

Your Disability Benefits

As a member of the Defined Benefit Program, you have disability benefits under one of the CalSTRS disability programs: Coverage A (disability allowance) or Coverage B (disability retirement).

Eligibility for a Disability Benefit

You may be eligible for a disability benefit if you meet:

- The eligibility requirements, including age, service credit, timelines for application and medical documentation.
- The definition of disabled as defined by the California Education Code. You're disabled if you have any medically determined physical or mental impairment that is permanent or expected to last continuously for at least 12 months from the onset of the disability, but no earlier than the day following the last day of actual performance of service. The impairment must prevent you from performing all of the following job duties:
 - » Your usual duties with or without reasonable modifications from your employer.
 - » Duties of a comparable level position, which you are qualified for or can become qualified for in a reasonable period of time with education, training or experience. A comparable level position is employment at which you can earn at least two-thirds of your final compensation.

If you were disabled while on active military duty and are unable to return to CalSTRS-covered employment, you may apply for a CalSTRS disability benefit if you meet the other eligibility requirements.

You can apply for service retirement and disability at the same time if you are otherwise eligible to service retire. This will enable you to receive a monthly service retirement benefit while your disability application is being evaluated. See page 102.

➤ You'll find the *Disability Benefits Application* in *Your Disability Benefits Guide* at CalSTRS.com/publications or at CalSTRS.com/forms.

Reasonable Accommodation

Sometimes modifications in your work environment can enable you to continue working. Making such adjustments is known as reasonable accommodation. Federal and state laws require employers to make reasonable accommodations for employees. CalSTRS may require you to request reasonable accommodation from your employer as a condition for processing your application for a disability benefit. If you have questions about reasonable accommodation, contact your employer.

Applying for a Disability Benefit

If you're considering applying for a disability benefit, learn about your choices and important considerations. For instance: If you return to work and later retire, your benefit will be calculated differently than if you had not received a disability benefit. In addition, if you're age 55 or older and have 25 years or more of service credit, you may want to consider a service retirement instead of a disability benefit.

A benefits specialist can help you make an informed decision. When scheduling an interview, let the scheduling coordinator know you wish to discuss a disability application.

➤ See CalSTRS.com/benefits-planning.

Coverage A or Coverage B

You have disability benefits under Coverage A or Coverage B. If you became a CalSTRS member on or after October 16, 1992, you are covered under Coverage B. If you were a CalSTRS member on or before October 15, 1992, you remain under Coverage A unless you elected Coverage B before April 1993. Find your coverage on your *Retirement Progress Report*.

You should apply for a disability benefit as soon as possible and before you exhaust any other benefits available to you.

Steps in the Disability Application Process

Before beginning the disability application process, talk with a CalSTRS benefits specialist. If you cannot talk with a specialist right away or if you prefer not to talk to a benefits specialist, do not delay submitting your application. The date CalSTRS receives your application can affect your eligibility, the effective date of your benefit, or both. You may talk to a benefits specialist any time during the application process.

Steps in the disability application process include:

- 1.** Request the *Your Disability Benefits Guide* booklet, which includes the *Disability Benefits Application* or find the booklet and application online at CalSTRS.com/publications.
- 2.** Submit your completed application and any pertinent documents to CalSTRS in person, by fax or by mail. The date CalSTRS receives your application affects your benefit effective date and may also affect your eligibility for a disability benefit. If approved, your disability benefit will go into effect on whichever date occurs later:
 - » The first day of the month CalSTRS receives your completed application.
 - » The day after your last day of compensation, including sick leave and subdifferential pay.
- 3.** CalSTRS receives your *Disability Benefits Application* and acknowledges receiving it within one week.
- 4.** CalSTRS reviews your application and eligibility and mails you a request for medical documents and any other required documents.
- 5.** CalSTRS receives your documents and sends follow-up requests for missing or additional documents.
- 6.** CalSTRS verifies the employment information you provided in your completed application.
- 7.** CalSTRS notifies you if an independent medical examination or an independent vocational evaluation must be scheduled.
- 8.** CalSTRS reviews all the information submitted and determines if you qualify for a disability benefit.
- 9.** CalSTRS sends you written notification when we reach a decision on your application.

Don't delay submitting your application while waiting for your medical documents. You may submit medical documents after CalSTRS receives your application.

When to Apply

Your disability benefit effective date cannot be earlier than the first day of the month CalSTRS receives your application, but it must be after the last day of service for which you receive compensation. You should apply for a disability benefit as soon as possible and before you exhaust other benefits available to you.

Your *Disability Benefits Application* must be submitted during one of the following time frames:

- While you're employed and have performed creditable service within the four months before submitting your application.
- While you're on a compensated leave of absence.
- While you're on an unpaid leave of absence granted for reasons other than mental or physical impairment if you performed creditable service within the four months before submitting your application.
- While you're on an employer-approved leave to study at an approved college or university if you performed creditable service within 12 months before submitting your application.
- Within four months after you resign or are terminated from employment and not more than four months after your last day of actual performance of service for which you earned compensation.
- While you're physically or mentally incapacitated and the incapacity has been continuous from your last day of actual performance of service for which you received compensation.

If your *Disability Benefits Application* is not submitted within one of the time frames listed above, you will not be eligible for a disability benefit.

For more information, visit CalSTRS.com or contact CalSTRS to request a disability session with a benefits specialist. Conservators, guardians or others caring for a physically or mentally incapacitated CalSTRS member are also encouraged to contact us to determine if the member qualifies for disability benefits.

The Application Review Process

Processing times vary depending on individual cases. To avoid processing delays, submit a complete and properly signed application. You'll need to provide additional information such as medical records, hospital reports and employer-related information. You are responsible for submitting the medical documents and paying any fees charged for providing information to us.

If additional medical information is necessary, CalSTRS may require you to attend an independent medical examination with one or more independent physicians, depending on your stated impairments. We will notify you if this is necessary and pay for the examination and any reasonable related costs.

Independent Vocational Evaluation

An independent vocational evaluation may be required to determine if you can perform your essential core duties at a comparable level. Duties of a comparable level are defined as any job you may be qualified to perform that will provide earnings of 66⅔ percent or more of your indexed final compensation.

Notification

CalSTRS will notify you in writing after we reach a decision on your disability application.

You can apply for service retirement and disability at the same time if you're eligible to retire, so you may receive a monthly service retirement benefit while your disability application is being evaluated. See page 102.

CalSTRS Right to Recover Benefits

If a third party causes you injury or death for which you receive disability benefits or your family receives survivor benefits and you or your family pursues civil litigation, CalSTRS must be informed because CalSTRS has the right of subrogation. See page 113 for further details.

Application Approval

If we approve your disability application and you're still working, you must stop working before we can begin paying your benefits. If you do not stop working within 90 days of being notified of the approval, CalSTRS will reverse the approval and reject your application.

You should receive your first disability benefit payment within 45 days after we receive all necessary information. The payment will include any retroactive disability payments due. After receiving your first payment, you'll receive a regular disability payment on or about the first day of each month. We will notify your employer that your application was approved.

Service Retirement During Evaluation of a Disability Application

If you're eligible to retire from service, you may wish to receive a service retirement benefit while your application for disability benefits is being evaluated. To learn more, visit CalSTRS.com or contact us for the booklet, *Your Disability Benefits Guide*, which includes the *Disability Benefits Application* and important considerations.

If your application for disability is approved, your service retirement benefit will be canceled. Your disability benefit effective date will be the first day of the month in which we received your completed application or the day after your last day of compensation, whichever is later.

Important Things to Consider

Before you apply for a service retirement benefit while your disability benefit application is being evaluated, consider the following:

- CalSTRS may require you to request a reasonable accommodation from your employer as a condition of your application. If you have already retired, you won't be able to meet this requirement, and your disability application may be rejected.
- You'll remain retired from service if your application for disability is rejected.
- The election that you make for your service retirement benefit will remain in effect if your application for disability is not approved. For example, if you elect a Member-Only Benefit and begin receiving a service retirement benefit, your Member-Only Benefit will continue.
- Your Defined Benefit Supplement distribution under either service retirement or disability will be paid according to your disbursement election on your application. If you elected a lump-sum distribution under service retirement, you cannot make a different election for a Defined Benefit Supplement distribution under disability.
- If you receive a service retirement benefit while your disability application is being evaluated, you will:
 - » Not be eligible to participate in the Reduced Benefit Election.
 - » Not receive credit for unused sick leave before an evaluation is made regarding your application for disability. If your application for disability is rejected, your service retirement benefit will be recalculated to include your eligible unused sick leave, adjusted to the effective date of your service retirement.
- If you receive a service retirement benefit during evaluation of your application and you die before a determination is made, any subsequent benefits payable will be based on your service retirement elections.
- If your disability application is rejected and you remain on service retirement, you will not be eligible to reapply for a disability benefit unless you terminate your service retirement, return to CalSTRS-covered employment and earn one year of service credit. In that case, any physical or mental conditions known to exist when you return to active membership may be considered pre-existing conditions, and you would not be able to apply for a disability benefit for those conditions if they remain substantially unchanged.
- If your application for a disability benefit is rejected, you still may be eligible to request an administrative appeal.

Prescribed Treatment Program

If your disability is amenable to treatment that could allow you to perform your usual duties or those of a comparable level, you may be required to participate in a prescribed treatment program developed by your attending physician.

Limited-Term Disability Benefits

If your condition is expected to improve with mental, physical or vocational rehabilitation, you may be approved for limited-term disability benefits. These benefits are granted for a specific time period and can be renewed if your condition does not improve.

Benefits to Survivors

If you are approved for a disability benefit and die before CalSTRS mails the notification of your approval, any subsequent benefits will be paid as if you had died while receiving a disability benefit.

Application Rejection

If your disability application is rejected, CalSTRS will send you a letter explaining the reason and your right to reapply or request an Executive Review.

Reapply

If you have additional or new information you did not submit in your original application, you may be able to reapply. Your benefit effective date will be based on the date we receive your new application or your last day of compensation, whichever is later.

If you receive a service retirement benefit during evaluation of your disability application, you will not be eligible to reapply. Once you retire from service, you're no longer eligible to apply for a disability benefit.

Executive Review and Right to Appeal

An Executive Review is an internal review of your application and the Decision by the CalSTRS program executive. If you are not satisfied with the outcome of the Executive Review, you may request an administrative appeal.

● See “Your Rights–The Appeals Process,” page 114.

Coverage A Disability Benefit

The Coverage A disability benefit is generally 50 percent of your final compensation and is not based on the amount in your Defined Benefit account. (Alternate Formula: If you have Coverage A, are between 45 and 60 years of age and have less than 10 years of service credit, your benefit will be 5 percent of final compensation for each year of service credit.) At age 60, your disability benefit will end, and you must apply for service retirement to receive a monthly benefit. Your disability benefit may continue beyond age 60 only if you have eligible dependent children and remain disabled.

To qualify for a disability benefit under Coverage A, you must meet the following requirements:

- You must be under age 60 and not receiving a service retirement benefit.
- You must not have enough sick leave days to use to allow you to receive creditable compensation to age 60 unless you have a dependent child.

Your final compensation for a Coverage A disability benefit is based on your compensation earned, rather than earnable. See page 107.

If you think you qualify for disability benefit now, but plan to reinstate to active member status in the future, make an appointment with a CalSTRS benefits specialist to discuss important considerations, including how your future retirement benefits may be affected.

- You must have five or more years of service credit and meet the following conditions:
 - » Your last five years of service credit must have been performed in California.
 - » Four of the five years of service credit must be for actual performance of creditable service.
 - » You must have earned at least one year of service credit following a service retirement termination, or following the most recent refund of your accumulated contributions.

If your disability is the direct result of an unlawful act of bodily injury that occurred while on the job, you may qualify for a disability benefit with as little as one year of service credit. You must provide an official police report or official employer incident report documenting the unlawful act. For more information, contact CalSTRS.

Benefit Increase for Eligible Dependent Children

If you have eligible dependent children, you'll receive an additional 10 percent of final compensation for each child, up to an additional 40 percent.

A child is considered to be your dependent if he or she is all of the following:

- Not married or registered as a domestic partner.
- Is your natural, adopted or stepchild, and is not adopted by anyone other than your spouse or registered domestic partner.
- Born within the 10-month period beginning on the benefit effective date of your disability benefit.
- Under age 22.
- Financially dependent on you on your disability benefit effective date.

When your child reaches age 22, marries, registers as a domestic partner or dies, your monthly benefit will be reduced by that child's portion.

Defined Benefit Supplement Distribution

If you are approved to receive a disability benefit under Coverage A, you will receive the balance of your Defined Benefit Supplement account. If your balance is \$3,500 or more, you can choose to take a lump-sum distribution, an annuity or a combination of the two.

- See "Your Defined Benefit Supplement Account Distribution," page 67.

Reductions to Your Disability Benefit

Your monthly Coverage A disability benefit, including the amount received for eligible dependent children, will be reduced by payments from other sources, including:

- Workers' compensation.
- Social Security disability.
- Federal military disability.
- Employer-paid income protection plans.
- Other disability programs financed with public funds.
- Judgments against or settlements with the third party that caused your injury.

- See "CalSTRS Right to Recover Costs of Disability and Survivor Benefits," page 113.

Periodic Review

CalSTRS will periodically review your medical and work status for continuing eligibility for disability benefits. This review will include:

- Medical reports from your doctor.
- Your annual earnings from all employment.
- An annual inquiry about other disability benefits.

As part of the review, CalSTRS may ask you to verify your earnings with documentation from the Employment Development Department, your employer and your tax returns.

Notify us if you:

- Return to employment or become self-employed.
- Change your address.
- Receive a change in benefits from another public agency or the benefits end.
- Have a child who reaches age 22, marries or becomes a registered domestic partner, or dies.

Preretirement Election of an Option

If you're eligible to service retire, you can make a preretirement election of an option if you want to ensure a monthly lifetime income to someone if you should die before retirement. If you are approved for a disability benefit under Coverage A after making a preretirement election, you may maintain the preretirement election you made for service retirement. If you're not eligible to elect a preretirement option at the time you apply for disability benefits, you may make a preretirement election of an option while receiving a disability benefit after reaching age 55.

- See "Protecting Your Survivor With a Lifetime Benefit," page 64.

A survivor benefit under Coverage A will not be payable if you made a preretirement election of an option. Instead, your option beneficiary will receive a lifetime benefit based on your preretirement election of an option.

- See "Your Survivor Benefits," page 89.

Transitioning to Service Retirement at Normal Retirement Age

Approximately six months before your 60th birthday, we will notify you of the pending termination of your Coverage A disability benefit and your eligibility to apply for service retirement. The notification includes an estimate of your service retirement benefit and the *Disability Allowance to Service Retirement Application*. If you still have eligible dependent children, you'll continue to be eligible for a disability benefit. When you service retire, you will be subject to the earnings limit and other working after retirement restrictions. See page 86 to learn more.

To calculate your service retirement benefit, we'll project your service credit through the duration of your disability. Your service retirement final compensation will be the final compensation used for your disability benefit projected forward at the rate of 2 percent per year. Your retirement benefit will be calculated using your actual and projected service credit and projected final compensation. You will receive either the service retirement benefit or the disability benefit you were receiving before your 60th birthday, whichever is less.

You also may elect the Modified Benefit for your service retirement benefit by naming an option beneficiary. If you have a preretirement election of an option on file, you may change your option election when you transition to service retirement. However, if you do make a change, your service retirement benefit will be subject to an assessment. (See "Adding, Changing or Canceling Your Option Election After Retirement," page 66.)

Be sure to keep CalSTRS informed of events that may affect your eligibility.

Coverage A Earnings Limit

You can earn a limited amount of income while you're receiving a Coverage A disability benefit without affecting your benefit. You can earn income from any source, including the performance of creditable service, but you cannot earn CalSTRS service credit or contribute to CalSTRS while receiving a disability benefit. The amount you can earn is based on your indexed final compensation. In the first year that you receive disability benefits, your indexed final compensation is the final compensation on which your disability benefit is based. In subsequent years, your indexed final compensation is calculated as the final compensation on which your disability benefit is based adjusted annually by an index factor. The index factor is based on the average salary increase of all CalSTRS active members.

Two earnings limits apply:

Single-Month Earnings Limit The single-month earnings limit is 100 percent of your indexed final compensation. Your disability benefit, including cost of living adjustments but not including any child's portion or restrictions for another public benefit, plus your earnings from all employment is compared to your indexed final compensation. If your earnings exceed 100 percent of your indexed final compensation, the excess amount is considered an overpayment, and CalSTRS will collect it back by deducting 15 percent of future benefit payments until paid in full.

Six-Month Earnings Limit The six-month earnings limit is an average of $66\frac{2}{3}$ percent of your indexed final compensation over a continuous six-month period. Your earnings (not including your disability benefits) from all employment is averaged over a six month period and is compared to your indexed final compensation. If your average earnings over a continuous six-month period exceed $66\frac{2}{3}$ percent of your indexed final compensation, you are no longer considered disabled. Your disability benefit will be terminated, effective on the first day of the month following the six-month period. Any benefit payments made after this termination date will be collected by CalSTRS.

You must provide CalSTRS with an annual report of your gross earnings from all employment.

Single-Month Earnings Limit

Margaret has a disability benefit of \$1,500 and employment earnings of \$2,075 in a single month. Her employment earnings plus her disability benefit exceed 100 percent of her indexed final compensation (\$3,100), resulting in a \$475 overpayment, which CalSTRS will collect back from her future benefits.

\$1,500	Disability benefit and annual benefit adjustments
+ \$2,075	Monthly employment earnings
= \$3,575	Total monthly income
- \$3,100	Indexed final compensation
= \$475	Overpayment, which CalSTRS will recover

Six-Month Earnings Limit

This year, Bob's indexed final compensation is \$3,100 per month. Bob earns \$2,075 monthly from employment earnings over any continuous six-month period. His employment earnings exceed the six-month earnings limit, resulting in an overpayment of \$49.49, which CalSTRS will collect back from his future benefits. In addition, Bob's disability benefit will be terminated.

\$3,100.00	Indexed final compensation
x .66667	$66\frac{2}{3}\%$
x 6	Months
= \$12,400.06	6-month earnings limit
\$2,075.00	Monthly employment earnings
x 6	Months
= \$12,450.00	6 months of employment earnings
- \$12,400.06	6-month earnings limit
= \$49.94	Earnings in excess of 6-month earnings limit, which CalSTRS will recover

Coverage A Disability Benefit

Examples

Your final compensation is based on your compensation earned and must be determined before your monthly disability benefit can be calculated. When you have fewer than 10 years of service credit and you are between the ages of 45 and 60, your final compensation is based on your compensation earnable and service credit is used to determine your monthly benefit.

Disability Benefit

More than 10 years of service, with children

Charles is granted disability benefits with a benefit effective date of July 1. Charles has one child eligible for benefits, and he receives \$300 a month from workers' compensation.

Alternative Formula

Fewer than 10 years of service, with children

Marissa is granted disability benefits with a benefit effective date of January 1. She has 8.072 years of service credit and is between age 45 and 60. She has two eligible children and receives \$300 a month from workers' compensation.

Charles: Coverage A Disability Benefit—More Than 10 Years			Marissa: Coverage A Disability Benefit—Fewer Than 10 Years		
Step A: Final Compensation			Step A: Final Compensation		
Highest 36 consecutive months average annual compensation earned			Highest 36 consecutive months average annual compensation earnable		
7/1/12 to 6/30/13 (12 months)		\$52,430	7/1/12 to 12/31/12 (6 months)		\$25,950
7/1/11 to 6/30/12 (12 months)		\$49,850	7/1/11 to 6/30/12 (12 months)		\$49,256
7/1/10 to 6/30/11 (12 months)		\$47,700	7/1/10 to 6/30/11 (12 months)		\$46,624
Final Compensation		= \$4,166.11	Final Compensation		= \$3,863.75
\$149,980 (36 months total) ÷ 36 months			\$139,095 (36 months total) ÷ 36 months		
Step B: 50% Formula			Step B: Alternate Formula		
1. Final Compensation x 50%	\$4,166.11 x 50%	\$2,083.06	Number of years of service credit	8.072	
2. Eligible dependent children (1 child @ 10%)	10% x \$4,166.11	+ \$416.61	1. Service Credit x 5% x Final Compensation	8.072 x 5% x \$3,863.75	\$1,559.41
3. Monthly benefit before offset for other public benefit	\$2,083.06 + 416.61	= \$2,499.67	2. Eligible dependent children	2 x 10% x \$3,863.75	+ \$772.75
4. Less benefit payable from another public system (workers' compensation)		- \$300.00	3. Monthly benefit before offset for other public benefit	\$1,559.41 + \$772.75	= \$2,332.16
5. Adjusted Monthly Benefit		= \$2,199.67	4. Less benefit payable from other public system (workers' compensation)		- \$300.00
			5. Adjusted Monthly Benefit		= \$2,032.16

Benefit Reduction

If you receive both a Coverage B disability benefit and a disability benefit under a workers' compensation program for the same impairment, your CalSTRS benefit will be reduced by an amount equal to your workers' compensation benefit. Your benefit will also be reduced if you receive a judgment against or a settlement with the third party who caused your disability. See page 113 for additional details.

Coverage B Disability Benefit

The Coverage B disability benefit (disability retirement) is 50 percent of your final compensation earned. Service credit is not a factor in determining your disability retirement benefit.

You will not receive service credit while you receive a disability retirement benefit. Your benefit will continue to be paid as long as you remain disabled, without respect to age. If we determine you are no longer disabled, your disability benefit will be terminated.

If you think you qualify for a disability retirement now but plan to reinstate to active member status, make an appointment with a CalSTRS benefits specialist to discuss important considerations, including how your future benefits may be affected.

To qualify for a disability benefit under Coverage B, you must meet the following requirements:

- You must have five or more years of service credit and meet the following conditions:
 - » Your last five years of service credit must have been performed in California.
 - » Four of the five years of service credit must be for actual performance of creditable service.
 - » You must have earned at least one year of service credit following the most recent service retirement or disability retirement termination, or following the most recent refund of your accumulated contributions.

If your disability is the direct result of an unlawful act of bodily injury that occurred while on the job, you may qualify for a disability benefit with as little as one year of service credit. You must provide an official police report or official employer incident report documenting the unlawful act. For more information, contact CalSTRS.

There are no age restrictions.

Option Beneficiary

An option is a plan feature that allows you to distribute your Coverage B disability benefit over your lifetime and the lifetime of your beneficiary or beneficiaries after your death. An option provides a reduced disability benefit based on a percentage of the Member-Only Benefit. Your Member-Only Benefit will be adjusted depending on the option you elect, your age and the age of your beneficiaries.

A Member-Only Benefit is usually the highest monthly CalSTRS benefit you can receive. Upon your death, your Member-Only Benefit will stop. It does not provide for a monthly benefit to a survivor after your death.

Option factor tables for disability are not included in this handbook. Contact a CalSTRS benefits specialist for an estimate of your benefit and the benefit of your beneficiaries under each of the options.

Increased Benefit for Eligible Dependent Children

If you have eligible dependent children, each child's portion will be 10 percent of your final compensation up to an additional 40 percent. If you have more than four children, each child will share equally in the maximum benefit of 40 percent. The maximum benefit you can receive, including portions for eligible dependent children, is 90 percent of your final compensation.

Your child is eligible if he or she is all of the following:

- Your natural, adopted or stepchild, and is not adopted by anyone other than your spouse or registered domestic partner.
- Born no later than 10 months after the effective date of your disability benefit.
- Under age 21.
- Financially dependent on you on the effective date of your Coverage B disability benefit.

Your children's benefits are paid separately to each eligible child. When your child reaches age 21, your monthly benefit will be reduced by that child's portion.

Coverage B Disability Benefit Calculation

Jack is granted a Coverage B disability benefit with an effective date of September 1. He has three eligible dependent children. Jack has elected to receive a Member-Only Benefit. He is not eligible for workers' compensation.

Step A: Final Compensation		
Highest 36 consecutive months average annual compensation earned		
7/1/13-8/31/13 (2 months)		\$5,727.30
7/1/12-6/30/13 (12 months)		\$33,099.00
7/1/11-6/30/12 (12 months)		\$30,375.60
9/1/10-6/30/11 (10 months)		\$24,908.30
Final Compensation		= \$2,614.17
\$94,110.20 (36 months total) ÷ 36 months		
Step B: Calculate Disability Benefit		
1. Final Compensation x 50%		= \$1,307.09
= Member-Only Benefit (\$2,614.17 x 50%)		
2. Benefit payable from workers' compensation		- \$0.00
3. Number of eligible children	(3 x 10% x \$2,614.17)	+ \$784.25
4. Adjusted Monthly Benefit		= \$2,091.34

Keep us informed of events that may affect your benefit eligibility. If you do not respond to requests for information, we may terminate your benefits.

Defined Benefit Supplement Distribution

If you are approved to receive a Coverage B disability benefit, you will receive the balance of your Defined Benefit Supplement account. If your balance is \$3,500 or more, you may choose to receive your benefit as an annuity.

- See "Your Defined Benefit Supplement Account Distribution," page 67.

Preretirement Election of an Option

If you made a preretirement election of an option before being eligible for a disability benefit under Coverage B, your preretirement election will be voided as of the effective date of your approved disability benefit and the Member-Only Benefit or Modified Benefit you elected on your *Disability Application* will become effective.

To help you understand your disability coverage, make an appointment with a benefits specialist at CalSTRS.com/benefits-planning.

Earnings Limit

You can earn income after you begin receiving a disability Coverage B benefit. You can teach under certain employer conditions, but you are not allowed to earn CalSTRS service credit or contribute to CalSTRS while receiving a disability retirement benefit. Your earnings from all types of employment, including self-employment, are subject to an earnings limit, unless you are participating in an approved CalSTRS rehabilitation plan.

CalSTRS retirement benefits will be reduced dollar-for-dollar by the total amount of earnings from all employment in excess of the 12-month calendar year limit. You will be required to provide CalSTRS with an annual report of your gross earnings from all employment. The Employment Development Department and your employer will verify your reported earnings.

The 2018 calendar year earnings limit is \$30,300. The limit is determined early each calendar year. This amount is different from the service retirement earnings limit.

Periodic Review

CalSTRS will periodically review your medical and vocational status to determine your continuing eligibility. This review will include:

- Medical reports from your doctor.
- Your annual earnings from all employment.
- An annual inquiry about other disability benefits.

As part of the review, CalSTRS may ask you to verify your earnings with documentation from your employer's W-2 forms and your tax returns.

Notify CalSTRS if you:

- Return to employment or become self-employed.
- Change your address.
- Receive a change in workers' compensation benefits.