

Glossary

A

Age Factor

The percentage of your final compensation that you will receive as a retirement benefit for every year of service credit. The age factor is based on your age on the last day of the month in which your retirement is effective. To receive an age factor of 2 percent, you must work until age 62 if you're under CalSTRS 2% at 62. The basic age factor for members under CalSTRS 2% at 60 is 2 percent at age 60.

CalSTRS 2% at 60:

The age factor at age 60 is 2 percent. The age factor gradually decreases to 1.10 percent at age 50 if you retire before age 60 and increases to the maximum 2.4 percent at age 63 if you retire after age 60.

For example, if you retire at age 60 and have 20 years of service, you will receive 2 percent (your age factor at age 60) of your final compensation multiplied by the 20 years of service credit. This equals 40 percent of your final compensation (2 percent x 20).

CalSTRS 2% at 62:

The age factor at age 62 is 2 percent. The age factor gradually decreases to 1.16 percent at age 55 if you retire before age 62 and increases to the maximum 2.4 percent at age 65 if you retire after age 62.

Additional Earnings Credit

A percentage increase to the account balance of Defined Benefit Supplement Program members and Cash Balance Benefit Program participants that is granted by the Teachers' Retirement Board when investment earnings exceed what is necessary to meet the liabilities of the programs.

Air Time

See nonqualified service credit.

Annual Benefit Adjustment

An automatic annual increase to your monthly benefit provided by state law. Annual benefit adjustments are calculated at 2 percent of your initial benefit. The increase is not compounded or tied to changes in the cost of living.

Annuity

Member-Only Defined Benefit Supplement or Participant-Only Cash Balance Annuity:

A monthly payment equal to the balance of your Defined Benefit Supplement account or Cash Balance Benefit account spread over your lifetime. Any balance remaining upon your death will be paid to your one-time death benefit recipients.

100% Beneficiary Annuity: Provides an actuarially reduced monthly payment equal to the balance of your Defined Benefit Supplement account or Cash Balance Benefit account spread over your lifetime and the lifetime of your annuity beneficiary. One hundred percent of your monthly annuity payment will continue to be paid to your annuity beneficiary upon your death.

75% Beneficiary Annuity: Provides an actuarially reduced monthly payment equal to the balance of your Defined Benefit Supplement account or Cash Balance Benefit account spread over your lifetime and the lifetime of your annuity beneficiary. Seventy-five percent of your monthly annuity payment will continue to be paid to your annuity beneficiary upon your death.

50% Beneficiary Annuity: Provides an actuarially reduced monthly payment equal to the balance of your Defined Benefit Supplement account or Cash Balance Benefit account spread over your lifetime and the lifetime of your annuity beneficiary. Fifty percent of your monthly annuity payment will continue to be paid to your annuity beneficiary upon your death.

For the 100%, 75% and 50% beneficiary annuities, your annuity beneficiary must be the same as your option beneficiary. If your beneficiary dies before you, your annuity payment will rise to the Member-Only amount.

Period-Certain Annuity: A monthly payment for any number of years from three to 10 equal to the balance of your Defined Benefit Supplement account or Cash Balance Benefit account. The amount you receive is based on the number of years over which the annuity is paid; the lower the number of years, the higher the amount payable each month. If you die before the annuity period ends, the remaining payments are paid to your one-time death benefit recipients.

Assessment

The reduction applied to your benefit if you change or cancel your preretirement election of an option or if your option beneficiary dies before you retire. The amount is the actuarial equivalent of the coverage you received as a result of the preretirement election. (Assessments of \$0 do not result in a benefit reduction.)

Annuitant

A retired member or participant who receives a benefit as an annuity payment equal to the balance of her or his Defined Benefit Supplement or Cash Balance Benefit accounts.

B

Beneficiary

Any person or entity receiving or entitled to receive payments because of the disability or death of a member. Only a person or special needs trust (not an estate, another type of trust or a corporation) may be designated to receive an option benefit upon your death.

Benefit

A monthly or lump-sum amount payable to a retired member, disabled member, retired participant, disabled participant or beneficiary.

Benefit Formula (Service Retirement)

For the Member-Only Benefit the formula is service credit x age factor x final compensation. If choosing an option, multiply the Member-Only Benefit by the appropriate option factor.

Benefit Formula (Disability Coverage A or B)

The basic disability benefit is generally 50 percent of your final compensation and may be reduced for periods of part-time employment. Final compensation for disability purposes uses your earned, rather than earnable, compensation. Service credit is not a factor in determining the amount of your disability benefit.

Benefit Recipient

A person or entity that receives a one-time death benefit payment or an ongoing CalSTRS benefit payment.

C

CalPERS

California Public Employees' Retirement System

CalSTRS 2% at 60

CalSTRS 2% at 62

CalSTRS has two benefit structures:

- Members and participants first hired on or before December 31, 2012, are under CalSTRS 2% at 60.
- Members and participants first hired on or after January 1, 2013, are under CalSTRS 2% at 62.

In addition, educators who were members of a concurrent retirement system on or before December 31, 2012, and performed service in that system within six months of becoming a CalSTRS member are under the CalSTRS 2% at 60 benefit structure, as are those who performed service that could be credited to the Defined Benefit Program that was subject to coverage under a different retirement system, including Social Security, on or before December 31, 2012.

The 2 percent refers to the age factor, or percentage of final compensation, that Defined Benefit members will receive as a retirement benefit for every year of service credit.

CalSTRS Pension2

Pension2 is CalSTRS' voluntary defined contribution plan that offers 403(b), 457(b), Roth 403(b) and Roth 457(b) plans for additional income in retirement.

Career Factor

Available only for members under the 2% at 60 benefit structure. An increase in the percentage of final compensation on which your Defined Benefit service retirement is based. If you retire with at least 30 years of earned service credit, 0.2 percent is added to the age factor up to the maximum age factor of 2.4 percent, which is reached at age 61½ with the career factor instead of age 63. The career factor doesn't apply if you die before retirement unless you filed a preretirement option election with CalSTRS. The career factor doesn't increase the age factor beyond 2.4 percent at any age.

Cash Balance Benefit Program

An alternative cash balance CalSTRS retirement plan for part-time, substitute, adjunct or temporary educators. The Cash Balance Benefit Program is an alternative to Social Security, private plans and the CalSTRS Defined Benefit Program.

Cash Balance Plan

A retirement plan in which your contributions and your employer's contributions earn a guaranteed annual interest rate. When you retire, you or your beneficiary will receive all the funds in your account as an annuity or a lump sum. The Defined Benefit Supplement and the Cash Balance Benefit programs are cash balance plans.

Client ID

A CalSTRS randomly generated number used to identify members. CalSTRS uses your Client ID instead of your Social Security number for security and privacy. Your Client ID is on your *Retirement Progress Report*, available at myCalSTRS.com.

Comparable Level Position

Any job in which you can earn 66⅔ percent or more of indexed final compensation.

Compensation Cap or Limit

The annual maximum amount of creditable compensation that can be used to calculate your CalSTRS retirement benefit. Any compensation in excess of this limit is not creditable compensation and neither your employer's nor your contributions are credited to the Defined Benefit Program, the Defined Benefit Supplement Program or the Cash Balance Benefit Program for amounts over the compensation cap. Employers may offer a defined contribution plan, such as CalSTRS Pension2, for contributions in excess of the compensation limit.

For 2% at 60 members who started in a CalSTRS-covered position on or after July 1, 1996, the compensation cap for 2018 is \$275,000. For 2% at 62 members, the cap is \$143,082 for fiscal year 2017–18.

Compensation Earnable

Creditable compensation you could earn in a school year for creditable service performed full time not including service for which contributions are credited to your Defined Benefit Supplement account.

Concurrent Service Retirement

Retiring for service from CalSTRS and the Legislators' Retirement System, California Public Employees' Retirement System, San Francisco Employees' Retirement System, University of California Retirement System or those systems established under the County Employees Retirement Law of 1937 as long as you perform no service creditable to either system between retirement dates. CalSTRS may use the full-time equivalent compensation for service performed under the other retirement system to calculate the CalSTRS service retirement benefit if the service was not performed during the same pay periods of your final compensation period as CalSTRS service.

County Employees Retirement Law of 1937

The following counties provide retirement benefits under this law: Alameda, Contra Costa, Fresno, Imperial, Kern, Los Angeles, Marin, Mendocino, Merced, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura.

Coverage A

The disability and survivor benefit programs available to those who became members on or before October 15, 1992. Coverage A is mandatory for all members of the Defined Benefit Program who were receiving a disability benefit or a service retirement benefit with an effective date on or before October 15, 1992. Members who were not receiving a benefit on or before that date could have chosen to retain Coverage A or elect Coverage B during the election period between October 16, 1992, and April 13, 1993.

Coverage A Disability Benefit (Disability Allowance)

A feature of the Defined Benefit Program that provides partial income replacement for disabled members. The benefit is paid as long as you are disabled up to normal retirement age or the date your last dependent child reaches age 22.

Coverage A Survivor Benefit (Family Allowance)

A monthly amount paid to your surviving spouse or registered domestic partner with eligible dependent children after your death. The maximum amount is 90 percent of your final compensation—40 percent for your spouse or partner plus 10 percent for each eligible dependent child up to an additional 50 percent.

Coverage B

The disability and survivor benefit programs for new members after October 15, 1992, or who previously had Coverage A and elected Coverage B.

Coverage B Disability Benefit (Disability Retirement)

A feature of the Defined Benefit Program that provides benefits to disabled members. Those receiving disability payments under Coverage B are "retired" and will be paid as long as they are disabled, without respect to age.

Coverage B Survivor Benefit

If you die before retirement and had a preretirement election of an option on file with CalSTRS, a lifetime benefit will be payable to your elected option beneficiary. If you do not have a preretirement election of an option, a survivor benefit may be payable to your surviving spouse or registered domestic partner and eligible dependent children.

Creditable Compensation

Remuneration that is paid in cash by an employer to all persons in the same class of employees for performing creditable service in that position, subject to certain exceptions. Also see page 21.

CalSTRS 2% at 62:

Only compensation paid in cash each pay period in which creditable service is performed under a publicly available written contractual agreement is considered creditable compensation. Creditable compensation for service in excess of one year in a school year is creditable to the member's Defined Benefit Supplement account, up to the compensation cap. Limited-term payments or compensation determined to have been paid for the purpose of enhancing a benefit are not creditable to any CalSTRS benefit program.

The limit on creditable compensation counted toward the CalSTRS retirement benefit formula is adjusted annually by changes to the Consumer Price Index for All Urban Consumers: U.S. City Average. For 2017–18, the compensation cap is \$143,082. Employers may offer their employees a defined contribution plan, such as CalSTRS Pension2, for contributions on compensation in excess of the limit.

Creditable Service

Specific employment activities, such as teaching, vocational or guidance counseling, mentoring, services related to school curriculum and certain administrative duties, performed for an employer in a position that requires certification qualifications adopted by the Commission on Teacher Credentialing or under minimum standards adopted by the Board of Governors of the California Community Colleges, or under the provisions of an approved charter for a charter school eligible to receive a state apportionment. Includes service performed by school health professionals, school librarians, superintendents and others as defined in California Education Code section 22119.5.

Credited Interest

At the end of each fiscal year, interest is credited to the accumulated Defined Benefit contributions and interest in each active and inactive member's account at the interest rate adopted by the Teachers' Retirement Board. The current rate approximates the yield on two-year Treasury notes.

Credited Service

See service credit.

D

Defined Benefit Plan

A retirement plan in which your retirement benefit is based on a formula, not on how much you contribute or how well investments perform.

Defined Benefit Program

A traditional defined benefit plan within the State Teachers' Retirement Plan that provides a lifetime retirement benefit (based on a formula set by law: age factor x service credit x final compensation) and disability and survivor benefits.

Defined Benefit Supplement Program

The Defined Benefit Supplement Program is a cash balance plan for Defined Benefit members that provides an additional retirement benefit. For every dollar you and your employer contribute to the program, your account is credited accordingly. In addition, your account earns guaranteed interest and any additional earnings credits declared by the Teachers' Retirement Board. Your benefits are paid as either a lump sum or an annuity equal to the total balance of your account. You and your employer make contributions on compensation earned from service in excess of one year of service credit, up to the compensation cap, and for CalSTRS 2% at 60 members, limited-term payments. From January 1, 2001, through December 31, 2010, 25 percent of your regular monthly Defined Benefit member contribution was also credited to your account.

CalSTRS 2% at 62:

You and your employer make contributions on compensation earned for service performed in excess of one year, up to the compensation cap.

Defined Contribution Plan

A retirement plan in which the benefit depends on your contributions, investment gains or losses, and expenses. Benefits under defined contribution plans are not guaranteed. CalSTRS Pension2 is a voluntary defined contribution plan.

Disability or Disabled

A medically determinable physical or mental impairment that is permanent or that can be expected to last continuously for at least 12 months. The disability must prevent you from performing your usual duties with reasonable modification or the duties of a comparable level for which you are qualified or can become qualified by education, training or experience. You may apply for disability while still employed. Any impairment from a willful self-inflicted injury does not constitute a disability.

Disability Earnings Limits

The amount a disabled Defined Benefit member or Cash Balance annuitant may earn from any employment, including self-employment, without a reduction to the CalSTRS benefit. The earnings limits are different for disabled and retired members and participants, and may be adjusted each year by the Teachers' Retirement Board.

Earnings Limits While Receiving a Coverage A Disability Benefit

Single-Month Earnings Limit: The amount a disabled member may earn in any month without a reduction in the disability benefit. This amount is set at 100 percent of your indexed final compensation. Your disability benefit and employment earnings in a single month are added together and compared to the indexed final compensation for the month. Amounts in excess of 100 percent of your indexed final compensation will be collected by CalSTRS dollar for dollar.

Six-Month Earnings Limit: The amount a disabled member may earn in any continuous six-month period without a reduction to, or termination of, the disability benefit. The six-month earnings limit is set at an average of 66 $\frac{2}{3}$ percent of indexed final compensation per month. If your average earnings over a continuous six-month period exceed two-thirds of the indexed final compensation, your disability benefit will be terminated.

Earnings Limit While Receiving a Coverage B Disability Benefit

The amount a disabled member may earn in a 12-month period without a reduction in the disability benefit. The disability earnings limit is set annually. The 2018 calendar year earnings limit is \$30,300. Your disability benefit will be reduced dollar-for-dollar by the total amount of earnings from all employment in excess of the 12-month calendar year limit.

E

Eligible Dependent Children

Coverage A: Your unmarried children or children not in a registered domestic partnership, or adopted children or stepchildren under age 22 who are financially dependent on you on the effective date of your disability benefit or the date of your death.

Coverage B: Your children, adopted children or stepchildren under age 21, if financially dependent on you on the effective date of your disability retirement or the date of your death.

Excess Contributions

Under the CalSTRS Funding Plan, member contribution rates for the Defined Benefit Program increased. The member contribution rate for compensation creditable to the Defined Benefit Supplement Program, which includes compensation earned for service performed in excess of one year, remained at 8 percent. If you earn compensation for service in excess of one year in a school year, your member contributions for this service in excess of the 8 percent Defined Benefit Supplement contribution rate will be returned to you by your employer.

CalSTRS will return any excess contributions to your employer in late September. Your employer is responsible for returning your excess member contributions to you. The total amount of your excess member contributions will be reported on your *Retirement Progress Report*, available on *myCalSTRS* in early September. If you service retire on or before the Friday before Labor Day, we will return excess contributions to your employer. You will not receive a *Retirement Progress Report* in fall—instead, you'll find a report of your excess member contributions online on your *myCalSTRS* account (under the Services tab). If you have questions regarding the return of your excess contributions, contact your employer.

F

Final Compensation

The highest average annual compensation earnable during any period of either 12 or 36 consecutive months.

CalSTRS 2% at 60: The final compensation period is 12 consecutive months if you have at least 25 years of service credit. Otherwise, the final compensation period is 36 consecutive months if you have fewer than 25 years of service credit.

CalSTRS 2% at 62: Final compensation is based on the highest average annual compensation earnable during 36 consecutive months.

Final compensation for disability purposes uses your earned, rather than earnable, compensation.

Full Time

The number of days or hours of creditable service the employer requires a class of employees to perform in a school year under a collective bargaining or employment agreement to earn the compensation earnable.

H

Hybrid Retirement System

CalSTRS administers a hybrid retirement system consisting of traditional defined benefit (Defined Benefit Program), cash balance (Defined Benefit Supplement and Cash Balance Benefit programs) and voluntary defined contribution (CalSTRS Pension2) plans. CalSTRS also provides survivor and disability benefits.

I

Indexed Final Compensation

The final compensation used to determine your disability benefits, adjusted annually from the school year in which the benefits began by the rate of change in the average compensation earnable as determined by the Teachers' Retirement Board.

L

Longevity Bonus

A benefit enhancement that increases your monthly benefit if you had at least 30 years of qualified service credit on or before December 31, 2010. The bonus will be reduced by an option factor if you choose an option.

M

Member

Any person, unless specifically excluded by law, who has performed creditable service and has earned creditable compensation for that service, and has not received a refund for that service and, as a result, is subject to the Defined Benefit Program.

Active Member: A member who is not retired or disabled and who earns creditable compensation during the school year.

Inactive Member: A member who is not retired or disabled and who has not earned creditable compensation during the current or preceding school year.

Disabled Member: A member who receives a CalSTRS disability benefit.

Retired Member: A member who has terminated employment and has retired from service or has retired for disability and receives a retirement benefit.

Member-Only Benefit

The highest monthly benefit you can receive when you retire for service or disability before any reduction to provide for an option beneficiary.

Modified Benefit

A reduction in your Member-Only Benefit to provide an ongoing lifetime benefit to one or more option beneficiaries after your death. The reduction is based on an option factor, which depends on the option you choose, your age and the age of your option beneficiary when the election is made.

N

Nonconsecutive Final Compensation

If your employer certifies your salary was reduced due to a reduction in school funds, CalSTRS can use nonconsecutive periods of time to determine your final compensation over 36 months.

Nonqualified Service Credit

Service not connected to the performance of creditable service. The purchase of nonqualified service credit, known as air time, is no longer permitted.

Normal Cost

An actuarially determined number that represents the cost assigned to an average member for a given year needed to fund a benefit.

Normal Retirement Age

For 2% at 60 members, age 60; for 2% at 62 members, age 62.

O

One-Time Death Benefit

A one-time benefit paid to your death benefit recipients after you die.

Option

A plan feature that allows you to distribute your retirement benefit over your lifetime and the lifetime of one or more persons or a special needs trust.

100% Beneficiary Option: Upon your death, the modified benefit will be paid to your option beneficiary for life. If your option beneficiary dies before you, your benefit will be raised to the Member-Only Benefit level.

75% Beneficiary Option: Upon your death, three-quarters of the modified benefit will be paid to your option beneficiary for life. If your option beneficiary predeceases you, your benefit will be raised to the Member-Only Benefit level.

50% Beneficiary Option: Upon your death, one-half of the modified benefit will be paid to your option beneficiary for life. If your option beneficiary predeceases you, your benefit will be raised to the Member-Only Benefit level.

Compound Option: Upon your death, benefits will be paid to one or more option beneficiaries for life. The benefit paid to an individual option beneficiary depends on the option and percent of the total benefit elected for that beneficiary.

Option Beneficiary

The person or persons or special needs trust you name to receive a lifetime monthly benefit after your death.

Option Factor

An actuarially determined factor used to calculate the reduction to your Member-Only monthly benefit when you elect an option to provide a lifetime monthly benefit to a designated option beneficiary after your death.

P

Participant

Individuals who have performed creditable service subject to coverage by the Cash Balance Benefit Program and who have contributions credited or are receiving an annuity under the Cash Balance Benefit Program, or who have not yet received a lump-sum retirement benefit.

Pension2

See CalSTRS Pension2.

Postretirement Earnings Limits

The amount a retired Defined Benefit member may earn from employment in which the member performs retired member activities without a reduction in the member's CalSTRS benefits. The earnings limits are different for disabled and retired members.

Separation-From-Service Requirement: If you return to work and perform retired member activities during the first 180 calendar days after your most recent retirement date, your retirement benefit will be reduced dollar for dollar by the amount you earn up to your benefit amount payable during that period. Any amount you earn performing retired member activities during the first 180 calendar days of retirement will also count against the annual post retirement earnings limit for the appropriate fiscal year.

The 180-day separation-from-service requirement also applies to all Cash Balance annuitants. If you're 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 you terminate employment. If you return to work and perform retired member activities during this waiting period, your retirement will be canceled, and you will not receive your benefit.

Postretirement Earnings Limit: If you return to work and perform retired member activities, you can earn up to the annual postretirement earnings limit without affecting your benefit. If you earn more than the limit, your CalSTRS benefit will be reduced dollar for dollar by the amount of creditable earnings in excess of the limit up to your annual retirement benefit minus any reduction due to the separation-from-service requirement. The Teachers' Retirement Board adjusts the postretirement earnings limit annually. The postretirement earnings limit for 2017–18 is \$43,755; for 2018–19, the limit is \$45,022.

Post-Tax Contributions

Member contributions to the CalSTRS Defined Benefit Program based on creditable compensation from which federal and state income taxes have been withheld.

Projected Final Compensation

The final compensation used to determine your disability or survivor benefit under Coverage A, increased by 2 percent, compounded annually, to the earlier of age 60 or the date the disability benefit is terminated.

Projected Service

Service credit plus the service you would have earned to age 60 (or termination of the disability benefit, whichever comes first) had you continued to work and receive service credit at the same rate as the highest of any one of the three school years immediately preceding your death or the date your disability benefit began to accrue under Coverage A.

R

Reasonable Accommodation

Federal and state laws give you the right to request modifications that would allow you to continue working and obligate employers to make a good faith effort to accommodate these requests. Before making a final decision on your application for disability benefits, CalSTRS may require you to pursue a request for reasonable accommodation to enable you to continue employment in your same position, or in one with comparable duties. Reasonable accommodation could be accomplished by changing the duties of your position or reassigning you to alternate duties you are qualified to perform through modification of your work site or other measures.

Recipient

The beneficiary you name to receive your one-time death benefit.

Redeposit

The purchase of service credit represented by previously refunded member contributions and interest. Redeposit costs include the interest the refunded amount would have earned had the funds remained in the CalSTRS account. If repaid over time, a finance charge is added.

Reduced Benefit Election

CalSTRS 2% at 60

A retirement alternative for Defined Benefit members. You must be at least age 55, but under age 60, and have at least five years of service credit to retire under this alternative. You receive one-half of your monthly benefit amount calculated as if you were age 60. The reduced benefit will continue for the same number of months after age 60 that you received benefits before age 60. After that, you will receive your normal service retirement benefit. You're not eligible if you previously received a CalSTRS service retirement or disability benefit, or if you are applying for a service retirement while your disability application is being evaluated.

Reduced Workload Program

Under this CalSTRS program, you may reduce your workload in a position from full time to part time (a minimum of at least 50 percent of full time) and still receive a full year of service credit. You and your employer contribute to CalSTRS based on full-time employment. You may participate in this program for up to 10 school years before retirement. The opportunity to participate is available only if your employer offers the program.

Refund

A lump-sum return of a member's accumulated retirement contributions and interest earned under the Defined Benefit Program. A refund does not include the balance of funds credited to the member's Defined Benefit Supplement account. (If you refund, you'll receive the total balance of your Defined Benefit Supplement account as a termination benefit. You cannot redeposit the Defined Benefit Supplement distribution.)

Registered Domestic Partner

A registered domestic partner has many of the same rights and responsibilities as a spouse under California law, including laws concerning community property, child custody and support, and access to family court for the dissolution of a partnership. To register a domestic partnership with the California Secretary of State's office, you and your partner must be of the same sex, or if you and your partner are opposite sexes, one of you must be at least 62 years old.

Reinstatement

Returning to employment in a position requiring CalSTRS membership and terminating a CalSTRS benefit, such as a retired educator returning as an active member to the classroom in a credentialed position.

Retired Member Activities

The performance of creditable service, including substitute teaching, by a retired member in the California public school system as an employee of an employer, as an independent contractor or as an employee of a third party except under limited circumstances.

CalSTRS 2% at 60:

Age factor is 2 percent at age 60.

CalSTRS 2% at 62:

Age factor is 2 percent at age 62.

Retirement Incentive Program

An optional program offered by some employers that allows Defined Benefit members who are eligible to retire to receive two additional years of service credit. If you return to work in any job, including substitute teaching, with the same employer that offered the incentive within five years of retirement, or if you reinstate, you will lose the ongoing increase in your benefit.

Retirement Progress Report

An annual report for active and inactive members that includes:

- A summary of Defined Benefit, Defined Benefit Supplement and Cash Balance Benefit program transactions during the prior year.
- Accumulated service credit.
- Contribution and interest balances.
- Any excess member contributions made during the year.
- Death benefit recipient and beneficiary information.
- Two projections of your retirement benefit (Defined Benefit Program) if you are at least age 45.

Return of Member Contributions

A one-time payment of all your accumulated contributions and interest earned. The payment equals your total contributions and interest at the time of retirement, disability or death, less the sum of all monthly benefit payments received. This is payable when there are no longer any option beneficiaries or survivors who qualify for a continuing monthly benefit.

S

Service Credit

Accumulated period in years, including partial years, for which you earned creditable compensation and made contributions under the Defined Benefit Program. Service credit is one of the factors used to determine your eligibility for benefits under the Defined Benefit Program. Service credit cannot exceed 1.000 in any given school year.

Service Retirement Benefit Calculation

The formula used to calculate the Member-Only amount CalSTRS members will receive after retiring from service. The formula is: service credit x age factor x final compensation = your retirement benefit.

Subrogation

A legal right that allows CalSTRS to recoup benefits paid and payable, including legal fees and costs, when a third party causes the injury or death of a CalSTRS member before retirement.

Supplemental Benefit Maintenance Account

The account from which payments are made to members and beneficiaries whose current benefit is worth less than 85 percent of the original benefit when adjusted for increases in the California Consumer Price Index.



Surviving Spouse or Registered Domestic Partner

A person who was one of the following:

- Married to you or registered as your domestic partner for at least 12 months before your death.
- Married to you or registered as your domestic partner fewer than 12 months if a child was born during the marriage or partnership or if your surviving spouse or partner is pregnant with your child.
- Continuously married to you or registered as your domestic partner for fewer than 12 months before your accidental death or for the period beginning before the occurrence of the injury or diagnosis of the illness that resulted in your death.