

Your Retirement Guide 2011

Retirement Guide and Instructions for Defined Benefit Members



This booklet contains information and forms for a CalSTRS Defined Benefit service retirement. If you think you may be eligible for a disability benefit, see the brochure, *Introduction to CalSTRS Disability Benefits*. If you are applying for a disability benefit and wish to apply for a service retirement benefit while your application for disability benefits is being evaluated, complete the *Disability Benefits Application*, available in *Your Disability Benefits Guide*. If you are a Cash Balance Benefit Program participant, complete the appropriate Cash Balance Benefit application. You will find forms and publications at CalSTRS.com (select *Forms & Publications* under *Tools*).

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Your CalSTRS Retirement Timeline

Like other important events in your life, applying for retirement takes time. This timeline of events from the year before your retirement up to your first benefit payment will give you an idea of what to do and when. Your specific timeline, however, may differ.

Prepare for retirement early to avoid delays that may occur during the peak months of April–July.

To schedule a meeting with a benefits counselor or register for a workshop, contact one of our local benefits counseling offices (see page 19).

| What to Do | When |
|---|---|
| Step 1 | |
| Plan and research your retirement decisions (pages 3–17). | 10–12 months before your retirement date. |
| Attend a CalSTRS Retirement Check-Up Workshop. | |
| Meet with a CalSTRS benefits counselor. | |
| Step 2 | |
| Complete, sign, date and submit your <i>Service Retirement Application</i> and other forms (pages 25–66). | CalSTRS must receive your signed and dated <i>Service Retirement Application</i> : <ul style="list-style-type: none"> • No earlier than six months before your requested retirement date. • No later than the last day of the month in which you request to retire. If we do not receive your application during the month you are requesting to retire, your retirement date will be moved back. |
| Step 3 | |
| CalSTRS sends you a letter that includes the amount of your monthly benefit, how your monthly benefit was calculated and the total amount of your contributions and interest (page 23). | Within 45 days of your retirement or the date your application is processed, whichever is later. There could be changes in your monthly payment for several months beyond your retirement date as we receive and process additional information from your employer. |
| CalSTRS sends your initial benefit payment (page 23). | |

The Benefit of a Lifetime

You are approaching one of life's most important passages—retirement from your working career. Your smooth transition to this new stage of your life requires thoughtful planning. You are not alone in making this move—you can trust CalSTRS to help you every step of the way.

In addition to this guide, we offer workshops and one-on-one appointments with CalSTRS benefits counselors. Taking advantage of these resources will help you make informed retirement decisions. If you have questions, e-mail us at CalSTRS.com/contactus or call 800-228-5453.

Your Retirement Plan

Your retirement plan is a defined benefit program—*defined* because it is based on a formula, not on how much you contributed:

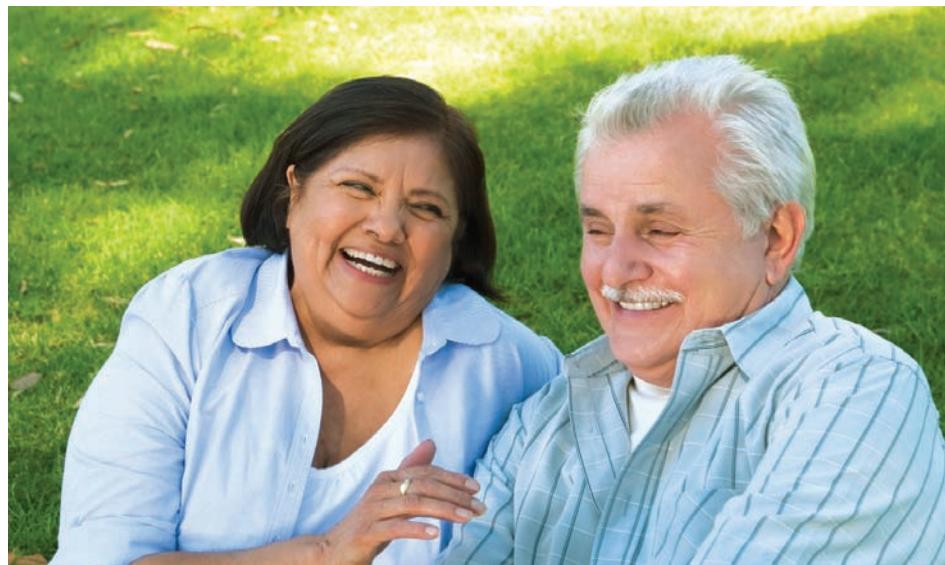
Service Credit x Age Factor x Final Compensation = Your Retirement Benefit

Your monthly retirement benefit is guaranteed for your life and the lives of your beneficiaries, if you choose. It may be your greatest asset.

This booklet is designed to take you through the application process. Inside you will find the *Service Retirement Application* and other forms on tear-out sheets, along with instructions for completing each one. You will also find tips and checklists to help you plan and prepare for your retirement.

We hope this guide is useful as you plan for a future as rewarding as your career.

CalSTRS must receive your retirement application no later than the last day of the month in which you request to retire.





Planning Checklist

To help you plan for your CalSTRS retirement.

- Read this guide and see the *Member Handbook*.** You must submit the *Service Retirement Application* to receive a retirement benefit.
- Attend a CalSTRS Retirement Check-Up Workshop** and consider attending a Retirement Income Management Workshop. For dates and locations near you, visit CalSTRS.com (select *Counseling/Workshops* under *Tools*).
- Meet with a CalSTRS benefits counselor.** See page 5 for information on scheduling an appointment.
- Estimate your monthly benefit** using the online calculator at CalSTRS.com/calculators or the benefit estimate worksheet in the *Member Handbook*.
- Consider purchasing additional service credit now** to increase your benefit if you did not purchase it earlier in your career. For more information, see the booklet, *Purchase Additional Service Credit*, at CalSTRS.com (select *Forms & Publications* under *Tools*). If you are in the process of purchasing service credit, call us at least 45 days before you plan to retire.
- Consider making a preretirement election of an option** to provide a lifetime monthly benefit to one or more individuals if you should die before retirement. The *Preretirement Election of an Option* form is on CalSTRS.com.
- Read the *Special Tax Notice: Your Rollover Options*** in the *Service Retirement Application*. Also see the *Tax Considerations for Rollovers* booklet on CalSTRS.com.
- Gather clear, unaltered photocopies of the following documents:**
 - If you are electing an option beneficiary:
 - » Birth certificate or other acceptable verifications of birth date, such as a certified birth record, a passport photo ID page or certain military IDs, for your option beneficiary.
 - » Marriage certificate or other proof of a name change, if your option beneficiary's name is different from the name on his or her birth certificate.
 - If a portion of your CalSTRS benefits was awarded to another party:
 - » A complete court-filed copy of your community property settlement documents. For more information, see the *Community Property Guide* at CalSTRS.com.
 - If you elected an option beneficiary before retirement and previously submitted the required documentation, you do not need to resubmit the items in the first two bullets.
- Check to see if pending or new legislation may affect your benefits** or influence the timing of your retirement. Sources include your legislative representative, your union representative or CalSTRS.com/legislation.
- Notify your employer** that you intend to retire and ask about forms your employer may require. Also let your employer know if you plan to set up a health insurance deduction from your benefit payments.

Step 1: Plan and Research Your Retirement Decisions

With retirement in sight, you have choices to explore and decisions to make before completing your *Service Retirement Application*. Plan to attend the CalSTRS Retirement Check-Up Workshop, talk with a benefits counselor and research information on your own to help make the best decisions for your retirement.

You can also turn to CalSTRS.com, the *Member Handbook* and your most recent *Retirement Progress Report*. Your *Retirement Progress Report*, mailed to you each December and available on *myCalSTRS*, includes your annual statement of accounts and other retirement planning information.

Unfamiliar with a term? See the glossary on page 67.

Questions to Answer

Before making your retirement decisions, you will need to answer these questions:

- Am I eligible to retire?
- How much will my benefit be each month?
- Do I want to provide a monthly benefit to someone after I die?
- How do I want my Defined Benefit Supplement paid?

Benefits Counselors

Our benefits counselors can help you plan your CalSTRS retirement by providing retirement estimates and explaining how different choices will affect your benefit. You can talk to a counselor in person, over the phone or at a group workshop.

Prepare for your retirement early. Schedule an appointment with a counselor three to six months before your retirement date. It is easier to schedule an appointment during the nonpeak months of July through March. Appointments are usually scheduled four weeks out.

To schedule an in-person counseling session, contact your local benefits counseling office (see page 19). Schedule a telephone interview by calling 800-228-5453.

Workshops

Sign up for the CalSTRS Retirement Check-Up Workshop at CalSTRS.com/workshops or call 800-228-5453.

Attend the Retirement Income Management Workshop to learn how to preserve, protect and manage your income in retirement. This workshop is strictly educational—no specific financial advice or financial products are offered or sold.

Your Retirement Decisions

You will need to make decisions regarding both your Defined Benefit and your Defined Benefit Supplement funds.

Defined Benefit

As a member of CalSTRS, you are entitled to a guaranteed, secure, lifetime retirement benefit. Your retirement benefit is called your defined benefit—*defined* because it is based on a formula, not on your contributions.

Service Credit x Age Factor x Final Compensation = Your Retirement Benefit

Defined Benefit Supplement

If you have performed service under the Defined Benefit Program since 2001, you have a Defined Benefit Supplement account with CalSTRS.

Your most recent *Retirement Progress Report* includes your annual statements of your Defined Benefit and Defined Benefit Supplement accounts.

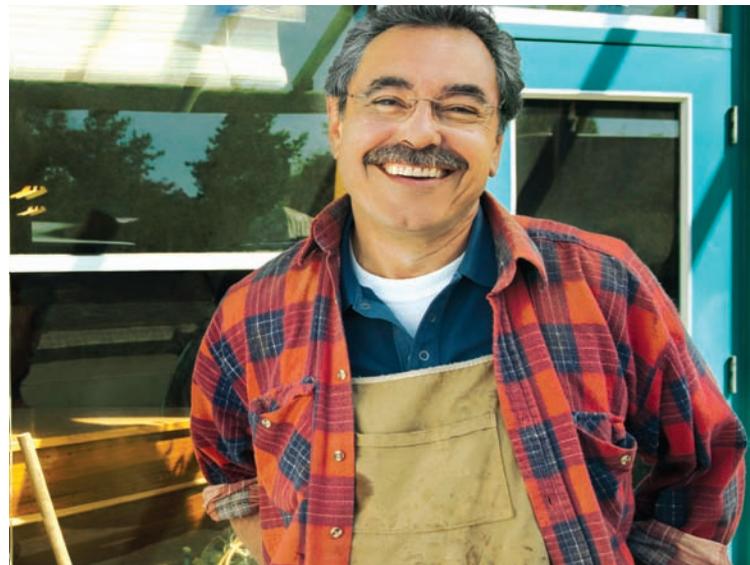
Defined Benefit Decisions

Am I eligible to retire?

Your age and service credit are used to determine your eligibility for CalSTRS retirement benefits. You are eligible to retire under the CalSTRS Defined Benefit Program if you are either age 50 and have at least 30 years of service credit, or age 55 and have at least five years of service credit. You can find your CalSTRS service credit on your annual *Retirement Progress Report*.

If you are at least age 55 and eligible to retire from certain other public retirement systems in California, you may retire with fewer than five years of service credit if you retire from both systems at the same time. See page 14 for more information and a list of eligible systems.

To increase your service credit, consider redepositing previously refunded Defined Benefit contributions and interest or purchasing additional service credit.



How much will my benefit be each month?

Your benefit is a percentage of your final compensation, which is determined by multiplying your age factor by your years of service credit. If you did not already receive a benefit estimate from one of our benefits counselors, calculate it using the *Retirement Benefit Calculator* at CalSTRS.com/calculators or the benefit estimate worksheet in the *Member Handbook*.

The amount of your benefit will also depend on other factors, including deductions.

Retirement Incentives

Check to see if your employer offers a retirement incentive program that may increase your service credit. Ask about application deadlines and retirement dates to qualify. Remember that we must receive your *Service Retirement Application* no later than the last day of the month in which you request to retire.

If your employer offers a retirement incentive through CalSTRS and you qualify, it cannot be included in your benefit calculation until we receive your *Express Benefit Report* form and all required documentation from your last employer. This form is located in the Forms section starting on page 25.

If you receive additional service credit under the CalSTRS Retirement Incentive Program, you will lose the additional service credit if you return to work within five years of retirement for the employer that offered the incentive.

Career Factor

If you retire with at least 30 years of service credit, a bonus of 0.2 percent will be added to your age factor, up to the maximum age factor of 2.4 percent. In addition, when you retire, up to two-tenths of one year of unused sick leave can count toward qualifying for the career factor. Neither service credit from a retirement incentive program nor the purchase of nonqualified service credit can be used to qualify for the career factor.

Longevity Bonus

If you had at least 30 years of qualified service credit on or before December 31, 2010, you are eligible for a longevity bonus which adds a set dollar amount to your monthly retirement benefit. CalSTRS will automatically apply the longevity bonus to your retirement benefit. The amount of the bonus will be based on your total years of qualifying service credit at retirement:

| Service Credit | Longevity Bonus |
|------------------|-----------------|
| 30 years | \$200 |
| 31 years | \$300 |
| 32 or more years | \$400 |

If you have an option beneficiary, your option factor will be applied to your Member-Only Benefit after the longevity bonus is added:

$$(\text{Your Member-Only Benefit} + \text{Longevity Bonus}) \times \text{Option Factor} = \text{Your Modified Benefit}$$

Sick Leave

When you are applying for service retirement, CalSTRS will accept only one *Express Benefit Report* form and it must be from your most recent employer. If you have sick leave with a former employer that you did not transfer to your new employer during your first year of employment, it may be lost. New employers are required to accept sick leave from your former employer only during your first year of employment.

Mid-Year Retirement

If you have at least 25 years of service credit and retire before the school year is over, state law requires CalSTRS to use the current school year and the last school year to calculate your final year's earnings, unless you have higher compensation in an earlier period.

For example, if you have 25 years of service credit, earned \$57,000 last year and would have earned \$60,000 this year, your final compensation calculation for a January 1 retirement date would be:

| | |
|--|------------|
| $\$57,000 \div 12 = \$4,750 \times 6 \text{ months} =$ | $\$28,500$ |
| $\$60,000 \div 12 = \$5,000 \times 6 \text{ months} =$ | $\$30,000$ |
| | <hr/> |
| | $\$58,500$ |
| $\$58,500 \div 12 =$ | $\$ 4,875$ |

Your final compensation for your last year would be \$4,875.

The process of averaging for mid-year retirees often results in a final compensation that is lower than expected. Taking on additional assignments at a lower pay rate may also reduce your final compensation if you choose a mid-year retirement. This is because your annual compensation is prorated to your retirement date and is an average of the various pay rates you receive during that period.



Keep your mailing address current. Be sure CalSTRS has your current mailing and e-mail addresses and telephone number to avoid delays in benefits or communications. Submit changes using your *myCalSTRS* account or the *Address Change Request* form, available at CalSTRS.com.

Do I want to provide a monthly benefit to someone after I die?

You can choose to provide a lifetime monthly benefit to someone after you die in exchange for a reduced retirement benefit. Your option beneficiary must be a living person or persons—your beneficiary cannot be an estate, charity, trust or other entity. This lifetime monthly benefit is separate from the one-time death benefit (see page 11).

Member-Only Benefit

If you do *not* want to provide a monthly benefit to someone after you die, check the *Member-Only Benefit* box on your *Service Retirement Application*. You will receive your full retirement benefit. This is the highest monthly benefit possible, and it will continue throughout your lifetime. Benefits will stop when you die. Any contributions and interest remaining in your account at the time of your death will be paid to your one-time death benefit recipient.

Modified Benefit

To provide a monthly benefit to someone after you die, check the *Modified Benefit* box on your *Service Retirement Application*. You will need

to choose an option and designate one or more option beneficiaries.

Choosing an option will reduce your monthly benefit for as long as you and your beneficiary are still living. The amount of the reduction depends on the option you choose, your age and the age of your beneficiary. You can decide to provide a monthly benefit for one beneficiary by electing the 100% Beneficiary Option, the 75% Beneficiary Option or the 50% Beneficiary Option. You may also elect the Compound Option to provide for one or more option beneficiaries.

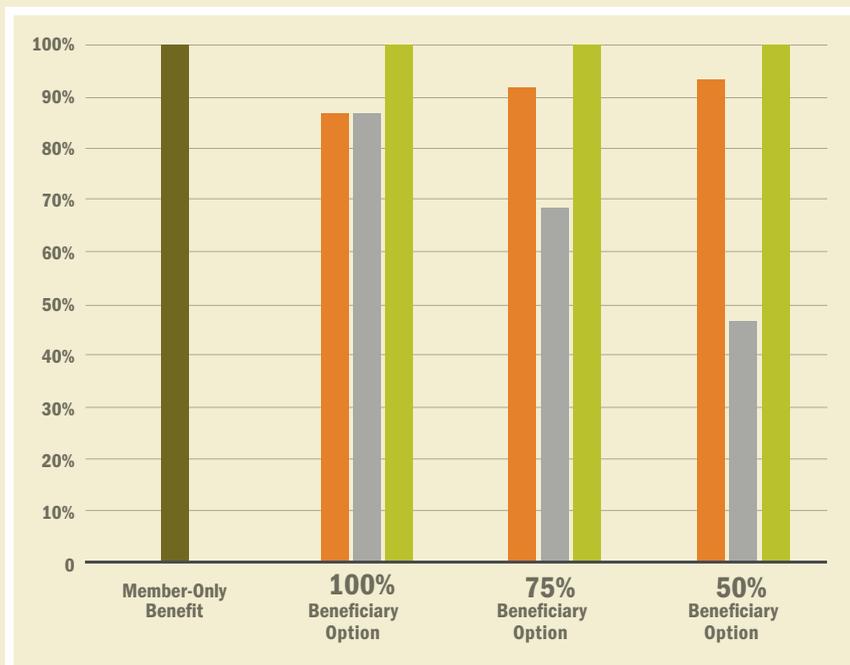
If you elect the Compound Option, you must submit the *Compound Option Election* form along with your *Service Retirement Application*. The form is included in the Forms section.

You may be required to verify your birth date as well as the birth dates of your option beneficiaries.

To learn how each option would affect your retirement benefit, meet with a benefits counselor or use the *Retirement Benefit Calculator* at CalSTRS.com/calculators.

Once you retire, you cannot change your option election except under limited circumstances. See the *Member Handbook* for details.

Comparing the Defined Benefit Options



This chart compares the Defined Benefit options. The examples show reduced retirement benefits for a member, age 60, who designates an option beneficiary, age 57. To find out how each option would affect your retirement benefit, use the *Retirement Benefit Calculator* at CalSTRS.com/calculators or make an appointment with a benefits counselor.

Member-Only Benefit

Member's benefit if no option beneficiary elected

Modified Benefit

Member's benefit when member and option beneficiary are living at retirement

Option beneficiary's benefit when member dies

Member's benefit if option beneficiary dies after member retires

Option Descriptions

You can choose one of four options:

100% Beneficiary Option provides your option beneficiary with 100 percent of the amount you were receiving.

75% Beneficiary Option provides your option beneficiary with 75 percent of the amount you were receiving.

50% Beneficiary Option provides your option beneficiary with 50 percent of the amount you were receiving.

For the 100%, 75% and 50% Beneficiary Options, your benefit will rise to the Member-Only Benefit if your option beneficiary dies before you.

The **Compound Option** provides three choices. If your beneficiary dies before you, your benefit will be adjusted accordingly. You may:

- Name one option beneficiary and keep a portion of your benefit as a Member-Only Benefit.
- Name two or more option beneficiaries, with an option choice for each and keep a portion of your benefit as a Member-Only Benefit.

- Name two or more option beneficiaries, with an option choice for each, and *not* keep any of your benefit as a Member-Only Benefit.

Nonspouse Option Beneficiary

If you name someone other than your spouse or a former spouse as your option beneficiary, the type of option you may elect depends on your age and the age of your option beneficiary:

- Under the 75% Beneficiary Option, your nonspouse option beneficiary cannot be more than exactly 19 years younger than you.
- Under the Compound Option, your nonspouse beneficiaries cannot be either:
 - » More than exactly 19 years younger than you under the 75% Beneficiary Option, or
 - » More than exactly 10 years younger than you under the 100% Beneficiary Option.

These federal age restrictions also apply to registered domestic partners and spouses of the same gender.



Receive Retirement Benefits During Evaluation of Your Disability Benefits Application

If you are eligible to retire and you are applying for disability benefits, you may receive retirement benefits during the evaluation of your *Disability Benefits Application*.

Learn more in *Introduction to CalSTRS Disability Benefits*, available at CalSTRS.com. You will find the *Disability Benefits Application* in *Your Disability Benefits Guide*, also at CalSTRS.com.

Preretirement Election of an Option

To provide your survivors with a lifetime monthly benefit if you should die before your retirement date, you must be eligible to retire and complete the *Preretirement Election of an Option* form. The form is available at CalSTRS.com. You can also use the form to make changes to your preretirement election of an option. If you die before retirement, your beneficiaries will receive a lifetime monthly benefit based on the reduced benefit you would have been paid if you had retired on the date of your death.

If you cancel or change your preretirement election of an option before you retire, your monthly retirement benefit may be reduced for your lifetime. In addition, if your beneficiary dies before you retire, your monthly retirement benefit may be reduced for your lifetime. If you have questions, talk to a benefits counselor.

One-Time Death Benefit

Your lifetime monthly retirement benefit is different from the one-time death benefit. To designate a recipient to receive the one-time death benefit, complete the *Recipient Designation* form (formerly the *One-Time Death Benefit Recipient* form), available in the Forms section. Recipients can be living persons or an estate, trust, charity or other entity.

If you are an active member at the time of your death, your one-time death benefit recipient will receive the balance in your Defined Benefit Supplement account. If you do not elect an option beneficiary to receive a lifetime monthly retirement benefit, your one-time death benefit recipient will also receive your contributions and interest in your Defined Benefit account.

NOTE

Reduced Benefit Election

If you are at least age 55, but under age 60, and have at least five years of service credit, you can apply for retirement under the Reduced Benefit Election. You will receive one-half of your monthly retirement benefit 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 retirement benefit.

If you want the Reduced Benefit Election, submit the *Reduced Benefit Election* form with your *Service Retirement Application*. The form, available in the Forms section, includes an example to help determine if this option is right for you.

Meet with a CalSTRS benefits counselor to make sure you fully understand the program and how it could affect your retirement benefits.



Defined Benefit Supplement Decisions

How do I want my Defined Benefit Supplement paid?

If you have performed service in the Defined Benefit Program since 2001, you have a Defined Benefit Supplement account. Your most recent *Retirement Progress Report* shows your Defined Benefit Supplement balance at the end of the last school year.

If you have less than \$3,500 in your Defined Benefit Supplement account when you retire, you will receive the account balance as a lump-sum direct payment or rollover. Your lump-sum payment may be paid directly to you or rolled over to a qualified plan.

If you have \$3,500 or more in your Defined Benefit Supplement account, you have more choices for receiving these funds. Your choices depend on whether you decide to take a Member-Only Benefit or elect an option for your Defined Benefit.

The Defined Benefit Supplement Annuity Estimate tables at CalSTRS.com/calculators provide estimates for each type of annuity based on various account balances and ages at retirement.

Your Defined Benefit Supplement Annuity Beneficiary

Your Defined Benefit Supplement annuity beneficiary is the same person or persons you designate as your Defined Benefit option beneficiary, and the same age restrictions apply (see page 10).

Defined Benefit Supplement Payment Choices

With a Defined Benefit Supplement account balance of \$3,500 or more, you have three payment choices:

1. Lump-Sum Payment

This is a one-time payment of the total amount in your Defined Benefit Supplement account as either a direct payment or a rollover to a qualified plan.

2. Annuity Payments

You can elect to receive your Defined Benefit Supplement funds through a series of monthly payments by electing either a period-certain or a lifetime annuity.

The **Period-Certain Annuity** provides a monthly payment made for any number of whole years from three to 10. The monthly 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 you receive. If you die before the annuity period ends, the remaining payments will be paid to your one-time death benefit recipient.

A period-certain annuity of three to nine years may be rolled over to a qualified plan as a pretax contribution. A period-certain annuity of 10 years must be paid directly to you.

The **Lifetime Monthly Annuity** provides a monthly payment for your lifetime (if you elect the Member-Only Benefit for your Defined Benefit account) or your lifetime and the

lifetimes of your beneficiaries (if you elect the Modified Benefit for your Defined Benefit account). Lifetime annuities must be paid directly to you and cannot be rolled over to a qualified plan.

- **If you elect the Member-Only Benefit** for your Defined Benefit account and would like to receive lifetime monthly payments for your Defined Benefit Supplement account, you must elect the **Member-Only Annuity**. Any balance remaining upon your death will be paid to your one-time death benefit recipient.
- **If you elect a Modified Benefit** for your Defined Benefit account and would like to receive lifetime monthly payments for your Defined Benefit Supplement account, you must elect a beneficiary annuity. The amount of your monthly annuity payment depends on the percentage of your payment that you choose to have paid to your beneficiaries upon your death:
 - » **100% Beneficiary Annuity**. All of your monthly annuity amount will be paid monthly to your beneficiaries upon your death.
 - » **75% Beneficiary Annuity**. Seventy-five percent of your monthly annuity amount will be paid monthly to your beneficiaries upon your death.

- » **50% Beneficiary Annuity**. Fifty percent of your monthly annuity amount will be paid monthly to your beneficiaries upon your death.

- **If you elect the Compound Option** for your Defined Benefit retirement benefit, you may elect to receive your Defined Benefit Supplement as any of the annuities listed here. The annuity you elect will be the same for each of your beneficiaries, and the apportionment of the benefit will be the same as you elect for your Defined Benefit monthly benefit.

3. Combination Lump-Sum and Annuity Payment

You can receive a portion of your Defined Benefit Supplement account as a lump-sum payment and the remaining balance as an annuity. To elect this choice, you must have \$3,500 or more remaining in your Defined Benefit Supplement account after your lump-sum payment is made. If you choose the Combination Lump-Sum and Annuity, you will choose the amount of your lump-sum payment and one of the annuities.

Your Defined Benefit Supplement
beneficiary is the same person
you elect as your
Defined Benefit option beneficiary.

Other Considerations

Community Property Settlements

If you divorced or legally separated or terminated your registered domestic partnership while a CalSTRS member, your benefits may be subject to a community property settlement. When a court order specifically requires your benefits to be divided, CalSTRS must review:

- A complete court-filed copy of your final court judgment of dissolution, legal separation or termination of domestic partnership.
- A full copy of any settlement agreement, including exhibits and attachments.

If your documents have not been reviewed by CalSTRS, you may be asked to provide them.

For more information, see the *Community Property Guide* at CalSTRS.com.

Retiring From Another California Public Retirement System

If you are also a member of another public retirement system in California, you must file for retirement separately with each system.

For some systems, if you retire from CalSTRS and the other system concurrently, your benefits may be based on the highest salary earned under all systems as long as you do not work under CalSTRS or another system between the dates you retire from each system.

The highest salary you earned under CalSTRS-covered employment will be used to calculate your CalSTRS retirement benefit if you work under CalSTRS-covered employment and another public retirement system in the same pay period during the period of service used to calculate your final compensation. Even if you earned a higher salary under the other retirement system, if you are still working in CalSTRS-covered employment during your final compensation period, we will use only your CalSTRS salary to determine your final compensation.

The other public retirement systems in California are:

- California Public Employees' Retirement System
- University of California Retirement System
- San Francisco Employees' Retirement System
- Legislators' Retirement System
- The following California county retirement systems enacted under the County Employees Retirement Law of 1937:

| | |
|--------------|----------------|
| Alameda | Sacramento |
| Contra Costa | San Bernardino |
| Fresno | San Diego |
| Imperial | San Joaquin |
| Kern | San Mateo |
| Los Angeles | Santa Barbara |
| Marin | Sonoma |
| Mendocino | Stanislaus |
| Merced | Tulare |
| Orange | Ventura |

Ask a CalSTRS benefits counselor if you are eligible for a concurrent retirement. For more information, see "Retiring From More Than One Public Retirement System" in section 6 of the *Member Handbook*.

CalSTRS Medicare Premium Payment Program

You may be eligible for the CalSTRS Medicare Premium Payment Program when you turn 65.

If you are under age 65 when you retire, CalSTRS will mail you a packet of information about the Medicare Premium Payment Program approximately three months before your 65th birthday. If you are 65 years of age or older at retirement, we will send you an information packet the month after you retire. You may also request an information packet at CalSTRS.com or by calling us.

Medicare Part A Premium Payment

Under the CalSTRS Medicare Premium Payment Program, CalSTRS will pay your Medicare Part A premium if you are not otherwise eligible and you meet all of the following requirements:

- Are retired and receiving a monthly CalSTRS benefit (or receiving a CalSTRS disability benefit).
- Retire before July 1, 2012. (The Teachers' Retirement Board has the authority to extend this date.)
- Are age 65 or older.
- Are enrolled in both Medicare Part A (hospital) and Part B (medical).

Your eligibility also depends on your retirement date and when your district held a Medicare Division election. Check with your employer to determine if and when it conducted a Medicare election, or if it plans to conduct an election.

CalSTRS does not have access to your Social Security or Medicare records, so we do not know your eligibility for premium-free Medicare Part A. To determine your eligibility or to enroll in Medicare, contact the Social Security Administration at 800-772-1213.

Under federal law, you must also enroll in Medicare Part B when you turn age 65. CalSTRS cannot pay your Medicare Part B premium. At your request, CalSTRS will deduct Medicare Part B premiums from your monthly benefit

and forward the payments to the Centers for Medicare and Medicaid Services, the federal agency that administers Medicare. You have this option even if CalSTRS does not pay your Medicare Part A premiums. CalSTRS does not have a program for Medicare Part D.

See the *Member Handbook* or visit CalSTRS.com (select *Members*, then *Medicare Premium Payment Program*) for more information. Also visit medicare.gov or call 800-633-4227.

Health Insurance Premium Deductions

CalSTRS does not provide health or dental insurance coverage for members. However, state law requires, at a minimum, that school districts offer retiring CalSTRS members the option to continue their medical and dental insurance at their own cost. Your health insurance premiums may be partially or fully paid by your school district after retirement, depending on your collective bargaining agreement. Benefits vary from district to district.

We can deduct health premiums from your monthly retirement benefit and forward them to your health insurance carrier, if your carrier has an agreement with us. If you are interested in a health insurance deduction, contact your employer's human resources department. We will set up a deduction for you after we receive the appropriate paperwork from your insurance carrier.

Retirement Solutions



Dues Deductions

A number of associations, including the California Retired Teachers Association, California Teachers Association and Association of California School Administrators, have arranged to have dues deducted from CalSTRS retirement payments.

If you are interested in having your dues deducted from your payments, contact the association (see listing on page 18). After we receive the appropriate paperwork from the association, we will set up a deduction. To cancel a deduction, you need to contact the association directly.

Social Security, CalSTRS and You

As a CalSTRS member, you do not pay Social Security payroll taxes for CalSTRS-covered service, so you do not earn Social Security benefits for your CalSTRS-covered service. Many CalSTRS members, however, are eligible for Social Security benefits from other employment covered by Social Security or their spouse's employment. If you receive Social Security benefits, they may be reduced by the Windfall Elimination Provision or the Government Pension Offset. These federal rules reflect the fact that you did not pay Social Security payroll taxes on your CalSTRS career earnings.

Your CalSTRS retirement benefit will not be reduced because of these provisions in Social Security law.

There are exceptions and limitations to the Windfall Elimination Provision and the Government Pension Offset. If you think you may be subject to these reductions, contact a Social Security representative at 800-772-1213. Visit socialsecurity.gov to view or download publications on the Windfall Elimination Provision and the Government Pension Offset. You will also find calculators for the Windfall Elimination Provision and the Government Pension Offset online. Information also is available at CalSTRS.com (select *Members*, then *Social Security, CalSTRS and You*).

Working After Retirement

Your only restrictions on working after service retirement are within the California public school system. State law prohibits retired members from working in a classified position except, under certain circumstances, as a teacher's aide.

The law also restricts the amount you can earn without affecting your CalSTRS retirement benefit if you work in a CalSTRS-covered position as an employee of a public school district, an independent contractor, or an employee of a third party.

If you receive additional service credit under the CalSTRS Retirement Incentive Program, you will lose the additional service credit if you return to work within five years of retirement for the employer that offered the incentive.

Separation From Service Requirement

If you retire before age 60, federal law prohibits CalSTRS from distributing benefits before either the normal retirement age or a separation from service. To ensure that separation from service has occurred, your CalSTRS retirement benefit will be reduced by the amount you earn in CalSTRS-covered employment for six months immediately following your retirement effective date or until your 60th birthday, whichever is sooner. The requirement for this deduction began July 1, 2010. There are no exemptions from this requirement.

Earnings Limit

If you return to work in a CalSTRS-covered position, there is a limit to the amount you can earn in a school year without affecting your benefit. Your CalSTRS benefit will be reduced dollar for dollar by the amount of creditable earnings from public school employment in excess of the earnings limit.

If you are under age 60 and do not have a separation from service, the compensation earned will apply to the earnings limit. The Teachers' Retirement Board adjusts the earnings limit annually. The earnings limit for both the 2010-11 and 2011-12 school years is \$31,020.

Exemptions from the Earnings Limit

You may qualify for an earnings limit exemption under certain circumstances. Contact your employer if you believe you qualify. If you are under age 60, however, there are no exemptions from the separation from service requirement.

In most cases, your employer must submit documentation to substantiate your eligibility for an exemption by June 30 of the applicable school year. It is your responsibility to contact your employer to verify that the required documentation has been submitted.

CalSTRS has the final authority to approve an exemption request. Keep in mind you are subject to the earnings limit unless CalSTRS approves your exemption request. Visit CalSTRS.com or see the *Member Handbook* for more information.

Reinstatement After Retirement

You may voluntarily terminate your retirement and reinstate to active membership any time

after the date of your retirement by submitting the *Reinstatement After Retirement* form.

If you wish to reinstate, we must receive your signed *Reinstatement After Retirement* form no later than the last day of the month you reinstate. For example, if you want your retirement to end as of July 15, 2011, your form must be received no later than July 31, 2011.

You can apply for your subsequent retirement as early as six months before your next retirement date.

If you decide to remain retired, you may cancel your reinstatement application as long as we receive your request by the last day of the month in which your termination of retirement was to become effective. Otherwise, you will not be able to retire again for 12 months from reinstatement.

To learn how reinstatement could affect your future retirement benefits, meet with a benefits counselor. You will also find more information in the *Member Handbook*.



CalSTRS is here for you.

Retired Educator Organizations

Organizations for retirees have been involved in legislation affecting retired educators and provide other services to their members. Contact information for a number of organizations is provided as a courtesy and not as an endorsement.

Association of California School Administrators

1029 J Street, Suite 500
Sacramento, CA 95814
800-608-2272
acsa.org

Association of Retired Teachers

P.O. Box 57438
Sherman Oaks, CA 91413
323-666-0544
(for Los Angeles Unified School District educators)

California Federation of Teachers

Administrative Office
2550 North Hollywood Way, Suite 400
Burbank, CA 91505
818-843-8226
cft.org

California Retired Teachers Association

800 Howe Avenue, Suite 370
Sacramento, CA 95825
916-923-2200
800-523-2782
calrta.org

California Teachers Association/National Education Association–Retired

P.O. Box 921
Burlingame, CA 94011-0921
650-697-1400
cta.org

Faculty Association of California Community Colleges

1823 11th Street
Sacramento, CA 95811
916-447-8555
facc.org

United Educators of San Francisco–Retired Division

2310 Mason Street
San Francisco, CA 94133
415-956-8373
uesf.org

United Teachers Los Angeles–Retired

3303 Wilshire Boulevard, 10th Floor
Los Angeles, CA 90010
213-487-5560
800-556-8852
utla.net

Benefit of a Lifetime



CalSTRS Benefits Counseling Offices

| Office Locations | Telephone Numbers | Hours |
|--|-------------------|------------|
| Auburn | 530-886-2012 | M-F 8-5 |
| Bakersfield | 661-636-4880 | M-F 8-5 |
| Camarillo | 805-383-1995 | M-F 7:30-5 |
| Colton * Apple Valley, Indio, Murrieta, Rancho Cucamonga, Riverside | 909-777-0999 | M-F 8-4:30 |
| Costa Mesa * Fullerton, Garden Grove, Laguna Hills | 714-966-4251 | M-F 10-4 |
| Eureka | 707-441-3953 | M-F 8-4:30 |
| Fairfield | 707-399-4430 | M-F 8-5 |
| Foster City | 650-312-7712 | M-F 8-5 |
| Fresno | 559-497-3797 | M-F 8-4:30 |
| Hayward | 510-670-4200 | M-F 8-5 |
| Downey * Antelope Valley, Glendale, Los Angeles (downtown), Reseda, Santa Monica, Walnut | 562-922-6838 | M-F 8-4:30 |
| Marysville | 530-749-4900 | M-F 8:30-5 |
| Modesto * Merced | 209-238-1614 | M-F 8-5 |
| Pleasant Hill | 925-942-5375 | M-F 8-5 |
| Redding | 530-225-0203 | M-F 8-5 |
| Salinas | 831-784-4195 | M-F 8-5 |
| San Diego | 619-718-6783 | M-F 8-5 |
| San Francisco | 415-355-7756 | M-F 12-4 |
| San Jose | 408-535-6171 | M-F 8-4:30 |
| Santa Maria * Santa Barbara | 805-928-0542 | M-F 8:30-5 |
| Santa Cruz | 831-466-5750 | M-F 8-5 |
| Santa Rosa | 707-524-2627 | M-F 8-5 |
| Stockton | 209-468-4864 | M-F 7-5 |
| Visalia | 559-733-6760 | M-F 8-5 |
| West Sacramento | 800-228-5453 | M-F 8-5 |



All main offices accept CalSTRS applications and forms.
 Call each office for its summer schedule hours.
 For a current listing of offices, visit CalSTRS.com/localoffices.

*Satellite locations do not accept applications or forms.

Forms Checklist

Before you submit your signed and dated *Service Retirement Application* and any other forms, use this checklist to make sure you included everything. Failing to sign and date your forms and provide the required information will delay the processing of your application.

- Complete all applicable sections** on your forms, including signatures and dates.
 - Include your Client ID or your Social Security number** on any documents you submit to CalSTRS. Your Client ID can be found on your *Retirement Progress Report*.
 - Secure your retirement date.** CalSTRS must receive your application no later than the last day of the month in which you request to retire.
 - Include clear, unaltered photocopies** of any documentation—do not send originals.
 - Have your spouse or registered domestic partner sign and date** the appropriate forms or include the *Justification for Non-Signature of Spouse or Registered Domestic Partner* form, if he or she is unable to sign.
 - Sign and date** your *Service Retirement Application* and other forms.
 - Keep a copy** of all completed forms for your records.
 - Notify your employer of your retirement date.** In addition, complete Section 1 of the *Express Benefit Report* form, then give the form to your employer to complete and send directly to CalSTRS.
- Submit your signed and dated** *Service Retirement Application* and other forms:
 - Hand Delivery**
Hand deliver to a benefits counseling office (see page 19).
 - Mailing Address**
CalSTRS
P.O. Box 15275, MS 65
Sacramento, CA 95851-0275
 - Overnight Delivery**
If you are using a special service such as UPS or FedEx:
CalSTRS
100 Waterfront Place
West Sacramento, CA 95605
 - Fax Delivery**
916-414-5964 or
916-414-5965

To make changes after you have submitted your retirement application, complete the *Service Retirement Application Change Request* form, available at CalSTRS.com. CalSTRS must receive this form no later than the last day of the month in which you are requesting to retire.

Step 2:

Complete and Submit Your Forms

When you are ready to complete your *Service Retirement Application* and other forms, carefully read and follow the instructions for each form to avoid any processing delays. All the forms you need to retire are included in this booklet. You can also find them at CalSTRS.com or call us to have the forms mailed to you.

Instructions Overview

When completing your forms, be sure to:

- Carefully read the instructions.
- Make photocopies of the forms beforehand in case you need to start over. You can also download and print new forms from CalSTRS.com (select *Forms & Publications* under *Tools*). If you need to make a correction, draw a line through the error and make your correction, then write your initials next to the change, or use a new form.
- Print clearly in blue or black ink or type all information requested. Do not use pencil, erasable ink or light-colored ink.
- Remember to sign and date your *Service Retirement Application* and other forms. For forms to be legally accepted by CalSTRS, you and your spouse or registered domestic partner must sign and date all forms where indicated. If your spouse or registered domestic partner cannot sign the forms, complete the *Justification for Non-Signature of Spouse or Registered Domestic Partner* form. This form may require supporting documentation.
- Keep a copy of each completed form you submit to CalSTRS for your records.

CalSTRS must receive your *Service Retirement Application* no earlier than six months before your requested retirement date and no later than the last day of the month in which you are requesting to retire.

Forms Included in this Guide

The Forms section includes seven forms. Read through the list below to determine which forms are specific to your needs, or go directly to the form for more information. We have included check boxes to help you keep track of the forms you may need. Your retirement may be delayed if you do not complete, sign and date your forms or provide the required information.

Required

| Form Name | Purpose | Why Use This Form |
|--|--|--|
| <input type="checkbox"/> Service Retirement Application | To apply for retirement if you are a Defined Benefit member. | Required for a Defined Benefit retirement. Includes the application for your Defined Benefit Supplement funds. |
| <input type="checkbox"/> Express Benefit Report | To have your employer verify your employment termination date and last day of paid employment, and report unused sick leave. | Speeds up the determination of your final benefit amount. |

Recommended

| Form Name | Purpose | Why Use This Form |
|--|--|--|
| <input type="checkbox"/> Direct Deposit Authorization | To send your retirement benefit directly to your financial institution. | Provides a convenient and safe way to receive your benefit check. |
| <input type="checkbox"/> Recipient Designation | To designate a living person or persons, or an estate, trust, charity or other entity to receive a one-time death benefit. | Confirms your death benefit wishes are recorded at CalSTRS and avoids probate for this benefit after your death. |

Special Circumstances

| Form Name | Purpose | Why Use This Form |
|---|---|---|
| <input type="checkbox"/> Justification for Non-Signature of Spouse or Registered Domestic Partner | To explain why your spouse's or registered domestic partner's signature is not on forms that require it. | If you are married or registered as a domestic partner and your spouse or registered domestic partner is unable to sign forms when required. |
| <input type="checkbox"/> Compound Option Election <i>(This is the only option election that requires a special form.)</i> | To designate one or more option beneficiaries—must be a living person—with an option choice for each and, if you choose, retain a portion of your benefit as a Member-Only Benefit. | When you want to elect the Compound Option and are submitting a <i>Service Retirement Application</i> for the first time. |
| <input type="checkbox"/> Reduced Benefit Election | To elect the Reduced Benefit Election—you must be at least 55 but under 60. | Receive one-half of your monthly benefit calculated as if you were 60 for the same number of months after age 60 that you received payments before 60. After that, receive your normal benefit. |

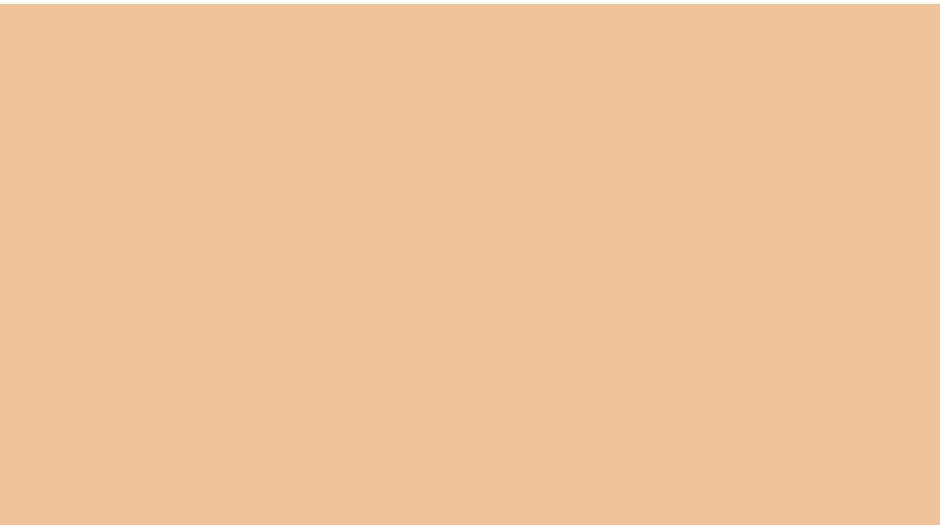
Step 3:

CalSTRS Role in Your Retirement Process

You are nearing your retirement date and have submitted your *Service Retirement Application* and other forms to CalSTRS. Below is a brief description of what happens next, with approximate time frames. If you submit your application between April 1 and July 31, processing times will be longer than during nonpeak months.

| After you submit your <i>Service Retirement Application</i> , CalSTRS... | When |
|---|---|
| Reviews your packet for all necessary information. | Within 30 days of receiving your application packet. |
| Sends a letter to you, acknowledging receipt of your application. | Within three weeks of processing your application. |
| May request additional information from you or your former employer, including any court-ordered community property documents. (The <i>Express Benefit Report</i> form can decrease the need to request additional information from you or your employer.) | Anytime during the application process. |
| Sends a letter that includes: <ul style="list-style-type: none"> • How your monthly benefit was calculated. • The amount of your monthly benefit. • The total amount of your contributions and interest as of your effective date of retirement. | Within 45 days of your retirement date, or the date we process your application, whichever is later. |
| Sends your <i>first</i> benefit payment based on the information on file at the time of retirement. | Within 45 days of your retirement effective date or the date we process your retirement application and all applicable forms, whichever is later. |
| Sends your requested Defined Benefit Supplement payment based on the information on file at the time of your retirement. | Within 45 days of your retirement effective date or the date we process your retirement application and all applicable forms, whichever is later. |
| Sends adjustment letters. <ul style="list-style-type: none"> • Your benefit payment generally is adjusted over several months as additional employment information is received from your employer. • Reconciliation of underpayments or overpayments will be made during this period. • Save your most recent adjustment letter to determine your tax liability. | After your retirement date. |
| Provides an annual benefit adjustment equal to 2 percent of your initial benefit. These adjustments are not compounded or based on inflation. | September 1 of each year, beginning after the first anniversary of your retirement. The automatic adjustment will be reflected in your October 1 payment. |

Check CalSTRS.com for current forms if you are retiring in 2012 or later.



Forms



Look for these icons when completing your forms:



Fill out an additional form



Signature



Provide a copy

All the forms you need to apply for your CalSTRS Defined Benefit retirement are included on tear-out sheets in the following order:

REQUIRED:

- *Service Retirement Application*, including a section for your Defined Benefit Supplement account
- *Express Benefit Report*

RECOMMENDED:

- *Direct Deposit Authorization*
- *Recipient Designation*

SPECIAL CIRCUMSTANCES:

- *Justification for Non-Signature of Spouse or Registered Domestic Partner*
- *Compound Option Election*
- *Reduced Benefit Election*

To learn more about your retirement decisions, talk with a benefits counselor.



Service Retirement Application Instructions

This application is for Defined Benefit members who are retiring. If you are applying for a disability benefit, complete the *Disability Benefits Application*—you may be eligible to receive a service retirement benefit while your application for disability benefits is being evaluated. If you are a Cash Balance Benefit Program participant, complete the appropriate Cash Balance Benefit application, available at CalSTRS.com.

The following information supplements the instructions on the *Service Retirement Application*.

SECTION 1—MEMBER INFORMATION

Include your home and alternate telephone numbers and your e-mail address so we can contact you if we have any questions. Be sure your name on your application matches your name as it appears on your Social Security card. If you know it, include your Client ID instead of your Social Security number. You can find your Client ID on your *Retirement Progress Report*.

SECTION 2—RETIREMENT INFORMATION

Retirement Date: You will be officially retired as of the retirement date you put on your application, subject to the following conditions:

1. The earliest date you can submit your application is six months before your retirement date.
2. CalSTRS must receive your application no later than the last day of the month in which you are requesting to retire.
3. The earliest date you can retire is the day after your last day of work, vacation or authorized leave of absence, whichever is later.

For example, if your last day of work is June 13, you can retire on June 14, even though you will receive a pay check for the month of June. CalSTRS must receive your application by June 30 for a retirement date in June.

4. If you are retiring after reinstating to active service from retirement, you cannot have a retirement date less than one calendar year from the date you reinstated.

Last Date of Work: Enter your last day of work. If on a leave of absence, enter the last day you were paid. This date must be before your retirement date.

Longevity Bonus: If you had at least 30 years of service credit by December 31, 2010, you may be eligible for a longevity bonus. You did not have to retire on or before December 31, 2010, to qualify, but you must have earned at least 30 years of service credit by then.

Retiring before the end of the school year? Ask a CalSTRS benefits counselor before retiring mid-year to determine how it could affect your retirement benefit.

Mid-Year Retirement: The process of averaging for mid-year retirees often results in a final compensation that is lower than expected. See *Your Retirement Guide*, page 8.

Reduced Benefit Election: If electing the Reduced Benefit Election, check the appropriate box. You must be at least age 55 but under age 60, and have at least five years of service credit, to apply for retirement under this program. See *Your Retirement Guide*, page 11.

Other Public Retirement Systems: See *Your Retirement Guide*, page 14.

SECTION 3—YOUR DEFINED BENEFIT

Section 3.1—Defined Benefit Election

Elect the Member-Only Benefit or the Modified Benefit.

Member-Only Benefit

The Member-Only Benefit does not provide a monthly lifetime benefit to anyone when you die after retirement. It is the highest monthly benefit you can receive in retirement.

Modified Benefit

Complete this section if you are electing an option beneficiary or if you previously completed the *Preretirement Election of an Option* form to provide a monthly benefit to your option beneficiary after your death.

Your option beneficiary must be a living person or persons and cannot be a trust, charity, estate or other entity.

You will find descriptions of the options in *Your Retirement Guide*, page 10. For an estimate of how each option would affect your monthly retirement benefit, talk to a CalSTRS benefits counselor, use the *Retirement Benefit Calculator* at CalSTRS.com/calculators or complete the benefit estimate worksheet in the *Member Handbook*.

The option and option beneficiaries you elect on your retirement application are not effective until your retirement date. To provide for someone if you die before retirement, see *Your Retirement Guide*, page 11 for information on the preretirement election of an option.

Beneficiary Information

Enter your beneficiary information if you elect an option other than the Compound Option. Include birth date verification. Acceptable documents include a photocopy of a certified birth certificate, passport ID page and certain military IDs. If you elect the Compound Option, complete your beneficiary information on the *Compound Option Election* form and include the form with your *Service Retirement Application*.

Section 3.2—Defined Benefit Tax Withholding Preferences

Federal and California state laws require us to withhold income tax on all benefit payments unless you specify otherwise.

See the worksheets on the federal IRS form W-4P (irs.gov/pub/irs-pdf/fw4p.pdf) and the state withholding certificate DE-4P (eddi.ca.gov/pdf_pub_ctr/de4p.pdf) to help determine the appropriate number of allowances.

If you do not complete this section, CalSTRS must withhold income tax from all your monthly benefit payments in accordance with the established rate for a married individual claiming three withholding allowances.

If you do not want tax withholding, return the application with the *Do Not Withhold* boxes checked. Be aware that there are penalties for not paying enough federal and state tax during the year, either through withholding or estimated tax payments. See IRS Publication 505, *Tax Withholding and Estimated Tax*, at irs.gov. It explains estimated tax requirements and describes penalties in detail. You may be able to avoid quarterly estimated tax payments by having enough withheld from your retirement benefit payments. If

you want withholding, mark the appropriate boxes and specify the number of allowances. You may specify an *additional* dollar amount to withhold for state and federal withholding.

For state income tax only, you may elect to withhold a flat dollar amount without specifying allowances.

SECTION 4—YOUR DEFINED BENEFIT SUPPLEMENT

Section 4.1—Defined Benefit Supplement Election

Your Defined Benefit Supplement account balance is shown on your *Retirement Progress Report*. If your account balance is \$3,500 or more, you can choose whether to receive these funds as a lump-sum payment, an annuity payment or a combination lump-sum and annuity payment. See *Your Retirement Guide*, pages 12–13, for your Defined Benefit Supplement distribution choices. If your account balance is less than \$3,500, you must take a lump-sum payment.

If you choose to receive your funds as a lump-sum payment, a period-certain annuity of three to nine years, or a combination of the two, enter your payment instructions in section 4.2.

Section 4.2—Defined Benefit Supplement Payment Instructions

Lump Sum or Period-Certain Annuity of 3 to 9 Years

Complete this section if you chose a lump sum or period-certain annuity of three to nine years for your Defined Benefit Supplement funds. If you chose an annuity payment other than a period-certain annuity of three to nine years, you do not need to complete this section.

Federal law allows lump-sum payments or period-certain annuity payments of three to nine years to be rolled over into a qualified plan.

If you would like your payment to be paid directly to you, check the *Direct Payment* box. If you would like to roll over your payment to a financial institution, check the *Rollover* box. Your monthly annuity payments will be mailed to the same address or transferred to the same bank account as your retirement benefits.

Be sure to read Section 6, the *Special Tax Notice: Your Rollover Options*, on pages 9–12.

Rollover of Tax-Deferred or After-Tax Contributions and Interest

The amount of tax-deferred or after-tax contributions and interest in your Defined Benefit Supplement account is shown on your *Retirement Progress Report*. Your account balance must be \$200 or more to qualify for a rollover to a financial institution. Enter the dollar amount or percentage (from 1% to 100%) that you would like to roll over.

If you are going to receive an eligible rollover distribution of \$4,000 and you choose to roll over 75 percent of the balance to

Service Retirement Application Instructions continued

a qualified IRA or eligible plan, CalSTRS will distribute \$3,000 directly to the plan specified by you. The 25 percent remaining balance of \$1,000 paid directly to you is subject to 20 percent federal income tax withholding. You will receive only \$800 because \$200 is withheld for federal tax (or less, if you choose to have state tax withheld).

Financial Institution Information

When providing your financial institution information, do not attach transfer documents. Also, do not list "IRA"

CalSTRS Pension2® Rollovers: You may select CalSTRS Pension2 for your rollover of tax-deferred contributions and interest without obtaining the financial institution representative's signature. CalSTRS will obtain the required signatures on your behalf.

For more information, visit www.Pension2.com. You may also contact us by e-mail at Pension2@CalSTRS.com or call 888-394-2060, Monday–Friday, 8 a.m. to 5 p.m. PST.

as the name of your financial institution. We will mail the payment to the financial institution address you provide. It is imperative the financial institution name, address and account number are correct. You must also have your financial institution's signature. If they are not complete and correct, your rollover will be delayed. We are not able to process direct trustee-to-trustee transfers to financial institutions outside the U.S.

Section 4.3–Defined Benefit Supplement Tax Withholding Preferences

Direct Payment: Lump Sum or Period-Certain Annuity of 3 to 9 Years

Federal law allows lump-sum payments or period-certain annuity payments of three to nine years to be rolled over into a qualified plan. See the worksheets on the federal IRS form W-4P (irs.gov/pub/irs-pdf/fw4p.pdf) and the state withholding certificate DE-4P (edd.ca.gov/pdf_pub_ctr/de4p.pdf) to help determine the appropriate number of allowances. If you choose to have payments paid directly to you, CalSTRS must withhold 20 percent for federal taxes. If you choose to have California state tax withheld, CalSTRS will withhold at 6 percent. This state percentage may be reduced in spring 2011.

ADDITIONAL INFORMATION ON TAX WITHHOLDING PREFERENCES

Applies to Sections 3.2, 4.2 and 4.3

Your tax withholding preferences will remain in effect until you change or cancel them. Change or cancel your preferences using the tax withholding feature on *myCalSTRS*, or submit the *Income Tax Withholding Preference Certificate* form, available at CalSTRS.com.

Withholding Choices: The number of state withholding allowances you claim may be different from the number of allowances you claim for federal withholding. To help determine the appropriate number of allowances, see the allowance worksheets on the:

- State withholding certificate DE-4P at edd.ca.gov/pdf_pub_ctr/de4p.pdf, and
- Federal withholding certificate W-4P at irs.gov/pub/irs-pdf/fw4p.pdf.

There may be penalties for not paying enough tax on your benefits during the year, either through withholding or estimated tax payments.

Generally, you must have tax withheld from retirement and annuity benefits delivered outside the U.S. If you are a U.S. citizen and have your benefits delivered outside the U.S., you can choose not to have tax withheld by giving CalSTRS your home address in the U.S. or in a U.S. possession. If you give CalSTRS only a U.S. address of a nominee, agent, trustee or custodian who is receiving your benefits as an intermediary, but do not give us your own U.S. home address, CalSTRS will treat your benefits as payments to a foreign person and must withhold tax on your benefits as required by tax laws.

Addresses outside California: In compliance with federal law, CalSTRS will not withhold California income tax from your retirement

benefit if you live outside the state. However, if you think you may be liable for California state income tax, use the *Income Tax Withholding Certificate* form to request California income tax withholding. CalSTRS does not withhold income tax for states other than California.

Addresses outside the U.S.: Federal law requires that federal income tax be withheld from payments delivered outside the U.S. or U.S. territories to U.S. citizens or non-U.S. resident aliens, as well as payments made to U.S. resident aliens. U.S. citizens who have payments delivered outside the U.S. or its territories and U.S. resident aliens may elect any withholding status (married, single or head of household) and zero or more withholding allowances.

Non-U.S. Resident Aliens: A nonresident alien is an individual who is not a U.S. citizen or a resident alien. Generally, nonresident aliens are subject to a 30 percent federal income tax on their U.S. income. A reduced rate, including an exemption, may apply if there is a tax treaty between the foreigner's country of residence and the U.S. For more information, see IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*, available at irs.gov (type in 515 in the search function) or by calling 800-829-3676.

For more information on tax liability, see IRS Publication 575, *Pension and Annuity Income*, and the California Franchise Tax Board Publication 1005, *Pension and Annuity Guidelines*, or contact a qualified tax professional.

Lifetime Monthly Annuity or Period-Certain Annuity of 10 years

If you elected to receive a lifetime annuity or a period-certain annuity of 10 years for your Defined Benefit Supplement funds, you will need to specify your tax withholding preferences. If you do not complete this section, we will withhold income tax from your monthly payments in accordance with the established rate for a married individual claiming three withholding allowances. If you do not want tax withholding, return the form with the *Do Not Withhold* boxes checked. If you want tax withholding, mark the appropriate boxes and specify the number of allowances.

You may specify an *additional* dollar amount to withhold. For California state tax only, you may also elect to withhold a flat dollar amount without specifying allowances.

SECTION 5—REQUIRED SIGNATURES

Check all boxes that apply, then sign and date your *Service Retirement Application*. If you are married or registered as a domestic partner, your spouse or partner also must sign and date your application. Your signature date is the date you signed your application.

If your spouse or registered domestic partner does not sign your application, you must include a completed and signed *Justification for Non-Signature of Spouse or Registered Domestic Partner* form with your application.

If you divorced or terminated a registered domestic partnership and a portion of your CalSTRS benefits was awarded to a former spouse or partner, check the box that indicates this. You may need to refer to your settlement agreement to make this determination. In addition, if your court documents have not been reviewed by CalSTRS, you may be asked to provide them later.

SECTION 6—SPECIAL TAX NOTICE: YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of your CalSTRS payment is eligible to be rolled over to a qualified IRA or eligible employer plan. Read this notice to help you decide whether to do a rollover.

SUBMITTING YOUR APPLICATION

CalSTRS must receive pages 1–7 of your *Service Retirement Application* by the last day of the month in which you are requesting to retire. Make a copy for your records.

Hand Delivery

Hand deliver your application to a local CalSTRS benefits counseling office (see page 19).

Mailing Address

CalSTRS
P.O. Box 15275, MS 65
Sacramento, CA 95851-0275

Overnight Delivery

If you are using a special mailing service such as UPS or FedEx, send your application to:

CalSTRS
Member Services
100 Waterfront Place
West Sacramento, CA 95605

Fax Delivery

916-414-5964 or
916-414-5965

QUESTIONS?

E-mail your questions using your *myCalSTRS* account or at CalSTRS.com/contactus, or call 800-228-5453.

RETIREMENT CHANGE REQUESTS

If you have already submitted your *Service Retirement Application* and want to make a change before your retirement, you must complete the *Retirement Application Change Request* form, available at CalSTRS.com or by calling us. Use this form to change your retirement date, option, option beneficiary, Reduced Benefit Election, or Defined Benefit Supplement election.

CalSTRS must receive your *Retirement Application Change of Request* form (SR 1328) before the last day of your requested retirement month. If you are changing your option, we must receive your *Retirement Application Change Request* form before your retirement date.

NAME OR ADDRESS CHANGE

Notify us in writing immediately of any change in your name or mailing address. You can update your mailing address online using your *myCalSTRS* account. Otherwise, complete the *Address Change Request* form, available at CalSTRS.com (select *Forms & Publications*) or by calling us.

**Submit only pages 1–7 of your *Service Retirement Application*.
Remember to sign and date your application and other forms.**

Service Retirement Application Checklist

This checklist will help you avoid common errors that result in applications being returned for correction.

Section 1: Member Information

- Did you complete *all* of the member information?

Section 2: Retirement Information

- Did you provide a retirement date?
- Did you provide your last date of work?
- If you are applying for the Reduced Benefit Election, did you complete and attach the *Reduced Benefit Election* form?

Section 3: Your Defined Benefit

3.1 Defined Benefit Election

- Did you elect either the Member-Only or the Modified Benefit?
If you elect the Modified Benefit and did not previously submit a *Preretirement Election of an Option* form:
 - Did you provide all the required option and beneficiary information?
 - Did you enclose birth date verification for your option beneficiaries?

3.2 Defined Benefit Tax Withholding Preferences

- Did you elect your California state and federal income tax withholding preferences?

Section 4: Your Defined Benefit Supplement

4.1 Defined Benefit Supplement Election

- Did you select one choice for your Defined Benefit Supplement funds: either the Lump-Sum Payment, the Annuity Payment, or the Combination Lump-Sum and Annuity?
 - If you selected the Annuity Payment, did you indicate either the Period-Certain Monthly Annuity of 3 to 10 Years or the Lifetime Monthly Annuity?
 - If you chose the Combination Lump Sum and Annuity, did you indicate the Lump-Sum amount and choose either the Period-Certain Monthly Annuity of 3 to 10 years or the Lifetime Monthly Annuity?

Service Retirement Application Checklist

4.2 Defined Benefit Supplement Payment Instructions

- If you chose the Lump-Sum Payment or the Period-Certain Annuity of 3 to 9 years, did you elect either Direct Payment *or* the Rollover?

If you chose the Rollover, did you:

- Choose one of the three plan types: qualified IRA, other eligible plan or Roth IRA?
- Indicate the amount or percentage to transfer?
- Provide the account number?
- Complete the financial institution information?
- Obtain the financial institution representative's signature?

4.3 Defined Benefit Supplement Tax Withholding Preferences

- If you selected the Direct Payment Lump Sum or the Period-Certain Annuity of 3 to 9 years, did you indicate if you wanted state tax withheld?
- If you selected the Lifetime Monthly Annuity or the Period-Certain Annuity of 10 years, did you choose your state and federal income tax withholding preferences?

Section 5: Required Signatures

- Did you indicate your marital status by checking all boxes that apply to you?
- Did you sign and date the form with today's date?
- Did your spouse or registered domestic partner sign and date the form with today's date?
 - If not, did you check the corresponding box and attach the *Justification for Non-Signature of Spouse or Registered Domestic Partner* form?

Section 6: Special Tax Notice: Your Rollover Options

- Did you read and consider this notice when making decisions on rollover-eligible payments?

Before submitting your application:

- Is your name and Client ID or Social Security number on all pages?
- Did you complete all pages of the application?
- Did you make a copy of your application and supporting documents for your records?

Service Retirement Application

(SR 0059, rev. 01/11)

CALSTRS

California State Teachers' Retirement System
P.O.Box 15275, MS 65
Sacramento, CA 95851-0275
800-228-5453
CalSTRS.com

With my signature on the last page, I certify that I have read the instructions and the booklet, *Your Retirement Guide*, and I am applying for service retirement. I fully understand that if my retirement is approved by CalSTRS and verified by my employer, I will be officially retired as of the retirement date I have requested if CalSTRS receives my properly completed, signed and dated application no later than the last day of the month in which I am requesting to retire.

Section 1: Member Information

| | | | |
|-----------------------------|----------------|--------------------------------------|--|
| Name (Last, First, Initial) | | Client ID* or Social Security Number | |
| Mailing Address | | E-mail Address | |
| City | State | ZIP Code | |
| | () | () | |
| Date of Birth (MM/DD/YYYY) | Home Telephone | Alternate Telephone | |

Section 2: Retirement Information

Retirement Date (MM/DD/YYYY)
To secure your requested retirement date, CalSTRS must receive your application no later than the last day of the month in which you retire.

Last date of work (MM/DD/YYYY). This date must be before your retirement date.

I am electing retirement under the Reduced Benefit Election and have attached the *Reduced Benefit Election* form to my retirement application.

Other Public Retirement Systems

If you are a member of any of the following California public retirement systems, place an X in the appropriate box below. Mark all that apply. Indicate your retirement date with the other system.

CalPERS SFERS LRS UCRS 1937 ACT COUNTY—County Name _____

Retirement date from other system (MM/DD/YYYY) _____

* Find your Client ID on your *Retirement Progress Report*.



SR0059

Name _____ Client ID or SSN _____

Section 3: Your Defined Benefit

Section 3.1 Defined Benefit Election

I have read the instructions that describe the **Defined Benefit** options available, and I elect (choose only one):

- Member-Only Benefit (Skip to section 3.2.)
- Modified Benefit (If you check this box, choose an option below.)

Modified Benefit

I previously submitted the *Preretirement Election of an Option* form.

Indicate the option you elected _____

and the name of your option beneficiary _____ to confirm your original election. (If you would like to change or cancel your preretirement option election, complete a new *Preretirement Election of an Option* form. Your form must be signed and dated before the effective date of your retirement. Go to section 3.2.)

OR

I am electing an option at retirement. (Your option beneficiary must be a living person or persons—your beneficiary cannot be a trust, estate, charity or other entity.) I have read *Your Retirement Guide*, pages 9–11, that describe the Defined Benefit options available, and I elect one of the following options at retirement. Check one box and complete the beneficiary information below:

- 100% Beneficiary Option
- 75% Beneficiary Option
- 50% Beneficiary Option
- Compound Option (If you choose the Compound Option, complete and attach the *Compound Option Election* form.) 

Beneficiary Information

The option beneficiary I am electing at retirement is:

Beneficiary's Name (Last, First, Initial) _____ Beneficiary's Social Security Number _____

Mailing Address _____ E-mail Address _____

City _____ State _____ ZIP Code _____

() _____ () _____

Home Telephone _____ Alternate Telephone _____

Member of CalSTRS: Yes No Gender: Male Female

Relationship: Spouse Registered Domestic Partner Other

Date of Birth (MM/DD/YYYY) _____

(Attach verification of your option beneficiary's birth date. Acceptable documents include a photocopy of a certified birth certificate, passport ID page and some military IDs.)

Name _____ Client ID or SSN _____

Section 3.2 Defined Benefit Tax Withholding Preferences

If you do not complete this section, CalSTRS must withhold state and federal income tax from your payment based on rates for a married person claiming three withholding allowances.

Remember, there are penalties for not paying enough tax during the year, either through withholding or estimated tax payments. You may be able to avoid paying quarterly estimated taxes by having enough state and federal tax withheld from your monthly benefit payment.

FEDERAL INCOME TAX WITHHOLDING

Do not withhold federal income tax from my monthly benefit payment.

OR

Withhold federal income tax based on the tax tables for (choose one):

Married with _____
(Enter 0 or number of allowances.)

Single with _____
(Enter 0 or number of allowances.)

Additional withholding: \$ _____
from each benefit payment in addition to the amount to be withheld based on federal tax tables. (You cannot enter an amount without selecting one of the above options. Enter a dollar amount only.)

CALIFORNIA STATE INCOME TAX WITHHOLDING

Do not withhold California state income tax.

OR

Withhold California income tax.

Withhold only \$ _____ from each benefit payment* (Enter a flat dollar amount only. Do not enter a percentage.)

OR

Withhold California income tax based on the tax tables for (choose one):

Married with _____
(Enter 0 or number of allowances.)

Single with _____
(Enter 0 or number of allowances.)

Head of Household with _____
(Enter 0 or number of allowances.)

Additional withholding: \$ _____
from each benefit payment in addition to the amount to be withheld based on state tax tables. (You cannot enter an amount without selecting one of the above options. Enter a dollar amount only.)

**A flat amount cannot be specified for federal income tax.*

Section 4: Your Defined Benefit Supplement

Section 4.1 Defined Benefit Supplement Election

If you made retirement contributions to CalSTRS on or after January 1, 2001, you have a **Defined Benefit Supplement** account with CalSTRS. (See *Your Retirement Guide*, page 12.)

If your Defined Benefit Supplement account balance is:

- Under \$3,500, you must take a lump-sum payment. Mark the lump-sum payment box below.
- \$3,500 or more, you have choices about how to receive these funds. (See *Your Retirement Guide*, pages 12-13).

Defined Benefit Supplement Choices

You have three payment choices for your Defined Benefit Supplement account. Choose only one:

1. Lump-Sum Payment

- Check paid to me directly. (Skip to section 4.2, Direct Payment.)
- Rollover to a financial institution. (Skip to section 4.2, Rollover.)

2. Annuity Payment

You have two choices. Choose one:

Period-Certain Monthly Annuity of 3 to 10 years*

Number of years (circle one) 3 4 5 6 7 8 9 10

OR

Lifetime Monthly Annuity

If you elected the **Member-Only Benefit** on page 2, you have one choice:

Member-Only Annuity

If you elected the **Modified Benefit** on page 2, you have three choices. Select one:

100% Beneficiary Annuity 75% Beneficiary Annuity 50% Beneficiary Annuity

3. Combination Lump Sum and Annuity. After your lump-sum payment, at least \$3,500 must remain in your Defined Benefit Supplement account to fund an annuity. Indicate your lump-sum payment amount and select one annuity.

\$ _____ Lump-Sum Amount

- Check paid to me directly. (See section 4.2, Direct Payment.)
- Rollover to a financial institution. (See to section 4.2, Rollover.)

Choose one:

Period-Certain Monthly Annuity of 3 to 10 Years*

Number of years (circle one) 3 4 5 6 7 8 9 10

OR

Lifetime Monthly Annuity

If you elected the **Member-Only Benefit** on page 2, you have one choice:

Member-Only Annuity

If you elected the **Modified Benefit** on page 2, you have three choices. Select one:

100% Beneficiary Annuity 75% Beneficiary Annuity 50% Beneficiary Annuity

*Lifetime monthly annuities and period-certain annuities of 10 years are not eligible for rollover into a pretax account. See section 4.3 for tax withholding preferences.

Name _____ Client ID or SSN _____

Section 4.2 Defined Benefit Supplement Payment Instructions

I have received and read the *Special Tax Notice: Your Rollover Options* on pages 9–12 of this application. **I understand I have at least 30 days before distribution to consider the information provided in this notice and decide whether to elect a direct rollover to another retirement plan or have the amount distributed to me.** The 30-day waiting period has been met or I waive the 30-day period.

Indicate whether you want to receive your Defined Benefit Supplement distribution as a **direct payment** or a **rollover**.

Direct Payment: I choose to have my Defined Benefit Supplement distribution paid directly to me. I understand that federal taxes will be withheld at the required rate of 20 percent. If I choose to have California state tax withheld, CalSTRS will withhold at 6 percent. This state percentage may be reduced in spring 2011. (Skip to section 4.3.)

OR

Rollover: I choose to roll over all or part of my Defined Benefit Supplement distribution to a financial institution. Complete the information below. (If you choose a rollover to CalSTRS Pension2®, the financial institution representative’s signature is not required.) *Any amount not designated for transfer will be mailed directly to me.* (See section 4.3, Direct Payment, and mark the appropriate box.)

Rollover of Tax-Deferred Contributions and Interest. I elect to roll over my tax-deferred contributions and interest to one of the plans listed below.

Traditional IRA Other eligible plan (403(b), 457, 401(k) or 401(a)) Roth IRA (taxable rollover)

Amount to transfer \$ _____ **OR** Percentage to transfer _____ (indicate 1%–100%)

Financial Institution Information (All information is required.)

| | | | | |
|--|--|--|---------------------|----------|
| Account Number | | Complete Name of Financial Institution | | |
| Institution Mailing Address | | City | State | ZIP Code |
| Name of Financial Institution Representative | | | | |
|  Financial Institution Representative’s Signature* | | | () Telephone | |

Rollover of After-Tax Contributions. I elect to roll over my after-tax contributions to one of the plans listed below (not applicable for most accounts).

Traditional IRA Other eligible plan (403(b), 457, 401(k) or 401(a)) Roth IRA

Amount to transfer \$ _____ **OR** Percentage to transfer _____ (indicate 1%–100%)

Financial Institution Information (All information is required.)

| | | | | |
|--|--|--|---------------------|----------|
| Account Number | | Complete Name of Financial Institution | | |
| Institution Mailing Address | | City | State | ZIP Code |
| Name of Financial Institution Representative | | | | |
|  Financial Institution Representative’s Signature* | | | () Telephone | |

***Certification:** My signature above confirms the account number for the individual named at the top of this page. As a representative of the financial institution or plan named above, I certify that this institution or plan agrees to accept the funds described above as a direct trustee-to-trustee transfer from CalSTRS for deposit into a qualified IRA or other eligible plan as defined in the Internal Revenue Code. I understand that my signature above authorizes the transfer of CalSTRS funds as indicated above.

Name _____ Client ID or SSN _____

Section 4.3 Defined Benefit Supplement Tax Withholding Preferences

When completing this section, remember that there are penalties for not paying enough tax during the year, either through withholding or estimated tax payments. You may be able to avoid paying quarterly estimated taxes by having enough state and federal tax withheld from your monthly benefit payment.

Direct Payment Lump Sum and Period-Certain Annuities of 3 to 9 Years

Federal law requires that CalSTRS withhold 20 percent federal income tax for all lump-sum payments and period-certain annuities of three to nine years that are paid directly to you. CalSTRS will automatically withhold federal tax from your payment.

Under state law, you can choose not to have any state tax withholding. If you choose to have state tax withholding, CalSTRS will withhold 6 percent state income tax for all lump-sum payments and period-certain annuities of three to nine years paid directly to you. This state percentage may be reduced in spring 2011.

Withhold California state income tax? Yes No

Lifetime Monthly Annuity and Period-Certain Annuity of 10 Years

If you do not complete the section below, CalSTRS must withhold state and federal income tax from your lifetime monthly annuity or period-certain annuity of 10 years based on rates for a married person claiming three withholding allowances.

FEDERAL INCOME TAX WITHHOLDING

Do not withhold federal income tax from my monthly benefit payment.

OR

Withhold federal income tax based on the tax tables for (choose one):

Married with _____
(Enter 0 or number of allowances.)

Single with _____
(Enter 0 or number of allowances.)

Additional withholding: \$ _____
from each benefit payment in addition to the amount to be withheld based on federal tax tables. (You cannot enter an amount without selecting one of the above options. Enter a dollar amount only.)

CALIFORNIA STATE INCOME TAX WITHHOLDING

Do not withhold California state income tax.

OR

Withhold California income tax.

Withhold only \$ _____ from each benefit payment* (Enter a flat dollar amount only. Do not enter a percentage.)

OR

Withhold California income tax based on the tax tables for (choose one):

Married with _____
(Enter 0 or number of allowances.)

Single with _____
(Enter 0 or number of allowances.)

Head of Household with _____
(Enter 0 or number of allowances.)

Additional withholding: \$ _____
from each benefit payment in addition to the amount to be withheld based on state tax tables. (You cannot enter an amount without selecting one of the above options. Enter a dollar amount only.)

*A flat amount cannot be specified for federal income tax.

Name _____ Client ID or SSN _____

Section 5: Required Signatures

Check all that apply.

- I am married or registered as a domestic partner and both our signatures are below.
- I am married or registered as a domestic partner and my spouse or registered domestic partner did not sign below. I have completed, signed and attached the *Justification for Non-Signature of Spouse or Registered Domestic Partner* form. 
- I have never been married or in a registered domestic partnership, or I am widowed or my registered domestic partner has died.
- I have been divorced or have terminated a registered domestic partnership and my former spouse or partner was awarded a portion of my CalSTRS benefits.
- I have been divorced or have terminated a registered domestic partnership and my former spouse or partner was *not* awarded a portion of my CalSTRS benefits.

Member's Signature

I certify that I have read the Service Retirement Application Instructions and the booklet, *Your Retirement Guide*, and I am applying for service retirement. I fully understand that if my retirement is approved by CalSTRS and verified by my employer, I will be officially retired as of the retirement date I have requested if CalSTRS receives my application no later than the last day of the month in which I am requesting to retire.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct. I understand that perjury is punishable by imprisonment for up to four years (Penal Code section 126).

I understand it is a crime to fail to disclose a material fact or to make any knowingly false material statements for the purpose of altering a benefit administered by CalSTRS and it may result in penalties, including restitution, up to one year in jail and a fine of up to \$5,000 (Education Code section 22010).



Member's Signature

Signature Date (MM/DD/YYYY)



Spouse's or Registered Domestic Partner's Signature

Signature Date (MM/DD/YYYY)

Submitting Your Application

CalSTRS must receive pages 1–7 of your application no later than the last day of the month in which you are requesting to retire.

Hand Delivery

Hand deliver your application to a CalSTRS benefits counseling offices. For a current listing, go to CalSTRS.com/localoffices.

Mailing Address

Mail your application to:
CalSTRS
P.O. Box 15275, MS 65
Sacramento, CA 95851-0275

Overnight Delivery

If you are using a special mailing service such as UPS or FedEx, send your application to:
CalSTRS
Member Services
100 Waterfront Place
West Sacramento, CA 95605

Fax Delivery

916-414-5964 or
916-414-5965

Submit only pages 1–7 of the *Service Retirement Application*. Keep a copy of your completed application for your records. If you fax your application, keep the confirmation page. We are unable to call and confirm receipt of your faxed application.

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Section 6: Special Tax Notice: Your Rollover Options

INTRODUCTION

You are receiving this notice because all or a portion of your CalSTRS Defined Benefit, Defined Benefit Supplement or Cash Balance payment is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

Rules that apply to most CalSTRS payments are described in the "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section.

Certain California tax information also is provided. In general, California law conforms to the Internal Revenue Code. However, there are continuing differences between California and federal law. For additional information, visit ftb.ca.gov.

30-Day Notice Period and Your Right to Waive

Generally, CalSTRS cannot make a direct rollover or a payment to you until at least 30 days after you receive this notice. If you do not wish to wait until this 30-day notice period ends before your payment is processed, you may waive the notice period.

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

You will be taxed on your CalSTRS payment if you do not roll it over. If you are under age 59½ and do not do a rollover, you also will have to pay a 10 percent additional federal income tax and a 2.5 percent additional California state tax on early distributions, unless an exception applies (see page 10).

If you do a rollover, however, you will not have to pay tax until you receive payments later and the 10 percent additional federal income tax and 2.5 percent additional state income tax will not apply if those payments are made after you are age 59½, or if an exception applies.

Where may I roll over my CalSTRS payment?

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees and rights to payment from the IRA or employer plan. For example, no spousal consent rules apply to IRAs and IRAs may not provide loans. Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

How do I do a rollover?

There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.

Direct rollover: If you do a direct rollover, CalSTRS will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

60-day rollover: If you do not do a direct rollover, you still may do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive your CalSTRS payment to make the deposit.

If you do not do a direct rollover, CalSTRS is required to withhold 20 percent of the payment for federal income tax. If you choose to have state tax withheld, CalSTRS will withhold at 6 percent. (The state percentage may be reduced in spring 2011.) This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20 percent withheld for federal taxes and 6 percent withheld for state taxes. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10 percent additional federal income tax and the 2.5 percent additional state income tax on early distributions if you are under age 59½, unless an exception applies.

How much may I roll over?

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any CalSTRS payment is eligible for rollover except:

- Benefit payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary).
- Required minimum distributions after age 70½ (or after death).
- Corrective distributions of contributions that exceed tax law limitations.

CalSTRS can tell you what portion of a payment is eligible for a rollover.

If I don't do a rollover, will I have to pay the 10 percent additional federal income tax and the 2.5 percent additional state income tax on early distributions?

If you are under age 59½, you will have to pay the 10 percent additional federal income tax and 2.5 percent additional state income tax on early distributions for any CalSTRS payment, including amounts withheld for income tax, that you do not roll over, unless one of the exceptions listed below applies. This tax is in addition to the regular federal and state income taxes on the payment not rolled over.

The 10 percent additional federal income tax and the 2.5 percent additional state income tax do not apply to the following CalSTRS payments:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation.
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary).
- Payments made due to disability.
- Payments after your death.
- Corrective distributions of contributions that exceed tax law limitations.
- Payments made directly to the government to satisfy a federal tax levy.
- Payments made under a qualified domestic relations order (QDRO).
- Payments up to the amount of your deductible medical expenses.

If I do a rollover to an IRA, will the 10 percent additional federal income tax and the 2.5 percent additional state income tax apply to early distributions from the IRA?

If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10 percent additional federal income tax and 2.5 percent additional state income tax on early distributions from the IRA, unless an exception applies. In general, the exceptions to the additional federal and state income taxes for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- There is no exception for payments after separation from service that are made after age 55.

- The exception for qualified domestic relations orders does not apply. However, a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse.
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments after you have received unemployment compensation for 12 consecutive weeks, or would have been eligible to receive unemployment compensation but for self-employed status.

SPECIAL RULES AND OPTIONS

If Your Payment Includes After-Tax Contributions

After-tax contributions included in a CalSTRS payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is generally included in the payment. If you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment.

You may roll over to an IRA a CalSTRS payment that includes after-tax contributions through either a direct rollover or a 60-day rollover (see page 9). You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from CalSTRS and a portion is paid to you, each of the payments will include an allocable portion of the after-tax contributions.

If you do a 60-day rollover to an IRA of only a portion of your CalSTRS payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a complete distribution of your benefit that totals \$12,000, of which \$2,000 is after-tax contributions. In this case, if you roll over \$10,000 to an IRA in a 60-day rollover, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover—and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan. You can do a 60-day rollover to an employer

plan of part of a CalSTRS payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

If You Miss the 60-Day Rollover Deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline.

To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590, *Individual Retirement Arrangements*.

If You Were Born On or Before January 1, 1936

If you were born on or before January 1, 1936, and receive a lump-sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

If You Roll Over Your Payment to a Roth IRA

You can roll over a payment from CalSTRS made before January 1, 2010, to a Roth IRA only if your modified adjusted gross income is not more than \$100,000 for the year the payment is made to you and, if married, you file a joint return. These limitations do not apply to CalSTRS payments made to you after 2009. If you did a rollover to a Traditional IRA because you were not eligible to do a rollover to a Roth IRA until after 2009, you can now elect to convert the Traditional IRA to a Roth IRA.

If you roll over your CalSTRS payment to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10 percent additional federal income tax and 2.5 percent additional state income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within five years, counting from January 1 of the year of the rollover). For payments from CalSTRS during 2010 that are rolled over to a Roth IRA, the taxable amount can be spread over a two-year period starting in 2011.

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed, including earnings after the rollover. A qualified distribution from a Roth IRA is a payment made after you are age 59½—or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000—and

after you have had a Roth IRA for at least five years. In applying this five-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10 percent additional federal income tax and 2.5 percent additional state income tax on early distributions, unless an exception applies. You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590, *Individual Retirement Arrangements*.

You cannot roll over a payment from CalSTRS to a designated Roth account in an employer plan.

CalSTRS is not responsible for assuring your eligibility to make a rollover to a Roth IRA. Consult your tax adviser if you are interested in rolling over your payment to a Roth IRA.

If You Are Not a CalSTRS Member

Payments after a member's death. If you receive a distribution after a CalSTRS member's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10 percent additional federal income tax and 2.5 percent additional state income tax on early distributions do not apply. The special rule described under the section "If you were born on or before January 1, 1936" applies only if the CalSTRS member was born on or before January 1, 1936.

If you are a surviving spouse. If you receive a CalSTRS payment as the surviving spouse of a deceased member, you have the same rollover options that the member would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10 percent additional federal income tax and 2.5 percent additional state income tax on early distributions, unless an exception applies. In addition, required minimum distributions from your IRA do not have to start until after you are age 70½.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10 percent additional federal income tax and 2.5 percent additional state income tax on early distributions. However, if the member had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the member had not started taking required minimum distributions, you will not have to start receiving required

minimum distributions from the inherited IRA until the year the member would have been age 70½.

If you are a surviving beneficiary other than a spouse. If you receive a CalSTRS payment because of the member's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10 percent additional federal income tax and 2.5 percent additional state income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

Payments under a qualified domestic relations order.

If you are the spouse or former spouse of a CalSTRS member who receives a payment from CalSTRS under a qualified domestic relations order, you generally have the same options the member would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). Payments under the QDRO will not be subject to the 10 percent additional federal income tax or 2.5 percent additional state income tax on early distributions.

If You are a Nonresident Alien

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or a U.S. employer plan, CalSTRS is generally required to withhold 30 percent of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing IRS Form 1040NR and attaching your IRS Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

OTHER SPECIAL RULES

If a payment is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series, unless you make a different choice for later payments.

If your payments for the year are less than \$200, CalSTRS is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may do a 60-day rollover.

When electing how to receive a CalSTRS payment that is rollover eligible, any amount not designated for a rollover will be mailed directly to you.

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, *Armed Forces' Tax Guide*.

FOR MORE INFORMATION

See the *Tax Considerations for Rollovers* booklet at CalSTRS.com. You may wish to consult a professional tax adviser before taking a payment from CalSTRS.

In addition, you will find more information on the federal tax treatment of payments from employer plans in IRS Publication 575, *Pension and Annuity Income*, IRS Publication 590, *Individual Retirement Arrangements* and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, at irs.gov, or by calling 800-TAX-FORM (800-829-3676).

For information on state tax, contact the California Franchise Tax Board at ftb.ca.gov or call 800-852-5711 (or 916-845-6500 if calling from outside the U.S.).

Note: Contact CalSTRS to request and receive the *Special Tax Notice: Your Rollover Options* in writing on paper for no charge.

Express Benefit Report—Information and Instructions

The *Express Benefit Report* form is required for retirement. This form is used to request accumulated unused sick leave balance information from your last employer. Your last employer must report and certify required employment information on this form to comply with California law.

Credit for unused sick leave is included in the calculation for your retirement benefit. The earlier CalSTRS receives this information, the earlier you start to receive your full benefit. If your employer submits this form after you submit your retirement application, it will not delay your *initial* benefit. Your corrected benefit will be calculated when the *Express Benefit Report* form is received and processed. You will receive a payment for any accumulated difference.

An award letter with the updated information will be mailed to you. Contact your employer if there are discrepancies between your records and what your last employer reported to CalSTRS.

After completing sections 2–4, your employer will return the *Express Benefit Report* form directly to CalSTRS.

SECTION 1: MEMBER INFORMATION

(TO BE COMPLETED BY MEMBER)

Enter your full name, Social Security number or Client ID, date of birth, mailing address, telephone number, position title, and the retirement date you requested on page 1 of your *Service Retirement Application*.

Complete only section 1 of the *Express Benefit Report* form and give the form and these instructions to your last employer. Your employer will complete sections 2–4 and return the form directly to CalSTRS. Your last employer must complete and certify the information in the remaining sections.

SECTION 2: EMPLOYER INFORMATION

(TO BE COMPLETED ONLY BY EMPLOYER)

Complete the employer information after the member/employee has completed the member information in section 1.

County and District Codes: Enter the appropriate county and district codes. Example: Kern County, Edison, would be 15-012.

Employer Contact Name, Address and Telephone:

Enter the name, address and phone number of the person CalSTRS should contact if there are questions about information submitted on this form.

Employment Termination Date: Enter the date the member separated from employment or the last day the member was on paid leave. This date should be the same as, or later than, the last day of paid employment. This date must be before the retirement date.

Last Day of Paid Employment: Enter the last day the member was paid for working. This is the last day of classroom instruction. If on a leave of absence, enter the actual last day for which the member was paid, including differential pay. This date can be the same as, or before, the employment termination date. This date also must be before the retirement date.

Sick Leave Days:

Accumulated Unused Regular Sick Leave Days

Enter the number of accumulated unused sick leave days the member will have as of the last day of paid employment.

Unused Excess Sick Leave Days

Enter the number of accumulated unused excess sick leave days the member will have as of the last day of paid employment. Excess sick leave is sick leave granted by the employer after June 30, 1986, that exceeds one day of sick leave per pay period of at least four weeks.

Excess sick leave is paid by the employer. CalSTRS will bill the employer for the amount due to pay for the excess sick leave reported. A present-value calculation is used to determine the amount due.

If you wish, complete the worksheet on the form for the present-value calculation for excess sick leave. The worksheet is not required. CalSTRS will send a bill for the amount due for the unused excess sick leave days reported. This applies only if you are reporting unused excess sick leave days.

Total Sick Leave Days

Accumulated Unused Regular Sick Leave Days + Unused Excess Sick Leave Days = Total Sick Leave Days

Contract Base Service Days (final year): To determine Contract Base Service Days, subtract the number of school and legal holidays from the full-time equivalent (FTE), if they are included in the FTE. The base service days cannot be fewer than 175 days.

FTE is the number of days that a person is required to work in that position for the school year if employed full time.

SECTION 3: EMPLOYER FINAL COMPENSATION INFORMATION (TO BE COMPLETED ONLY BY EMPLOYER)

One-Year Final Compensation: Check this box only if the district has a collective bargaining agreement that authorizes one-year final compensation and the member meets the eligibility requirements. See the most recent Employer Directive regarding one-year final compensation for more information.

Do not check the box if the member statutorily qualifies for one-year final compensation because of having earned 25 or more years of service credit.

Final Compensation Salary Reduction: Check this box and include the school year if the member has received a salary reduction due to a reduction in school funds and is eligible to use any three nonconsecutive years for his or her final compensation.

SECTION 4: REQUIRED SIGNATURES (TO BE COMPLETED ONLY BY EMPLOYER)

Print the name of the superintendent or authorized designee, official title and telephone number. Sign and date the form. Return the form to CalSTRS within 30 days of the member's/employee's retirement date. CalSTRS may assess penalties for delinquent reports.

SUBMITTING THE REPORT

Mail to:

CalSTRS
P.O. Box 15275, MS 65
Sacramento, CA 95851-0275

Fax to:

916-414-5964 or 916-414-5965

Overnight or hand deliver to:

If you are hand delivering or using a special mailing service such as UPS or FedEx, send the form to:

CalSTRS Member Services
100 Waterfront Place
West Sacramento, CA 95605

QUESTIONS—MEMBERS ONLY

E-mail your questions using your myCalSTRS account or at CalSTRS.com/contactus, or call 800-228-5453.

Express Benefit Report

(SR 0554E, rev. 01/11)

CALSTRS

California State Teachers' Retirement System
P.O. Box 15275, MS 65
Sacramento, CA 95851-0275
800-228-5453
CalSTRS.com

Members: Complete *only* section 1, then submit this form to your last employer. This form allows you to request your accumulated unused sick leave balance and employment information from your last employer. Credit for unused sick leave is included in your final retirement benefit calculation. **This form is not an application for a benefit.**

Employers: Complete sections 2-4 and return directly to CalSTRS. This form is used to report employment and sick leave benefit information, including the termination of employment and unused and excess sick leave. This form must be certified by the county superintendent or authorized designee. Employers are required to certify employment termination and sick leave information within 30 days of the member's/employee's retirement date. CalSTRS may assess penalties for delinquent reports.

Section 1: Member Information (To be completed by member)

NAME (LAST, FIRST, INITIAL)

SOCIAL SECURITY NUMBER

MAILING ADDRESS

DATE OF BIRTH (MM/DD/YYYY)

()

CITY

STATE

ZIP CODE

HOME TELEPHONE

POSITION TITLE

RETIREMENT DATE

Members: Stop here and forward this form to your last employer to complete and return to CalSTRS.

Section 2: Employer Information

(To be completed by last employer and returned directly to CalSTRS)

-

COUNTY AND DISTRICT CODE

EMPLOYER CONTACT NAME

()

EMPLOYER TELEPHONE

EMPLOYER ADDRESS

CITY

STATE

ZIP CODE

EMPLOYMENT TERMINATION DATE (MM/DD/YYYY)

(ENTER THE DATE THE MEMBER SEPARATED FROM THE EMPLOYER OR THE LAST DAY THE MEMBER WAS ON PAID LEAVE.)

THIS **DATE MUST BE EARLIER THAN THE RETIREMENT DATE.**)

LAST DAY OF PAID EMPLOYMENT (MM/DD/YYYY)

(ENTER THE LAST DAY THE MEMBER WAS PAID FOR WORKING. THIS **DATE MUST BE EARLIER THAN THE RETIREMENT DATE.**)

Continue on reverse side.



Section 2: Employer Information continued

Sick Leave Days

Report unused and excess sick leave as of the member's anticipated last day of paid employment. If the *Express Benefit Report* is submitted before the last day of paid service and the member uses sick leave after submitting this form, the district must submit a correction on the *Employment Termination or Sick Leave Data Correction* form to CalSTRS to ensure the member receives an accurate final benefit.

Unused Sick Leave Report/Unused Excess Sick Leave Billing

Enter days only. Do not enter hours. If the employee has no accumulated unused sick leave days, enter zero.

| | | | | | |
|---|---|----------|----------|---|---|
| <i>Accumulated Unused Regular Sick Leave Days</i> | <i>Unused Excess Sick Leave Days*</i> | + | = | <i>Total Sick Leave</i> | <i>Contract Base Service Days</i> |
| <input style="width: 100%;" type="text"/> | <input style="width: 100%;" type="text"/> | | | <input style="width: 100%;" type="text"/> | <input style="width: 100%;" type="text"/> |

Worksheet (Optional)

If excess sick leave days were accumulated and unused, complete the present-value calculation given below.

| | | | | | | | | |
|---|---|----------|----------|---|----------|---|----------|---|
| <i>Unused Excess Sick Leave Days</i> | <i>Contract Base Service Days</i> | ÷ | x | <i>Prior Year Earnable</i> | x | <i>Present-Value Factor</i> | = | <i>Present Value</i> |
| <input style="width: 100%;" type="text"/> | <input style="width: 100%;" type="text"/> | | | <input style="width: 100%;" type="text"/> | | <input style="width: 100%;" type="text"/> | | <input style="width: 100%;" type="text"/> |

* CalSTRS will send a bill for unused excess sick leave days reported. Send the present-value amount to CalSTRS within 30 days following the retirement date or interest will accrue. For additional information about excess sick leave, see the *Express Benefit Report* instructions.

Section 3: Employer Final Compensation Information (To be completed by last employer)

One-year final compensation

I certify pursuant to the district bargaining agreement that the present-value payment for one-year final compensation will be made to CalSTRS within 30 days of receiving billing for the member, who has fewer than 25 years of service credit.

Final compensation salary reduction

I certify that because of a reduction in school funds, the member's salary was reduced during the following school year(s) ____/____. The member is eligible to use any three nonconsecutive years for final compensation.

Section 4: Required Signatures

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct. I understand that perjury is punishable by imprisonment for up to four years (Penal Code section 126).

I understand it is a crime to fail to disclose a material fact or to make any knowingly false material statements for the purpose of altering a benefit administered by CalSTRS and it may result in penalties, including restitution, up to one year in jail and a fine of up to \$5,000 (Education Code section 22010).

| | |
|---|-----------|
| | () |
| PRINT NAME OF SUPERINTENDENT OR AUTHORIZED DESIGNEE | TELEPHONE |

Signature



| | |
|---|-------------------|
| | |
| SIGNATURE (SUPERINTENDENT OR AUTHORIZED DESIGNEE) | DATE (MM/DD/YYYY) |

OFFICIAL TITLE

Direct Deposit Authorization—Instructions

You can request direct deposit for your CalSTRS payment using this form or through your *myCalSTRS* account at my.CalSTRS.com.

SECTION 1

Attach a voided personal check or your savings account statement to this authorization. This will aid in verifying your account and routing numbers.

SECTION 2—AUTHORIZATION INFORMATION

By signing and submitting this form, you are authorizing CalSTRS to transmit any benefits due by electronic funds transfer to the designated account.

If the amount of benefits deposited ever exceeds the amount of benefits actually due and payable to you, you authorize CalSTRS to either:

- Withhold a sum equal to the overpayment from future benefits, or
- Recover such overpayment from the above-designated account.

You can view and print your benefit payment stubs online on *myCalSTRS* at my.CalSTRS.com. If you want to receive your benefit payment stubs in the mail, check the appropriate box on the form. Checking the No box will not affect the mailing of your Form 1099-R. You will still receive your Form 1099-R at your mailing address.

SECTION 3—GENERAL INFORMATION

Send this completed *Direct Deposit Authorization* to:

CalSTRS
P.O. Box 15275, MS 85
Sacramento, CA 95851-0275

Your first payment will be deposited into your account within 30 to 60 days after we receive the authorization.

To avoid any delays in benefits or communications, promptly inform CalSTRS of any change in your mailing address. Update your mailing address online using your *myCalSTRS* account or the *Address Change Request* form.

Your direct deposit will continue to be deposited into your designated account until we are notified in writing that you wish to change your account or financial institution. ***Do not close your old account until your first payment is deposited into your new account.***

To cancel your direct deposit, submit the *Address Change Request* form, available at CalSTRS.com or by calling 800-228-5453.

Note: If your home address is outside California and you do not submit a new *Income Tax Withholding Preference Certificate* form, we will discontinue withholding state tax from your benefit. If you are moving from another state to California and do not submit an *Income Tax Withholding Preference Certificate* form, we will withhold state tax from your benefit at the rate for a married person with three allowances.

PRIVACY NOTICE

The California State Teachers' Retirement System is authorized by sections 24604 and 22450 of the California Education Code to collect and use the information requested on this form for the purposes of identification and enrollment processing for payment of benefits by direct deposit. The information collected on this form will be disclosed to the state Controller's Office, an originating financial institution and the Federal Reserve Bank for the purpose mentioned. You must provide all information on this form. Failure to provide the mandatory information may result in nonenrollment of your direct deposit, or could cause the enrollment to be processed incorrectly.

You have the right to review the file maintained on you by CalSTRS upon proper identification. Contact the Information Practices Coordinator at CalSTRS by calling 800-228-5453 or write to CalSTRS, P.O. Box 15275, MS 85, Sacramento, CA 95851-0275.

Direct Deposit Authorization

(AS 1130, rev. 01/11)

CALSTRS

California State Teachers' Retirement System
P.O. Box 15275, MS 85
Sacramento, CA 95851-0275
800-228-5453
CalSTRS.com

This form authorizes CalSTRS to send your benefit payments to the designated account. Print clearly in pen. To cancel your direct deposit, use the *Address Change Request* form available at CalSTRS.com or by calling 800-228-5453. You can also request or cancel direct deposit using your *myCalSTRS* account at my.CalSTRS.com.

Section 1: Account Information

Attach a voided check or statement from your financial institution indicating your account number, routing number and the type of account (checking or savings).
(Do not attach a deposit slip.)

Section 2: Authorization Information

I authorize CalSTRS to directly deposit my benefit payments via electronic funds transfer. I understand it is a crime to fail to disclose a material fact or to make any knowingly false material statements for the purpose of altering a benefit administered by CalSTRS and it may result in penalties, including restitution, up to one year in jail and a fine of up to \$5,000 (Education Code section 22010).



SIGNATURE

PRINTED NAME

SIGNATURE DATE (MM/DD/YYYY)

()

TELEPHONE NUMBER

CLIENT ID OR SOCIAL SECURITY NUMBER

MAILING ADDRESS

CITY, STATE AND ZIP CODE

E-MAIL ADDRESS

Do you want your benefit payment stubs sent to your mailing address? You can view and print your benefit payment stubs online at *myCalSTRS*.

No, do not mail my benefit payment stubs. Yes, mail my benefit payment stubs.

If you do not make a selection, CalSTRS will *not* mail your benefit payment stubs.

Section 3: General Information

Mail to: CalSTRS
 P.O. Box 15275, MS 85
 Sacramento, CA 95851-0275



AS1130

Recipient Designation Form—Information

One-Time Death Benefit/Cash Balance Lump-Sum Payment

To be valid, this form must be received and accepted by CalSTRS before your death.

The *Recipient Designation* form replaces the *One-Time Death Benefit Recipient* form and the *Cash Balance Beneficiary Designation* form. If you have one of these forms currently on file with CalSTRS, you do not need to submit a new *Recipient Designation* form unless you wish to make a change to your recipient designation.

DEFINED BENEFIT PROGRAM MEMBERS

Use this form to designate recipients to receive the one-time benefit that may be payable in the event of your death. If you are an active member at the time of your death, any accumulated contributions in your account will be paid to your designated recipients only if you did not elect an option beneficiary to receive a continuing benefit after your death, or you have no spouse, registered domestic partner or children eligible to receive a family or survivor benefit allowance after your death.

If your death occurs before retirement, your recipients may be eligible to receive the balance in your Defined Benefit Supplement account as an ongoing annuity or a lump-sum payment. If your death occurs after retirement, your recipients may be eligible for the ongoing annuity you elected at retirement.

This form will not protect your survivor with a lifetime benefit. To provide your survivors with a lifetime benefit, submit the *Preretirement Election of Option* form when you are eligible to retire.

CASH BALANCE BENEFIT PROGRAM PARTICIPANTS

Use this form to designate recipients to receive the benefit in the event of your death.

If you are receiving an annuity at the time of your death, the benefit payable is determined based on the annuity you elected.

If your recipient's (other than an entity) share of your account balance is at least \$3,500, he or she may elect to receive an annuity in place of a lump-sum payment.

IMPORTANT FACTS

- This form remains in effect until either you submit another valid *Recipient Designation* form, or your membership in CalSTRS is terminated by a refund of your accumulated contributions. *It is important to keep this form current.*
- If your designated primary recipients predecease you, any benefit due will be paid to your secondary recipients, unless you submit a valid *Recipient Designation* form designating new recipients. If we are unable to locate your designated recipients, the death benefit will be distributed to the best of our ability according to the laws in existence at the time of your death.
- If you do not have a valid *Recipient Designation* form on file with CalSTRS before your death or if all your designated recipients predecease you, any benefit due will be paid to your estate.
- You may change your recipient designations at any time—before or after retirement. There is no fee or financial penalty for changing your designation.

QUESTIONS

E-mail us at CalSTRS.com/contactus or call 800-228-5453.

This form is available at CalSTRS.com (select *Forms & Publications*).

Return your completed form to:

CalSTRS
P.O. Box 15275, MS 43
Sacramento, CA 95851-0275

Recipient Designation Form—Instructions

One-Time Death Benefit/Cash Balance Lump-Sum Payment

Print clearly in dark ink or type all information requested. Initial all corrections on the form.

Check the appropriate box to identify your CalSTRS membership status.

If you are both a Defined Benefit Program member and Cash Balance Benefit Program participant and you are designating different recipients for each, you must complete two separate *Recipient Designation* forms.

SECTION 1: MEMBER/PARTICIPANT INFORMATION

Enter your full name, Client ID or Social Security number, complete mailing address, birth date, telephone number and e-mail address.

SECTIONS 2 AND 3: PRIMARY AND SECONDARY RECIPIENTS OR TRUST

You may name a living person, an estate, a trust, a corporation, a charitable organization, a parochial institution or a public entity as your recipient.

- **Persons**—Provide full name, address, telephone number, Social Security number, birth date and relationship.
- **Organization**—To designate an organization, check the box and enter the name and address of the organization and the organization's tax identification number. Include organization contact information whenever possible.
- **Trust**—To designate a trust, check the box and enter the full name of the trust, the trustee's name and address, and the date the trust was created. CalSTRS will contact the trustee and pay benefits to the trust. You do not need to provide the trust document at this time.

- **Estate**—To designate your estate, check the box and enter "My Estate" for the recipient's name. Upon your death, if your estate is not subject to probate, CalSTRS will pay benefits pursuant to California Probate Code section 13101.

Check the box on page 3 if additional recipients are listed on an attachment. Identify each as *primary* or *secondary*.

You may designate a percentage for each recipient. If you use percentages, the total must equal 100 percent for the primary recipient section and/or secondary recipient section.

SECTION 4: REQUIRED SIGNATURES

You must sign and date your form. If you are married or registered as a domestic partner, your spouse or partner must also sign and date your form acknowledging your recipients and provide his or her Social Security number and date of birth.

If your spouse or registered domestic partner does not sign your form, you must complete the *Justification for Non-Signature of Spouse or Registered Domestic Partner* form.

Failure to have the required signatures will result in the rejection of your *Recipient Designation* form.

If you divorced or terminated a registered domestic partnership and a portion of your CalSTRS benefits was awarded to a former spouse or partner, check the box that indicates this. You may need to refer to your settlement agreement. In addition, if your court documents have not been reviewed by CalSTRS, you may be asked to provide them.

Recipient Designation Form

One-Time Death Benefit/Cash Balance Lump-Sum Payment

(MS 0002, rev. 01/11)

CALSTRS
 California State Teachers' Retirement System
 P.O. Box 15275, MS 43
 Sacramento, CA 95851-0275
 800-228-5453
 CalSTRS.com

This form is for designating recipients to receive the death benefits payable in the event of your death under the CalSTRS Defined Benefit Program and the Cash Balance Benefit Program. Print clearly in dark ink or type all information requested and initial any corrections.

Check one of the following:

- I am a member of the Defined Benefit Program. My recipient designation is for the one-time death benefit payable upon my death.
- I am a participant of the Cash Balance Benefit Program. My recipient designation is for the lump-sum payment to be distributed upon my death.
- I am a member/participant of both the Defined Benefit and Cash Balance programs. My recipient designation is for the lump-sum death benefits payable under both programs. (Refer to instructions if recipients are different between programs.)

I hereby revoke any previous designations and designate the following primary recipients—or their survivors—to receive equal amounts, unless otherwise specified as recipients for any benefits payable under the Teachers' Retirement Law at the time of my death. If I survive the primary recipients, I designate the secondary recipients—or their survivors—to share equally unless otherwise specified as recipients for any benefits under law at the time of my death. If I survive all of my named recipients, then any benefit payable at the time of my death will be paid to my estate. I understand this form does not designate a recipient to receive a continuing monthly retirement benefit.

Return your signed form to: CalSTRS • P.O. Box 15275, MS 43 • Sacramento, CA 95851-0275

Section 1: Member/Participant Information

| | | | |
|-----------------------------|-------|----------|---------------------------------------|
| NAME (LAST, FIRST, INITIAL) | | | CLIENT ID OR SOCIAL SECURITY NUMBER |
| MAILING ADDRESS | | | DATE OF BIRTH (MM/DD/YYYY) () |
| CITY | STATE | ZIP CODE | HOME TELEPHONE |
| E-MAIL ADDRESS | | | |

Section 2: Primary Recipients

Use this area to designate one or more *primary* recipients to receive a death benefit.

Use additional sheets if needed.

| | | | |
|--|-------|----------|--|
| FULL NAME OF PERSON, TRUST OR ORGANIZATION | | | () |
| MAILING ADDRESS | | | TELEPHONE |
| CITY | STATE | ZIP CODE | |
| <input type="checkbox"/> Person – Relationship: _____ <input type="checkbox"/> Male <input type="checkbox"/> Female | | | SOCIAL SECURITY NUMBER/TAXPAYER ID NUMBER/EMPLOYER ID NUMBER |
| <input type="checkbox"/> Organization – Contact Name: _____ <input type="checkbox"/> Trust | | | DATE OF BIRTH/TRUST DATE (MM/DD/YYYY) |
| <input type="checkbox"/> Estate | | | PERCENTAGE (MUST TOTAL 100% FOR ALL PRIMARY RECIPIENTS) |



Section 2: Primary Recipients continued

FULL NAME OF PERSON, TRUST OR ORGANIZATION _____

()

MAILING ADDRESS _____

TELEPHONE _____

CITY _____

STATE _____

ZIP CODE _____

Person – Relationship: _____
 Male Female

 SOCIAL SECURITY NUMBER/TIN/EIN

Organization – Contact Name: _____

 DATE OF BIRTH/TRUST DATE (MM/DD/YYYY)

Trust

Estate

 PERCENTAGE
 (MUST TOTAL 100% FOR ALL PRIMARY RECIPIENTS)

FULL NAME OF PERSON, TRUST OR ORGANIZATION _____

()

MAILING ADDRESS _____

TELEPHONE _____

CITY _____

STATE _____

ZIP CODE _____

Person – Relationship: _____
 Male Female

 SOCIAL SECURITY NUMBER/TIN/EIN

Organization – Contact Name: _____

 DATE OF BIRTH/TRUST DATE (MM/DD/YYYY)

Trust

Estate

 PERCENTAGE
 (MUST TOTAL 100% FOR ALL PRIMARY RECIPIENTS)

Section 3: Secondary Recipients

Use this area to designate one or more *secondary* recipients to receive a death benefit should all of your primary recipients predecease you. Use additional sheets if needed.

FULL NAME OF PERSON, TRUST OR ORGANIZATION _____

()

MAILING ADDRESS _____

TELEPHONE _____

CITY _____

STATE _____

ZIP CODE _____

Person – Relationship: _____
 Male Female

 SOCIAL SECURITY NUMBER/TIN/EIN

Organization – Contact Name: _____

 DATE OF BIRTH/TRUST DATE (MM/DD/YYYY)

Trust

Estate

 PERCENTAGE
 (MUST TOTAL 100% FOR ALL SECONDARY RECIPIENTS)

Section 3: Secondary Recipients continued

FULL NAME OF PERSON, TRUST OR ORGANIZATION _____

MAILING ADDRESS _____

()

TELEPHONE _____

CITY _____

STATE _____

ZIP CODE _____

Person – Relationship: _____

Male Female

SOCIAL SECURITY NUMBER/TIN/EIN _____

Organization – Contact Name: _____

DATE OF BIRTH/TRUST DATE (MM/DD/YYYY) _____

Trust

Estate

PERCENTAGE _____

(MUST TOTAL 100% FOR ALL SECONDARY RECIPIENTS)

Check this box if additional recipients are listed on an attachment. Identify each as *primary* or *secondary*.

Section 4: Required Signatures

Check all that apply.

- I am married or registered as a domestic partner and both our signatures are below.
- I am married or registered as a domestic partner and my spouse or partner did not sign below. I have completed and signed the *Justification for Non-Signature of Spouse or Registered Domestic Partner* section on the next page.
- I have never been married or in a registered domestic partnership, or I am widowed or my partner has died.
- I have been divorced or terminated a registered domestic partnership and my former spouse or partner was awarded a portion of my CalSTRS benefits.
- I have been divorced or have terminated a registered domestic partnership and my former spouse or partner was *not* awarded a portion of my CalSTRS benefits.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct. I understand that perjury is punishable by imprisonment for up to four years (Penal Code section 126).

I understand it is a crime to fail to disclose a material fact or to make any knowingly false material statements for the purpose of altering a benefit administered by CalSTRS and it may result in penalties, including restitution, up to one year in jail and a fine of up to \$5,000 (Education Code section 22010).



MEMBER'S SIGNATURE _____

DATE (MM/DD/YYYY) _____



SPOUSE'S OR REGISTERED DOMESTIC PARTNER'S SIGNATURE _____

DATE (MM/DD/YYYY) _____

SPOUSE'S OR PARTNER'S NAME (LAST, FIRST, INITIAL) _____

SPOUSE'S OR PARTNER'S SOCIAL SECURITY NUMBER _____

SPOUSE'S OR PARTNER'S DATE OF BIRTH (MM/DD/YYYY) _____

Justification for Non-Signature of Spouse or Registered Domestic Partner

As required by Education Code sections 22453 and 26703, any request related to the selection of benefits by a member in which spousal or registered domestic partner interest may be present requires the signature of the spouse or registered domestic partner unless one of the following conditions exist. If you are married or registered as a domestic partner and your spouse or partner does not sign this form, you must check the appropriate box indicating the reason your spouse or partner did not sign.

- I do not know and have taken all reasonable steps to determine the whereabouts of my spouse or registered domestic partner.
- My spouse or registered domestic partner is incapable of executing the acknowledgment because of an incapacitating mental or physical condition.
- My current spouse or registered domestic partner has no identifiable community property interest in the benefits.
- My spouse or registered domestic partner and I have executed a settlement agreement that makes the community property law inapplicable to the marriage or registered domestic partnership.
- My spouse or registered domestic partner has refused to sign the acknowledgment. Court action will be or has been initiated to enforce or waive the signature requirement for my spouse or partner. (CalSTRS must have a certified copy of the court order before any designation can be made. Submit a certified copy of the court order when you receive it.) Education Code sections 22454 and 26704

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct. I understand that perjury is punishable by imprisonment for up to four years (Penal Code section 126).

I understand it is a crime to fail to disclose a material fact or to make any knowingly false material statements for the purpose of altering a benefit administered by CalSTRS and it may result in penalties, including restitution, up to one year in jail and a fine of up to \$5,000 (Education Code section 22010).



MEMBER'S SIGNATURE _____

SIGNATURE DATE (MM/DD/YYYY) _____

If this form is not completely filled out, it will not be accepted and will be returned to you. Your current recipient status will not be updated. Review your form carefully before submitting:

- Did you designate at least one primary recipient and provide all the requested information?
- If you designated a trust, did you provide the name and date the trust was created? Do not provide your trust document at this time.
- If you designated percentages, do they equal 100 percent for your primary recipients and/or secondary recipients?
- Did you sign and date the form?
- If you are married or in a registered domestic partnership, did your spouse or partner sign and date the form?
- If you cannot obtain your spouse or partner's signature, did you complete, sign and date the *Justification for Non-Signature of Spouse or Registered Domestic Partner*?

Justification for Non-Signature of Spouse or Registered Domestic Partner

(MS 1125A, rev. 1/11)

CALSTRS

California State Teachers' Retirement System
P.O. Box 15275, MS 65
Sacramento, CA 95851-0275
800-228-5453
CalSTRS.com

MEMBER'S NAME (LAST, FIRST, INITIAL)

CLIENT ID OR SOCIAL SECURITY NUMBER

As required by Education Code section 22453, any request related to the selection of benefits by a member in which spousal or registered domestic partner interest may be present, such as the forms listed below, requires the signature of the spouse or registered domestic partner unless one of the following conditions exists. If you are married or registered as a domestic partner and your spouse or partner does not sign this designation, you must check the appropriate box indicating the reason your spouse or partner did not sign.

- I do not know and have taken all reasonable steps to determine the whereabouts of my spouse or partner.
- My spouse or partner is incapable of executing the acknowledgment because of an incapacitating mental or physical condition.
- My current spouse or partner has no identifiable community property interest in the benefits.
- My spouse or registered domestic partner and I have executed a settlement agreement that makes the community property law inapplicable to the marriage or registered domestic partnership.
- My spouse or partner has refused to sign the acknowledgment. Court action will be or has been initiated to enforce or waive the signature requirement for my spouse or partner. (CalSTRS must have a certified copy of the court order before any benefits can be paid. Submit a certified copy of the court order when you receive it.) Education Code section 22454

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct. I understand that perjury is punishable by imprisonment for up to four years (Penal Code section 126).

I understand it is a crime to fail to disclose a material fact or to make any knowingly false material statements for the purpose of altering a benefit administered by CalSTRS and it may result in penalties, including restitution, up to one year in jail and a fine of up to \$5,000 (Education Code section 22010).



MEMBER'S SIGNATURE

SIGNATURE DATE (MM/DD/YYYY)

Applications Submitted Check the appropriate boxes.

- | | |
|---|---|
| <input type="checkbox"/> Service Retirement Application | <input type="checkbox"/> Annuity Deposit Information |
| <input type="checkbox"/> Reduced Benefit Election | <input type="checkbox"/> Letter Requesting a Change |
| <input type="checkbox"/> Refund Application | <input type="checkbox"/> Reinstatement After Retirement |
| <input type="checkbox"/> Preretirement Election of an Option | <input type="checkbox"/> Cancellation or Change of Option After Disability Retirement |
| <input type="checkbox"/> Preretirement Compound Election Option | <input type="checkbox"/> Rollover of Limited-Term Disability Payments |
| <input type="checkbox"/> Compound Option Election | <input type="checkbox"/> Disability Allowance to Service Retirement Application |
| <input type="checkbox"/> Service Retirement Application Change Request | <input type="checkbox"/> Disability Allowance to Compound Option Election |
| Option Change After Retirement | <input type="checkbox"/> Defined Benefit Supplement Application for Retired Members |
| <input type="checkbox"/> Cancellation or Change of Option After Retirement (Dissolution of Marriage or Registered Domestic Partnership) | |
| <input type="checkbox"/> Change of Option Beneficiary After Retirement | |



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Compound Option Election—Instructions

The Compound Option allows three choices. You may:

- Name one option beneficiary and retain a portion of your benefit as a Member-Only Benefit.
- Name two or more option beneficiaries, with an option choice for each and retain a portion of your benefit as a Member-Only Benefit.
- Name two or more option beneficiaries, with an option choice for each and not retain any of your benefit as a Member-Only Benefit.

Your monthly retirement benefit will be reduced based on your age, the ages of your beneficiaries and the option you elect for each beneficiary.

NOTE

Your beneficiary must be a living person or persons. Your beneficiary cannot be a trust, estate, charity or other entity.

If you name someone other than your spouse or a former spouse to be your Compound Option beneficiary, CalSTRS is required by federal law to impose certain age restrictions:

- The beneficiary you designate for that portion of the benefit that is modified for the 75% Beneficiary Option may not be more than exactly 19 years younger than you, and
- The beneficiary you designate for that portion of the benefit that is modified for the 100% Beneficiary Option may not be more than exactly 10 years younger than you.

SECTION 1—CHOOSE ONE

- **Compound Option**—This form must be returned with your *Service Retirement Application* and will be effective on your retirement date. CalSTRS must receive this form and your *Service Retirement Application* no later than the last day of the month in which you are requesting to retire.
- **Change Prior Option Election to Compound Option**—This form must be returned with your *Service Retirement Application Change Request* form. CalSTRS must receive both forms before your requested retirement date.

- **Modify Compound Option**—This form must be returned with your *Service Retirement Application Change Request* form. CalSTRS must receive both before your requested retirement date.

SECTION 2—BENEFIT ALLOCATION/OPTION

BENEFICIARY DESIGNATION

If you wish to retain part of your benefit as the Member-Only Benefit, enter the percentage in the space provided.

We will not be able to process your election if the total allocation of your Member-Only Benefit and the option benefits given to your beneficiaries does not equal 100 percent.

| Recipient | Benefit Allocation |
|------------------------------------|--------------------|
| Member-Only | _____ % |
| Beneficiary #1 | _____ % |
| Beneficiary #2 | _____ % |
| Beneficiary #3 | _____ % |
| Total for additional beneficiaries | _____ % |
| Grand Total | 100 % |

If you want to designate more than three option beneficiaries, use additional copies of the form. Indicate the number of extra pages you are submitting where indicated in the upper right-hand corner of page 1.

Attach verification of each beneficiary's date of birth. Acceptable documents include a photocopy of a certified birth certificate, passport ID page and certain military IDs.

SECTION 3—REQUIRED SIGNATURES

Sign and date your form. If you are married or registered as a domestic partner, your spouse or partner also must sign and date your application.

If your spouse or registered domestic partner does not sign your application, you must include a completed and signed *Justification for Non-Signature of Spouse or Registered Domestic Partner* form with your application.

If you divorced or terminated a domestic partnership and a portion of your CalSTRS benefits was awarded to a former spouse or partner, check the box that indicates this. You may need to refer to your settlement agreement. If your court documents have not been reviewed by CalSTRS, you may be asked to provide them later.

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Compound Option Election

(SR 0363, rev. 01/11)

CALSTRS

California State Teachers' Retirement System
P.O. Box 15275, MS 65
Sacramento, CA 95851-0275
800-228-5453
CalSTRS.com

_____ number of additional pages attached

Complete this form to elect the Compound Option if you are retiring, or to change or modify a previous Compound Option election.

NAME (LAST, FIRST, INITIAL)

CLIENT ID OR SOCIAL SECURITY NUMBER

Applying for retirement? If you are electing the Compound Option, return the completed form with your *Service Retirement Application* to CalSTRS before your requested effective date of retirement.

Already submitted your application for retirement? If you want to change to the Compound Option, or if you elected the Compound Option and want to make changes, return this completed form with the *Service Retirement Application Change Request* form before your requested retirement date.

Section 1: Choose One

I have read the *Member Handbook* descriptions of the available options and elect:

- Compound Option.** I am applying for retirement and elect the Compound Option indicated in section 2.
- Change Prior Option Election to Compound Option.** I applied for retirement and wish to change my previous option to Compound Option.
- Modify Compound Option.** I previously elected the Compound Option and now wish to make changes to that election.

Section 2: Benefit Allocation/Option Beneficiary Designation

Your beneficiary must be a living person. Your beneficiary cannot be a trust, corporation, charity, estate or other entity.

For each option beneficiary, elect the 100% Beneficiary Option, 75% Beneficiary Option or 50% Beneficiary Option. CalSTRS cannot process your Compound Option election if the total allocation of the option benefits given to option beneficiaries, including any Member-Only Benefit percentage, does not equal 100 percent. (See Instructions.)

Court-ordered option elections: If you are divorced or a party to a dissolution of domestic partnership and are required to elect a discontinued option, you may do so if CalSTRS has previously received and approved a certified court order filed before January 1, 2007. For more information, contact our Legal Office at 916-414-1725.

- Provide all the information requested for each option beneficiary, including birth date verification (a clear, unaltered photocopy of a birth certificate, passport ID page or certain military IDs).
- If you wish to designate more than three option beneficiaries, use additional copies of this form and indicate the number of additional pages you are submitting in the top right-hand corner of this page.

I choose to retain _____% of my benefit as the Member-Only Benefit.

1. I elect the _____ Beneficiary Option and allocate _____% of my Member-Only Benefit.

NAME (LAST, FIRST, INITIAL)

CLIENT ID OR SOCIAL SECURITY NUMBER

MAILING ADDRESS

DATE OF BIRTH (MM/DD/YYYY) VERIFICATION ENCLOSED
()

CITY

STATE

ZIP CODE

HOME TELEPHONE
()

E-MAIL ADDRESS

ALTERNATE TELEPHONE

MEMBER OF CALSTRS: YES NO

RELATIONSHIP: SPOUSE REGISTERED DOMESTIC PARTNER OTHER

GENDER: MALE FEMALE



SR0363

2. I elect the _____ Beneficiary Option and allocate _____ % of my Member-Only Benefit.

NAME (LAST, FIRST, INITIAL) _____ CLIENT ID OR SOCIAL SECURITY NUMBER _____

MAILING ADDRESS _____ DATE OF BIRTH (MM/DD/YYYY) VERIFICATION ENCLOSED
()

CITY _____ STATE _____ ZIP CODE _____ HOME TELEPHONE
()

E-MAIL ADDRESS _____ ALTERNATE TELEPHONE _____

MEMBER OF CALSTRS: YES NO RELATIONSHIP: SPOUSE REGISTERED DOMESTIC PARTNER OTHER GENDER: MALE FEMALE

3. I elect the _____ Beneficiary Option and allocate _____ % of my Member-Only Benefit.

NAME (LAST, FIRST, INITIAL) _____ CLIENT ID OR SOCIAL SECURITY NUMBER _____

MAILING ADDRESS _____ DATE OF BIRTH (MM/DD/YYYY) VERIFICATION ENCLOSED
()

CITY _____ STATE _____ ZIP CODE _____ HOME TELEPHONE
()

E-MAIL ADDRESS _____ ALTERNATE TELEPHONE _____

MEMBER OF CALSTRS: YES NO RELATIONSHIP: SPOUSE REGISTERED DOMESTIC PARTNER OTHER GENDER: MALE FEMALE

Section 3: Required Signatures

I have read *Your Retirement Guide* and fully understand that I cannot change this election after the last day of the month in which I am requesting to retire unless: (1) one or more of my option beneficiaries predeceases me; (2) one of my option beneficiaries is my spouse or registered domestic partner and a final decree for a dissolution of marriage or registered domestic partnership, annulment or action for separate maintenance has been entered on or after January 1, 1978; or (3) my option beneficiary is not my spouse or partner or former spouse or partner, and I change my election to my current spouse or partner.

Check all that apply.

- I am married or registered as a domestic partner and both our signatures are below.
- I am married or registered as a domestic partner and my spouse or registered domestic partner did not sign below. I have completed, signed and enclosed the *Justification for Non-Signature of Spouse or Registered Domestic Partner* form. 
- I have never been married or in a registered domestic partnership, or I am widowed or my registered domestic partner has died.
- I have been divorced or have terminated a registered domestic partnership and my former spouse or partner was awarded a portion of my CalSTRS benefits.
- I have been divorced or have terminated a registered domestic partnership and my former spouse or partner was *not* awarded a portion of my CalSTRS benefits.

Signatures

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct. I understand that perjury is punishable by imprisonment for up to four years (Penal Code section 126). I understand it is a crime to fail to disclose a material fact or to make any knowingly false material statements for the purpose of altering a benefit administered by CalSTRS and it may result in penalties, including restitution, up to one year in jail and a fine of up to \$5,000 (Education Code section 22010).

 _____ Signature Date (MM/DD/YYYY) _____

Member's Signature

 _____ Signature Date (MM/DD/YYYY) _____

Spouse's or Registered Domestic Partner's Signature

Reduced Benefit Election—Instructions

Limited-Term Reduction Program

Before electing the Reduced Benefit Election, talk to a CalSTRS benefits counselor to make sure you fully understand the program and how it affects your retirement benefit.

Complete this form and submit it with your *Service Retirement Application* only if you are electing a reduced benefit under the Reduced Benefit Election (Limited-Term Reduction Program). See page 12 of the *Your Retirement Guide*.

If you are at least age 55, but under age 60, and have at least five years of service credit, you can apply for retirement under this alternate program.

If you choose the Reduced Benefit Election, you will receive one-half of the monthly retirement benefit 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 full retirement benefit.

See the sample worksheet below to estimate your reduced benefit and when your benefit would increase to its full amount.

If you elected this program and wish to cancel your election, CalSTRS must receive the *Service Retirement Application Change Request* form or written request no later than the last day of the month in which you requested to retire.

You are not eligible for this program if you are applying for service retirement while your disability application is being evaluated.

SECTION 1—MEMBER INFORMATION

Enter your Client ID or Social Security number, full name, date of birth, complete mailing address and telephone number.

SECTION 2—REDUCED BENEFIT ELECTION

Check the box to elect the Reduced Benefit Election. By checking this box, you acknowledge that you have read the information about the program and understand how electing the program affects your benefit.

SECTION 3—REQUIRED SIGNATURES

Sign and date the *Reduced Benefit Election* form and submit it to CalSTRS with your *Service Retirement Application*. If you are married or registered as a domestic partner, your spouse or partner also must sign and date both forms. Your signature date is the date you signed your application.

If your spouse or registered domestic partner does not sign the *Reduced Benefit Election* form, you must include a completed and signed *Justification for Non-Signature of Spouse or Registered Domestic Partner* form with your application.

If you divorced or terminated a registered domestic partnership and a portion of your CalSTRS benefits was awarded to a former spouse or partner, check the box that indicates this. You may need to refer to your settlement agreement to make this determination. If your court documents have not been reviewed by CalSTRS, you may be asked to provide them later.

Reduced Benefit Election Example

In this example, a member who is age 57 and five months at retirement, has a final compensation of \$5,000, and 25 years of service credit would receive \$1,250 a month from retirement until age 62 and seven months (five years and two months after retirement). The member's retirement benefit then would permanently increase to the Member-Only Benefit amount of \$2,500. The member would not receive an annual benefit adjustment until he or she starts receiving the Member-Only Benefit amount.

Use your actual numbers to determine your approximate benefit reduction amount and the length of time you would receive the reduced benefit.

| | | | | | | | | |
|-------------------------------|-----|---|--|-----|---|------------------------------------|-----|---|
| <i>Final Compensation</i> | | | <i>Age Factor at Age 60</i> | | | <i>Years of Service Credit</i> | | <i>Member-Only Benefit</i> |
| \$5,000 | X | | .02 | X | | 25 | = | \$2,500 |
| | | | <i>Member-Only Benefit Amount (from above)</i> | | | | | <i>Reduced Benefit Amount</i> |
| | | | \$2,500 | X | | .50 | = | \$1,250 |
| | | | | | | | | <i>Duration of the Reduced Benefit Amount</i> |
| <i>Age</i> | | | <i>Age at Retirement</i> | | | <i>Age Difference</i> | | |
| 60 | 0 | — | 57 | 5 | = | 2 | 7 | X 2 = |
| YRS | MOS | | YRS | MOS | | YRS | MOS | YRS |
| | | | | | | | | MOS |

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Reduced Benefit Election Limited-Term Reduction Program

(SR 1613, rev. 01/11)

CALSTRS

California State Teachers' Retirement System
P.O. Box 15275, MS 65
Sacramento, CA 95851-0275
800-228-5453
CalSTRS.com

If you would like to elect the **Reduced Benefit Election** (Limited-Term Reduction Program), complete, sign, date and submit this form with your *Service Retirement Application*. If you are at least age 55, but under age 60, and have at least five years of service credit, you can apply for retirement under the Reduced Benefit Election.

I understand I will receive one-half of the monthly retirement benefit calculated as if I were age 60. The reduced benefit will continue for the same number of months after age 60 that I received benefits before age 60. After that, I will receive my normal retirement benefit.

Section 1: Member Information

NAME (LAST, FIRST, INITIAL)

CLIENT ID OR SOCIAL SECURITY NUMBER

MAILING ADDRESS

DATE OF BIRTH (MM/DD/YYYY)

()

CITY

STATE

ZIP CODE

HOME TELEPHONE

E-MAIL ADDRESS

Section 2: Reduced Benefit Election

I read and understand the description above of the Reduced Benefit Election and elect:

- Reduced Benefit Election.** I am applying for retirement and elect this alternate program. I understand my monthly benefit will be reduced for a period of time.

Section 3: Required Signatures

I have read the *Your Retirement Guide* booklet and fully understand that I cannot change this alternate election after the last day of the month in which I am requesting to retire.

Check all that apply.

- I am married or registered as a domestic partner and both our signatures are on the next page.
- I am married or registered as a domestic partner and my spouse or registered domestic partner did not sign this form. I have completed, signed and enclosed the *Justification for Non-Signature of Spouse or Registered Domestic Partner* form.
- I have never been married or in a registered domestic partnership, or I am widowed or my registered domestic partner has died.
- I have been divorced or terminated a registered domestic partnership and my former spouse or partner was awarded a portion of my CalSTRS benefits.
- I have been divorced or terminated a registered domestic partnership and my former spouse or partner was *not* awarded a portion of my CalSTRS benefits.



SR1613

Section 4: Required Signatures continued

Signatures

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct. I understand that perjury is punishable by imprisonment for up to four years (Penal Code section 126).

I understand it is a crime to fail to disclose a material fact or to make any knowingly false material statements for the purpose of altering a benefit administered by CalSTRS and it may result in penalties, including restitution, up to one year in jail and a fine of up to \$5,000 (Education Code section 22010).



Member's Signature

Signature Date (MM/DD/YYYY)



Spouse's or Registered Domestic Partner's Signature

Signature Date (MM/DD/YYYY)

Glossary

Age Factor

The percentage of your final compensation that you will receive as a retirement benefit for every year you work. The age factor is based on your age on the last day of the month in which your retirement is effective. The basic age factor at age 60, the normal retirement age, is 2 percent. The maximum age factor is 2.4 percent.

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 you worked, or 40 percent of your final compensation (2 percent x 20).

Annual Benefit Adjustment

An automatic annual increase to your monthly benefit. The increase is effective September 1 of each year after the first anniversary of your benefit effective date and appears on your October 1 payment. Annual benefit adjustments are calculated at 2 percent of your initial benefit. The increase is not compounded or linked to inflation.

Career Factor

If you retire with at least 30 years of earned service credit, a bonus of 0.2 percent (two-tenths of 1 percent) will be added to your age factor up to a maximum age factor of 2.4 percent, which is reached at age 61½. For example, at age 60 and 3 months, the normal age factor is 2.033. With the career factor added, the age factor would be 2.233.

The increased age factor does not apply if you die before retirement without a *Preretirement Election of an Option* form on file at CalSTRS.

Client ID

A CalSTRS randomly generated number used to identify members. CalSTRS uses it instead of your Social Security number to secure your identity. Your Client ID is on your *Retirement Progress Report*.

Concurrent Retirement

Retiring at the same time from CalSTRS and one of the following California public retirement systems: California Public Employees' Retirement System, San Francisco Employees' Retirement System, University of California Retirement System, Legislators' Retirement System, or those systems established under the County Employees' Retirement Law of 1937.

Creditable Service

Specific employment activities performed for a school district, community college district or county superintendent of schools, including teaching, vocational or guidance counseling services related to school curriculum, and a variety of administrative duties.

Credited Service

Service credit for which required contributions have been paid.

Defined Benefit Program

A benefit program within the State Teachers' Retirement Plan that provides lifetime retirement benefits (based on a formula using age, service credit and final compensation) and ancillary benefits for California's public school educators who are members of the program.

Defined Benefit Supplement Program

A supplemental benefit program with benefits based on contributions and interest credited to your account. From January 1, 2001, to December 31, 2010, funds came from 25 percent of your monthly CalSTRS contribution. Your entire 8 percent contribution now goes into your Defined Benefit account. Compensation earned from service in one school year in excess of one year of service credit will continue to go into your Defined Benefit Supplement account.

Earnable Compensation

Compensation you could earn in a school year for full-time creditable service.

Excess Sick Leave Days

Sick leave granted by employers after June 30, 1986, that exceeds one day of sick leave per pay period of at least four weeks.

Final Compensation

The highest average annual earnable compensation during a specified period of CalSTRS-covered paid employment. The period is one year if you have at least 25 years of service credit or if it is included in a written collective bargaining agreement for classroom teachers. Otherwise, the period is three consecutive years (36 consecutive months) if you have fewer than 25 years of service credit.

Longevity Bonus

An increase to your monthly Member-Only Benefit, if you had at least 30 years of service credit on or before December 31, 2010. The bonus will be reduced by the option factor if you choose an option.

Member

You are a member if you have been credited with service in the Defined Benefit Program and have not received a refund for that service.

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 your option beneficiary after your death. The reduction depends on which option you choose, your age and the age of your option beneficiary when the election is made.

One-Time Death Benefit

A one-time benefit paid to your designated recipients (may be an estate, trust, charity, corporation or other entity) after you die.

Option

Plan feature that allows you to distribute your retirement benefit over your lifetime and the lifetimes of other people.

**Reduced Benefit Election
(Limited-Term Reduction Program)**

A retirement alternative for Defined Benefit members. You will receive one-half the 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 the full retirement benefit. To be eligible, you must be at least age 55 but under age 60, and have at least five years of service credit for retirement.

Retirement Benefit

A monthly benefit paid to you each month after retirement.

Service Credit

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

Vested Member

If you have five years of service credit in the CalSTRS Defined Benefit Program, you are considered a vested member and are eligible for retirement benefits at age 55—or age 50 with 30 years of service credit.

Join Our Online Community

BECOME PART OF CALSTRS ONLINE.



NEW!

Complete and submit the *Service Retirement Application* online starting in June.

IMPROVED

myCALSTRS

Simple, Secure & Convenient Access to Your CalSTRS Accounts

my.CalSTRS.com is your online resource to manage your personal information on file with CalSTRS. myCalSTRS is safe, secure and offers online information anytime, from anywhere you have reliable Internet access.

- View your account and service credit balances.
- Ask questions and receive prompt, secure answers.
- Complete and submit CalSTRS forms electronically.
- Sign up for direct deposit.
- Make changes to your state and federal tax withholding preferences.
- Manage your beneficiary designations.
- Update your mailing and e-mail addresses and phone number.
- Request e-delivery of newsletters, notifications and statements.
- View and print your 1099-R forms and benefit payment stubs.

KEEP CURRENT

CALSTRS Benefits.U.s

Visit CalSTRSBenefits.U.s where you can join the conversation on plan funding. Understand the value of your Benefit of a Lifetime and CalSTRS commitment to your secure future. Ask questions, discuss and share your thoughts, post comments and connect with other educators.

Stay Connected

Follow CalSTRS on your favorite sites:



PLUS

[403bCompare.com](#)

403bCompare makes selecting investments easier. The free online tool provides unbiased, side-by-side comparisons of investment plans and fees in one convenient location.

[www.Pension2.com](#)

Learn about CalSTRS supplemental savings program to complement your retirement benefit.

[CalSTRS.com](#)

Your resource for CalSTRS benefits and services.

Join the discussion. Share CalSTRS news and information. Spread the word.

CalSTRS Resources



WEB

CalSTRS.com
Click *Contact Us* to e-mail

403bCompare.com

www.Pension2.com

CalSTRSBenefits.US



CALL

800-228-5453
7 a.m. to 6 p.m.
Monday through Friday

866-384-4457
Home Loan Program

888-394-2060
CalSTRS Pension2®
Personal Wealth Plan



WRITE

CalSTRS
P.O. Box 15275
Sacramento, CA
95851-0275



VISIT

Member Services
100 Waterfront Place
West Sacramento, CA 95605



FAX

916-414-5040

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California State Teachers' Retirement System
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