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CALSTRS Connections

YOUR MONEY MATTERS

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 of this story, visit CalSTRS.com/teacher-talk-profiles.



Nicole Simonsen,
English teacher

Luther Burbank
High School
Sacramento

English teacher Nicole Simonsen remembers a pivotal moment in her career—a shift from critic to cheerleader.

“One year, I had this student who struggled all the time with writing. He just hated it. Any time he had to write more than a few sentences, he would just shut down and only complete part of the assignment. But this one time, he wrote five whole paragraphs. Instead of writing critical comments and looking for mistakes, I looked at what he was doing well. His essay had a beginning, middle and an end. I gave him a B on that assignment, by far the highest grade he'd ever gotten.

“When he saw that grade, he jumped out of the chair and started shouting ‘I got a B!’ and started running around the room. He was so excited and I felt so happy. It wasn't a perfect

essay, but he was doing things I hadn't seen him do before, and I wanted him to see he could do it. The shift to cheerleader made a big difference. I try to keep doing that.”

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**You're Helping
Students Build Their
Futures: Don't Forget
About Yours**

► Sign up for a
CalSTRS Benefits
Workshop Today

See page 7

Also inside:

**Retirement
Progress Reports
Available
on myCalSTRS**

See page 2

► 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.

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Your *Retirement Progress Report* for 2016–17 is now available online. Keep tabs on your CalSTRS account and service credit balances by reviewing your report every year. If you are 45 years of age or older, your report will also include two estimates of your retirement benefits. Log on to your secure *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: Educate Yourself to Prepare for Your Future

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 49 years and younger on how financially prepared they are for retirement, along with actions you can take now for your secure future.

Know your retirement gap: Of those who responded, 55 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: Thirty-five 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, 75 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, 73 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. Learn more about planning for your secure future by attending one or all three of our Financial Awareness Series workshops. Register at CalSTRS.com/financial-awareness. Also, see page 8 for information on our "Save for Your Future" workshop.

► 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?



Several California teachers traveled to Lusaka, Zambia, this summer as volunteers to mentor teachers at an orphanage school. Here, Julie Holmquist and Kassie Denny of Temecula Unified School District show a video to students about parts of a tree while the group takes a break from a nature walk. This annual trip is organized by Sue Hall of Murrieta Valley Unified School District.

► 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](https://www.facebook.com/hashtag/CalSTRSTeacher) [#TeacherLife](https://www.facebook.com/hashtag/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](https://www.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 forms online and more!
- > Sign up at **myCalSTRS.com** today to gain instant 24/7 access to your accounts.



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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 includes highlights of how CalSTRS welcomes and embraces diversity of thinking, background and experience to enhance our work culture. Watch our *Diversity and Inclusion* video at CalSTRS.com/2015-16-sustainability-report-videos.

Download the full report 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) Plan?

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 start a 403(b) account or roll over funds, visit 403bCompare.com today to explore your options and easily compare among hundreds of plans.

► You're Helping Students Build Their Futures: Don't Forget About Yours

Sign Up for a CalSTRS Benefits Workshop Today

We get it. Planning for retirement is probably not at the top of your to-do list right now. That's why we created the "My Retirement Benefits" workshop to give you the information and tools you need now within a quick two-hour timeframe. In this interactive workshop, you'll learn how to:

- Calculate your CalSTRS monthly retirement benefit.
- Determine your retirement income gap and ways you can bridge it.
- Increase your retirement benefit and more!

► 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.

► Learn more at Pension2.com.

It's your future. Choose Pension2™.



Do You Know the Five Parts That Make Up Your Credit Score?

Knowing your score and how to improve it could save you thousands of dollars in higher interest rates. Spend two hours with us and learn how to get on the right financial path and more.

Sign up for a “Save for Your Future” workshop in your area and you’ll learn how to:

- Create a spending plan, looking at your “must haves” and “wants.”
- Read and understand your credit report.
- Build and keep good credit.
- Manage your debt.
- Ask the right questions before investing.

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

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► **Teacher Talk:** Spotlight on California's Educators

Simonsen, who has been a teacher for 13 years, has been at Luther Burbank High School in Sacramento for the last six years.

Her students come from varied backgrounds, some of them having endured significant trauma from having family members in jail to experiencing violence on the streets or being in foster care, Simonsen said.

It can take a lot of energy to motivate her students when they're struggling. "They might act out or behave in ways that are maladapted, and you understand as a teacher why they're doing it, but it can be frustrating. That's probably my biggest challenge."

Life as a writer

In 2016, Simonsen's essay "Empire of School" won the Norman Mailer High School English Teacher Creative Non-Fiction Award from the National Council of Teachers of English. In it, she writes of her struggles as a teacher in an economically depressed area and a mutual lesson of patience between the student and educator.

Simonsen, who is working on a book, writes essays but is mostly a writer of literary short stories. She finds sibling and parenting relationships interesting and also likes coming-of-age stories. "I think that's a really interesting time in a person's life—those teen years. I'm around that age group all day long."

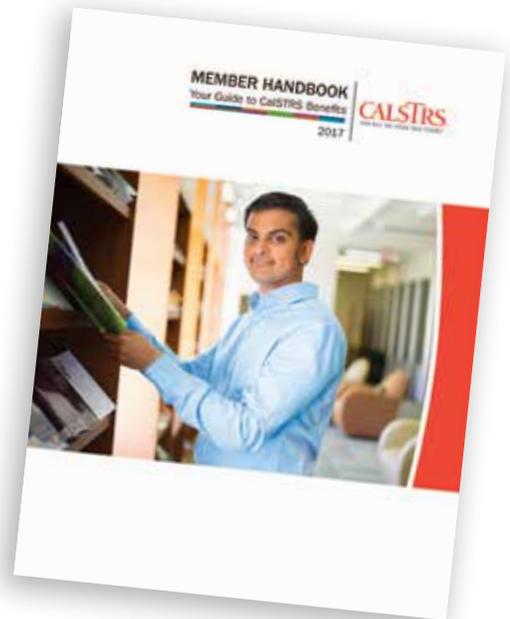
Retirement is a long time off, at least 22 to 24 years. "I don't plan to retire for a while. I hope I'm still writing. That's one thing I don't want to retire from. I would like to travel and see more of the world when I get older."

- 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.

► **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 for 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.

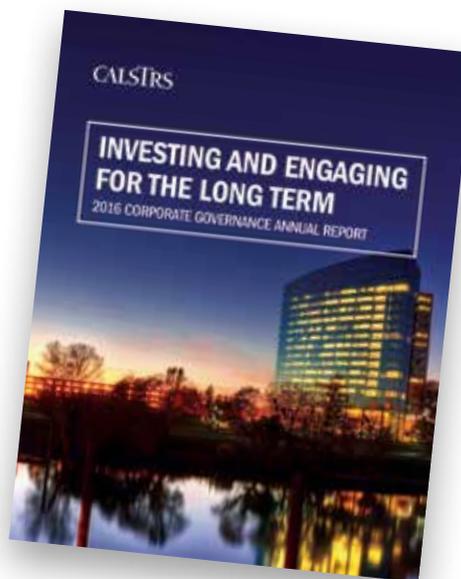
Our 2016 Corporate Governance Annual Report illustrates the power of CalSTRS' engagement efforts, as well as partnerships we've initiated with other institutional investors and industry organizations to advance awareness and enact change. Often, change can be accomplished by starting a dialogue with 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
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 - VISIT** Member Services
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 - FAX** 916-414-5040
- STAY CONNECTED 



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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

 Complete the *Address Change Request* form, sign, date and mail it to us.

➤ 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.