

Employer Information Circular

Volume 24; Issue 10

October 24, 2008

CalSTRS' Benefits are Secure

This circular is provided to update employers with information that was distributed to CalSTRS members the week of October 20, 2008, via My CalSTRS, regular U.S. mail, and email to approximately 250,000 CalSTRS members and beneficiaries.

The purpose of the letter was to clarify misconceptions that their benefits are affected to the current economic downturn that our nation is facing. The attached letter from Jack Ehnes, Chief Executive Officer reassures our members that their benefits are secure because the contributions rates are fixed by statute and any changes in contributions would require enactment of legislation.

To: CalSTRS Members and Benefit Recipients

From: CalSTRS CEO

Reassuring facts amid the bad economic news

Your CalSTRS benefit is secure, despite the ongoing historic changes to the world's markets. The CalSTRS retirement, survivor and disability benefits will not change with the downturn in the economy.

Your benefit does not depend on the funds in the CalSTRS investment portfolio or the amount in your CalSTRS account. Your CalSTRS benefits are a contractual right protected not only by the California Constitution but also by the U.S. Constitution.

Built to last

In addition to the legal guarantees of your benefits, CalSTRS is strong thanks to sound investment principles and professional management. The investment portfolio is built to ride out the shocks of a fluctuating marketplace, even in times as unprecedented as these.

As you read more bad news daily, please remember you have good news. Your CalSTRS benefit is rock solid.

CalSTRS Home Loan Program there for you

The ensuing credit crisis has made home loans difficult to obtain. You can look to the CalSTRS Home Loan Program whether you're re-financing or buying a home. CalSTRS offers competitive rates on a variety of mortgage loan programs. For details, see www.calstrs.com/homeloanprogram.

Sincerely,



Jack Ehnes
Chief Executive Officer
California State Teachers' Retirement System

CALSTRS