

# Refund: Consider the Consequences–Lesson Plan

## Introduction

This interactive lesson plan uses the *Refund: Consider the Consequences* fact sheet to explain the benefits and consequences of refunding CalSTRS contributions if the educator terminates CalSTRS-covered employment.

## Objective

New and potential educators will expand their knowledge by learning:

- How their retirement benefit may be affected by refunding their CalSTRS contributions.
- Where to find the *Refund: Consider the Consequences* video and other resources.

## Activity 1

### Tools

Computer, laptop or smartphone

*Refund: Consider the Consequences* video

### Instructions

- ▶ Explain there are short educational videos at [CalSTRS.com/videos](http://CalSTRS.com/videos).
- ▶ Play the *Refund: Consider the Consequences* video for the educator.
- ▶ Answer questions.

### Time

4 minutes

## Activity 2

### Tools

*Refund: Consider the Consequences* fact sheet

### Instructions

- ▶ Introduce the *Refund: Consider the Consequences* fact sheet.
- ▶ Review and explain these three sections:
  - Benefits of Leaving Your Contributions With CalSTRS
    - If the educator no longer works in a CalSTRS-covered position, they can keep their contributions with CalSTRS.
    - Account balances will continue to earn interest whether an educator actively contributes or not.
    - The educator will be eligible for a lifetime monthly retirement benefit when they reach age 55 and have at least five years of service credit or concurrent retirement.
  - Consequences of Taking a Refund of Your CalSTRS Contributions
    - The educator will forfeit all rights to CalSTRS benefits, such as their lifetime monthly retirement benefit, survivor benefits and disability benefits.
    - The refund may be subject to additional taxes.
  - CalSTRS Resources
    - The educator can contact CalSTRS in many ways.

### Time

3 minutes

**Additional Resources**

- ▶ *CalSTRS Member Handbook*
- ▶ *Concurrent Retirement* fact sheet
- ▶ *Tax Considerations for Rollovers* publication
- ▶ *Retirement Benefits Calculator*

**Action Item**

- ▶ Encourage the educator to use the *Retirement Benefits Calculator* at **CalSTRS.com/calculators** to estimate their monthly retirement benefit if they keep their contributions with CalSTRS.