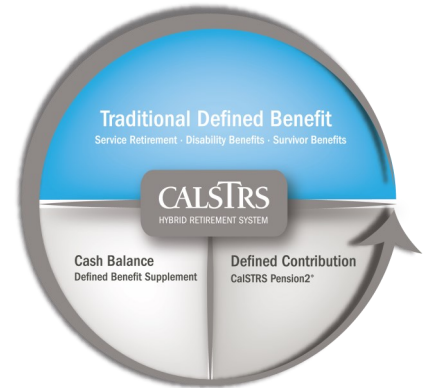


My Retirement System

RR 1856 01/2017

Section 1: About CalSTRS

- CalSTRS membership is mandatory for full-time employees. Part-time employees can choose to join CalSTRS or another program offered by their employer.
- CalSTRS is a hybrid system that offers defined benefit, cash balance and defined contribution plans.



Action Items:

- Read more about membership and programs in the *Member Handbook*.
- Explore CalSTRS.com.
- Register for *myCalSTRS* and update my communication preferences.
- Review my *Retirement Progress Report* each fall and contact my employer directly regarding any discrepancies.

Section 2: Contributions and Service

- My benefit structure determines how my retirement benefit is calculated and my contribution rate.
 I am a CalSTRS 2% at _____ member.
 My contribution rate for the _____ / _____ school year is _____ percent.
- I earn service credit based on the percentage of the full-time contract I work. Contributions for service in excess of one year are credited to my Defined Benefit Supplement account.



Action Items:

- Verify my benefit structure on my *Retirement Progress Report*.
- View my account balances on *myCalSTRS* and consider working extra-pay assignments to increase my Defined Benefit Supplement account balance.
- Watch the *Defined Benefit Supplement* video series on CalSTRS.com.

Section 3: Social Security Rules

- The Windfall Elimination Provision can reduce but will not eliminate my earned Social Security benefit.
- The Government Pension Offset reduces and can eliminate my spousal/widow(er) Social Security benefit.



Action Items:

- Consider investing the 6.2 percent of my income I would have contributed to Social Security to a supplemental savings account.
- Contact the Social Security Administration for more information on these two rules.

Section 4: Retirement Benefits

- CalSTRS offers retirement, disability and survivor benefits. CalSTRS does not offer health benefits.
- The minimum retirement requirements are age 55 with five years of service credit.
- My service retirement benefit is a lifetime benefit based on a formula:

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



Action Items:

- See the *Member Handbook* for more information on retirement eligibility and the formula.
- Review the *Understanding the Formula* fact sheet and video on CalSTRS.com.
- Estimate my benefit using the *Retirement Benefits Calculator* on CalSTRS.com.
- Check with my employer about health benefit coverage in retirement.

Section 5: Supplemental Savings

- On average, the CalSTRS retirement benefit replaces about 50 percent of a member's working income. I will need to rely on my savings and investments to fill the gap between my benefit and my retirement income goal.
- CalSTRS Pension2 offers 403(b), 457(b), Roth 403(b) and Roth 457(b) accounts with low fees and a variety of options.



Action Items:

- Estimate my expenses in retirement and research supplemental savings plans and other income sources.
- Get to know Pension2 at Pension2.com.
- Research plans offered by my employer at 403bCompare.com.

Section 6: Learn More

- Financial Awareness Series
 - 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.
- My Retirement Series
 - My Retirement Benefits – understanding benefits and calculations.
 - My Retirement Decisions – understanding retirement elections and timelines.



Action Items:

- Visit CalSTRS.com/financial-awareness to learn more.
- View and register for workshops near me at CalSTRS.com/workshops.
- Send an online message using *myCalSTRS* or call us with questions.