

My Retirement Benefits

RR 1857 01/2017

Section 1: Important Considerations

- CalSTRS does not offer health benefits. I'm responsible for my own coverage in retirement.
- The Windfall Elimination Provision reduces but cannot eliminate my earned Social Security benefit.
- The Government Pension Offset reduces and can eliminate my spousal/widow(er) Social Security benefit.



Action Items:

- Check with my employer about health benefit coverage in retirement.
- View the *Social Security, CalSTRS and You* fact sheet at CalSTRS.com.
- Contact the Social Security Administration for more information on benefits and rules.

Section 2: Online Resources

- CalSTRS.com—access benefit information, forms and publications, educational videos and calculators.
- myCalSTRS—view and update account information, submit forms and messages and access my *Retirement Progress Report*.
- *Retirement Progress Report*—provides membership and benefit information, service credit and account balances, and other information reported by my employer.



Action Items:

- Download the *Member Handbook* at CalSTRS.com
- Register for an account and update my communication preferences at myCalSTRS.com.
- Review my *Retirement Progress Report* each fall and contact my employer directly regarding any discrepancies.

Section 3: Membership Information

- My benefit structure determines how my retirement benefit is calculated.

I am a CalSTRS 2% at _____ member.



Action Items:

- Verify my benefit structure on my *Retirement Progress Report*

Section 4: Retirement Benefits

- The minimum retirement requirement is age 55 with five years of service credit.
- My retirement benefit is based on the following formula:

$$\text{Service Credit} \times \text{Age Factor} \times \text{Final Compensation} = \text{Monthly Retirement Benefit}$$

	What it is	How to increase it
Service Credit	Time worked and contributed	Work longer or purchase
Age Factor	Percentage based on age at retirement CalSTRS adds 0.20 percent up to the maximum of 2.40 percent for CalSTRS 2% at 60 members with 30 or more years of service credit at retirement	Wait longer to retire
Final Compensation	Highest average annual compensation earnable for 36 months. CalSTRS will use 12 consecutive months for CalSTRS 2% at 60 members with 25 or more years of service at retirement.	Work at higher pay rates



Action Items:

- See the *Member Handbook* for more on retirement eligibility and my age factor table
- Track my service credit balance on my *Retirement Progress Report* and transfer my unused sick leave balances if I change employers.
- Review the *Understanding the Formula* fact sheet and video at CalSTRS.com.
- Use the *Retirement Benefits Calculator* at CalSTRS.com to generate estimates.

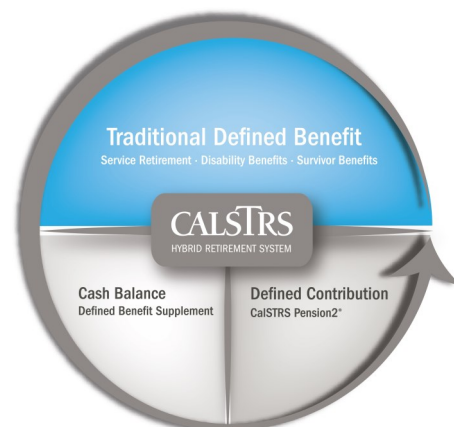
Calculating Laura's Final Compensation

Calculate Laura's final compensation using the information in the table:

School Year	Compensation Earnable	Number of Months
Year A	\$61,800	12
Year B	\$60,600	12
Year C	\$59,400	12
Year D	\$58,300	12
Year E	\$57,200	12

Section 5: Additional Income Sources

- On average, a CalSTRS monthly benefit replaces about 50 percent of a member's working salary. I can calculate my replacement ratio by multiplying my service credit by my age factor.
- Contributions for service in excess of one year go to my Defined Benefit Supplement account. I can increase my account balance by working extra-pay assignments.
- CalSTRS Pension2 is a voluntary defined contribution plan that provides additional income in retirement and includes 403(b), 457(b) and Roth 403(b) accounts with low fees and a variety of investment options.



Action Items:

- Review the *Purchase Additional Service Credit* booklet and estimate the cost of my purchase and change to my benefit using the calculators at CalSTRS.com.
- Estimate my expenses in retirement and research supplemental savings and other income sources.
- Find my Defined Benefit Supplement account balance on MyCalSTRS and watch the video series to review funding sources, distributions choices and tax considerations
- Visit Pension2.com for more information, educational videos and contribution calculators
- Research supplemental savings plans offered by my employer at 403bCompare.com

Section 6: Coverage Types

- My coverage type determines how my disability and survivor benefits are calculated.

 I have Coverage _____.



Action Items:

- Verify my coverage type on my Retirement Progress Report.

Section 7: One-Time Death Benefit

- Lump-sum payment to recipient of my choosing. My coverage type determines the amount payable.

 My one-time death benefit is \$ _____ before retirement and \$ _____ after.



Action Items:

- Complete the *Recipient Designation* form to name or update recipients.

Section 8: Survivor Benefits

- I am eligible for survivor benefits if I am an active member and have at least one year of service credit.
- My spouse or registered domestic partner is an eligible survivor.
 - ✍ My financially dependent children under age _____ are eligible survivors.
- If I have no eligible survivors, my account balances will be paid to my one-time death benefit recipient.

Action Items:



- Read more about survivor benefit eligibility in the *Member Handbook*
- View the *Survivor Benefits* video on [CalSTRS.com/videos](https://www.calstrs.com/videos).
- Be sure my loved ones know to notify CalSTRS of my passing

Section 9: Disability Benefits

- I may be eligible for a disability benefit with five years of service credit, or one year if my disability is due to an unlawful act of bodily injury while teaching
- My mental or physical impairment must be permanent or expected to last longer than 12 months
- My impairment must prevent me from performing my usual duties or those of a comparable level position
- The basic disability calculation is:

50% Final Compensation + 10% Final Compensation per dependent child

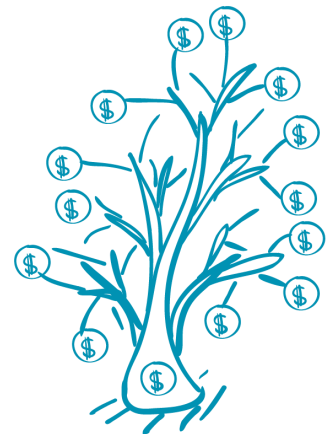
Action Items:



- Schedule a disability benefits planning session if needed
- Read *Your Disability Benefits Guide* for more information, including alternate calculations for Coverage A or periods of part-time service

Section 10: Learn More

- My Retirement Decisions — understanding retirement elections and timelines
- Financial Awareness Workshops
 - Save for Your Future—budgeting basics, savings and investing, credit and debt
 - Plan for Your Future—retirement lifestyle, expenses, income and obstacles
 - Protect Your Future—retirement distributions, maximizing and protecting income



Action Items:



- Visit [CalSTRS.com/financial-awareness](https://www.calstrs.com/financial-awareness) for more information
- View and register for workshops near me at [CalSTRS.com/workshops](https://www.calstrs.com/workshops)
- Call CalSTRS (800-228-5453) with questions or send an online message through *myCalSTRS*