

CALSTRS

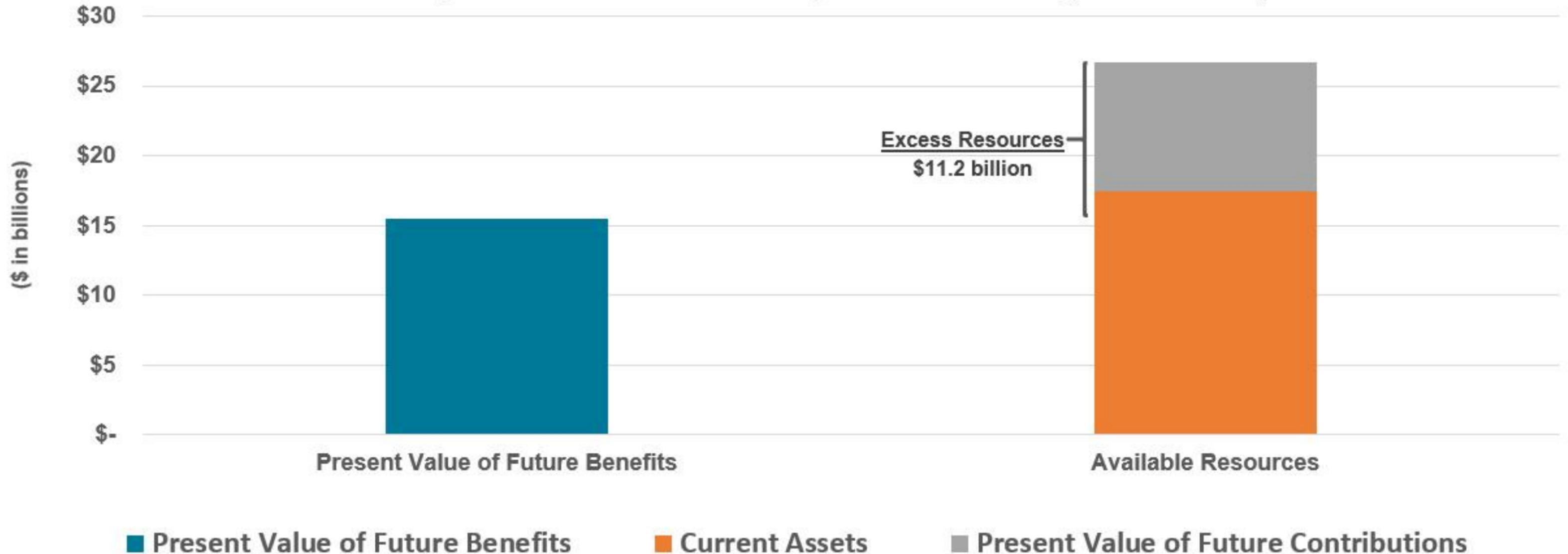
CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM

# SBMA Funding Sufficiency Projection

(as of June 30, 2019)



## SBMA Funding Sufficiency Projection - 85% Purchasing Power Level (For Current Members - Through 2089 - 2.75% Long-Term Inflation)



## June 30, 2019 Funding Sufficiency Projection

- Highest Purchasing Power Protection Percentage
  - 92% as of June 30, 2019. It was 93% as of June 30, 2017
  - Decrease caused by higher than expected inflation in 17-18 and 18-19
- Probability of Sufficiency: 68%
- Recommendation
  - Maintain purchasing power protection level at 85%.

CALSTRS

CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM

# SBMA Options



## Option 1

- One-time permanent increase based on year of retirement
  - Would apply only to current retirees who retired prior to January 1, 1999

Retirement Date	One-Time Permanent Percentage Increase
After December 31, 1998	No Increase
Between January 1, 1990 and December 31, 1998	5% Increase
Between January 1, 1980 and December 31, 1989	10% Increase
Prior to January 1, 1980	15% Increase

## Option 2

- Increase the purchasing power protection percentage
  - Would apply to all current and future retirees

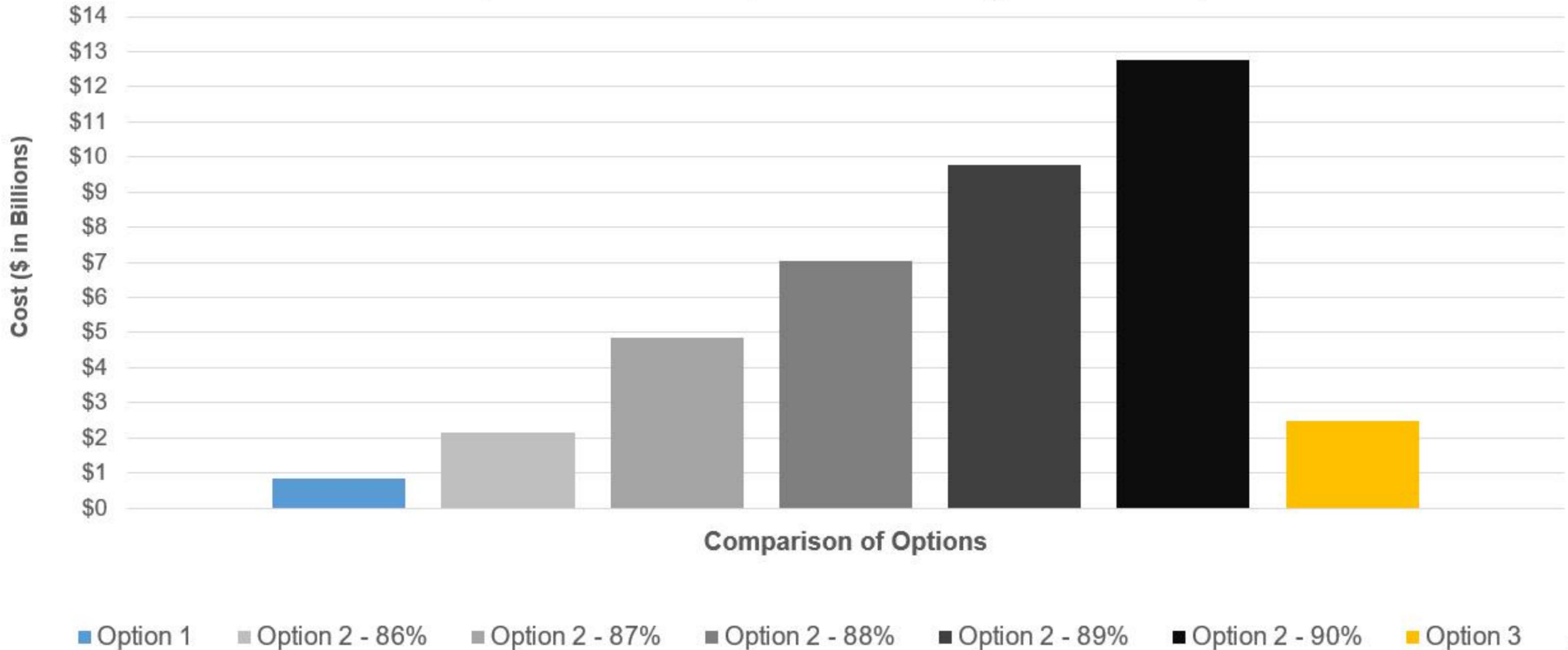
Increases to Purchasing Power Protection Percentage
86%
87%
88%
89%
90%

## Option 3

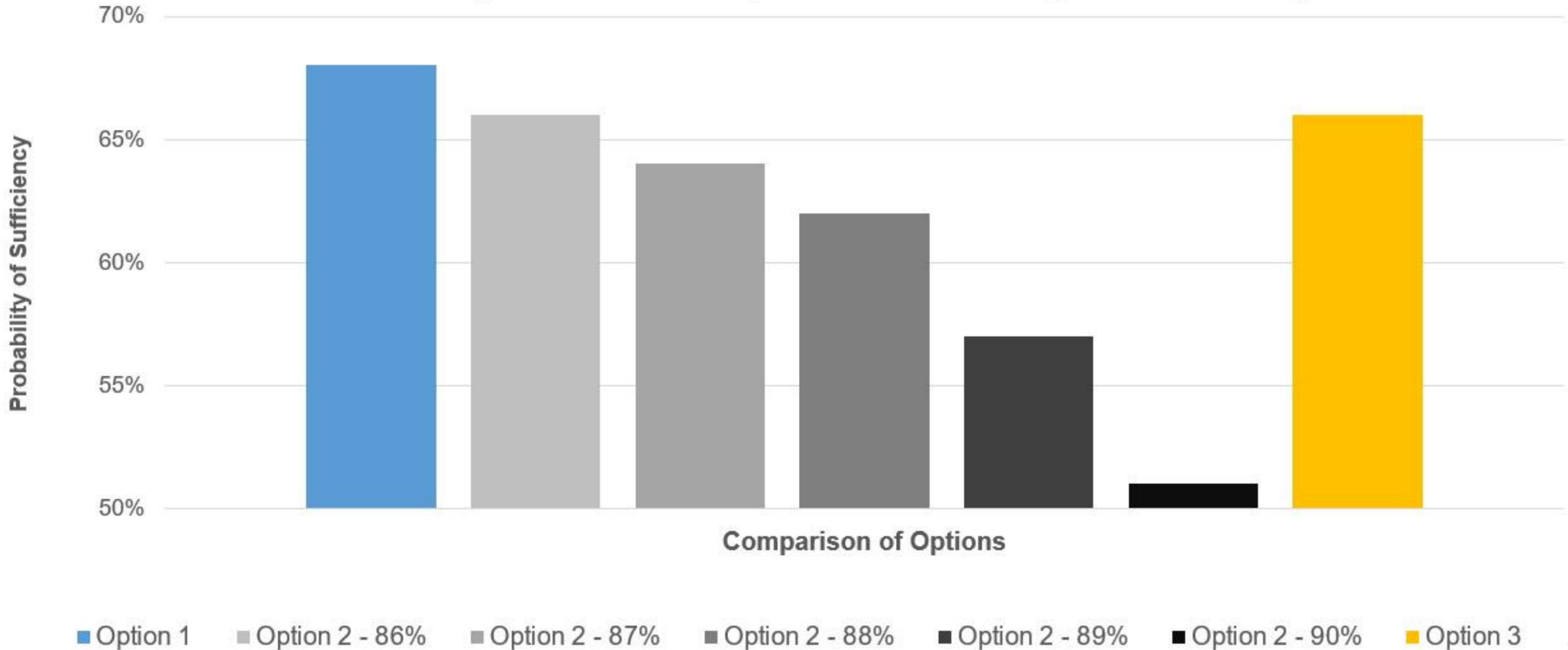
- Increase the purchasing power protection percentage based on age of retiree
  - Would apply to all current and future retirees

Age of Retiree	Purchasing Power Protection Percentage
Less than 90	85%
90 or Greater but Less than 100	90%
100 or Greater	100%

## Estimated Impact of SBMA Options – Cost (\$ in Billions)



## Estimated Impact of SBMA Options - Probability of Sufficiency



## Estimated Impact of SBMA Options - Retirees' Monthly Benefits

