

# My Retirement Benefits

Date \_\_\_\_\_

## Section one Important considerations

- \* CalSTRS provides retirement, disability and survivor benefits—but not health benefits. I’m responsible for my own health benefit coverage in retirement.
- \* The Windfall Elimination Provision reduces but cannot eliminate my earned Social Security benefit.
- \* The Government Pension Offset reduces and can eliminate my spousal or widow/widower Social Security benefit.

### Action items

- Check with your employer about health benefit coverage in retirement.
- Learn more about these two federal rules on the Social Security Administration website at [ssa.gov](http://ssa.gov).
- View the *Social Security, CalSTRS and You* fact sheet at [CalSTRS.com/publications](http://CalSTRS.com/publications).

## Section two Online resources

- \* CalSTRS.com: access information on my benefits, forms, publications, videos and calculators.
- \* myCalSTRS: view and update account information, submit forms and messages, access my *Retirement Progress Report*.
- \* *Retirement Progress Report*: track my membership and benefit information, service credit and account balances, and other information provided by my employer.

### Action items

- Explore [CalSTRS.com](http://CalSTRS.com) and view the *CalSTRS Member Handbook* at [CalSTRS.com/publications](http://CalSTRS.com/publications).
- Register for myCalSTRS and update your contact information and communication preferences at [myCalSTRS.com](http://myCalSTRS.com).
- Review your *Retirement Progress Report* each September and contact your employer immediately if there are any discrepancies.

## Section three Membership information

- \* I’m a CalSTRS 2% at \_\_\_\_\_ member. My benefit structure determines my contribution rate and how my retirement benefit is calculated.
- \* My benefit structure is included in my *Retirement Progress Report*.

## Section four Retirement benefits

- \* The earliest I can retire is age 55 with five years of service credit. If I'm a CalSTRS 2% at 60 member with at least 30 years of service credit, I can retire at age 50.
- \* My service retirement benefit is not based on how much I contribute or how well CalSTRS investments perform. It is a lifetime benefit based on the following formula:

$$\text{service credit} \times \text{age factor} \times \text{final compensation} = \text{monthly retirement benefit}$$

- Service credit**
- \* Time worked for which contributions were paid.
  - » Increase by working longer or purchasing eligible service credit.

- Age factor**
- \* Percentage based on age at retirement.
  - » Increase by working longer or waiting to retire.

Note: For CalSTRS 2% at 60 members with 30 or more years of service credit, a career factor of 0.2% is added.

- Final compensation**
- \* Highest average annual compensation earnable for 36 consecutive months.
  - » Increase by working at higher pay rates.

Note: For CalSTRS 2% at 60 members with 25 or more years of service credit, the highest 12 consecutive months are used.

### Example

Calculate Crystal's final compensation using the information in the table:

School year	Compensation earnable	Number of months
Year A	\$91,800	12
Year B	\$90,600	12
Year C	\$88,400	12

**Step one:**

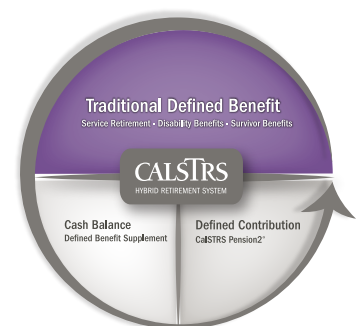
$$\begin{array}{ccccccc} \underline{\hspace{2cm}} & + & \underline{\hspace{2cm}} & + & \underline{\hspace{2cm}} & = & \underline{\hspace{2cm}} \\ \text{Year A} & & \text{Year B} & & \text{Year C} & & \text{36-month total} \end{array}$$

**Step two:**

$$\begin{array}{ccc} \underline{\hspace{2cm}} & \div & \underline{\hspace{2cm}} \\ \text{36-month total} & & \text{36 months} \\ & & = \\ & & \underline{\hspace{2cm}} \\ & & \text{Crystal's final compensation} \end{array}$$

### Increasing your benefit

- \* On average, a CalSTRS monthly retirement benefit replaces approximately 50% of a career educator's working salary. I can calculate my replacement ratio by multiplying my service credit total by my age factor.
- \* Unused sick leave is converted to service credit at retirement. If I change employers during my career, I should transfer my unused sick leave balances to my new employer.
- \* There are two main types of service credit I may be eligible to purchase: redeposit and permissive service credit. Payment for service credit purchases must be complete before I retire.
- \* Contributions for service in excess of one year are credited to the Defined Benefit Supplement account. I can increase my account by working extra-pay assignments.



## Section four Retirement benefits (continued)

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### Action items

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- See the *Member Handbook* for more information about retirement eligibility and age factor tables.
- Review the *Understanding the Formula* fact sheet and video at **CalSTRS.com**.
- Use the *Retirement Benefits Calculator* at **CalSTRS.com/calculators** to generate estimates.
- Find your Defined Benefit Supplement account balance on *myCalSTRS* and watch the video series at **CalSTRS.com/videos** to understand funding sources, distribution choices and tax considerations.

## Section five CalSTRS Pension2

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CalSTRS Pension2®, a voluntary defined contribution plan, provides additional income in retirement. It offers 403(b), 457(b), Roth 403(b) and Roth 457(b) accounts with low fees and a variety of investment options.

### Action items

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- Visit **Pension2.com** or call 888-394-2060 for more information.
- Research supplemental savings plans offered by your employer at **403bCompare.com**.

## Section six Coverage types

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My coverage type determines how my disability and survivor benefits are calculated. I have Coverage \_\_\_\_\_.

### Action item

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- Verify your coverage type on your *Retirement Progress Report*.

## Section seven One-time death benefit

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- \* The one-time death benefit is a lump-sum payment to my designated recipients. My coverage type determines the amount payable.
- \* Under Coverage \_\_\_\_\_, my one-time death benefit is \$\_\_\_\_\_ before retirement and \$\_\_\_\_\_ after.

### Action item

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- Name or update your beneficiary recipient online at **myCalSTRS.com** or use the *Recipient Designation* form at **CalSTRS.com/forms**.

## Section eight Survivor benefits

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- \* My survivors are eligible for survivor benefits as long as I'm an active member with at least one year of service credit.
- \* My spouse or registered domestic partner is an eligible survivor.
- \* My financially dependent children under age \_\_\_\_\_ are eligible survivors.
- \* If I have no eligible survivors, my account balances will be paid to my one-time death benefit recipient.

### Action items

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- Read more about your survivor benefit eligibility in the *Member Handbook*.
- View the *Survivor Benefits* video on [CalSTRS.com/videos](https://www.calstrs.com/videos).
- Be sure your loved ones know to notify CalSTRS of your death.

## Section nine Disability benefits

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- \* I may be eligible for a disability benefit with five years of service credit, or one year of service credit if my disability is due to an unlawful act of bodily injury while working in a CalSTRS-covered position.
- \* My mental or physical impairment must be permanent or expected to last continuously for at least 12 months.
- \* My impairment must prevent me from performing my usual duties or those of a comparable level position.
- \* The basic disability calculation is:

**50% final compensation + 10% final compensation per eligible dependent child (up to 40%)**

### Action items

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- Schedule a disability benefits planning session by calling 800-228-5453, option 3.
- Read *Your Disability Benefits Guide* at [CalSTRS.com/publications](https://www.calstrs.com/publications) for more information, including alternate calculations for Coverage A or periods of part-time service.

## Section ten Learn more

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- \* I can make the most of my CalSTRS membership by attending the *My Retirement Decisions* presentation to understand my retirement elections and timelines.
- \* I can attend the CalSTRS three-part financial awareness series for an in-depth look at financial planning:
  - \* *Save for Your Future*: budgeting basics, savings and investing, credit and debit.
  - \* *Plan for Your Future*: retirement lifestyle, expenses, income and obstacles.
  - \* *Protect Your Future*: retirement distributions, maximizing and protecting income.

### Action items

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- Register for webinars at [CalSTRS.com/webinars](https://www.calstrs.com/webinars) or call 800-228-5453, option 3.
- Visit [CalSTRS.com/financial-awareness](https://www.calstrs.com/financial-awareness) for more information.
- Send an online message using *myCalSTRS* or call 800-228-5453 if you have questions.