

CALSTRS

**pension** **2**  
personal wealth plan



**An enhanced  
Pension2**  
*is on the way!*

**Inside: Important  
information about  
your Pension2  
account.**

It's your future. Choose **Pension2™**.

# CalSTRS Pension2® is Transitioning to Voya Financial™

Your future retirement depends on making sound saving decisions today. To help you plan and invest for your future, CalSTRS is excited to announce that Voya Financial, a leading recordkeeper of some of the largest government retirement plans in the United States, will be the new recordkeeper for CalSTRS Pension2. In a marketplace that offers so many choices, some of which may not be in your best interest, we hope you look at the new products and services Pension2 will be delivering in partnership with Voya™.

The transition to Voya will take place in a few weeks. This brochure provides some important information about the transition, so please read it carefully.

The transition from TIAA-CREF to Voya will begin at 1 p.m. Pacific Time on October 17, 2014, and will be completed on November 10, 2014, at 6 a.m. Pacific Time. Please note that during the transition you will not have access to your account — see **Plan Ahead for the Transition** inside for details.

See page 6



## About the Transition

### Voya, Your New Recordkeeper

Together with CalSTRS, Voya will take care of the daily servicing of your account, including account information, saving and investing education, transaction processing and more. Voya is grounded in a clear mission to make a secure financial future possible — one person, one family and one institution at a time.



**2014 Go Live Dates**    **September 10:** Pension2 toll-free information phone line at **844-electP2**  
**November 10:** New account access at **Pension2.com**  
**Both will be available 24/7 for your convenience.**

### New Information Phone Line

On September 10, 2014, you may access the new automated Pension2 toll-free information phone line at **844-electP2** (844-353-2872). Participant service representatives will also be available Monday through Friday 6 a.m. – 5 p.m. Pacific Time (excluding stock market holidays).

### New Website Access

On November 10, 2014, the transition to Voya will be completed. When you log in to the Pension2 website with your new password, you will be redirected to the new Voya website to access your Pension2 account, conduct transactions, and access new features and services. Until November 10, 2014, you may continue to access your account information as usual at **Pension2.com**.

### Your New Voya Password

Your new password will be mailed to you by Voya during the first week of November. (See Key Transition Dates table on page 7.)

- Your current password will continue to work on the current TIAA-CREF website.
- After the transition to Voya is completed, you will enter your username, which is your Social Security number, and your new password to access the Pension2 website, mobile app and automated information phone line.
- Upon initial access, you will be asked to change your username and password to ones of your choosing.

# New Features

As an advocate for greater retirement readiness, CalSTRS Pension2 looks forward to partnering with Voya to help guide you on your journey to and through retirement. Through our new relationship with Voya, you will have access to many new features and services.

Lower plan administration fees!  
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## New Core Investment Options

New investment options will come with the transition to Voya. The new investment fund lineup will replace the existing funds currently available under Pension2. The new core funds will have similar investment objectives and risk levels — and some will have lower expense ratios due to a change in share class (see Mapping Table on page 4).

## Professional Advice for Every Level of Investor

When it comes to investing, most of us could use some help. After the transition, you will have access to professional investment advice through the services provided by Voya Retirement Advisors, powered by Financial Engines®\*. Get clear, personalized and objective investment and retirement planning advice offered through two levels of service:

- **Advice for the Do-It-Yourself Investor** — Designed for individuals who prefer to manage their own retirement account, **Online Advice** is a Web-based service where participants can get a personalized retirement forecast, risk assessments, and specific plan-related savings and fund recommendations.
- **Fully Managed Account Service Option** — For those who would prefer to hire a professional to manage their Pension2 account, we offer **Professional Management**. Participants receive a personalized retirement savings and investment strategy, as well as ongoing monitoring and management of their account. Participants are notified of each transaction and receive quarterly Retirement Updates to stay informed. Participants pay an additional fee for this service.

\* **Advisory Services provided by Voya Retirement Advisors, LLC (VRA).** For more information, please read the Voya Retirement Advisors Disclosure Statement, Advisory Services Agreement and your plan's Fact Sheet. These documents may be viewed online by accessing the advisory services link(s) through the Pension2 website. You may also request these from VRA by calling your plan's toll-free information line at 844-electP2 (844-353-2872). Financial Engines Advisors LLC acts as a sub advisor for Voya Retirement Advisors, LLC. Financial Engines Advisors®, LLC (FEA) is a federally registered investment advisor and wholly owned subsidiary of Financial Engines, Inc. Neither VRA nor FEA provides tax or legal advice. If you need tax advice, consult your accountant or if you need legal advice consult your lawyer. Neither Voya Retirement Advisors nor Financial Engines Advisors can guarantee results and past performance is no guarantee of future results. Financial Engines® is a registered trademark of Financial Engines, Inc. All other marks are the exclusive property of their respective owners.

## Powerful Planning and Education Resources



The new relationship with Voya will give you access to more educational workshops and a more robust Pension2 website, including new retirement income planning tools and account management features.

- Cutting-edge online planning tools
  - myOrangeMoney™
  - Personal Financial Dashboard
- Automatic account rebalancing
- Statement on demand
- Enhanced account management features with online and mobile access.



# Investment Option Changes

## Transferring Balances to the New Funds

During the transition period, balances in the current investment funds listed below will be transferred automatically on October 31, 2014 — and future contributions allocated — through a process called “mapping” to the new investment funds according to the table below. For detailed information about each of the new funds, including past performance and investment objectives, view the fund information book on the Pension2 website.

Current Fund	Net Management Fee*	New Fund	Ticker	Net Management Fee*
<b>Stability of Principal</b>				
CREF Money Market	0.16%	Voya Fixed Plus III	N/A	N/A**
No current fund		Federated US Treasury Cash	UTIXX	0.20%
<b>Bond</b>				
No current fund		Vanguard Total Bond Market	VBTLX	0.08%
Vanguard Short-Term Bond Index	0.07%	Vanguard Short-Term Bond Index	VBITX	0.07%
<b>Inflation Protection</b>				
Vanguard Inflation-Protected Securities	0.07%	Vanguard Inflation-Protected Securities	VIPIX	0.07%
<b>U.S. Large Cap Stock</b>				
American Growth Fund of America	0.34%	American Growth Fund of America	RGAGX	0.34%
Dodge and Cox Stock	0.43%	Dodge and Cox Stock	DODGX	0.43%
Vanguard Institutional Index	0.04%	Vanguard Institutional Index	VINIX	0.04%
Vanguard Total Stock Market Index	0.04%	Vanguard Total Stock Market Index	VITSX	0.04%
TIAA-CREF Social Choice Equity	0.43%	TIAA-CREF Social Choice Equity	TISCX	0.18%
<b>U.S. Small/Mid Cap Stock</b>				
Vanguard Mid Cap Index	0.08%	Vanguard Mid Cap Index	VMCIX	0.08%
Vanguard Small Cap Index	0.08%	Vanguard Small Cap Index	VSCIX	0.08%
<b>Global Stock</b>				
American Capital World Growth & Income	0.45%	GMO Global Equity Asset Allocation	GGASX	0.60%
DFA Global Equity	0.31%	GMO Global Equity Asset Allocation	GGASX	0.60%
No current fund		ESG Managers Growth Inst	PAGIX	0.70%
<b>Foreign Stock</b>				
Artisan International	0.85%	Artisan International	ARTIX	0.85%
DFA International Small Company	0.54%	DFA International Small Company	DFISX	0.54%
American SmallCap World	0.72%	DFA International Small Company	DFISX	0.54%
Dodge and Cox International Stock	0.55%	Dodge and Cox International Stock	DODFX	0.55%
American EuroPacific Growth	0.49%	Vanguard Developed Markets Index	VTMNX	0.07%
DFA Emerging Markets	0.57%	Vanguard Emerging Markets Index	VEMIX	0.12%
<b>Other</b>				
No current fund		Vanguard Global Ex-US Real Estate	VGRLX	0.27%
TIAA Real Estate	0.63%	Vanguard REIT Index	VGSNX	0.08%
PIMCO All Asset	0.88%	PIMCO All Asset	PAAIX	0.88%
American Balanced	0.29%	GMO Global Equity Asset Allocation (60%)* Voya Fixed Plus III (40%)*	GGASX N/A	0.60% N/A**

\* Net management fee is the expense ratio minus revenue sharing, if applicable.

\*\* Please refer to the fund information book for more information.

\*\*\* Participant accounts invested in the American Balanced Fund will transfer as follows: 60% of assets to the GMO Global Equity Asset Allocation Fund and 40% to Voya Fixed Plus III.

This information is for general discussion purposes only. Prior to investing, you should carefully review all fund information and objectives contained in the Investment Fund Prospectus, and consult with your investment advisor. For more detailed information on the new investment lineup, including investment objectives, expense ratios and performance information, please review the enclosed fund information book or view summary prospectus online at Pension2.com.

## Special Message to TIAA Traditional Annuity Account Investors

Unlike other assets you may have invested in your Pension2 account, dollars invested in the TIAA Traditional Annuity will not automatically transfer to Voya in November. For those who have assets invested in the TIAA Traditional Annuity, you have three options available to you for these investments:

1. If you would like your TIAA Traditional Annuity account assets to move to Voya, you must transfer any assets held in your TIAA Traditional Annuity account to the CREF Money Market Fund by 1 p.m. Pacific Time on October 17, 2014. This will allow those assets to transfer automatically to Voya in November. The assets you move to the CREF Money Market Fund will be transferred automatically to Voya Fixed Plus III, which commits to a minimum crediting rate of 3.75 percent through October 2015. Voya Fixed Plus III is offered by Voya Retirement Insurance and Annuity Company (“VRIAC”). Guarantees

are based on the claims-paying ability of VRIAC. Refer to the Voya Fixed Plus III fact sheet and the Special Letter of Instruction for detailed information.

2. Wait and transfer your TIAA Traditional Annuity balance to your Voya account after the transition date.
3. Do nothing and keep your balance in the TIAA Traditional Annuity where it will continue to accrue interest. However, if you choose this option, you will not be able to contribute additional monies to your TIAA Traditional Annuity account through Pension2.

A Special Letter of Instruction is being mailed to participants in the TIAA Traditional Annuity detailing the Action Steps necessary for initiating one of these options above. A copy of the letter has also been posted to the Pension2 website.

## CalSTRS Pension2 Easy Choice Portfolios

The existing Easy Choice Portfolios are developed using the Pension2 core fund lineup. The diversified portfolios combine risk tolerance and retirement target dates to simplify your investment decisions. After the transition to Voya, the core fund lineup of Pension2 will be changing to the funds listed on the previous page.

No action is required on your part if you are currently invested in an Easy Choice Portfolio as your account will transition automatically to the new respective Easy Choice Portfolios.

The portfolios will continue to be managed by the Pension2 Investment Advisory Committee, and all the funds will be transferred to the new funds that will make up the Easy Choice Portfolios going forward.

## Self-Directed Brokerage Account

A self-directed brokerage account (SDBA) will continue to be offered, however, it will now be offered through TD Ameritrade. If you currently invest in the Mutual Fund Window, your current holdings will be transferred in kind to a new TD Ameritrade Account\* that will be opened during the transition. TD Ameritrade will mail you an SDBA Welcome Kit containing contact information and account access details. Your personal identification number (PIN) will be mailed separately. Your TD Ameritrade SDBA will be available for access and trading on November 10.

You are encouraged to log in to the TD Ameritrade website, [tdameritraderetirement.com](http://tdameritraderetirement.com), when you receive your Welcome Kit and PIN, so that you will be able to access your account just as soon as the assets are transferred. You will need your account number and PIN to access your account online for the first time; then you'll establish your own UserID and password to use going forward. If you have difficulty signing on, you can call TD Ameritrade Self-Directed Plan Services toll-free at 800-765-8298. The first time you log in, you'll be required to accept the terms of the TD Ameritrade

Client Agreement. Once you do, you'll be able to conduct transactions online or by phone. To learn more about the SDBA, view the video at [tdameritraderetirement.com/demo](http://tdameritraderetirement.com/demo).

## Lower Fees

Minimizing expenses remains one of the objectives of Pension2. The transition to Voya will result in a reduction in fees being paid by most participants. Historically, fees have been charged for three services: 1) plan administration, 2) investment management and 3) district contracted third-party administrator (TPA) with the variable being who paid for the district-contracted TPA fee. A description of the new fee structure follows.

### ► Plan Administration Fees

The current annual plan administration fee, charged quarterly to all participants, is being reduced to 0.25 percent from the previous 0.33 percent. This fee is prorated and charged quarterly to your account. It appears as a line item on your quarterly account statement.

### ► Investment Management Fees

The fees for the investment management of each investment offering will continue to be based on the amount of money you have invested in each investment. Please refer to the Mapping Table on page 4 for the new investment management fees associated with each investment option.

### ► District-contracted TPA fee for the 403(b) Plan

School districts that offer 403(b) plans often contract with a compliance third-party administrator (TPA) to administer and oversee all 403(b) plan vendors. If there is a charge for these services, the compliance TPA charges will appear on quarterly statements as a separate line item. This will ensure that participants are aware of any charges that occur within the plan.

\* TD Ameritrade is not affiliated with the Voya™ family of companies.

# Plan Ahead for the Transition

The transition from TIAA-CREF to Voya will begin on Friday, October 17, 2014, at 1 p.m. Pacific Time and will be completed on Monday, November 10, 2014, at 6 a.m. During this transition period, also known as the “Quiet Period,” you will not have account access so that records and accounts can be transferred to Voya.

**Please note:** The Quiet Period for trading in the Self-Directed Brokerage Account will begin at 1 p.m. Pacific Time, on October 17, and remain in effect until the plan transition is completed at 6 a.m. Pacific Time, on November 10.

## No action is required on your part.\*

- Accounts will remain invested throughout the Quiet Period. Your plan assets in each current investment fund will be invested automatically through a process called “mapping” into the new fund that corresponds to the current investment fund.
- The underlying investments of the Easy Choice Portfolios will transition automatically to the new core investments.

**Note:** If you are planning to make account changes in the near future, such as transferring balances into different funds, changing your contribution rate, obtaining a loan, or requesting a withdrawal or distribution, these transactions must be completed before the cut-off dates noted in the table on page 7. Otherwise, the actions will have to wait until the transition to Voya is completed on November 10, 2014.

\* If you have assets in the TIAA-CREF Traditional Annuity Fund, you will receive a Special Letter of Instruction in a separate letter.

## Special Information for Outstanding Loans and Installment Payments

### • Outstanding Loans

If you have an outstanding loan in effect with TIAA-CREF when the transition begins on October 17, it will remain with TIAA-CREF for repayment, and all correspondence regarding that loan will continue with TIAA-CREF.

### • Installment Payments

If you are receiving Installment Payments from TIAA-CREF, those payments will continue through October 30, 2014. For those scheduled to receive a payment between October 31 and November 10, you may elect to accelerate that payment to a date before October 30, otherwise that payment will be made on November 17, 2014.

Post-transition all Installment Payments will default into the following schedule:

Current Installment Payment Dates	→	New Payment Dates
1st through the 15th of each month	→	the 1st business day of each month
16th through the last day of the month	→	the 16th or next business day of each month





## Key Transition Dates

**Remember, no action is required on your part\*!** Your current funds will map automatically to the new fund lineup. If you want to make changes to your account before the transition begins, you must complete your transactions before 1 p.m. Pacific Time on October 17, 2014.

Participant service representatives are available now to answer transition and Pension2 information questions by calling the toll-free information phone line at **844-electP2**, Monday through Friday, 6 a.m. – 5 p.m.

### 2014 IMPORTANT DATES

**September 10** New Pension2 toll-free information phone line is live at **844-electP2**

**September 10** **Pension2.com** available for transition information, including new fund fact sheets.

**Early October** Webinars will begin on **Pension2.com**.

**October 17** Transition Quiet Period begins at 1 p.m.

- Temporary suspension of all account access, including the ability to make transactions, begins.

**October 17** Self-Directed Brokerage Account

- Temporary suspension of all trading activity begins at 1 p.m.

**1st week of November** Watch your mailbox. New passwords mail to all participants. You will need your new password to log in and access your account starting November 10, 2014.

**November 10** **Welcome to your enhanced Pension2!** Transition Quiet Period ends at 6 a.m.

- Full access to accounts restored.
- Full access to Self-Directed Brokerage Accounts restored.
- All account transactions accessible through:
  - The Pension2 toll-free information line: **844-electP2**
  - A new **Pension2.com** is fully functional.

\* If you have assets in the TIAA-CREF Traditional Annuity Fund, you will receive a Special Letter of Instruction in a separate letter.

## Important Reminders

- All account access will be restricted from October 17 at 1 p.m. until November 10 at 6 a.m.
- If you are planning to make changes to your account in the near future, you must complete your transactions through TIAA-CREF before October 17, 2014 at 1 p.m.
- Your current password will be good with TIAA-CREF until the transition period begins on October 17 at 1 p.m.
- A new password will be mailed to you by Voya during the first week of November. You will need to use the new Voya password after the transition period ends on November 10 at 6 a.m. to access the new Pension2 website, mobile app and automated telephone service, all hosted by Voya.

## Questions?

If you have questions about how these changes will affect you, contact Pension2 at:

- **Pension2.com** — information available 24/7.
- **844-electP2** toll-free. Participant service representatives are available Monday through Friday, 6 a.m. – 5 p.m. Pacific Time.
- Hearing impaired may call toll-free: **800-468-5449**.

Plan administrative services are provided by Voya Institutional Plan Services LLC ("VIPS"). VIPS is a member of the Voya™ family of companies.

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September 10, 2014

## Important Notice Concerning Your Ability to Access and Manage Your Pension2 Account

This notice is to inform you that CalSTRS Pension2 will be introducing new investment offerings in addition to replacing some current Pension2 offerings.

As a result of these changes, you temporarily will be unable to have any access to your account, direct or diversify investments in your individual accounts, or obtain a distribution from Pension2. This period, during which you will be unable to exercise these rights otherwise available under Pension2, is called the “Quiet Period.” Whether or not you are planning retirement in the near future, we encourage you to carefully consider how this Quiet Period may affect your retirement planning, as well as your overall financial plan.

**The Quiet Period for the Pension2 will begin on Friday, October 17, 2014, at 1 p.m. Pacific Time and end on Monday, November 10, 2014, at 6 a.m. Pacific Time.**

During the Quiet Period, you will be unable to direct or diversify the assets held in your Pension2 account. For this reason, it is very important that you or your beneficiary review and consider the appropriateness of your current investments in light of your inability to direct or diversify those investments during the Quiet Period. For your long-term retirement security, you should give careful consideration to the importance of a well-balanced and diversified investment portfolio, taking into account all your assets, income and investments. Investments that have wide price swings might have a large loss during the Quiet Period, and you would not be able to direct the sale of such investments from your account during the Quiet Period. For those participants using the Mutual Fund Window, be aware that there is a risk to holding a substantial portion of your assets in the securities of any one company, as individual securities tend to have wider price swings, up and down, in short periods of time, than investments in diversified funds. If you have any questions concerning this notice, contact a Voya participant service representative by calling toll-free at **844-electP2 (844-353-2872)** Monday through Friday, 6 a.m. – 5 p.m. Pacific Time (except on stock market holidays).

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