

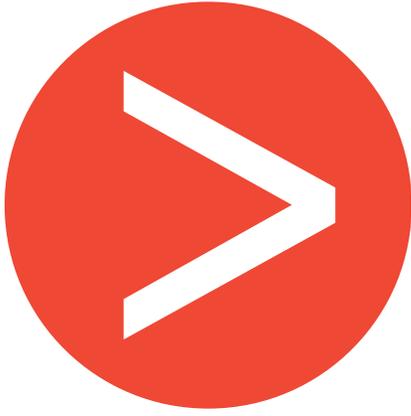


Your Retirement Guide 2018

Retirement Guide and Instructions
for Defined Benefit Members



This booklet contains information 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.



myCALSTRS | my retirement

Ready to Retire?

Complete and submit your *Service Retirement Application* online at myCalSTRS.com. Or complete your application online, then print, sign, and mail or fax it to us.

When you complete and submit your application online using myCalSTRS:

- You'll receive step-by-step guidance to complete your application correctly.
- Your member-specific information is auto-filled, saving you time.
- Your application is submitted automatically, for a faster turnaround.
- You'll receive immediate email confirmation when we receive your application and after it has been processed.
- You'll receive prompt emails if we need additional information to process your application.

Need Help Completing Your Application?

Attend a Retirement Application Roundtable. For dates and locations, or to register, call 800-228-5453 and select option 3.

Need to Make Changes or Cancel Your Retirement After You Submit Your Application?

Complete the *Service Retirement Application Change Request* form, available at CalSTRS.com/forms. We must receive your form no later than 30 calendar days from the date your first benefit payment is issued.

Manage Your Beneficiary Information.

View and update your one-time death benefit recipient information. Also view your option beneficiary information.



Not yet registered for myCalSTRS? View the self-paced, interactive registration guide on myCalSTRS.com.

The California Public Employees' Pension Reform Act of 2013 made changes to the plan structure that primarily affect benefits for members first hired to perform CalSTRS creditable service on or after January 1, 2013. These members are under the **CalSTRS 2% at 62** benefit structure.

Members under the **CalSTRS 2% at 60** benefit structure are those who:

- Were first hired to perform service that could be credited to the Defined Benefit Program on or before December 31, 2012.
- Were CalSTRS members before 2013, terminated their membership and then returned to active membership on or after January 1, 2013.
- Performed service that could be credited to the Defined Benefit Program and was subject to coverage under a different retirement system, including Social Security, on or before December 31, 2012.
- Were members of a concurrent retirement system on or before December 31, 2012, and who performed service under that system within six months of becoming a CalSTRS member.

The 2 percent refers to the percentage of your final compensation you'll receive as a retirement benefit for every year of service credit, also known as the age factor. Other differences between the two benefit structures include final compensation, normal retirement age, creditable compensation cap and contribution rate. In addition, 2% at 62 members aren't eligible for benefit enhancements, the Reduced Benefit Election or the CalSTRS Replacement Benefits Program.

➤ See the *Member Handbook 2018* at CalSTRS.com to learn more.

Contents

The Benefit of a Lifetime _____ **5**

Your CalSTRS Retirement Timeline

Step 1: Plan and Research Your Retirement Decisions _____ **7**

Planning Checklist

Benefits Planning

Your Retirement Decisions

Other Considerations

Retired Educator Organizations

CalSTRS Benefits Planning Offices

Step 2: Complete and Submit Your Forms Online _____ **27**

Forms for Service Retirement

Instructions Overview for Paper Forms

Service Retirement Application Checklist

Step 3: CalSTRS' Role in Your Retirement Process _____ **32**

CalSTRS Pension2[®] _____ **33**

Roll Over Your Defined Benefit Supplement Funds to Pension2 When You Retire

Glossary _____ **34**

CalSTRS is governed by the Teachers' Retirement Law, available at CalSTRS.com, and other sections of state law. The information in this booklet is general. If there is a conflict between the law and this booklet, the law prevails.

Your CalSTRS Retirement Timeline

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.

- Activate your *myCalSTRS* account, if you haven't already done so. Start at [myCalSTRS.com](https://mycalstrs.com), select *Register Now* and follow the five-step process. You can complete and submit your *Service Retirement Application*, sign up for direct deposit, update your address and more using *myCalSTRS*.
- Prepare for retirement early to avoid delays that may occur during the peak months of April–July.
- Register for a retirement planning workshop at CalSTRS.com/workshops or a benefits planning session, described at CalSTRS.com/benefits-planning, by calling 800-228-5453 (select option 3).

What to Do	When
Step 1	
Activate your <i>myCalSTRS</i> account, if you haven't already.	10–12 months before your retirement date.
Plan and research your retirement decisions (see pages 7–24).	
Attend a CalSTRS My Retirement Decisions workshop or a CalSTRS and Your Retirement benefits planning session.	
Check to see if pending or new legislation may affect your benefits or influence the timing of your retirement.	
Step 2	
Complete and submit your <i>Service Retirement Application</i> and other forms online using <i>myCalSTRS</i> . Step-by-step guidance ensures you fill out the application completely, resulting in faster processing. Or complete the paper version, available at CalSTRS.com/forms . Use the <i>Service Retirement Application Checklist</i> on pages 30–31.	No earlier than six months before your requested retirement date. If you submitted your <i>Service Retirement Application</i> and want to make a change or cancel your retirement, we must receive your <i>Service Retirement Application Change Request</i> form (SR-1328) no later than 30 days from the date your first service retirement benefit payment is issued.
Step 3	
Check your <i>myCalSTRS</i> account, if you submitted your application online. You'll receive an immediate email confirming your application was received.	Within 45 days of your retirement date or the date your application is processed, whichever is later. Or sooner, if you applied using <i>myCalSTRS</i> . There could be changes to your monthly benefit amount for several months beyond your retirement date as we receive and process additional information from your employer.
Review your award letter, which includes the amount of your monthly benefit, how your monthly benefit was calculated and the total amount of your contributions and interest (see page 32).	
Look for your first benefit payment (see page 32).	

The Benefit of a Lifetime

You're approaching one of life's most important milestones—retirement from your working career. Your smooth transition to this new stage of your life requires thoughtful planning. You can count on CalSTRS to help you every step of the way.

In addition to this guide, we offer workshops and benefits planning to help you understand the decisions you'll need to make. Visit CalSTRS.com/benefits-planning or contact your local CalSTRS office (see listing on page 26) for more information.

Your Retirement Plan

As a CalSTRS member, you participate in a hybrid retirement system that consists of traditional defined benefit (Defined Benefit Program), cash balance (Defined Benefit Supplement Program) and voluntary defined contribution (CalSTRS Pension2[®]) plans.

You also have survivor and disability benefits.

Your CalSTRS retirement benefit, a defined benefit pension, is based on a formula that provides a fixed percentage of your final compensation determined as of the age you retire and your years of service:

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

Your monthly retirement benefit is guaranteed for your life and the lives of your beneficiaries, if you elect this option.

This booklet takes you through the application process. Inside you'll find tips and checklists to help you plan and prepare for your retirement.



Now that you're ready to retire, sign up for our **My Retirement Decisions workshop**. It covers the decisions you'll need to make, including if you want to elect an option benefit, how to complete the application and what you'll need to know after retirement. Register at CalSTRS.com/workshops.

You must submit your *Service Retirement Application* to CalSTRS before you'll receive a CalSTRS retirement benefit. If you are unable to submit your application before your retirement date, you can backdate your retirement to any day following your last day of work, vacation or compensated approved leave for your CalSTRS-covered position, but no earlier than January 1, 2012. Service credit purchases must be paid in full before your retirement date.



Planning Checklist

To help you plan for your CalSTRS retirement.

- Read this guide and the retirement planning sections of the *Member Handbook*.** You must submit the *Service Retirement Application* to receive a retirement benefit.
- Go online to [myCalSTRS.com](https://mycalstrs.com) to activate your *myCalSTRS* account** if you haven't already, so you can complete and submit your application online for faster processing.
- 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 and CalSTRS.com/legislation.
- Take advantage of benefits planning services.** Visit CalSTRS.com/benefits-planning or contact your local office to find the right session for you.
- Estimate your monthly benefit using the online calculator** at CalSTRS.com/calculators or the benefit estimate worksheets in the *Member Handbook*, available at CalSTRS.com.
- Consider purchasing additional service credit** to increase your benefit if you did not purchase it earlier in your career and you have eligible service to purchase. See the booklet, *Purchase Additional Service Credit*, available at CalSTRS.com/publications. If you're in the process of purchasing service credit, contact us at least 90 days before you plan to retire. Your purchase must be paid in full before your retirement date.
- Consider making a preretirement election of an option** to provide a lifetime monthly benefit to one or more people if you should die before retirement. The *Preretirement Election of an Option* form is on *myCalSTRS* and at CalSTRS.com/forms. See the *Member Handbook* to learn the advantages and disadvantages.
- Consider rolling over your Defined Benefit Supplement funds** to CalSTRS Pension2.
- Gather clear, unaltered photocopies of the following documents:**
 - If you are electing an option beneficiary:
 - Birth certificate or other acceptable verification of birthdate, such as a state-issued ID, birth record, U.S. passport photo ID page or certain U.S. military IDs, for each 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 you elected an option beneficiary before retirement, you may still need to verify your beneficiary's date of birth.
 - If a portion of your CalSTRS benefit was awarded to another party:
 - A complete certified copy of your community property settlement documents. For more information, see the *Community Property Guide* at CalSTRS.com/publications.
- Make sure your one-time death benefit recipient information is current.** You can find your recipient information on your *myCalSTRS* account. If you haven't named a recipient, you can do so using *myCalSTRS* or the *Recipient Designation* form, available at CalSTRS.com/forms.
- Notify your employer that you intend to retire** from CalSTRS. You'll also need to resign from your CalSTRS-covered position, so ask about any forms your employer may require. Also let your employer know if you plan to set up a health insurance deduction from your CalSTRS benefit payments.
- Complete Section 1 of the *Express Benefit Report form***, then submit it to all employers from your last year of work so they can complete the employer sections even if you don't have unused sick leave. Your employers must also report your last day of work, vacation or compensated approved leave on this form.

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 a CalSTRS retirement planning session conducted by CalSTRS benefits specialists and research information on your own to help you 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*, available on myCalSTRS, includes your annual statement of accounts and retirement benefit estimates, if you're age 45 or older. For more information, visit [CalSTRS.com/retirement-progress-report](https://www.calstrs.com/retirement-progress-report).

Unfamiliar with a term? See the glossary on page 34.

Questions to Answer

Before making your retirement decisions, you'll 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 funds paid?

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

See
page 12

Workshops and Videos

Register for the My Retirement Decisions workshop at [CalSTRS.com/workshops](https://www.calstrs.com/workshops).

In addition, find a series of three-minute member education videos at [CalSTRS.com/videos](https://www.calstrs.com/videos). Topics include Beneficiary Options, Defined Benefit Supplement: Choices for Receiving Funds and Tax Considerations, Working After Retirement and CalSTRS Pension2.

Benefits Planning

Our benefits specialists can help you plan your CalSTRS retirement by providing estimates and explaining how different choices will affect your benefit. You can talk to a benefits specialist in person or over the phone, or attend a benefits planning session:

- Prepare for your retirement early. Schedule a CalSTRS and Your Retirement session six to nine months before your retirement date. It's easier to schedule during the nonpeak months of August–March. For dates and locations, contact your local office (see listing on page 26).
- Get help completing your *Service Retirement Application* at a Retirement Application Roundtable. For dates and locations, call 800-228-5453 and select option 3.

Your Retirement Decisions

You'll need to make decisions regarding both your Defined Benefit pension and your Defined Benefit Supplement account funds.

Defined Benefit Retirement

When you're eligible to retire, you're entitled to a guaranteed, lifetime retirement benefit. Your retirement benefit is based on a formula that provides a fixed percentage of your final compensation determined as of the age you retire and your years of service:

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

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: The Modified Benefit provides a monthly lifetime benefit to someone after you die. You'll need to choose an option and one or more option beneficiaries. If you elect the Modified Benefit, your monthly retirement benefit will be reduced to provide an ongoing lifetime benefit to your beneficiaries after your death.

Defined Benefit Supplement Account

Your Defined Benefit Supplement account provides additional money for retirement. Your contributions and your employer's contributions on service performed in excess of one year are credited to your account, in addition to special limited-term payments if you are a 2% at 60 member. Your most recent *Retirement Progress Report* includes your Defined Benefit Supplement account balance.

**Did
You
Know**

22% of retired members work for pay.

Of those, 26% were working because they enjoy working and want to stay active, 24% because they need the income for necessary living expenses, and 22% for extra income for travel or other entertainment. Some 33% of those who responded work in CalSTRS-covered employment. In addition, about half of CalSTRS retirees do volunteer work.

—CalSTRS 2017 Retirement Readiness Assessment Survey

My Defined Benefit Decisions

Am I eligible to retire?

Your age and service credit are used to determine your eligibility for a CalSTRS retirement benefit.

If you're a CalSTRS 2% at 60 member, you're eligible to retire under the CalSTRS Defined Benefit Program if you're either age 50 and have at least 30 years of service credit, or age 55 and have at least five years of service credit.

If you're at least age 55 and a member of certain other public retirement systems in California, you may retire with fewer than five years of service credit if you retire for service from both systems at the same time. See page 20 for more information about concurrent retirement and a list of eligible systems.

If you're a CalSTRS 2% at 62 member, you can retire at age 55 with five years of service credit—or fewer under the special circumstances of concurrent service retirement.

You can find your CalSTRS service credit on your *Retirement Progress Report*.

How much will my benefit be each month?

Your retirement benefit is based on a formula set by law:

Service Credit x Age Factor x Final Compensation

If you did not already receive a benefit estimate from one of our benefits specialists, you can get an estimate using the *Retirement Benefits Calculator* at CalSTRS.com/calculators or the benefit estimate worksheets in the *Member Handbook*.

If your retirement date is not the first of the month, your first benefit payment will be prorated. Generally, your benefit is subject to federal and state income tax withholding. The amount you receive from your benefit will also depend on other factors such as deductions for health insurance.

Service Credit

Service credit is the number of school years, including partial years, you have worked and contributed to CalSTRS:

- You earn service credit every day you work or are on paid leave.
- You can earn up to 1.00 year of service credit in one school year. If you work less than full time, your service credit for the year may be less than 1.00.



For part-time, temporary, substitute or adjunct educators, service credit for one school year is equal to the compensation you actually earned in an assignment divided by your compensation earnable for that assignment. If you work multiple assignments, your service credit is the total service credit you earn from all your individual assignments, up to one year of service credit in a school year. See the *Member Handbook* for examples and to learn more.

If you earn more than one year of service credit for performing outgrowth, or extra-pay, assignments, most of your CalSTRS contributions and your employer's contributions on service performed in excess of one year are credited to your Defined Benefit Supplement account.

Age Factor

The age factor is the percentage of your final compensation you'll receive as a retirement benefit for every year of service credit. The percentage is determined by your age on the last day of the month in which your retirement is effective.

For 2% at 60 members, the basic age factor is set at 2 percent at age 60. If you retire before age 60, the age factor gradually decreases to 1.10 percent at age 50. If you retire after age 60, it increases to a maximum of 2.40 percent at age 63. If you qualify for the 0.20 percent career factor by having at least

30 years of service credit, you reach the maximum age factor of 2.40 percent at age 61 and six months.

For 2% at 62 members, the basic age factor is set at 2 percent at age 62. If you retire before age 62, it gradually decreases to 1.16 percent at age 55 and increases to a maximum of 2.40 percent at age 65. You're not eligible for the career factor enhancement.

Note: If you backdate your retirement benefit effective date, your monthly benefit may be lower if your age factor changes, though you will receive more benefit payments up front.

Final Compensation

Final compensation is your highest average annual compensation earnable over a period of time, either 12 or 36 consecutive months depending on your benefit structure and years of service.

For CalSTRS 2% at 60 members, if you have 25 or more years of service credit at retirement, we will use 12 consecutive months of your highest average annual compensation earnable rather than 36 consecutive months.

For CalSTRS 2% at 62 members, your final compensation is based on your highest average annual compensation earnable during any 36 consecutive months.

Pop Quiz

True or False

Most retirees report their expenses in retirement are about the same as expected.

False

More retirees found their health care expenses are higher than expected (47%), about 13% reported their health care expenses to be lower, while 39% found them to be about the same. Some 53% found their other expenses to be about the same as expected, while 37% found them to be higher than expected.

—Employee Benefit Research Institute's 2017 Retirement Confidence Survey

➤ **Use the worksheets at [CalSTRS.com/general-information/worksheets](https://www.calstrs.com/general-information/worksheets) to estimate your income and expenses in retirement.**

Compensation Earnable

Your annual compensation earnable for a school year is based on the creditable compensation you could have earned in a school year for creditable service performed full time. If you retire before the end of the school year or if there are months you did not perform creditable service, your final compensation may be affected.

For 2% at 60 members, if you became a member on or after July 1, 1996, there is a cap on compensation that counts toward your CalSTRS retirement benefit. For the 2017–18 fiscal year, the limit is \$270,000.

For 2% at 62 members, there is a cap on compensation that counts toward your CalSTRS retirement benefit. The cap is adjusted annually for changes in the Consumer Price Index for All Urban Consumers: U.S. City Average. The cap is \$143,082 for the 2017–18 fiscal year.

Retirement Incentives

Check to see if your employer offers a retirement incentive that may increase your service credit. Ask about application deadlines and retirement dates to qualify.

If your employer offers a retirement incentive through CalSTRS and you qualify, it cannot be included in your benefit calculation until we receive the *Express Benefit Report* form and all required documentation from your employer.

If you receive additional service credit and take any job, including substitute teaching, within five years of retirement with the employer that offered the incentive, or receive unemployment benefits within one year of your retirement date, you will lose the additional service credit and corresponding benefit increase starting in the first month a prohibited activity occurs.

In addition, if you receive a retirement incentive and subsequently reinstate to active membership, you will lose the additional service credit and corresponding benefit increase granted under the incentive.

Career Factor

For 2% at 60 members, if you retire with at least 30 years of qualified service credit, a bonus of 0.20 percent will be added to your age factor, up to the maximum combined age and career factor of 2.40 percent. 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 nor the purchase of nonqualified service credit can be used to qualify for the career factor.

For 2% at 62 members, you're not eligible for the career factor enhancement.

Longevity Bonus

For 2% at 60 members, if you had at least 30 years of qualified service credit on or before December 31, 2010, you're 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 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

Service credit that is projected while you are receiving a Coverage A disability benefit (disability allowance) does not count toward the longevity bonus.

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

(Your Member-Only Benefit + Longevity Bonus) x Option Factor = Your Modified Benefit

For 2% at 62 members, you're not eligible for the longevity bonus.

Sick Leave

CalSTRS will convert your unused sick leave to service credit at retirement once we receive and process the *Express Benefit Report* form from all your employers during the last year you earned creditable compensation.

If you work full time, the number of accumulated unused sick leave days will be divided by the number of base service days required to complete the last school year:

$$\frac{\text{Accumulated days of unused sick leave}}{\text{Number of base service days for full-time service}} = \text{Service credit granted}$$

If you work part time, the base service days are calculated based on the full-time equivalent.

Sick leave service credit cannot be used to meet eligibility requirements for service retirement. However, if you're a 2% at 60 member, up to two-tenths of one year of unused sick leave may be used to qualify for the career factor, the 25-year threshold for one-year final compensation, and an increased longevity bonus if you qualified for the longevity bonus on or before December 31, 2010.

CalSTRS will accept unused sick leave reported on the *Express Benefit Report* form by each of your employers during the last school year in which you earned creditable compensation if you did not transfer your unused sick leave when you changed jobs. Contact your employer if you have questions.

For retirements effective before January 1, 2013, only your last employer can report unused sick leave by submitting the *Express Benefit Report* form to CalSTRS.

Your employer is required to submit the *Express Benefit Report* form within 30 days of your retirement date or the date CalSTRS receives your application, whichever is later—even if you don't have unused sick leave.

Mid-Year Retirement

If you retire in the middle of the school year, your final compensation may be lower than expected if you received a salary increase toward the end of your career. This is because for a mid-year retirement, CalSTRS may have to include the monthly average of your prior year's compensation earnable as part of your final compensation calculation. The calculation will have more of an effect if you're under the CalSTRS 2% at 60 benefit structure and have at least 25 years of service, since your final compensation would be based on a 12-month 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 ÷ 12 months = \$4,750	x 6 months =	\$28,500
\$60,000 ÷ 12 months = \$5,000	x 6 months =	+\$30,000
		<hr/>
		\$58,500
\$58,500 ÷ 12 months =		\$ 4,875

Your final compensation for your 12 months would be \$4,875.

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 earnable is prorated to your retirement date and is an average of the various pay rates you receive during that period.

In addition, a mid-year retirement while working under the Reduced Workload Program will result in ineligibility for the program and may negatively affect your service credit and final compensation.

- See the *Member Handbook* for more information.

CalSTRS will convert your unused sick leave to service credit at retirement. Each of your employers during the last school year in which you earned creditable compensation may submit an *Express Benefit Report* form.

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 can be a living person or a special needs trust—but cannot be another type of trust, estate, charity or other entity. This lifetime monthly benefit is separate from the one-time death benefit (see page 18).

Member-Only Benefit

If you do not want to provide a monthly benefit to someone after you die—and you didn't make a preretirement option election—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 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 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 provide a monthly benefit for one beneficiary by electing the 100% Beneficiary Option, the 75% Beneficiary Option or the 50% Beneficiary Option. You may provide for more than one option beneficiary or maintain a portion of your benefit as a Member-Only Benefit by electing the Compound Option.

If you elect the Compound Option, you must submit the *Compound Option Election* form along with your *Service Retirement Application*. You can complete and submit the form online using *myCalSTRS* or download the form at CalSTRS.com.

CalSTRS may ask you to verify your date of birth and will ask you to verify the birth dates of your option beneficiaries.

To learn how each option would affect your retirement benefit, use the *Retirement Benefit Calculator* at CalSTRS.com/calculators or attend a CalSTRS and Your Retirement benefits planning session to obtain a personalized estimate prepared by a benefits specialist.

To change or cancel your option election after you submit your *Service Retirement Application*, you must submit the *Service Retirement Application Change Request* form no later than 30 days from the date your first service retirement benefit payment is issued.

You may designate a special needs trust as your option beneficiary. In addition, you may change an existing option or annuity beneficiary to a special needs trust without penalty if the trust's beneficiary is the same person as the previously named option or annuity beneficiary. Similarly, if you have already designated a special needs trust as your option beneficiary, you may change your option beneficiary to the individual who was the beneficiary of your special needs trust.



You cannot change or cancel your option election after you're retired and the 30-day deadline has passed except under limited circumstances. See the *Member Handbook* for details.

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. 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.

If one of your beneficiaries dies before you, the portion of your benefit for that beneficiary will be adjusted accordingly.

If you elected an option before January 1, 2007, your option may have different rules. Verify your current option on *myCalSTRS* or by calling us.

Nonspouse Option Beneficiary Age Rules

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 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 option 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. If you elect a special needs trust as an option beneficiary, the age difference restrictions described above apply to you and the trust's beneficiary.

Reinstatement and Option Elections

If you are re-retiring within 12 months of your most recent reinstatement date, you may not make changes to your retirement option or beneficiaries. If you are retiring after at least one year has passed since your reinstatement, you may keep your same option or make changes. If you make changes, your monthly retirement benefit will be subject to an assessment that may reduce your benefit for your lifetime.

Canceling Your Retirement or Making Changes to Your Application

To make changes to your *Service Retirement Application* or cancel your service retirement, you must submit the *Service Retirement Application Change Request* form. CalSTRS must receive your form within 30 days of the date your first benefit payment is issued. If you cancel your retirement, you must return any retirement benefit payments within 45 days of the payment issue date.

There are two exceptions to this law: If your option beneficiary dies, your option will be canceled automatically and an assessment will apply. For the remainder of the one-year waiting period, you will have the Member-Only Benefit. If you re-retire before the year is over, you will retire with the Member-Only Benefit.

If your option beneficiary is your current or former spouse or registered domestic partner and a final decree of dissolution of marriage or judgment of nullity was entered, or an order of separate maintenance was made, your option may be changed or canceled in compliance with the court order or judgment. In addition, an assessment may apply.

Preretirement Election of an Option

If you're eligible to retire or are a concurrent member of another California public retirement system (see page 20) age 55 or older, you can make a preretirement election of an option to provide your loved ones with a lifetime monthly benefit if you should die before your retirement date. Complete the *Preretirement Election of an Option* form online using your *myCalSTRS* account or download the form at CalSTRS.com/forms.

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 will be subject to an assessment that may reduce your benefit 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, contact your local CalSTRS office to schedule a session with a benefits specialist.

Note: If you're a concurrent member of another California public retirement system, age 55 or older with less than five years of CalSTRS service credit, we will verify your retirement eligibility as of the date of your death. If you were ineligible for concurrent retirement at the time of election, your election will be void.

Comparing the Defined Benefit Options



This chart compares the Defined Benefit beneficiary 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.

Member-Only Benefit

Member's benefit if no option beneficiary is elected

Modified Benefit

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

Option beneficiary's benefit when member dies

Member's benefit if option beneficiary dies after member retires

Defined Benefit Supplement Decisions

How do I want my Defined Benefit Supplement funds paid?

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 on your benefit effective date, you'll receive the account balance as a lump-sum payment. Your lump-sum payment may be paid directly to you or rolled over to a qualified plan, such as CalSTRS Pension2, if you have at least \$200 in your account to roll over.

If you have \$3,500 or more in your Defined Benefit Supplement account on your benefit effective date, you can choose a lump-sum payment, an annuity payment or a combination of the two. Your annuity choices depend on whether you elect the Member-Only Benefit or the Modified Benefit for your retirement benefit.

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

Your Defined Benefit Supplement Annuity Beneficiaries

Your Defined Benefit Supplement Period-Certain annuity beneficiary is the same person or entity you designate as your one-time death benefit recipient. Your Defined Benefit Supplement Lifetime Annuity beneficiary is the same person or persons, or special needs trust, you designate as your Defined Benefit option beneficiary, and the same age restrictions apply (see page 14).



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, such as CalSTRS Pension2, if you have at least \$200 in your account to roll over.

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 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 amount will be paid to your one-time death benefit recipients.

A Period-Certain Annuity of three to nine years is eligible for rollover to a qualified plan—unless you are age 70½ and subject to the required minimum distribution rule. A Period-Certain Annuity of 10 years cannot be rolled over.

The **Lifetime Annuity** provides a monthly payment for your lifetime (if you elect the Member-Only Benefit for your Defined Benefit retirement benefit) or your lifetime and the lifetimes of your beneficiaries (if you elect the Modified Benefit for your Defined Benefit retirement benefit). Lifetime annuities cannot be rolled over—they must be paid directly to you.

- **If you elect the Member-Only Benefit** for your Defined Benefit retirement benefit and would like to receive lifetime monthly payments from your Defined Benefit Supplement account, you must elect the **Member-Only Annuity**. Any balance remaining in your accounts upon your death will be paid to your one-time death benefit recipient.
- **If you elect the Modified Benefit** for your Defined Benefit retirement benefit and would like to receive lifetime monthly payments from 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 option beneficiary upon your death.

Your Defined Benefit Supplement Lifetime Annuity beneficiary is the same person you designate as your Defined Benefit option beneficiary. Your Defined Benefit Supplement Period-Certain Annuity beneficiary is your one-time death benefit recipient.

 **Watch the three Defined Benefit Supplement member education videos at [CalSTRS.com/videos](https://www.calstrs.com/videos) to learn more.**



- » **75% Beneficiary Annuity.** Seventy-five percent of your monthly annuity amount will be paid monthly to your option beneficiary upon your death.
- » **50% Beneficiary Annuity.** Fifty percent of your monthly annuity amount will be paid monthly to your option beneficiary upon your death.
- **If you elect the Compound Option** for your Defined Benefit retirement benefit, you may elect to receive your Defined Benefit Supplement funds 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 retirement benefit.

See page 14 for nonspouse option beneficiary age restrictions.

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 at least \$3,500 remaining in your Defined Benefit Supplement account after your lump-sum payment is made.

NOTE: After you retire, you may change your option beneficiary only under limited circumstances. For more information, see the *Member Handbook* at CalSTRS.com/publications.

Tax Consequences for Defined Benefit Supplement Distributions

If you choose to receive your distribution as a lump-sum payment or a Period-Certain annuity of three to nine years paid directly to you, CalSTRS is required to withhold 20 percent for federal income tax from your payments. Unless you elect not to have California tax withheld or you're not a resident of California, we will withhold state tax at 2 percent. If you do a rollover, your rollover-eligible distributions won't be taxed at the time of distribution (unless you roll over to a Roth IRA), but instead will be taxed when you withdraw your funds. See the *Service Retirement Application and Tax Considerations for Rollovers* booklet for more information.



One-Time Death Benefit

Your CalSTRS retirement benefit option and annuity beneficiaries are different from your one-time death benefit recipient. You can designate a recipient to receive the one-time death benefit online using your *myCalSTRS* account or by completing the *Recipient Designation* form, available at CalSTRS.com/forms. Recipients can be living persons or an estate, trust, charity or other entity.

➤ See “Survivor Benefits” in the *Member Handbook* to learn more.

Other Considerations

Sign Up for Direct Deposit

Direct deposit gives you the quickest access to your benefit payment. When you sign up for direct deposit, you authorize CalSTRS to transmit benefit payments by electronic funds transfer to your account at a U.S. financial institution.

Sign up using your *myCalSTRS* account or complete the *Direct Deposit Authorization* form, available at [CalSTRS.com/forms](https://www.calstrs.com/forms). If you change your bank or want to cancel direct deposit, update your direct deposit information using your *myCalSTRS* account or by submitting a new form. We will send you a letter and email confirming the change.

Your first payment will be deposited into your account within 60 to 90 days after we receive the authorization. To avoid delay in processing your

payments, do not close your old account until your first payment is deposited into your new account.

Your current and past benefit payment statements are available on *myCalSTRS*. If you want to receive statements by mail, you can choose to receive them twice a year—in February, with tax table changes, and in October, with the annual benefit adjustment—or every month.

Return of Excess Member Contributions

Under the CalSTRS Funding Plan, member contribution rates for the Defined Benefit Program increased. The member contribution rate for compensation creditable to the Defined Benefit Supplement Program, which includes compensation earned for service performed in excess of one year, remained at 8 percent.

If you earned compensation for service in excess of one year in the 2017–18 school year, your member contributions made on this service in excess of the 8 percent contribution rate for Defined Benefit Supplement compensation will be returned to you by your employer.

CalSTRS will return any excess contributions to your employer in late September. Your employer is responsible for returning your excess member contributions to you. The total amount of your excess member contributions will be reported on your *Retirement Progress Report* for 2017–18, available on *myCalSTRS* in September.

If you service retire on or before the Friday before Labor Day, we will return excess contributions to your employer. You will not receive a *Retirement Progress Report* in fall 2018—instead, you'll find a report of your excess member contributions online on your *myCalSTRS* account (under the *Services* tab). If you have any questions regarding the return of your excess contributions, please contact your employer.

Your returned pre-tax member contributions are considered taxable income in the year you receive the funds regardless of when you initially paid the contributions.

Receive Service Retirement Benefits During Evaluation of Your Disability Benefits Application

If you're eligible for CalSTRS service retirement, you may want to apply for service retirement as part of your *Disability Benefits Application* so you can receive a monthly retirement benefit while we evaluate your application.

Learn more in the *Introduction to CalSTRS Disability Benefits* brochure, available at [CalSTRS.com](https://www.calstrs.com). You'll find the *Disability Benefits Application* in the *Your Disability Benefits Guide* at [CalSTRS.com](https://www.calstrs.com) and at [CalSTRS.com/forms](https://www.calstrs.com/forms).

If you choose to do this and your application for disability is not approved, you'll remain on service retirement and will not be eligible for disability benefits.

A CalSTRS benefits specialist can help you understand your disability benefit coverage, provide estimates and assist you with your application.

Community Property Settlements

If you divorce or legally separate from your spouse or terminate 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 receive:

- A complete certified 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 we have not received your documents, we may ask you to provide them. Failure to provide the required documents may result in a delay in your benefit without interest.

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

Concurrent Retirement: Retiring From Another California Public Retirement System

If you're at least age 55 and a member of certain other California public retirement systems, you may retire with fewer than five years of CalSTRS service

credit if you retire for service concurrently from both systems. To receive concurrent benefits, you must service retire on the same day from both systems. Or you may retire for service on different dates as long as you do not perform service creditable to either system between those dates.

Each retirement system may have its own conditions for concurrent retirement. Be sure to research your other system's requirements.

For some systems, if you service retire from CalSTRS and the other system concurrently, your benefits may be based on the highest compensation you could have earned for services performed on a full-time basis under any system as long as you don't work under CalSTRS or another system between the dates you retire from each system.

If you worked 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, your highest average annual compensation earnable under CalSTRS-covered employment will be used to calculate your CalSTRS benefit. Even if your compensation is higher under the other retirement system, we will use only your CalSTRS highest average annual compensation earnable to determine your final compensation.

Reduced Benefit Election

If you're 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'll **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'll receive your full retirement benefit.

You're not eligible for this program if you previously received a service retirement or disability benefit from CalSTRS, if you're a 2% at 62 member, or if you're applying for service retirement while your disability application is being evaluated.

If you want to elect the Reduced Benefit Election, submit the *Reduced Benefit Election* form with your *Service Retirement Application*. You can complete and submit the form online with your *Service Retirement Application* using *myCalSTRS* or download the form at CalSTRS.com/forms. The form includes an example to help you determine if this option is right for you.

Schedule an appointment with a CalSTRS benefits specialist to make sure you fully understand the program and how it could affect your retirement benefits. Call 800-228-5453 or visit *myCalSTRS* to schedule an appointment.

You can have concurrent membership with the following California public retirement systems:

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

➤ See the *Concurrent Retirement* fact sheet for more information at CalSTRS.com/publications.

Health Insurance Premium Deductions

CalSTRS does not provide health or dental insurance coverage for members. However, state law requires 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.

Medicare Premium Payment Program

Currently, the CalSTRS Medicare Premium Payment Program, which pays Medicare Part A hospital insurance premiums for certain eligible retired members, is not being offered to members with a benefit effective date on or after July 1, 2012. Your most recent retirement date is used to determine your eligibility. See the *Member Handbook* to learn more.

CalSTRS 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're 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 health insurance provider. To cancel, verify coverage information, or change premium amounts, contact your insurance carrier or employer.

Medicare Premium Deductions

If you're enrolled in both Medicare Part A and Part B, you may have your Part B premiums deducted from your monthly benefit by submitting the *Medicare Payment Authorization* form, available at CalSTRS.com/forms, along with a copy of your current unpaid Notice of Medicare Premium Payment Due (Medicare bill).

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're interested in having your dues deducted from your payments, contact the association (see listing on page 25). After we receive the appropriate paperwork from the association, we will set up a deduction. To cancel a deduction, you'll need to contact the association directly.

Your Retirement Benefit and Social Security

As a member of CalSTRS, you don't pay into Social Security, so you don't earn Social Security benefits for your CalSTRS-covered work. If you're counting on a Social Security benefit through other employment or your spouse, two federal rules—the Windfall Elimination Provision and the Government Pension Offset—may leave you with a smaller Social Security benefit or possibly no benefit at all. Social Security is a federal program and neither CalSTRS nor the State of California has control over Social Security eligibility requirements, or benefit or offset calculations. Your CalSTRS retirement benefit will not be reduced or eliminated by these two rules.

For more information, contact Social Security at 800-772-1213 or visit ssa.gov/planners/retire/gpo-wep.html where you'll also find calculators.

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

Working After Retirement

You can continue to receive your full CalSTRS retirement benefit, with no earnings limitations, if you take a job outside of CalSTRS-covered employment, including work in:

- Private industry outside of the California public school system
- Private schools
- Public schools outside of California
- University of California or California State University systems

If you return to work after service retirement and perform retired member activities, including substitute teaching, within the California public school system as an employee, an independent contractor or an employee of a third party, except under a very narrow exception, there are restrictions under state and federal law. You cannot:

- Earn any pay without affecting your retirement benefit if you return to work before a 180-calendar day separation from service.

- Earn more than the annual earnings limit without affecting your CalSTRS retirement benefit.
- Work in a classified position except, under certain circumstances, as a teacher's aide.

In addition, if you retired under the Retirement Incentive Program, you will lose the ongoing increase in your benefit from the incentive if you take any job, including substitute teaching, within five years of retirement with the employer that offered the incentive.

➤ See the *Working After Retirement* fact sheet at CalSTRS.com/publications.

Separation-From-Service Requirement

If you return to work and perform retired member activities, your retirement benefit will be reduced dollar for dollar by any compensation earned—including employer contributions to tax-sheltered annuities and other tax-favored products—during the first 180 calendar days following your most recent retirement date, up to your benefit payable during that period.

There are no exemptions from the separation-from-service requirement if you are under normal retirement age or you received a retirement incentive. There is a narrow exemption if you're over normal retirement age. The requirement may not apply if your appointment is necessary to fill a critically needed position; your employer's

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.

To contact our Ombudsman, go to CalSTRS.com/contactus and select CalSTRS Ombudsman to send a secure email.

governing body, such as a school board, approves your appointment through a resolution adopted at a public meeting; you did not receive any financial inducement to retire; and your termination of service was not the cause of the need to acquire your services.

Your employer must submit the required documentation to CalSTRS substantiating your eligibility for an exemption. CalSTRS must receive the exemption request and required documentation before you begin working.

Postretirement Earnings Limit

In addition to the separation-from-service requirement, you're also subject to the annual postretirement earnings limit if you return to work and perform retired member activities.

If you return to work after the 180-calendar day separation-from-service requirement and perform retired member activities as an employee, an independent contractor or an employee of a third party, you can earn up to the annual postretirement earnings limit without affecting your benefit.

If your earnings from your work performing retired member activities—including employer contributions to tax-sheltered annuities and other tax-favored products—exceed the annual earnings limit, CalSTRS will withhold all of your gross monthly retirement benefit until we collect your excess earnings in full, up to the amount of your

annual retirement benefit, minus reductions due to the separation-from-service requirement.

The earnings limit for the 2017–18 school year is \$43,755; for the 2018–19 school year, the limit is \$45,022. Any amount you earn performing retired member activities during the first 180 calendar days of retirement will also count against the annual postretirement earnings limit for the appropriate fiscal year.

For example: If you perform retired member activities in the 2018–19 school year after the first 180 calendar days following retirement and earn \$50,000, you will have exceeded the annual earnings limit of \$45,022 by \$4,978. If your annual retirement benefit is \$4,978 or more, then we will withhold your monthly retirement benefits until we collect \$4,978.

How the Separation-From-Service Requirement and Annual Postretirement Earnings Limit Work Together

If you retired on June 30, 2018, with an annual benefit of \$34,000 and returned to perform retired member activities earning \$26,000 in the first 180 calendar days following your retirement date, your benefit would be reduced dollar for dollar up to your retirement benefit amount payable during that same period, which was about \$17,000. CalSTRS collects the excess earnings by withholding all of your gross monthly retirement benefit until the entire amount owed is collected in full. If you continued to work for the remainder of the school year and earned an additional \$26,000, your total earnings for the year of \$52,000 would exceed the 2018–19 annual postretirement earnings limit of \$45,022 by \$6,978. CalSTRS will collect these excess earnings from you up to the amount of your annual retirement benefit of \$34,000 minus the previous \$17,000 reduction due to the separation-from-service requirement limit. In this case, we would collect an additional \$6,978.

Exclusion From the Earnings Limit for Certain Third-Party Employers

You may be excluded from the postretirement earnings limit and other postretirement employment requirements if:

- You return to work for a third-party employer that does not participate in a California public pension system.
- The activities performed are not normally performed by employees of a CalSTRS employer and the activities are performed for 24 months or less.

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.

Your reinstatement date can be any day during the month in which CalSTRS receives your signed *Reinstatement After Retirement* form. For example, if you want your retirement to end as of July 15, 2018, CalSTRS must receive your form no later than July 31, 2018.

If you decide to remain retired after submitting your application, you may cancel your reinstatement application as long as we receive your request by the last day of the month in which your reinstatement was to become effective.

If you are re-retiring after reinstating to active service from retirement, your retirement date must be at least one day after the date you reinstated.

If you re-retire within 12 months of reinstating, you may not make changes to your retirement option or beneficiaries. If you re-retire after 12 months of reinstating, you may change or cancel your election, but your benefit will be subject to an assessment that may reduce your benefit for your lifetime. Once you have retired, you may make a postretirement option change only under limited circumstances. See the *Member Handbook* for more information on postretirement option changes.

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



Keep your mailing and email addresses current to avoid delays in benefits or communications. Submit changes using *myCalSTRS* or the *Address Change Request* form, available at [CalSTRS.com/forms](https://www.calstrs.com/forms).

Retired Educator Organizations

Organizations for retirees provide services to their members and may be legislative advocates for bills affecting retired educators. Contact information for organizations is provided as a courtesy and not as an endorsement.

<p>Association of California School Administrators 1029 J Street, Suite 500 Sacramento, CA 95814 800-608-2272 acsa.org</p>	<p>Faculty Association of California Community Colleges 1823 11th Street Sacramento, CA 95811 916-447-8555 faccc.org</p>
<p>California Federation of Teachers Administrative Office 2550 North Hollywood Way, Suite 400 Burbank, CA 91505 818-843-8226 cft.org</p>	<p>United Educators of San Francisco—Retired Division 2310 Mason Street San Francisco, CA 94133 415-956-8373 uesf.org</p>
<p>California Retired Teachers Association 1750 Howe Avenue, Suite 630 Sacramento, CA 95825 916-923-2200 calrta.org</p>	<p>United Teachers Los Angeles—Retired 3303 Wilshire Boulevard, 10th Floor Los Angeles, CA 90010 213-487-5560 800-556-8852 utla.net</p>
<p>California Teachers Association/National Education Association—Retired 1705 Murchison Drive P.O. Box 921 Burlingame, CA 94011-0921 650-697-1400 cta.org/retired</p>	

CalSTRS Benefits Planning Offices

Member Service Centers

Location	Telephone Number	Hours
Glendale	800-228-5453 ext. 3	M-F 8-5
Irvine	800-228-5453 ext. 3	M-F 8-5
Riverside	800-228-5453 ext. 3	M-F 8-5
San Diego	800-228-5453 ext. 3	M-F 8-5
Santa Clara	800-228-5453 ext. 3	M-F 8-5
West Sacramento	800-228-5453 ext. 3	M-F 8-5

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.

Satellite Offices*

Location	Telephone Number
Bakersfield	661-636-4880
Cordelia	800-228-5453 ext. 3
Culver City	800-228-5453 ext. 3
Downey	800-228-5453 ext. 3
El Centro	800-228-5453 ext. 3
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/local-offices for more information.



Benefit of a Lifetime

Step 2: Complete and Submit Your Forms Online

Complete and submit your *Service Retirement Application* online using *myCalSTRS*. It's easy, fast and secure.

When you complete and submit your application online using *myCalSTRS*:

- You'll receive step-by-step guidance to complete your application correctly.
- Your member-specific information is auto-filled, saving you time.
- Your application is submitted automatically, for a faster turnaround.
- You'll receive immediate email confirmation when CalSTRS receives your application and after it has been processed.
- You'll receive prompt emails if we need additional information to process your application.

Activate Your *myCalSTRS* Account

Get started now by activating your *myCalSTRS* account if you haven't already done so. Your spouse or registered domestic partner needs to register for *myCalSTRS* to electronically sign your completed application.

- To begin, simply go to [myCalSTRS.com](https://mycalstrs.com) and click on *Register Now*. If you need help, call us at 800-228-5453.

Defined Benefit Supplement Rollovers

Rolling over your Defined Benefit Supplement funds? If you select CalSTRS Pension2 for your

rollover, you can submit your application online since CalSTRS will obtain the required financial signatures on your behalf.

If you're rolling over your Defined Benefit Supplement funds to a financial institution other than Pension2, a financial institution representative's signature is required. You can still fill out your application online, but you'll need to print the application, obtain the required signatures, sign it yourself—your spouse or registered domestic partner will also need to sign—and submit your completed form to CalSTRS.

Forms for Service Retirement

To apply for service retirement, you'll need to submit the *Service Retirement Application*. In addition, you and all of your employers from your last year of work must submit the *Express Benefit Report* to verify your last day of work, vacation or compensated approved leave and report unused sick leave. You also may need to submit additional forms for special circumstances.

Here is a list of forms and descriptions of their purpose. Except for the *Express Benefit Report* and the *Service Retirement Application Change Request* form, you can complete and submit these forms online using *myCalSTRS* (the direct deposit authorization on *myCalSTRS* is not a form). If one or more of your beneficiaries is a special needs trust, you will also need to submit the *Certification of a Special Needs Trust* form for each special needs trust.

Form Name	Purpose	Why Use This Form
Required		
<input type="checkbox"/> <i>Service Retirement Application</i> SR-0059	To apply for retirement as a Defined Benefit member.	Required for a service retirement. Includes distribution for your Defined Benefit Supplement funds.
<input type="checkbox"/> <i>Express Benefit Report</i> SR-0554E	To have your employer verify your last day of work, vacation or compensated approved leave and report unused compensated sick leave.	Required for verification of employment termination and unused sick leave to adjust your benefit.
Recommended		
<input type="checkbox"/> <i>Direct Deposit Authorization</i> AS-1130	To send your retirement benefit directly to your financial institution.	Provides a convenient and safe way to receive your retirement benefit.
<input type="checkbox"/> <i>Recipient Designation</i> MS-0002	To designate living persons, an estate, trust, charity or other entity to receive the one-time death benefit.	Confirms your death benefit wishes are recorded at CalSTRS and avoids probate for this benefit after your death.
Special Circumstances		
<input type="checkbox"/> <i>Justification for Non-Signature of Spouse or Registered Domestic Partner</i> MS-1125A	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 or refuses to sign forms when required.
<input type="checkbox"/> <i>Compound Option Election</i> SR-0363 <i>(This option election requires a separate form.)</i>	To designate one or more option beneficiaries—a living person or persons, or a special needs trust—to receive an allocation of your Member-Only Benefit with an option choice for each and, if you choose, retain a portion of your benefit.	When you want to elect the Compound Option at retirement and are submitting a <i>Service Retirement Application</i> for the first time.
<input type="checkbox"/> <i>Reduced Benefit Election</i> SR-1613	To elect the Reduced Benefit Election, you must be at least age 55 but under 60, and have at least five years of service credit.	Receive one-half of your monthly benefit calculated as if you were age 60 for the same number of months after age 60 that you received payments before age 60. After that, you receive your full benefit. Must be submitted with your <i>Service Retirement Application</i> .
<input type="checkbox"/> <i>Service Retirement Application Change Request</i> SR-1328	To make a change to your application or cancel it.	CalSTRS must receive your form within 30 days of the date your first benefit payment is issued.

➤ Find current forms on *myCalSTRS* or at CalSTRS.com/forms.

Instructions Overview for Paper Forms

Carefully read and follow the instructions for each form to avoid any processing delays. All the forms you may need to retire are listed on page 28. You can find them online at *myCalSTRS* and *CalSTRS.com/forms*. Paper forms can be mailed, faxed or hand-delivered to certain local offices. All paper applications are processed in the order they are received. Incomplete applications are not processed and will be returned by mail.

When completing the paper retirement application and other forms, be sure to:

- Carefully read the instructions, including the *Special Tax Notice: Your Rollover Options*.
- Make photocopies of the forms beforehand in case you need to start over. You can also download and print new forms at *CalSTRS.com/forms*. If you need to make a correction, draw a line through the error and make your correction, then initial and date next to the change or use a new form. Your spouse or registered domestic partner will also need to initial any changes.
- 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.
- Make a copy of each completed form you submit to CalSTRS for your records.

Service Retirement Application Checklist

This checklist will help you avoid common errors that result in your paper application being returned for corrections.

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 the date of your last day of work, vacation or compensated approved leave?
- Is your retirement date at least one day after your last day of work, vacation or compensated approved leave?
- If you are applying for the Reduced Benefit Election, did you complete and attach the *Reduced Benefit Election* form?
- If you plan to retire concurrently from another California public retirement system, did you complete the required information?

Section 3: Your Defined Benefit Election

3.1 Defined Benefit Election

- Did you elect either the Member-Only or the Modified Benefit?
If you elected 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 beneficiary?
 - If you are applying for the Compound Option Election, did you complete and attach the *Compound Option Election* form?
 - If you're electing a special needs trust, did you complete and attach the *Certification of a Special Needs Trust* form?

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 Election

4.1 Defined Benefit Supplement Election

- Did you elect one choice for your Defined Benefit Supplement funds: either Lump-Sum Payment, Annuity Payment, or Combination Lump Sum and Annuity?
- If you elected the Annuity Payment, did you indicate either the Period-Certain Annuity of 3 to 10 years or the Lifetime Annuity?
- If you elected the Combination Lump Sum and Annuity, did you indicate the lump-sum amount and choose either a Period-Certain Annuity of 3 to 10 years or a Lifetime Annuity?

Service Retirement Application Checklist

4.2 Defined Benefit Supplement Payment Instructions

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

If you elected a Rollover to Pension2:

- Did you indicate the dollar amount or percentage to transfer?

You do not need to provide financial institution information or get a financial institution signature.

If you elected a Rollover to another qualified plan with a financial institution, did you:

- Select one of the three plan types?
- 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 elected the Direct Payment Lump Sum or a Period-Certain Annuity of 3 to 9 years, did you indicate if you want California state tax withheld?
- If you elected a Lifetime Annuity or the Period-Certain Annuity of 10 years, did you indicate your California 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 your signature date?
- Did you sign within six months of your requested retirement date if requesting a retirement date in the future?
- Did your spouse or registered domestic partner sign and date the form with the signature date?
- If not, did you check the corresponding box and attach the *Justification for Non-Signature of Spouse or Registered Domestic Partner* form?

Before submitting your application:

- Are your name and Client ID or Social Security number on all pages?
- Did you complete all pages of the application?
- Did you initial and date any corrections?
- Did your spouse or registered domestic partner initial and date any corrections?
- Did you make a copy of your application and supporting documents for your records?

Step 3: CalSTRS' Role in Your Retirement Process

The information below will help you understand what to expect after you submit your *Service Retirement Application*. If you submit your paper application between April 1 and July 31, processing times may be longer than during nonpeak months. Submit your application using *myCalSTRS* for faster processing.



When you complete and submit your application online using *myCalSTRS*, your timeline typically will be much faster.

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 you a letter, acknowledging we received your application.	Within two weeks of processing your application or instantly via email if you apply online.
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.)	Any time during the application process.
Sends an award letter that includes: <ul style="list-style-type: none"> • The amount of your monthly benefit. • How your monthly benefit was calculated. • 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 first benefit payment based on the information on file at the time of retirement. If your retirement date is not the first of the month, your first benefit payment will be prorated.	Within 45 days of your retirement 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 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 may be adjusted as we receive additional information from your employer, including any unused sick leave or retirement incentive. • Unused sick leave may take up to six months to process after we receive the <i>Express Benefit Report</i> from your last employer or employers. • 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.	Effective September 1 of each year, beginning after the first anniversary of your retirement. The automatic adjustment is reflected in your October 1 payment.

CalSTRS Pension2

Roll over your Defined Benefit Supplement funds to Pension2 when you retire

Pension2, CalSTRS' voluntary supplemental savings plan, offers 403(b), 457(b), Roth 403(b) and Roth 457(b) plans with low costs and flexible investments.

CalSTRS Pension2 provides much more than a home for your retirement assets:

- **Low fees**—you'll belong to a plan with simple, low-cost and transparent fees. There are **no** commissions, **no** surrender charges and **no** load fees.
- **Investments for everyone**—**Easy Choice Portfolios** provide ready-made diversified portfolios, including three targeted portfolios for retired members. You can also **build your own portfolio** or choose from hundreds of mutual funds through the **Self-Directed Brokerage Account**.
- **Services and a team to help you succeed**—you can manage your account 24/7 online or use the automated toll-free phone line. Experienced retirement specialists can help you define and pursue your goals in retirement.

CALSTRS

pension2
personal wealth plan

It's your future. Choose Pension2™.

Pension2.com

Find links to the Pension2 e-book, videos and online enrollment. Or call toll free 844-electP2 (844-353-2872).

CalSTRS Pension2 does not guarantee any rate of return on investments. Investing involves risk, including risk of loss of principal.

Have Other Retirement Savings Accounts? Bring Them All Together

Now's the perfect time to combine your retirement accounts. By rolling over money currently held in other qualified retirement plans to CalSTRS Pension2, you'll be able to manage your retirement savings in one place and benefit from some great features. What's more, you may be able to save on fees.

To get a no-cost, no-obligation comparison of the fees you may pay elsewhere and with Pension2, call 888-426-2684.

Compare 403(b) Products Side by Side
At 403bCompare.com, you'll find an easy and transparent way to compare costs, performance and services for your employer's 403(b) products to help you find the best one for your retirement income goals.



Glossary

Age Factor

The percentage of your final compensation that you will receive as a retirement benefit for every year of service credit. The age factor is based on your age on the last day of the month in which your retirement is effective.

For CalSTRS 2% at 60 members, the age factor at age 60 is 2 percent. The age factor gradually decreases to 1.1 percent at age 50 if you retire before age 60, and increases to the maximum 2.40 percent at age 63 if you retire after age 60. 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 of service credit, or 40 percent of your final compensation (2 percent x 20).

For CalSTRS 2% at 62 members, the age factor at age 62 is 2 percent. The age factor gradually decreases to 1.16 percent at age 55 if you retire before age 62 and increases to the maximum 2.40 percent at age 65 if you retire after age 62.

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.

Assessment

A reduction applied to your benefit if you change or cancel your preretirement election of an option. The amount is the actuarial equivalent of the coverage you received as a result of the preretirement election. (Assessments of \$0 do not result in a benefit reduction.)

Career Factor

For members under the 2% at 60 benefit structure, if you retire with at least 30 years of qualified service credit, a bonus of 0.20 percent will be added to your age factor up to a maximum age factor of 2.4 percent. 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. Members under the 2% at 62 benefit structure are not eligible for the career factor.

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 can be found on your *Retirement Progress Report*.

Compensation Earnable

Creditable compensation you could earn in a school year for creditable service performed full time not including service for which contributions are credited to your Defined Benefit Supplement account.

Concurrent Retirement

Retiring for service 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. Or retiring for service on different dates as long as you did not perform service creditable to either system between those dates.

Creditable Service

Specific employment activities performed for a school district, community college district, county office of education or eligible charter school, including teaching, mentoring, 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 a lifetime retirement benefit (based on a formula using an age factor, service credit and final compensation) and survivor and disability 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. Contributions from earnings for service performed in excess of one year, are credited to your Defined Benefit Supplement account.

For 2% at 60 members, contributions for earnings for limited-term payments are also credited to your Defined Benefit Supplement account.

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 compensation earnable during a specified period of CalSTRS-covered paid employment.

For members under the 2% at 60 benefit structure, the period is 12 consecutive months if you have at least 25 years of service credit. If you have fewer than 25 years of service credit, the period is 36 consecutive months. For members under the 2% at 62 benefit structure, the period is 36 consecutive months regardless of your years of service.

Hybrid Plan

As a CalSTRS member, you participate in a hybrid retirement system that includes traditional defined benefit (Defined Benefit Program), cash balance (Defined Benefit Supplement Program) and voluntary defined contribution (CalSTRS Pension2) plans. You also have survivor and disability benefits.

Longevity Bonus

A benefit enhancement for members under the 2% at 60 benefit structure that increases your monthly benefit if you had at least 30 years of qualified service credit on or before December 31, 2010. The bonus will be reduced by an option factor if you choose an option. Members under the 2% at 62 benefit structure are not eligible for the longevity bonus.

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

Normal Retirement Age

For 2% at 60 members, normal retirement age is 60. For 2% at 62 members, normal retirement age is 62.

One-Time Death Benefit

A one-time benefit paid to your designated recipients (may be persons, 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.

Postretirement Earnings Limits

Separation-From-Service Requirement

If you return to work after service retirement and perform retired member activities during the first 180 calendar days after your most recent retirement date in the California public school system as an employee, independent contractor or employee of a third party, your retirement benefit will be reduced dollar for dollar by the amount you earn up to your benefit payable during the 180 calendar days.

In addition, you'll be subject to both the annual earnings limit and the separation-from-service requirement. Any amount you earn performing retired member activities during the first 180 calendar days of retirement will also count against the annual postretirement earnings limit for the appropriate fiscal year.

There are no exemptions if you are under normal retirement age or received a retirement incentive. Following the 180-calendar day period, you may return to work under the annual postretirement earnings limit.

Annual Earnings Limit

If you return to work and perform retired members activities after the 180-calendar day separation-from-service requirement in the California public school system as an employee, independent contractor or employee of a third party, you can earn up to the annual postretirement earnings limit without affecting your benefit. Your CalSTRS benefit will be reduced dollar for dollar by the amount of creditable earnings in excess of the earnings limit up to your annual retirement benefit, minus reductions due to the separation-from-service requirement.

The Teachers' Retirement Board adjusts the earnings limit annually. The earnings limit for the 2017–18 school year is \$43,755; for the 2018–19 school year, the limit is \$45,022.

If you perform retired member activities during the first 180 calendar days after retirement when you are subject to the separation-from-service requirement, any pay you earn will also count against the annual postretirement earnings limit for the appropriate fiscal year.

Reduced Benefit Election

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 your 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. You are not eligible if you previously received a CalSTRS service retirement or disability benefit or if you're applying for service retirement while your disability application is being evaluated.

Service Credit

Accumulated period in years, including partial years, for which you earned creditable compensation and made contributions under the 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 1.00 in any given school year.

CalSTRS Resources



WEB

CalSTRS.com
Click *Contact Us* to email
myCalSTRS.com
403bCompare.com
Pension2.com

STAY CONNECTED



CALL

800-228-5453
7 a.m. to 6 p.m.
Monday through Friday
916-414-1099
Calls from outside the U.S.
888-394-2060
CalSTRS Pension2®
Personal Wealth Plan
855-844-2468 (toll free)
Pension Abuse Reporting Hotline



WRITE

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



VISIT

Member Services
100 Waterfront Place
West Sacramento, CA 95605
Find your nearest
CalSTRS office at
CalSTRS.com/localoffices



FAX

916-414-5040



California State Teachers' Retirement System

COM 0377 (rev 1/18)

Printed on recycled paper



Place FSC logo here