended to enhance a member's benefits, and compensation for creditable service in excess of one year are credited to the member's Defined Benefit Supplement account. All members of the Defined Benefit Program who made contributions for CalSTRS-creditable compensation earned on and after January 1, 2001, have an account under the Defined Benefit Supplement Program and are eligible to receive a Defined Benefit Supplement benefit based on the amount of funds contributed to the account.

Funds in the Defined Benefit Supplement Program earn interest at a guaranteed minimum rate set each year by the Teachers' Retirement Board. The interest rate is based on 30-year U.S. Treasury bonds for the period from March to February immediately prior to the plan year. The rate through June 30, 2022, is 1.53%. If the actual earnings exceed the board-set interest rate at the end of the year, the board may declare an additional earnings credit.

Creditable compensation for service in excess of one year in a school year is credited to each CalSTRS members' Defined Benefit Supplement account. In addition, for CalSTRS 2% at 60 members, compensation paid a limited number of times, or which CalSTRS determines was paid to enhance the member's Defined Benefit Program benefit, is credited to the member's Defined Benefit Supplement account, and does not count toward the final compensation of the member's Defined Benefit Program benefit.

### **Survivor benefits**

The Defined Benefit Program also provides benefits to survivors of members whether their death occurs before or after retirement. The type and amount of benefits depend on the member's status at the time of death (active or retired), if they have Coverage A or Coverage B, and if they elected an option. A one-time death benefit may also be payable to a designated recipient if certain eligibility requirements are met.

### **Disability benefits**

The Defined Benefit Program also provides for the payment of a disability benefit to members, under either Coverage A (disability allowance), or Coverage B (disability retirement). Benefits are paid if members meet the eligibility requirements and the definition of disabled as established in the Education Code. An additional benefit may be paid for eligible children who were determined to be dependent on the member at the time of the member's death.

### **Cash Balance Benefit Program**

The Cash Balance Benefit Program is an optional cash balance plan designed specifically for part-time educators and adjunct faculty as an alternative to the CalSTRS Defined Benefit Program, Social Security and other retirement plans. Employers must elect to offer the Cash Balance Benefit Program through formal school board action, exclusively or in addition to other alternative plans, including Social Security.

When employers provide benefits under the Cash Balance Benefit Program, eligible employees may elect to participate. Eligibility is based on employment: Part-time or temporary. For part-time employees in preK–12, an employee is eligible when employed for less than 50% of each full-time position. For community college district employees, instructors who are part-time or temporary, or instruct adult education, may participate in the program. Adjunct or hourly faculty hired from semester to semester to work 67% or less of the weekly hours required for a full-time assignment are also eligible to participate in the Cash Balance Benefit Program. A participant's eligibility in the program ends when the basis of employment changes to 50% or more of the full-time position for preK–12 teachers or when the basis of employment changes from temporary or to more than 67% of the full-time assignment for community college instructors.

Each participant and employer generally contribute a minimum of 4% of the participant's salary, totaling to a combined contribution of 8%. Starting with contracts entered into or changed on or after January 1, 2014, the employee contribution rate cannot be less than the employer contribution rate. Participants are immediately eligible for a benefit equal to the sum of the balance of contributions, including compound interest earned on the participant and employer accounts.

Funds in the Cash Balance Benefit Program earn interest at a guaranteed minimum rate set each year by the Teachers' Retirement Board. The interest rate is based on 30-year U.S. Treasury bonds for the period from March to February immediately prior to the plan year. The interest rate through June 30, 2022, is 1.53%.

Participants may receive a retirement benefit, or a disability benefit if the board determines the participant has a total and permanent disability that meets the Education Code requirements. A participant may elect to receive a distribution from the Cash Balance Benefit Program as either a lump-sum benefit equal to the balance of the participant's and the employer's contributions plus interest or as an annuity, if the participant's account balance is \$3,500 or more.

## **Pension2**

CalSTRS Pension2<sup>®</sup> is a voluntary defined contribution plan. Pension2 offers school employees the opportunity to invest through tax-advantaged payroll deductions in low-cost, flexible 403(b), 457(b), Roth 403(b) and Roth 457(b) plans, which are authorized under sections 403(b) and 457(b) of the Internal Revenue Code. These plans are voluntary savings vehicles, which can be used to supplement the benefits received from the Defined Benefit and Defined Benefit Supplement programs.

Pension2 offers 25 core funds, selected by CalSTRS Investment Advisory Committee, which allow participants to select a well-diversified portfolio from a preselected list of funds. Employees also have the ability to invest in thousands of mutual funds through a brokerage window option. Additionally, Pension2 offers 15 custom options called the Easy Choice Portfolios, which are based on a participant's risk tolerance and expected year of retirement.

**Workshop and benefits planning services**

Providing members highly personalized service to plan, manage and enjoy their retirement drives CalSTRS decision-making. CalSTRS currently maintains seven year-round member service centers to provide service to both active and retired members and participants. Member service centers provide benefit planning sessions by appointment, online webinars, forms and application review and acceptance on a walk-in basis.

These full-service member centers are located in Fresno, Glendale, Irvine, Riverside, San Diego, Santa Clara and the CalSTRS Headquarters building in West Sacramento. Benefit specialist services also are provided in select county offices of education in areas not served by member service centers, staffed either by CalSTRS employee benefit specialists or CalSTRS-trained contract benefit specialists.

## CalSTRS fast facts

### Teachers' Retirement Board

**Harry M. Keiley**

Board Chair  
K-12 Classroom Teacher

**Sharon Hendricks**

Board Vice Chair  
Community College Instructor

**Fiona Ma**

State Treasurer

**Keely Bosler**

Director of Finance

**William Prezant**

Public Representative

**Jennifer Urdan**

Public Representative

**Denise Bradford**

K-12 Classroom Teacher

**Michael Gunning**

Public Representative

**Ken Tang**

School Board Representative

**Tony Thurmond**

State Superintendent of Public  
Instruction

**Karen Yamamoto**

Retiree Representative

**Betty Yee**

State Controller

### Executive staff

**Cassandra Lichnock**

Chief Executive Officer

**Lisa Blatnick**

Chief Operating Officer

**Brian J. Bartow**

General Counsel

**Christopher J. Ailman**

Chief Investment Officer

**Teresa Schilling**

Chief Public Affairs Officer

**Bill Perez**

Chief Benefits Officer

**Julie Underwood**

Chief Financial Officer

**Ashish Jain**

Chief Technology Officer

**Melissa Norcia**

Chief of Administrative Services



# Elections regulations

California Code of Regulations  
Title 5. Education  
Division 3. Teachers' Retirement System  
Article 13. Election of members to the Teachers' Retirement Board

## § 24000. Board Member Elections

Teachers' Retirement Board (Board) member elections shall be conducted by the Election Coordinator designated by the Chief Executive Officer in accordance with this Article.

The Election Coordinator shall conduct the elections in the most cost-effective manner feasible.

NOTE: Authority cited: Section 22200.5, Education Code. Reference: Sections 22200 and 22200.5, Education Code.

*1. New article 13 (sections 24000-24009) and section filed 5-15-2003; operative upon adoption by the Teachers' Retirement Board 3-6-2003. Submitted to OAL for printing only (Register 2003, No. 20).*

## § 24001. Notice of Election

The Election Coordinator shall distribute a Notice of Election adopted by the Board in advance of each election containing candidate nomination and election guidelines, eligibility criteria for candidates and voters, how to obtain candidate nomination packets from the System, and the schedule of events.

NOTE: Authority cited: Section 22200.5, Education Code. Reference: Sections 22200 and 22200.5, Education Code.

*1. New section filed 5-15-2003; operative upon adoption by the Teachers' Retirement Board 3-6-2003. Submitted to OAL for printing only (Register 2003, No. 20).*

## § 24002. Nomination of Candidates.

The Election Coordinator shall distribute candidate nomination packets containing a copy of the Notice of Election, petition form, nomination certification form, and copies of the rules and regulations governing the conduct of Board member elections, to members and participants who request a packet.

Members and participants shall qualify for nomination if they meet the eligibility criteria specified in the Notice of Election. Nomination shall be on the petition form provided by the System, signed by then currently eligible active members and then currently eligible active participants as







Any copy or representation of election material, such as the ballot or campaign materials that include the System name, logo or registered mark of the System, shall include a disclaimer that neither the System nor the Teachers' Retirement Board endorses any particular candidate or position.

NOTE: Authority cited: Section 22200.5, Education Code. Reference: Section 22200, Education Code.

*1. New section filed 5-15-2003; operative upon adoption by the Teachers' Retirement Board 3-6-2003. Submitted to OAL for printing only (Register 2003, No. 20).*

*2. Amendment adding final paragraph filed 5-11-2009; operative upon adoption by the State Teachers' Retirement System 4-2-2009. Amendments are exempt from the Administrative Procedure Act and exempt from OAL review pursuant to Education Code section 22200.5(c).*

#### **§ 24004. Ballot Distribution**

The Election Coordinator shall cause ballots and candidate statements to be distributed in advance of each election to each eligible active member and participant for whom the System has a valid mailing address recorded. The Election Coordinator shall provide a means for eligible active members and participants for whom the System does not have a valid mailing address recorded to request ballots and candidate statements.

The Election Coordinator shall provide for the return of the voted ballots to the Board without cost to the eligible active member or participant. For purposes of this Article, "eligible active member" or "eligible active participant" means a member of the Defined Benefit Program or a participant of the Cash Balance Benefit Program, respectively, who is employed, on the date, or during the period specified in the Notice of Election's criteria for voter eligibility, by an employer.

NOTE: Authority cited: Section 22200.5, Education Code. Reference: Section 22200, Education Code.

*1. New section filed 5-15-2003; operative upon adoption by the Teachers' Retirement Board 3-6-2003. Submitted to OAL for printing only (Register 2003, No. 20).*

#### **§ 24005. Ballot Counting.**

The Election Coordinator shall create reasonable procedures to ensure ballots are secured and canvassed in a manner consistent with commonly accepted election practices.

Valid ballots shall be canvassed publicly by an independent, neutral agent appointed by the System for that purpose on the date specified in the Notice of Election at a location to be designated by the System.

Depending upon the method of balloting selected by the Election Coordinator, the following are declared to be invalid ballots and shall not be counted in the election:

- a. Votes cast for individuals not listed as candidates on the official ballot.
- b. Ballots submitted by a person who is not an eligible voter.

- c. A duplicate ballot is received from the same voter.
- d. Votes cast in excess of that allowed on the ballot.
- e. Ballots not forwarded or received within the time period prescribed by the Notice of Election.

f. If a paper ballot is not forwarded through the United States Postal Service in the valid pre-addressed and stamped return envelope that is furnished.

- g. Electronic ballots not cast in the manner prescribed by the System.

The candidate receiving the highest number of votes, or the winning lot as drawn by the Election Coordinator in case of a tie vote, or the single candidate, shall be certified by the Chief Executive Officer as having been elected.

NOTE: Authority cited: Section 22200.5, Education Code. Reference: Section 22200, Education Code.

*1. New section filed 5-15-2003; operative upon adoption by the Teachers' Retirement Board 3-6-2003. Submitted to OAL for printing only (Register 2003, No. 20).*

*2. Repealer of subsection g. and subsection relettering filed 5-11-2009; operative upon adoption by the State Teachers' Retirement System 4-2-2009. Amendments are exempt from the Administrative Procedure Act and exempt from OAL review pursuant to Education Code section 22200.5(c).*

#### **§ 24006. Notice of Election Results**

- (a) Within three business days after the public ballot canvassing, or after verification of the nominating signatures pursuant to Section 24002 where the Election Coordinator certifies only one qualified candidate in an election for a position on the Board, the Election Coordinator shall transmit the election results to the Chief Executive Officer for his or her certification.
- (b) Following certification by the Chief Executive Officer, the Election Coordinator shall notify candidates, Board members and other interested parties of the certified results. Notification to the newly elected Board member shall include an Oath of Office form. This form is to be signed by the Board 554 CALIFORNIA CODE OF REGULATIONS member-elect in the presence of a notary public and returned to the System. The Election Coordinator shall file the Oath with the Secretary of State.
- (c) Upon the Chief Executive Officer's certification and proper execution of the Oath of Office form, the Board member elected through this process shall take his or her office on either the day provided for by statute or immediately, if elected to fill a vacancy.

NOTE: Authority cited: Section 22200.5, Education Code. Reference: Section 22200, Education Code.

1. *New section filed 5-15-2003; operative upon adoption by the Teachers' Retirement Board 3-6-2003. Submitted to OAL for printing only (Register 2003, No. 20).*

**§ 24007. Recount of an Election**

(a) A candidate in the affected Board member election may file a written request with the Election Coordinator at the headquarters office of the System for recount within ten business days following the distribution of the certified election results; otherwise, there shall be no opportunity for requesting a recount and the certified election results stand as the final results.

(b) A request for a recount shall not delay the seating of an elected Board member. Such elected Board member shall take office on either the day provided for by statute or immediately, if elected to fill a vacancy, subject to the potential termination of such Board membership as a result of the recount.

(c) A candidate in the affected Board member election may request a recount of the valid ballots only if the difference in the number of votes cast between the candidate requesting the recount and the unofficial winner is less than 3 percent of the total number of valid ballots cast. A written request for a recount shall specify the election to be recounted, shall be signed by the candidate requesting the recount, and may specify any other relevant material to be examined.

(d) The Election Coordinator shall set a date for the recount upon receipt of the written request, and shall confirm this date upon receipt of the estimated cost to conduct the recount. The estimated cost of conducting a recount will include the System's administrative cost and the costs of the independent, neutral agent appointed by the System to canvass the valid ballots. Legal tender of the amount of the estimated cost of conducting the recount shall be submitted by the candidate requesting the recount to the Election Coordinator within three business days following notification of the estimated cost to conduct the recount; otherwise, the recount shall be terminated.

(e) If the results of the recount do not change the ranking of the candidates then the certified results shall stand as the final election results. In this case, if the actual cost of the recount is less than the estimated cost deposited by the requester, the System shall refund the amount which exceeds the actual cost; if the actual cost of the recount is more than the estimated cost, the System shall invoice the requester for the difference.

(f) If the results of the recount do change the ranking of the candidates, then the recount results shall be certified by the Chief Executive Officer and shall stand as the final election results. In this case, the System shall refund the amount of the estimated cost deposited by the requester.

NOTE: Authority cited: Section 22200.5, Education Code. Reference: Section 22200, Education Code. 1.

*New section filed 5-15-2003; operative upon adoption by the Teachers' Retirement Board 3-6-2003. Submitted to OAL for printing only (Register 2003, No. 20).*

**§ 24008. Protest of an Election**

A candidate in the affected Board member election may protest an election by filing a written protest with the Election Coordinator at the headquarters office of the System within ten business days following the mailing of the certified election results for an election or a recount, otherwise, there shall be no opportunity for filing a protest and the certified election results shall stand as the final election results. The written protest shall be identified using the word “protest”, shall specify the election, and shall state the grounds of the protest and suggested remedy.

Upon receipt of a valid and timely protest, the Election Coordinator shall mail a copy of the request to all candidates in the election and notify the Board and other interested parties that a protest has been filed.

An ad-hoc committee of the Board consisting of an odd number of members no fewer than three shall determine, what remedy, if any, shall be granted to the candidate filing the protest. No Board member who is a candidate in the election under protest, or has endorsed a candidate in the election under protest may become a member of the committee or participate in its selection.

The Board chairperson shall appoint Board members to the committee. If the Board chairperson is a candidate or has endorsed a candidate in the election under protest, the Board vice chairperson shall appoint Board members to the committee. If the Board vice chairperson is a candidate or has endorsed a candidate in the election under protest, the Board shall appoint from its number, members to the committee at its next regularly scheduled meeting.

If a minimum of three Board members are not eligible to participate on the ad-hoc committee, or if a majority of the full Board, excluding candidates but including endorsers of candidates so directs, the protest shall instead be determined by a panel of three arbitrators in accordance with the provisions below, the laws of the State of California, and the Labor Arbitration rules of the American Arbitration Association (AAA) in effect at the time, to the extent the AAA rules are not in conflict with these regulations. One member of the panel shall be selected by the protesting candidate, one member of the panel shall be selected by the successful candidate, and the third member, who shall serve as chair, shall be selected by the first two panel members.

The committee may consider written and/or oral arguments submitted by the candidate filing the protest and any other interested party, in making its determination. Any oral proceedings by the committee shall be held in the Board’s meeting room and be open to the public. Other procedures, including those for receiving and considering arguments and factual allegations, shall be determined by the committee or arbitration panel in its sole discretion.

The determination of the committee or arbitration panel shall be rendered within 30 calendar days of its appointment and shall be final and binding on the System and candidates for office. The



committee or arbitration panel shall declare the election under protest void, and the position vacant, only upon a finding that Board-adopted election procedures were not substantially followed and that, without this lack of substantial compliance, the election outcome would likely have been different.

The filing of a protest shall not delay the seating of an elected Board member. Such elected Board member shall take office on either the day provided for by statute or immediately, if elected to fill a vacancy, subject to the potential termination of such Board membership as a result of the protest. Any newly elected member, as the result of a protest, shall hold office for a period equal to the remainder of the term of the vacated office.

NOTE: Authority cited: Section 22200.5, Education Code. Reference: Section 22200, Education Code.

*1. New section filed 5-15-2003; operative upon adoption by the Teachers' Retirement Board 3-6-2003. Submitted to OAL for printing only (Register 2003, No. 20).*

#### **§ 24009. Elections for Vacant Elected Seats**

The Board shall provide public notice that an elected seat on the Board has been vacated at or before its next regularly scheduled meeting.

The Board shall hold special elections to fill vacancies that occur during the term of the elected members of the Board by distributing a Notice of Election for a vacated seat within 90 calendar days of the vacancy. An election shall be held within 180 calendar days of the distribution of the Notice of Election.

NOTE: Authority cited: Section 22200.5, Education Code. Reference: Sections 22200 and 22200.5, Education Code. 1.

*New section filed 5-15-2003; operative upon adoption by the Teachers' Retirement Board 3-6-2003. Submitted to OAL for printing only (Register 2003, No. 20).*