



CalSTRS Is Here for You

CalSTRS offers services and information for every stage in your career:

- Your annual *Retirement Progress Report*, which provides your CalSTRS account and service credit balances.
- Convenient online services and access to your account information with *myCalSTRS*.
- Customer service by email, phone or letter.
- Benefits specialists to help you understand your benefits, review your forms and more.
- Publications about benefits and services.
- Financial awareness and retirement planning workshops and benefits planning sessions.
- CalSTRS Pension2® 403(b), 457(b), Roth 403(b) and Roth 457(b) investment plans.
- 403bCompare, an online tool at 403bCompare.com, to compare costs, performance and services of your employer's 403(b) plans.

The Basics

CalSTRS provides retirement, disability and survivor benefits for full-time and part-time California public school educators through its Defined Benefit, Defined Benefit Supplement and Cash Balance Benefit programs. CalSTRS also has a voluntary defined contribution plan called CalSTRS Pension2, which offers 403(b), 457(b), Roth 403(b) and Roth 457(b) investment plans for additional retirement income.

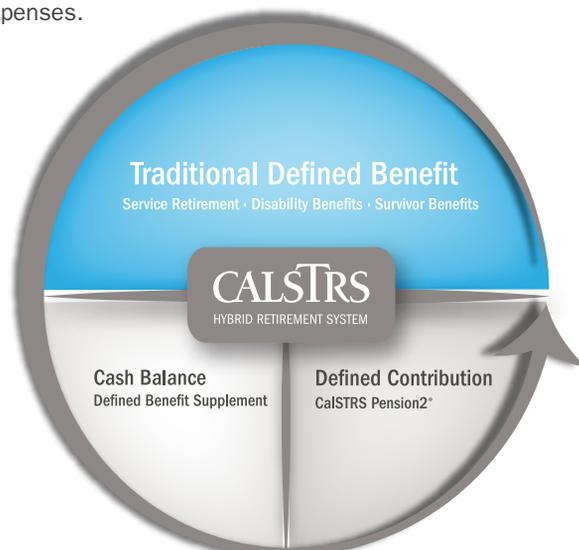
Your Retirement Plan

CalSTRS administers a hybrid retirement system consisting of traditional defined benefit, cash balance and voluntary defined contribution plans:

- **Traditional defined benefit plan:** Your CalSTRS retirement benefit is a defined benefit pension. It's based on a formula that provides a fixed percentage of your final compensation as of the age you retire and your years of service credit, not on how much you contribute or how well CalSTRS investments perform:

service credit x age factor x final compensation = your retirement benefit

- **Cash balance plans:** CalSTRS Defined Benefit Supplement Program is a cash balance plan. Your member contributions and your employer's contributions for certain compensation are credited to your Defined Benefit Supplement account. Your account earns guaranteed interest and, when the Teachers' Retirement Board declares, additional earnings credits. At retirement, you receive a benefit that is equal to your total account balance. The CalSTRS Cash Balance Benefit Program, an alternative to membership in the Defined Benefit Program for part-time educators, is also a cash balance plan.
- **Defined contribution plan:** With CalSTRS Pension2, you can set aside additional savings for retirement. Select from a variety of investment plans, then contribute to your tax-advantaged account through paycheck deductions. The amount you have at retirement depends on your contributions, investment gains or losses, and account expenses.



Your income in retirement is a shared responsibility between CalSTRS and you.



CalSTRS Programs at a Glance

Defined Benefit Program

Mandatory for full-time California public school preK–12 teachers, community college instructors and public school administrators; part-time educators can choose to become members.

Defined Benefit Supplement Program

A supplemental cash balance plan for Defined Benefit Program members.

Retirement Benefit

With five years of service credit, you're eligible for a lifetime monthly benefit based on the following formula that provides a fixed percentage of your final compensation determined as of the age you retire and your years of service:

service credit x age factor x final compensation

You can choose to provide a lifetime monthly benefit to someone after your death, which will reduce the amount of your monthly benefit.

Retirement Benefit

Your Defined Benefit Supplement account balance, including interest earned, is payable to you at retirement as a lump sum or an annuity.

Contributions in 2017–18

2% at 60 members You contribute 10.25 percent of your creditable compensation.

2% at 62 members You contribute 9.205 percent of your creditable compensation. This rate is expected to increase for 2018–19 to 10.205 percent.

Your employer contributes an amount equal to 14.43 percent of your creditable compensation.

The state of California contributes 9.328 percent of members' annual creditable compensation, including about 2.5 percent of members' earnings to pay for purchasing power protection.

Contributions

You and your employer each contribute 8 percent of your creditable compensation to your Defined Benefit Supplement account for certain types of creditable compensation, including earnings in excess of one year of service credit. For 2% at 60 members, contributions also include limited-term payments; limited-term payments are not creditable for 2% at 62 members.

If you were a CalSTRS member from January 1, 2001, to December 31, 2010, one-fourth of your 8 percent member contribution to the Defined Benefit Program was credited to your Defined Benefit Supplement account during that time.

Eligibility for Retirement

CalSTRS 2% at 60 Age 50 with at least 30 years of service credit.

Age 55 with five years of service credit—or fewer years of service credit under the special circumstances of concurrent service retirement with other eligible California public retirement systems.

CalSTRS 2% at 62 Age 55 with at least five years of service—or fewer years of service credit under the special circumstances of concurrent service retirement.

Survivor and Disability Benefits

If you die before retirement, a lump-sum payment equal to the total balance of your Defined Benefit Supplement account will be distributed to your one-time death benefit recipient. If you die after retirement, your Defined Benefit Supplement account balance may be paid to your option beneficiary as a monthly annuity, or to your one-time death benefit recipient as a lump-sum payment or a period-certain annuity.

You will also receive your Defined Benefit Supplement account balance if you receive a CalSTRS disability benefit.

Survivor and Disability Benefits

Depending on your years of service credit, whether you elected an option and whether you die before or after retirement, your survivors may receive a monthly benefit or a refund of the balance in your account, and a one-time death benefit.

The basic disability benefit is 50 percent of your final compensation calculated based on your actual earnings. The maximum benefit, including benefits for eligible dependent children, is 90 percent of your final compensation.

● See “Your Defined Benefit Membership,” page 21, and “Your Defined Benefit Supplement Account,” page 24.

Cash Balance Benefit Program

A cash balance retirement plan employers can choose to offer part-time educators as an alternative to the Defined Benefit Program or Social Security.

Retirement Benefit

Your Cash Balance Benefit account balance, which includes your contributions, employer contributions, guaranteed interest and any additional earnings credits, is payable to you at retirement as a lump sum or an annuity.

Contributions

You typically contribute 4 percent of your salary.

Your employer must contribute an amount equal to at least 4 percent of your salary.

Employers may bargain alternative rates, but the combined employer/employee contribution must be at least 8 percent. For contracts entered into or changed on or after January 1, 2014, the employee contribution rate can't be less than the employer's rate.

Survivor and Disability Benefits

Your survivors typically receive a lump-sum distribution of the total account balance, which includes your contributions, employer contributions, guaranteed interest and any additional earnings credits.

Your disability benefit is the total account balance, which includes your contributions, employer contributions, guaranteed interest and any additional earnings credits.

● See "Cash Balance Benefit Program," page 35.

CalSTRS Pension2

CalSTRS' voluntary defined contribution plan, with 403(b), 457(b), Roth 403(b) and Roth 457(b) investment options for additional retirement income.

Retirement Benefit

Your investment account balance at retirement—early withdrawal tax penalty may apply if you are under age 59½.

Contributions

You contribute to your tax-advantaged account through paycheck deductions or rollover.

Survivor and Disability Benefits

403(b) and 457(b) funds can be withdrawn upon death and disability.

● See "CalSTRS Pension2," page 41.

Consider investing the 6.2 percent of your salary that would have gone to Social Security into a tax-deferred 403(b) or 457(b) supplemental savings account, such as CalSTRS Pension2.

Social Security, CalSTRS and You

As a California public school educator, you do not pay into Social Security, so you will not receive Social Security benefits for your CalSTRS-covered employment.

If you expect to receive a Social Security benefit through other employment or your spouse, two federal rules—the Windfall Elimination Provision and the Government Pension Offset—could leave you with a smaller Social Security benefit or no benefit at all.

Your CalSTRS retirement benefit will not be reduced by these rules.

Windfall Elimination Provision

- Affects your Social Security benefit that is based on your earnings from other employment.
- May reduce your Social Security benefit but will not eliminate it.

Government Pension Offset

- Affects your spousal, widow or widower Social Security benefit that is based on your spouse's earnings.
- Will reduce—and may eliminate—your Social Security benefit by two-thirds of your CalSTRS benefit.

Important Things to Consider

- If you currently receive Social Security, your Social Security benefit may be reduced or eliminated when you begin receiving your CalSTRS benefit. Let the Social Security Administration know when you plan to retire so that your Social Security benefit can be adjusted. Otherwise, you may have to repay any excess Social Security benefits you received after you began receiving your CalSTRS benefit.
- If you take a refund of your CalSTRS accounts, your Social Security benefit still may be reduced by these rules.
- Your annual Social Security statement is based on your projected income and may not accurately reflect the effect of the offsets.
- After retirement, when you receive your annual benefit adjustment each year, contact the Social Security Administration. Your Social Security benefit may need to be adjusted.

Steps to Take Near Retirement

- Visit Social Security at ssa.gov/planners/retire/gpo-wep.html.
- Request an estimate of your Social Security benefit from the Social Security Administration.
- Use the online calculators at ssa.gov/planners/benefitcalculators.html to estimate any reductions to your Social Security check.
- Contact the Social Security Administration when you're ready to retire.

● See "Social Security Offsets," page 51.

➤ Also see the *Social Security, CalSTRS and You* fact sheet at CalSTRS.com/publications.

Your Retirement Progress Report

Your *Retirement Progress Report* is one of your most important CalSTRS records. It provides the balance of your service credit, contributions, interest and earnings credits total balances as of June 30 of the prior school year. Your report is posted to your *myCalSTRS* account in early September.

Your report summarizes:

- The service credit you earned or purchased the previous year.
- Your total accumulated service credit.
- The name of your one-time death benefit recipient and preretirement option beneficiary, if you elected one.
- Accumulated contributions and interest in your accounts.
- Any excess member contributions for the year.
- Estimates of your disability and survivor benefits.
- Two estimates of your retirement benefit under the Defined Benefit Program beginning when you turn age 45.

Inactive members who have contributions and interest remaining in their Defined Benefit account balance, but who did not perform creditable service during the prior school year, also receive a report. Retired members and other benefit recipients do not receive a report.

If you believe there is a discrepancy on your report, contact your employer. Your employer must submit any adjustments to us through the regular reporting process. Adjustments made to service credit and contributions after June 30 will be included on your report for the next school year. If you purchased service credit or redeposited contributions previously refunded, the changes will appear on your report for the school year during which the final payment was made.

If you believe there is a discrepancy on your report, contact your employer.

Your *Retirement Progress Report* is available online on *myCalSTRS*. If you would like to receive your report by mail, use your *myCalSTRS* account to request your delivery preference, or complete the *Retirement Progress Report Delivery Preference* form, available at [CalSTRS.com/forms](https://www.calstrs.com/forms).

For security and privacy, all members have a randomly generated Client ID number for identification. You'll find your Client ID on your annual *Retirement Progress Report*. Please use it when you communicate with us about your account.



myCalSTRS is your online resource for managing your personal information and accounts with CalSTRS. Protecting your CalSTRS personal and financial information is among our highest priorities. To learn more, see "Keeping Your CalSTRS Account Secure," page 116.

[▶ Activate your account at myCalSTRS.com.](#)

myCALSTRS

CalSTRS serves more than 933,410 public school educators and their beneficiaries. Our dedicated and professional staff work hard to tailor our services to meet your needs.

CalSTRS Overview

The California State Teachers' Retirement System is your retirement system. It was established by law in 1913 to provide retirement benefits to California's public school educators from prekindergarten through community college.

Teachers' Retirement Board

The Teachers' Retirement Board administers CalSTRS and sets policies and rules to ensure benefits are paid according to the law.

The 12-member board is composed of:

- Three active CalSTRS members elected by current educators.
- One retired CalSTRS member appointed by the Governor and confirmed by the Senate.
- Three public representatives appointed by the Governor and confirmed by the Senate.
- One school board representative appointed by the Governor and confirmed by the Senate.
- Four board members who serve in an ex-officio capacity by virtue of their office: Director of Finance, State Controller, State Superintendent of Public Instruction and State Treasurer.

The board appoints a chief executive officer to administer CalSTRS consistent with the board's policies and rules, and selects a chief investment officer to direct the CalSTRS Investment Portfolio in accordance with board policy.

The board has six standing committees: Appeals, Audits and Risk Management, Benefits and Services, Board Governance, Compensation and Investment.

Teachers' Retirement Fund

The Teachers' Retirement Fund is a special trust fund established by law that holds the assets of the CalSTRS Defined Benefit, Defined Benefit Supplement and Cash Balance Benefit programs. The assets come from contributions by employees, employers and the State of California. Investment returns and contributions are used to pay member benefits.

When selecting investments, the board applies standards of safety, diversification, liquidity and structure for a complete and profitable investment portfolio. The portfolio includes stocks, bonds, real estate and short-term investments. Within these categories, CalSTRS further diversifies by holding a variety of investments within each segment.

The market value of the CalSTRS Investment Portfolio was \$208.7 billion as of June 30, 2017. CalSTRS is the largest educator-only pension fund in the world and the second largest pension fund in the U.S.

Take Advantage of CalSTRS Resources



Online

myCalSTRS

Access your account information and balances, service credit balances, forms and more. Start at [myCalSTRS.com](https://mycalstrs.com).

CalSTRS.com

Find information about CalSTRS benefits and services, workshops, publications, forms, benefit estimate calculators and more.

Pension2.com

Learn about CalSTRS Pension2 403(b), Roth 403(b), 457(b) and Roth 457(b) investment plans, and find enrollment forms and financial planning tools.

403bCompare.com

Make side-by-side comparisons of 403(b) plans in California offered by your employer.

Stay Connected



Forms

Find the forms you need to designate a one-time death benefit recipient, apply for a service retirement, change your address and more online and on *myCalSTRS*. Also, find the CalSTRS offices that accept hand-delivered forms.

- > [myCalSTRS.com](https://mycalstrs.com)
- [CalSTRS.com/forms](https://calstrs.com/forms)
- [CalSTRS.com/forms-drop](https://calstrs.com/forms-drop)



Publications

Find publications online:

- CalSTRS Comprehensive Annual Financial Report*
- Cash Balance: A Retirement Plan for Part-Time and Adjunct Educators*
- Community Property Guide*
- Concurrent Retirement*
- Introduction to CalSTRS Disability Benefits*
- Join CalSTRS? Join CalPERS?*
- Member Handbook*
- Member Kits*
- myCalSTRS*
- Pension2 ebook*
- Purchase Additional Service Credit*
- Refund: Consider the Consequences*
- Social Security, CalSTRS and You*
- Survivor Benefits: Remember Your Loved Ones*
- Tax Considerations for Rollovers*
- Understanding the Formula*
- Uniformed Services Employment and Reemployment Rights Act*
- Welcome to CalSTRS*
- Working After Retirement*
- Your Disability Benefits Guide (Disability Benefits Application)*
- Your Retirement Guide*

Newsletters

- CalSTRS Connections: Your Money Matters* (for active members under 50)
- CalSTRS Connections: Reaching Your Retirement* (for active members over 50)
- Retired Educator* (for retired members and other benefit recipients)

- > [CalSTRS.com/publications](https://calstrs.com/publications)



Videos

Browse our library of three- to five-minute member education videos:

Introduction to CalSTRS

myCalSTRS

Understanding the Formula

The Gap

CalSTRS Pension2

Refund: Consider the Consequences

Introduction to Social Security

Purchasing Service Credit

Defined Benefit Supplement Program

Beneficiary Options

Survivor Benefits

Disability Benefits

Working After Retirement

Connect Now

> CalSTRS.com/videos



CalSTRS Ombudsman

The Office of the Ombudsman was created by the California Legislature to serve as an advocate for our members and other entities regarding the actions of our employees. The duties of the Ombudsman include reviewing and making recommendations regarding complaints by school employees, members, employee organizations, the California Legislature or the public regarding actions by CalSTRS employees.

> CalSTRS.com/contactus, select CalSTRS Ombudsman to send a secure email



Pension Abuse Reporting Hotline

Anonymously report suspicions of pension abuse to CalSTRS by calling toll free 855-844-2468.

> CalSTRS.com/PensionAbuseReporting



Workshops

Explore benefits and services with the help of a CalSTRS benefits specialist.

Workshops—Find a list of workshops that match your career stage on pages 44 and 54. Visit CalSTRS.com/workshops to register for one near you.

Financial Awareness Series—Learn to save for, plan for and protect your future with a series of workshops on financial topics.

> CalSTRS.com/financial-awareness

Benefits Planning Sessions

Meet with a CalSTRS benefits specialist to prepare for the decisions you'll need to make when you transition into retirement. Learn with fellow educators in a confidential, yet interactive, small-group setting. Find a list of benefits planning sessions on pages 54–55. Contact your local office or visit [myCalSTRS](https://myCalSTRS.com) to schedule a session.

You can also meet with a benefits specialist one-on-one in person or over the phone.

> CalSTRS.com/benefits-planning



CalSTRS Benefits Planning Offices

Have a question? Send us a secure online message using your *myCalSTRS* account or call us at 800-228-5453. Or visit one of our member service centers or satellite offices.

Member Service Centers			Satellite Offices*	
Location	Telephone Number	Hours	Location	Telephone Number
Glendale	800-228-5453 ext. 3	M-F 8-5	Bakersfield	661-636-4880
Irvine	800-228-5453 ext. 3	M-F 8-5	Cordelia	800-228-5453 ext. 3
Riverside	800-228-5453 ext. 3	M-F 8-5	Culver City	800-228-5453 ext. 3
San Diego	800-228-5453 ext. 3	M-F 8-5	Downey	800-228-5453 ext. 3
Santa Clara	800-228-5453 ext. 3	M-F 8-5	El Centro	800-228-5453 ext. 3
West Sacramento	800-228-5453 ext. 3	M-F 8-5	Empire	800-228-5453 ext. 3
			Eureka	800-228-5453 ext. 3
			Fresno	559-497-3797
			Lancaster	800-228-5453 ext. 3
			Oroville	800-228-5453 ext. 3
			Oxnard	800-228-5453 ext. 3
			Palm Springs	800-228-5453 ext. 3
			Pleasant Hill	800-228-5453 ext. 3
			Redding	800-228-5453 ext. 3
			Salinas	831-466-5758
			San Francisco	800-228-5453 ext. 3
			San Marcos	800-228-5453 ext. 3
			Santa Barbara	800-228-5453 ext. 3
			Santa Cruz	831-466-5758
			Santa Fe Springs	800-228-5453 ext. 3
			Santa Maria	800-228-5453 ext. 3
			Santa Rosa	800-228-5453 ext. 3
			Visalia	559-497-3797
			Walnut	800-228-5453 ext. 3

* Hours and services vary at satellite offices, so please call ahead of time or visit CalSTRS.com/localoffices for more information.



Keys to Your Secure Financial Future

CalSTRS shares your goal—a secure financial future.



Determine How Much You'll Need

CalSTRS members typically have four sources of retirement income:

- CalSTRS monthly retirement benefit.
- Defined Benefit Supplement benefit.
- Additional investment savings, such as CalSTRS Pension2, which offers 403(b), 457(b), Roth 403(b) and Roth 457(b) plans.
- Other personal savings.

You do not receive Social Security benefits from your CalSTRS-covered employment. If you're eligible for Social Security through other employment or a spouse's earnings, see page 10.

On average, recent CalSTRS members retired at age 63 after 24.6 years of service with a retirement benefit that replaced about 56 percent of their salary. Financial planners recommend that to maintain your current lifestyle after retirement, you should plan to replace 80 percent to 90 percent of your salary. You'll need to close any gap between your retirement income goal and CalSTRS retirement benefit with personal savings and investments.



Plan ahead so you'll have the lifestyle you desire after you leave the classroom.



Attend a CalSTRS Workshop and View Member Education Videos

CalSTRS offers workshops and benefits planning sessions designed to meet your needs at different stages of your career.

- [CalSTRS.com/financial-awareness](https://www.calstrs.com/financial-awareness)
[CalSTRS.com/workshops](https://www.calstrs.com/workshops)
[CalSTRS.com/benefits-planning](https://www.calstrs.com/benefits-planning)

View member education videos that address topics for targeted career stages.

- [CalSTRS.com/videos](https://www.calstrs.com/videos)



Save More With CalSTRS Pension2

CalSTRS Pension2 offers investment plans for additional retirement savings. Flexible investment portfolios, low costs and financial planning tools make Pension2 an attractive way to save.

It's never too early to start saving for retirement—and never too late.

> [Pension2.com](https://www.pension2.com)

403bCompare provides objective, side-by-side comparisons of registered 403(b) plans in California.

> [403bCompare.com](https://www.403bcompare.com)



Purchase Service Credit

You may be eligible to purchase permissive service credit. The more service credit you have at retirement, the higher your CalSTRS retirement benefit.

CalSTRS 2% at 60: With the additional service credit, you may qualify for one or more benefit enhancements that will further increase your benefit:

One-Year Final Compensation: If you retire with 25 or more years of qualified service credit, your final compensation is your highest average annual compensation earnable for any 12 consecutive months rather than any 36 consecutive months.

Career Factor: If you retire with 30 or more years of service credit, 0.2 percent will be added to the age factor up to a maximum combined age factor and career factor of 2.4 percent.

Longevity Bonus: If you had at least 30 years of qualified service credit by December 31, 2010, you're eligible for a longevity bonus that adds a set dollar amount to your monthly retirement benefit.

CalSTRS 2% at 62: Your final compensation is based on your highest average annual compensation earnable for 36 consecutive months. You're not eligible for any benefit enhancements.

- > See the *Purchase Service Credit* publications on [CalSTRS.com/publications](https://www.calstrs.com/publications).
- > Find forms on *myCalSTRS* and [CalSTRS.com/forms](https://www.calstrs.com/forms).
- > Calculate the cost and any benefit of purchasing service credit at [CalSTRS.com/calculators](https://www.calstrs.com/calculators).



Attend a Benefits Planning Session

You can attend a CalSTRS benefits planning session at any stage of your career to help you make the most of your CalSTRS membership. Current sessions include CalSTRS and You, CalSTRS and Your Retirement, and the Retirement Application Roundtable. Individual sessions in person or by telephone are also available.

> [CalSTRS.com/benefits-planning](https://www.calstrs.com/benefits-planning)



Do It Now Checklist

Less than one year of service credit

- Activate your *myCalSTRS* account at myCalSTRS.com to view your account balances and service credit, update your contact information and more online.
- Designate a one-time death benefit recipient using *myCalSTRS* or by completing the *Recipient Designation* form, available at CalSTRS.com/forms.
- Watch the member education videos at CalSTRS.com/videos for a quick way to learn about your benefits.
- Start a tax-advantaged 403(b), 457(b), Roth 403(b) or Roth 457(b) account for additional money in retirement. Consider *CalSTRS Pension2*, which offers low costs and flexible investment options. See the *Pension2* ebook at Pension2.com and page 41 to learn more.

One to five years of service credit

You're eligible to receive a **CalSTRS one-time death benefit recipient and survivor benefit if you should die before retirement.**

- Designate a one-time death benefit recipient using *myCalSTRS* or by completing the *Recipient Designation* form, available at CalSTRS.com/forms, if you haven't already done so.
- Check your *Retirement Progress Report* every year to make sure your service credit is accurate.
- Attend a CalSTRS workshop or benefits planning session for new members.

Five years of service credit

You're eligible now for a **lifetime monthly retirement benefit when you retire.**

- Attend a CalSTRS workshop or benefits planning session tailored to your career stage.
- Save more for retirement. Increase contributions to your 403(b), Roth 403(b), 457(b) or Roth 457(b) account.
- Consider purchasing additional service credit. You may be eligible to redeposit service credit or purchase permissive service credit. The earlier you purchase service credit, the lower the cost. Use the calculator at CalSTRS.com/calculators to estimate the cost or submit the *Redeposit or Purchase Permissive Service Credit* form at CalSTRS.com/forms.
- Estimate your retirement benefit using the *Retirement Benefits Calculator* at CalSTRS.com/calculators.
- Develop a financial plan for your secure future.
- Continue to review your *Retirement Progress Report* every year and report any inaccuracies to your employer.

10 years of service credit

It's time to plan for transitioning from career to retirement.

- Review your one-time death benefit recipient designation, account balances and service credit total as of the prior fiscal year on your *Retirement Progress Report*.
- Update your financial plan.
- Step up contributions to your 403(b) or 457(b) account. Or open an account today—it's never too late to start saving.
- Look into purchasing service credit to increase your retirement benefit, if you're eligible to do so.
- Ask your employer about health insurance in retirement. Consider setting aside extra money now for health care expenses later.

Age 55 with at least five years of service credit—or fewer if you retire under the special circumstances of concurrent service retirement (or age 50 with at least 30 years of service credit if under CalSTRS 2% at 60)

You're eligible to retire.

- Get the facts on Social Security. Know the rules that could affect your Social Security benefit based on other employment or your spousal Social Security benefit.
- Attend a CalSTRS and Your Retirement session to receive personalized benefit estimates prepared by a CalSTRS benefits specialist.
- Submit the *Preretirement Election of an Option* form if you want to provide a lifetime monthly benefit to someone should you die before retirement.
- Review your one-time death benefit recipient information.
- Complete and submit your *Service Retirement Application* online using *myCalSTRS* for faster processing, no earlier than six months before your retirement date. If you have a complex application, you can still complete it online, then print, sign and mail or fax it to us.