

Connections

REACHING YOUR RETIREMENT

SEMIANNUAL PUBLICATION FOR ACTIVE AND INACTIVE CALSTRS MEMBERS



Teacher Talk: Spotlight on California's Educators

Teacher Talk is a series of profiles on California teachers and other educators featured on our website. For the full-length version, visit CalSTRS.com/teacher-talk-profiles.

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Emelina Emaas
Biology teacher

John F. Kennedy
High School
Sacramento

After 43 years as an educator, it's hard for Emelina Emaas to imagine a life without students. "I kept saying I would retire last year, but I couldn't even fill out the application. My heart is rebelling."

Emaas has been with the Sacramento City Unified School District for 16 years and spent most of that time teaching in an independent study program. For the last two years, she has taught biology, anatomy and physiology at John F. Kennedy High School. She also supports newly hired teachers by observing their classes, giving input on classroom management and teaching strategies, and adopting Next Generation Science Standards in teaching biology.

Her career began far from California as a teacher and administrator in the Philippines. For 14 years, she taught science classes there and was promoted to various levels of administration, from supporting and supervising other teachers to assisting principals and district supervisors.

Inspiration as a teacher

Emaas was inspired by her high school biology teacher, who made activities interactive and interconnected. For example, her teacher asked students to imagine they were exploring the ocean in a submarine, and then their lesson would be the properties of the ocean. "She also shared many applications of concepts in our daily life. That's what I inherited from her. When I teach biology, I make it a point to connect with the subject area, so students can appreciate how the learning applies to their daily lives."

Also inside:

**Retirement Progress
Reports Available
on *myCalSTRS***

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Your 2016–17 Retirement Progress Report Now Available on myCalSTRS

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. If a conflict arises between information contained in this publication and the law, any decisions will be based on the law.

CalSTRS Connections is published twice a year for members of the California State Teachers' Retirement System. Send your comments or suggestions to:

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Your *Retirement Progress Report* for 2016–17 is now available online. To view or print your report, log on to your *myCalSTRS* account at myCalSTRS.com, select *View Your Retirement Progress Report* and then select the year and account type.

- Review your current report online as well as your reports dating back to 2002.
- 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 online *myCalSTRS* account, reducing paper and postage costs. However, 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, 2018.



If you believe there's a discrepancy in your report, contact your employer immediately.



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.

2017 Annual Member Survey Findings:

Ready Yourself for Retirement

We'd like to express our thanks to everyone who participated in this year's Member Satisfaction Survey and helped us learn how we can better meet your needs. Below are some insightful findings from this annual random sampling of active members who are 50 years and older on how financially prepared they are for retirement, along with actions you can take now for your secure retirement.

Know your retirement gap: Of those who responded, 70 percent reported being aware they may need income in addition to their CalSTRS defined benefit pension to meet their financial goals in retirement. The median CalSTRS retirement benefit replaces about half of a member's final salary. Find out more about closing any gap between your target retirement income and your CalSTRS benefit by watching the short video, *The Gap*, at CalSTRS.com/videos.

Estimate your anticipated CalSTRS retirement benefit: Seventy-one percent reported to have estimated their anticipated CalSTRS benefit. Estimate yours at CalSTRS.com/calculators.

Estimate the income you'll need in retirement:

Of the members who estimated their retirement benefit, 78 percent also estimated their retirement income needs. Download helpful budget and income estimate worksheets at CalSTRS.com/financial-awareness.

Determine if your anticipated benefit will be sufficient to meet your retirement income needs and make a plan to address any shortfall: Out of those who estimated their anticipated benefit as well as their retirement income needs, 60 percent reported their CalSTRS benefit alone will not be sufficient.

A convenient way to address any retirement income shortfall is to invest in a supplemental retirement savings plan, such as a CalSTRS Pension2 403(b) or 457(b) plan through your employer. For information on what is available in your district, visit 403bCompare.com. Other options include delaying retirement to increase your benefit income or paying off debt. You can learn more about planning your retirement income and expenses through our Financial Awareness Series workshops. Register at CalSTRS.com/financial-awareness.

CalSTRS Reports 13.4 Percent Net Investment Return for Fiscal Year 2016–17

In July, CalSTRS announced that the Teachers' Retirement Fund posted a 13.4 percent net of fees investment return for the 2016–17 fiscal year, with growth being driven by strong performance across all markets, led by non-U.S. equity. As of June 30, 2017, the total fund value was \$208.7 billion. The 2016–17 performance will be a positive contributor to CalSTRS' 7 percent 30-year investment return assumption, adopted by the Teachers' Retirement Board in February 2017.

➤ Go to CalSTRS.com/2017-news-releases and read the July 20, 2017, news release for more information.

CalSTRS Community:

How did you spend your summer?



Sue Hall of Murrieta Valley Unified School District travels to Lusaka, Zambia, every year with a group of volunteer educators to help train teachers at an orphanage school. This summer was her 10th trip to Zambia.

➤ See more pictures at bit.ly/lusakateachers.

We'd love to share your teaching adventures with the CalSTRS community. Share your photos—along with a quick note—on Facebook or Instagram and tag them *#CalSTRSTeacher* *#TeacherLife* so that we might contact you for a future newsletter feature. Questions? Direct message us on Facebook or Instagram, or send an email to Communications@CalSTRS.com with **CalSTRS Community** in the subject line.

Share Your Education Technology Stories With Us

Do you have experience with education technology in your classroom? We want to learn more about technology that impacts our members, especially your experiences with online teaching. Please drop us a line at ResearchLibrary@CalSTRS.com and include the name of your school district.



What Advice Would You Give Your Younger Self?

We asked retired educators what advice they would give to their younger selves about retirement. Their advice: **Start saving and planning early on.** Watch short videos from our *Postcards From Retirement* series at Facebook.com/CalSTRS/videos.





myCALSTRS

Do You Have a *myCalSTRS* Account Yet?

Register now to access your information online, any time

myCalSTRS is your secure online resource for managing your personal information and CalSTRS accounts. Once you complete the easy registration process at **myCalSTRS.com**, your *myCalSTRS* account will be active and you can:

- 1 Update your one-time death benefit recipient information.
 - 2 Update your contact information.
 - 3 Submit and receive secure messages to and from CalSTRS representatives.
 - 4 Complete and submit forms online.
 - 5 View your account balances and more!
- Sign up at **myCalSTRS.com** today to gain instant 24/7 access to your accounts.



Be Green

Newsletters Delivered Right to Your Inbox

Save time, save trees. Sign up on *myCalSTRS* to receive *Connections* online. Help us conserve natural resources and reduce mailing costs.

If you're registered on *myCalSTRS*, simply log in to your account, click on *Update Your Profile*, scroll down and edit your newsletter preferences. If you're not yet registered on *myCalSTRS*, create an account today at **myCalSTRS.com**.

CalSTRS 2015–16 Sustainability Report: Global Stewardship at Work

Our third annual sustainability report documents our sustainability performance for the 2015–16 fiscal year and supports our long-term viability as a sustainable organization. The full report, plus short videos featuring our sustainability practices, can be viewed at **CalSTRS.com/2015-16-sustainability-report**,

or scan the QR code with your smart phone.



2018 California Teachers of the Year Announced

Five educators have been named as the 2018 California Teachers of the Year by State Superintendent of Public Instruction Tom Torlakson. Presented by California Casualty and the California Teachers of the Year Foundation, the award program began in 1972 to honor outstanding teachers and encourage new teachers to enter the profession. The 2018 winners are:

Brian McDaniel: teaches music (band and choir) to students in sixth through eighth grade at Painted Hills Middle School, Desert Hot Springs. He was also nominated as California's representative for the 2018 National Teacher of the Year competition.

Jaime Brown: teaches International Baccalaureate English and film studies to 12th graders at San Diego High School of International Studies, San Diego.

Kirsten Farrell: teaches sports medicine to ninth through 12th grade at Venice High School, Los Angeles.

Gregory Gardiner: teaches Advanced Placement environmental science, Special Abilities Cluster science, and biology to ninth through 12th grade students at Edison High School, Huntington Beach.

Erin Oxhorn-Gilpin: a first and second grade multi-subject teacher at Northlake Hills Elementary School, Castaic.

County offices of education nominate winners through county-level competitions. The teachers are interviewed by the California Department of Education and the state superintendent then selects the five awardees. Finalists and semifinalists will be honored at a gala to be held in Sacramento in February.

➤ For more information, visit cde.ca.gov.

California Teacher Earns Top Unsung Heroes Award

Ding-ay Tadena, a mathematics teacher at Hawthorne High School in Hawthorne, received the first place prize in the 2017 Voya Unsung Heroes national awards competition, which recognizes innovative teaching methods, creative educational projects and ability to positively influence their students. Voya Financial is the record-keeper for the CalSTRS Pension2 403(b) and 457(b) plans.

She and nine other California educators were selected as finalists from more than 1,200 applications. One hundred finalists received a \$2,000 grant, payable to both the winning teachers and their schools.

As the first place winner, Tadena will receive \$25,000 in addition to an initial \$2,000 grant. The award money will be used to help fund "When Geometry Meets Fashion," her innovative program that connects "left brain and right brain" skills and applies a project-based learning strategy where students apply their math skills to the study of music, art and fashion design.

Applications for the 2018 Voya Unsung Heroes program are being accepted now through April 30, 2018. Winners will be announced in fall 2018.

➤ For more information, visit Pension2.com.

Unsung Heroes California Winners

Jason Askenaze

Santiago Charter Middle School, Orange

Erin Bollacker

Dona Merced Elementary School, Rancho Cucamonga

Del Camara

Merced High School, Merced

Shardie Ezell

Bret Harte Middle School, Oakland

Pam Goldman

Folsom High School, Folsom

Keith Jones

Sequoia Middle School, Newbury Park

Gregory Lakey

Environmental Charter High School, Lawndale

William Plunkett

Los Osos High School, Rancho Cucamonga

Melissa Zaucha

Compton Unified School District, Placentia

Need Help Choosing a 403(b)?

A 403(b) supplemental retirement savings plan is one of the smartest ways to set aside additional money for your secure future. If you're looking to roll over funds or start a 403(b) account, visit 403bCompare.com today to explore your options and easily compare between hundreds of plans.

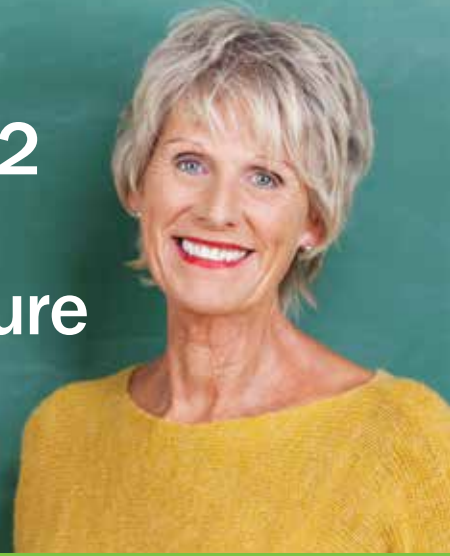
Have a Retirement Date **Date** in Mind?

Sign up for a “My Retirement Decisions” workshop in your area where you'll learn how to:

- Calculate your monthly retirement benefit.
- Provide a lifetime monthly benefit to your survivors.
- Receive funds in your Defined Benefit Supplement account, if you have accumulated funds.
- Complete your *Service Retirement Application*.
- Return to work in the California public school system if you choose to do so after retirement.


➤ Register at CalSTRS.com/workshops or call **800-228-5453** and select option 3.

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 ability, selected by CalSTRS.
 - Your account can potentially grow tax-deferred with taxes generally not due until money is withdrawn.
 - You get CalSTRS counseling services.
- **Have funds in your CalSTRS Defined Benefit Supplement account? Roll them over to Pension2 when you retire.**

 **Learn more at Pension2.com.**

It's your future. Choose Pension2™.

Thinking of Working in a CalSTRS-Covered Position After Retirement? Important Rules You Need to Know

If you take a job outside of CalSTRS-covered employment, you can continue to receive your full CalSTRS retirement benefit with no earnings limitations. However, if you perform retired member activities, including substitute teaching, as an employee of a public school system, an independent contractor or an employee of a third party, you're subject to a separation-from-service requirement and a postretirement earnings limit.

Separation-From-Service Requirement

Your benefit will be reduced dollar for dollar by any compensation earned from retired member activities during the first 180 calendar days following your most recent retirement effective date, up to your benefit payable during that period.

This separation-from-service requirement also applies to Cash Balance Benefit participants who receive their retirement benefit as an annuity. If you are a Cash Balance Benefit participant and receive your retirement benefit as a lump-sum payment, your benefit will not be payable until 180 calendar days after the date you terminated employment. If you perform creditable service during this waiting period, your retirement will be canceled and you will not receive your payment.

Postretirement Earnings Limit

The earnings limit for 2017–18 is \$43,755; for 2018–19 the limit is \$45,022. The Teachers' Retirement Board adjusts the earnings limit annually. Any amount you earn from retired member activities during the first 180 calendar days of retirement will also count against the annual postretirement earnings limit for the appropriate fiscal year. CalSTRS will withhold all of your gross monthly retirement benefit until we collect your excess earnings in full, up to the amount of your annual retirement benefit, minus any reductions due to the separation-from-service requirement. There are no exemptions to the annual limit.

Keep Track of Your Earnings

Employers must report your earnings as a retired member to CalSTRS no later than 45 days after the end of the pay period. We will send two letters reminding you how close you are to the postretirement earnings limit. However, you should also track your gross earnings to avoid exceeding the limit because of delays in employer reporting. If you exceed the earnings limit, we will send you a letter informing you of the excess earnings deductions from your retirement benefit.

- For more information, visit CalSTRS.com/working-after-retirement.



There is a very narrow exemption from the separation-from-service requirement if you meet all of the following:

- You have reached normal retirement age (60 for 2% at 60 members and 62 for 2% at 62 members).
- Your appointment is necessary to fill a critically needed position.
- The governing body of your employer, such as a school board, approves your appointment by resolution at a public meeting.
- You did not receive any financial inducement to retire.
- Your termination of service did not cause the need to acquire your services.

This exemption applies only to the separation-from-service requirement and does not exempt you from the postretirement earnings limit. Work closely with your employer if you are planning to perform retired member activities under this exemption.

Your employer must submit the required documentation to us substantiating your eligibility for the exemption. We must receive an exemption request and required documentation before you begin working.

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Teacher Talk: Spotlight on California's Educators

Coming to California

In the Philippines, Emaas was in charge of supervising implementation of a computer program in one big national high school. Eventually, she was recruited along with a group of more than 150 teachers to teach in the United States. After a year, the teachers could be rehired based on their teaching performance, could look for other teaching positions in the U.S. or could return to the Philippines. She has taught in Sacramento since 2002.

What's one thing you're proud of as a teacher?

"I'm very proud if a student comes back to me and says 'Thank you, Ms. Emaas. I'm already successful because of you.' That's my greatest happiness, when my students write me a note."

How long until retirement?

"One more year perhaps, but if I'm in good health, I will reach 65. I could retire any time."

Married for 43 years, Emaas has eight adult children and 15 grandchildren. Her youngest daughter followed in her footsteps as a teacher in the same school district. "What will I do at home? My goal is to retire graciously. I may work until I have no more energy to work."

- To be considered for a future profile, please email Communications@CalSTRS.com, with **Teacher Talk** in the subject line. Be sure to include your school name and district in your message.

Retiring Mid-Year? Here's What You Need to Know

Thinking about retiring mid-year? If you are, then you need to know that your final compensation may be lower than expected if you received a salary increase toward the end of your career. For a mid-year retirement, CalSTRS may have to include the monthly average of your prior year's compensation earnable as part of your final compensation calculation. The calculation will have more of an effect if you're under the CalSTRS 2% at 60 benefit structure and have at least 25 years of service since your final compensation will be based on a 12-month period. See the *Member Handbook* for more information.

Changing Employers? Make Sure to Transfer Your Sick Leave

At service retirement, CalSTRS will convert your unused sick leave to additional service credit. However, we can only accept unused sick leave from each employer you worked with during your last school year.

If you change employers during your career, work with your previous employer to arrange the transfer of unused sick leave to your current employer. See the *Member Handbook* for more information.

STAY UP-TO-DATE
Read 
CalSTRS News Releases Online

- View current and past CalSTRS news releases at CalSTRS.com/news-releases.
-

The Power of Engagement: CalSTRS as an Active Shareowner

By Jack Ehnes, CalSTRS CEO



Investing and engaging as an active shareowner are fundamental components of CalSTRS' long-term investment strategies and serve as the guiding principles for our corporate governance endeavors.

CalSTRS' top priority is to maximize returns for the fund in order to safeguard

the retirement security of California's educators and their beneficiaries. We do this by implementing the tenets of responsible corporate governance using environmental, social and governance investment policies established by the Teachers' Retirement Board. By regularly engaging with portfolio companies, we seek to ensure that risks which could potentially affect the long-term value of our investments are adequately addressed and mitigated.

Our *2016 Corporate Governance Annual Report* illustrates the power of CalSTRS' engagement efforts, as well as partnerships we've initiated with other institutional investors and industry organizations to advance awareness and enact change. Often, change can be accomplished by starting a dialogue with a company to explore options, in addition to voting our shares through the annual proxy voting process.

In 2016, CalSTRS voted on 76,260 proposals at 7,818 portfolio company meetings globally on a range of issues, including environmental sustainability efforts and methane emissions disclosures, diversity on corporate boards, and executive compensation. During the 2017 proxy season, CalSTRS voted at a total of 7,889 meetings globally and voted on 79,782 proposals. Detailed information on our 2017 activities will be available in the next *Corporate Governance Annual Report* in March 2018.

Occasionally, institutional investors are pressured to divest from certain companies or industries. However, divestment is a last resort for CalSTRS, as it entirely removes our financial interest and severs any chance to advance change through shareholder advocacy. For that reason, the board policy on divestment requires us to first engage on an issue to confirm all avenues of influence have been exhausted before the board makes a decision to divest.

We are committed to maximizing returns for the Teachers' Retirement Fund by engaging with a seat at the table to influence decisions that we believe will make companies better, more profitable and more sustainable over the long run.

To learn more about our outreach efforts and engagement successes, I invite you to read our *2016 Corporate Governance Annual Report, Investing and Engaging for the Long Term*, available at CalSTRS.com under the Corporate Governance tab.



Board Highlights Available Online

CalSTRS offers an easy-to-read downloadable summary of board meeting highlights that is posted online after each meeting. You can view the summary at CalSTRS.com/board-highlights.

CalSTRS Portfolio Manager Awarded for Excellence

Chief Investment Officer magazine has named CalSTRS Investment Officer Orintheo Swanigan to a spot on the “Class of 2017 40 Under 40” list—a recognition of excellence among up-and-coming investment professionals under the age of 40 from around the world who are employed by large asset owners.

“Orintheo represents the kind of drive, grit, acumen and teamwork that we strive for with all of our professional investment staff,” said CalSTRS Chief Investment Officer Christopher J. Ailman.

For the last nine years, Swanigan has been part of the CalSTRS Global Equity team. He earned his Bachelor of Science in managerial economics from the University of California, Davis, and his Master of Business Administration from the Haas School of Business, University of California, Berkeley. He also holds the CFA® designation.

This is the fifth year in a row that CalSTRS investment staff has been recognized on the “40 Under 40” list.

CalSTRS CEO Elected President of National Council on Teacher Retirement

CalSTRS Chief Executive Officer Jack Ehnes was recently elected president of the National Council on Teacher Retirement, marking the first time a Californian will lead the organization dedicated to safeguarding the integrity of public retirement systems in the U.S. and its territories. His one-year term began October 18.

NCTR serves 68 state, territorial and local pension systems representing more than 19 million active and retired teachers, nonteaching personnel and other public employees, with combined assets of more than \$2 trillion in their trust funds.

CalSTRS' CIO to Receive Lifetime Achievement Award

CalSTRS Chief Investment Officer Christopher J. Ailman will be honored with *Institutional Investor's* Lifetime Achievement Award at the first annual Allocators' Choice Awards on November 28 in New York.

Ailman has more than three decades of experience in investment management and has served in the public sector since 1985. During his 17 years at CalSTRS, Ailman has grown the portfolio from \$116 billion to more than \$200 billion, making it the second largest public pension system in the country. Read more at institutionalinvestor.com.


403bCompare.com Wins Three National Awards

CalSTRS' newly redesigned 403bCompare.com website recently won three national awards recognizing design, technology and innovation:

- Best of the Web Award in the State Government Experience category by the Center for Digital Government recognizing achievements and best practices of states, cities and counties improving the experience of government and how citizen services are delivered.
- Award of Innovation from *Pensions & Investments* magazine and the Defined Contribution Institutional Investment Association for design and technology that continues to drive CalSTRS member participation in voluntary defined contribution plans.
- Analytics 50 Award from Drexel University's LeBow College of Business, a national recognition of industry analytics innovators that honors 50 companies using analytics to solve business challenges.

403bCompare.com is a free online resource that provides California school employees with information and financial planning resources they can use to make informed decisions about their 403(b) retirement savings plan options.

CalSTRS Resources

- WEB** CalSTRS.com
Click *Contact Us* to email
myCalSTRS.com
403bCompare.com
Pension2.com
 - CALL** 800-228-5453
7 a.m. to 6 p.m.
Monday through Friday
916-414-1099
Calls from outside the U.S.
888-394-2060
CalSTRS Pension2®
Personal Wealth Plan
855-844-2468 (toll free)
Pension Abuse Reporting Hotline
916-414-1411
CalSTRS Ombudsman
 - WRITE** CalSTRS
P.O. Box 15275
Sacramento, CA 95851-0275
 - VISIT** Member Services
100 Waterfront Place
West Sacramento, CA 95605
Find your nearest
CalSTRS office at
CalSTRS.com/localoffices
 - FAX** 916-414-5040
- STAY CONNECTED 



Moved or Planning a Move Soon?

Three ways to update your contact information:

-  *myCalSTRS* makes it easy. From the home page, select *Update Your Profile*, then follow the instructions.
 - [myCalSTRS.com](https://mycalstrs.com)
-  Complete the *Address Change Request* form, sign, date and mail it to us.
 - [CalSTRS.com/forms](https://calstrs.com/forms)
-  Call us at **800-228-5453**. To use this option, you must have a valid email address. Best times to call are Wednesday, Thursday or Friday 7 a.m.–10 a.m. or 4 p.m.–6 p.m.
 - For your security, when you make a change to your mailing address, we will send you a letter and an email confirming the change.