

### Save for Your Future

- Budgeting basics, savings and investing, credit and debt

### Plan for Your Future

- Retirement lifestyle, expenses, income and obstacles

### Protect Your Future

- Retirement distributions, maximizing and protecting income

## Financial Awareness Workshops

- Visit [CalSTRS.com/financial-awareness](http://CalSTRS.com/financial-awareness) for more information.

CALSTRS



CalSTRS.com  
myCalSTRS

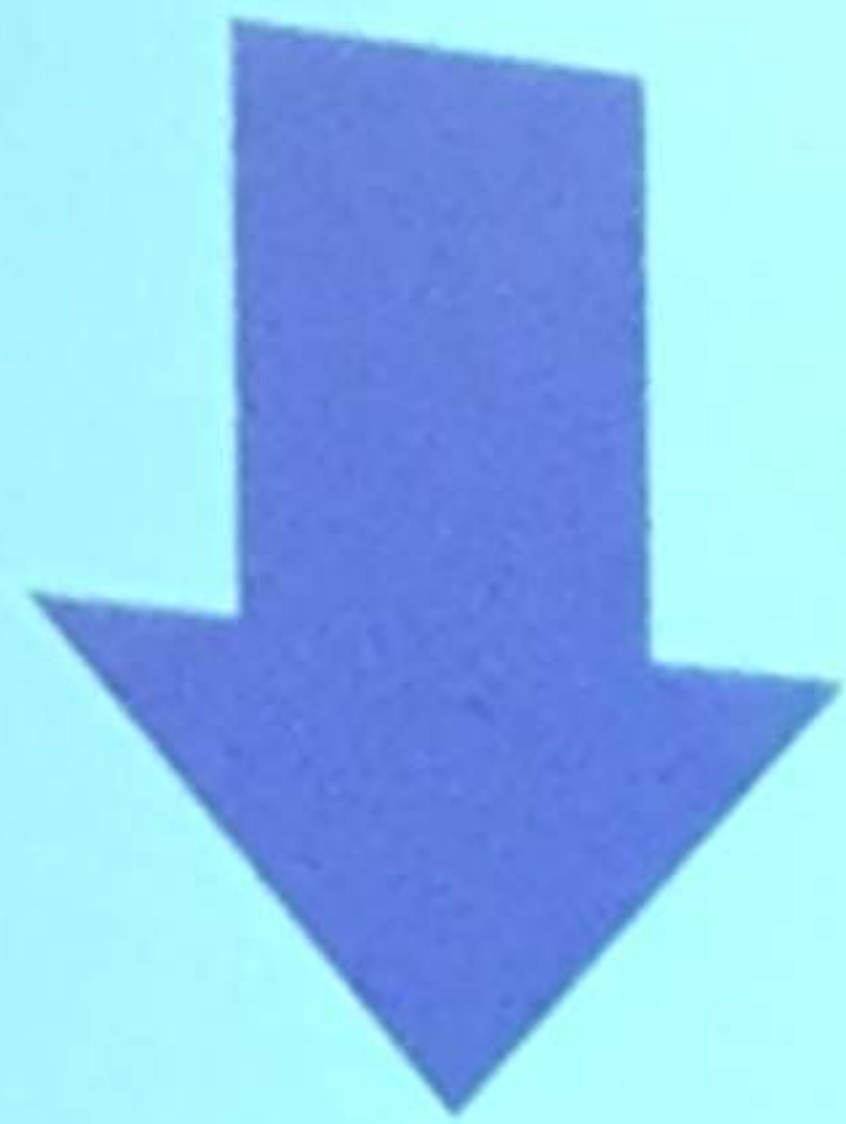


800-228-5453  
Monday – Friday  
7 a.m. to 6 p.m.

## Questions?

- Call us or send an online message using myCalSTRS.

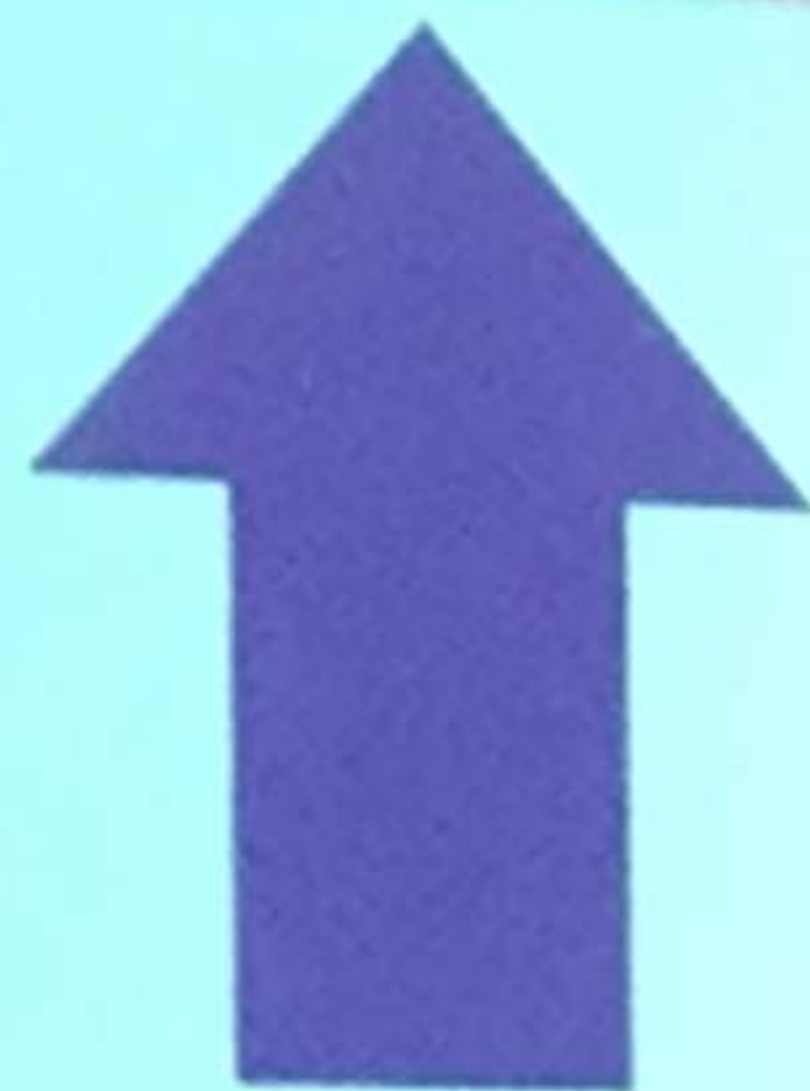
CALSTRS



Purchasing  
Power

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85% Purchasing Power

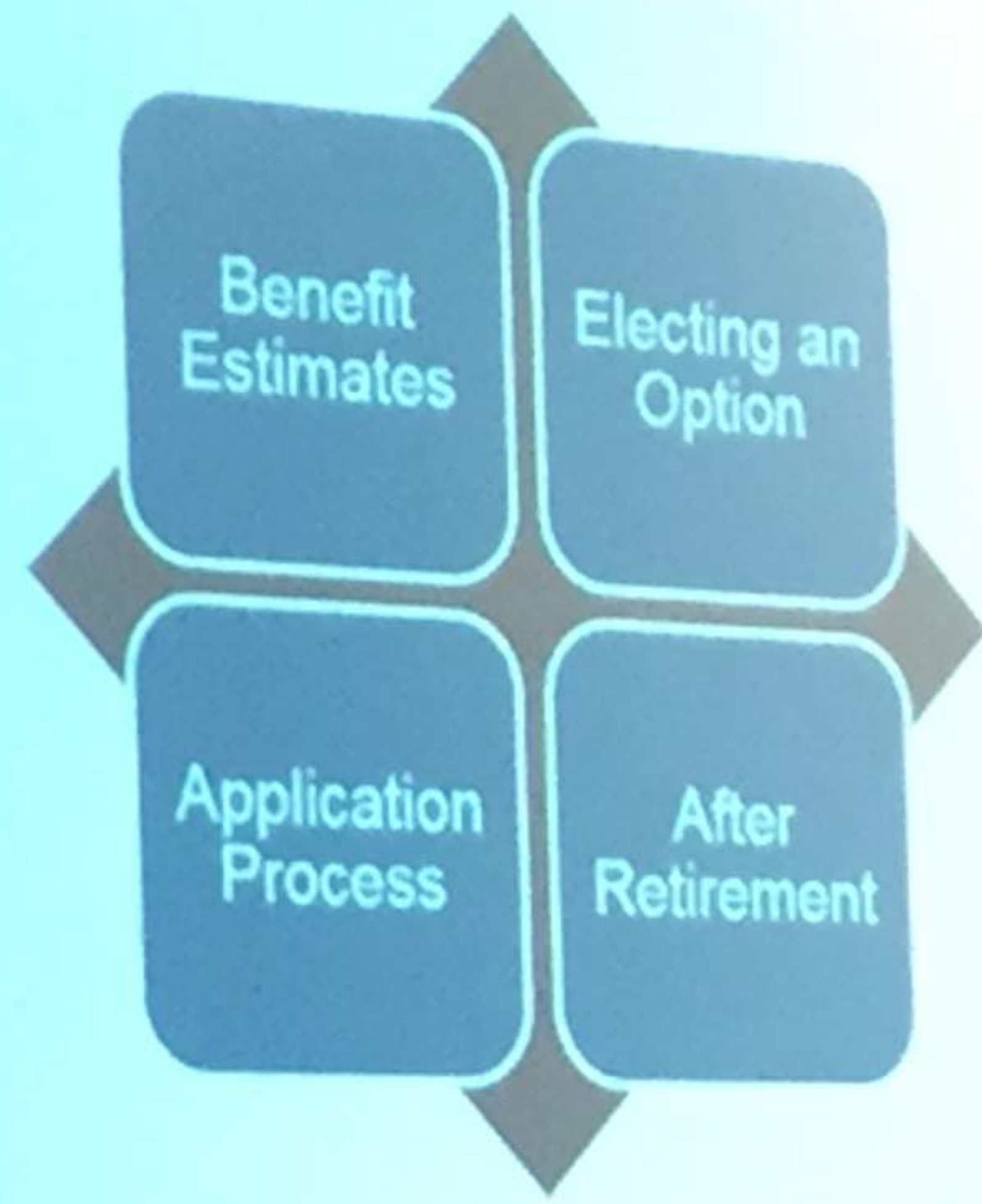


Supplemental  
Benefit

**Purchasing  
Power  
Protection**

See the *Member Handbook* for more information.

CALSTRS



## CalSTRS and Your Retirement

- Contact your local office to schedule an appointment.

\$3,375

×

0.02

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\$68

## Annual Benefit Adjustment

- View the *Member Handbook* for more information.



- Secure coverage for beneficiary if you should die before retirement.
- Option factor tends to be higher the earlier you elect an option.



- You'll be subject to an assessment if you change or cancel your option or if your beneficiary dies before you retire.
- The assessment can reduce your future monthly benefit.

## Preretirement Election of an Option

- Attend a benefits planning session or obtain an estimate before electing an option.

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### Separation-From-Service Requirement

- Benefit reduced dollar for dollar for any earnings from CalSTRS-covered employment during first 180 calendar days of retirement

### Annual Postretirement Earnings Limit

- Benefit reduced dollar for dollar for earnings in excess of the annual limit
- Limit changes every fiscal year

## Working After Retirement

- Track gross earnings to avoid exceeding earnings limits.

Decide

Resign

Retire

## Application Process

- Submit the *Service Retirement Application* to CalSTRS no earlier than 6 months before retirement.
- Verify resignation process with your employer.



CALSTRS

Section  
7

403(b)

457(b)

Roth 403(b)

Roth 457(b)

CALSTRS

pension **2**  
personal wealth plan

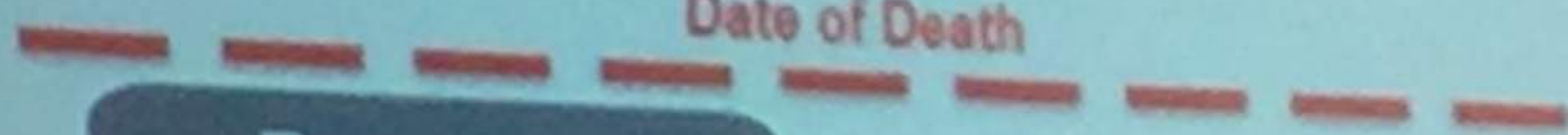
- Visit Pension2.com for more information, videos and savings calculators.
- See your employer's plans at 403bCompare.com.

Member-Only  
Benefit



Receive the  
Highest Benefit

Date of Death



Remaining  
Account Balance



One-Time Death  
Benefit Recipient

## Defined Benefit Decision

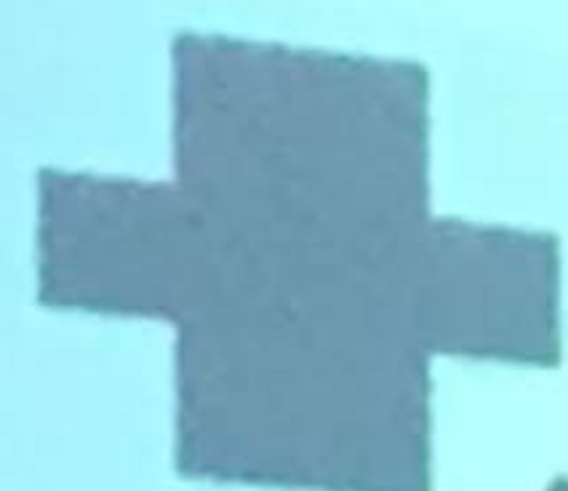
- View the *Beneficiary Options* video at [CalSTRS.com](http://CalSTRS.com).

CALSTRS

MBR Age	BEN Age	100%	75%	50%
63	50	0.8054	0.8572	0.9036
63	55	0.8301	0.8776	0.9184
63	60	0.8572	0.8997	0.9340
63	65	0.8844	0.9214	0.9490
63	70	0.9094	0.9410	0.9621

## Jake's Modified Benefit

- View the *Beneficiary Options* video at [CalSTRS.com](http://CalSTRS.com).



- Secure coverage for beneficiary if you should die before retirement.
- Option factor tends to be higher the earlier you elect an option.

## Preretirement Election of an Option

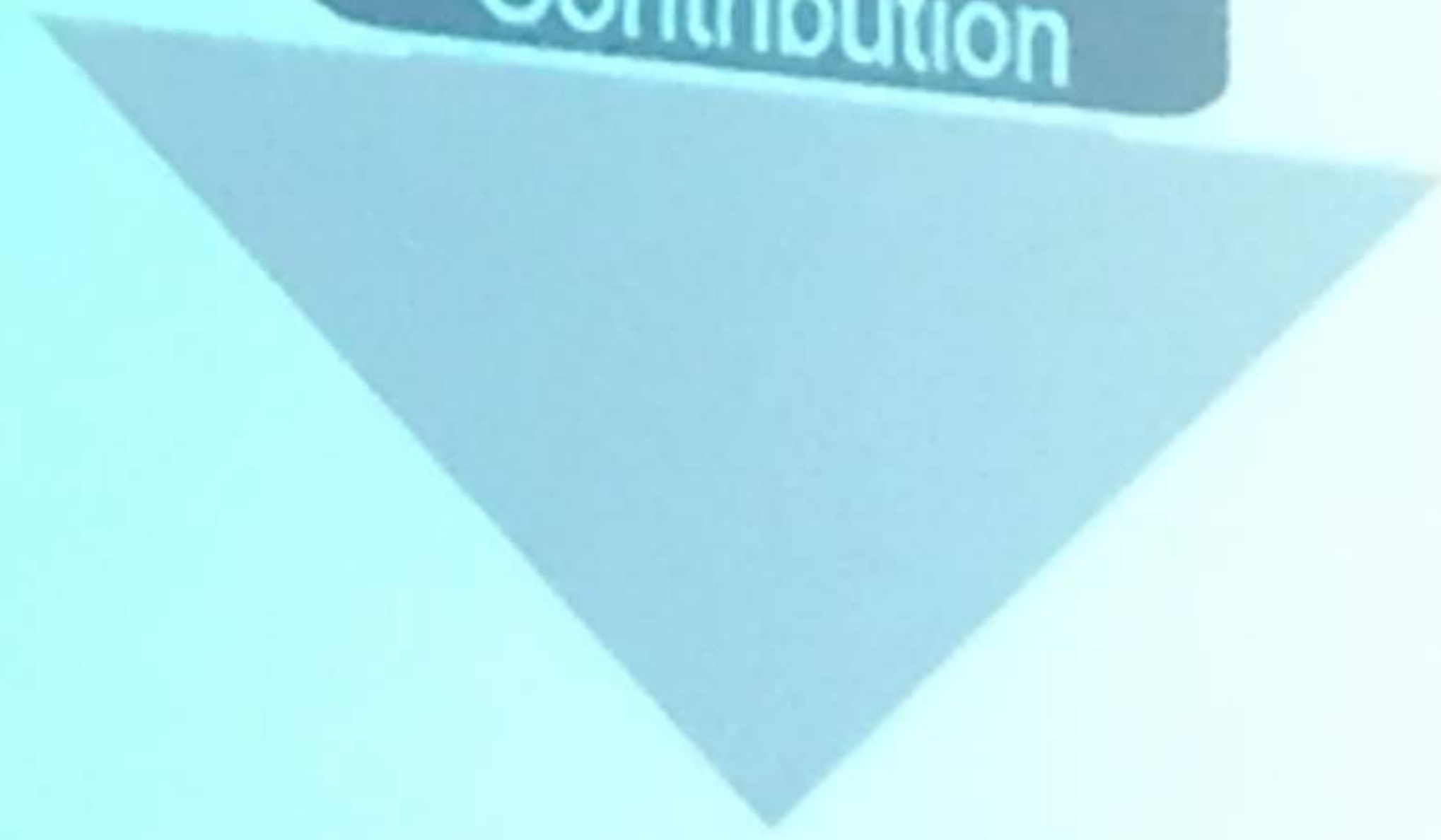
- Attend a benefits planning session or obtain an estimate before electing an option.

8% Member

Contribution\*

8% Employer

Contribution



**Defined Benefit  
Supplement  
Account**

## Defined Benefit Supplement Account

- View your account balance on *myCalSTRS*.
- Consider working extra-pay assignments to increase your account balance.

\*9% for 2% at 62 members

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### Windfall Elimination Provision

- May reduce but cannot eliminate your earned Social Security benefit

### Government Pension Offset

- Reduces and may eliminate your spousal or widow/widower Social Security benefit

### Social Security Rules

- Contact the Social Security Administration for more information.

Member-Only  
Benefit

Receive the  
Highest Benefit

Remaining  
Account Balance

One-Time Death  
Benefit Recipient

Modified Benefit

Receive a  
Reduced Benefit

Percentage of  
Reduced Benefit

Option  
Beneficiary

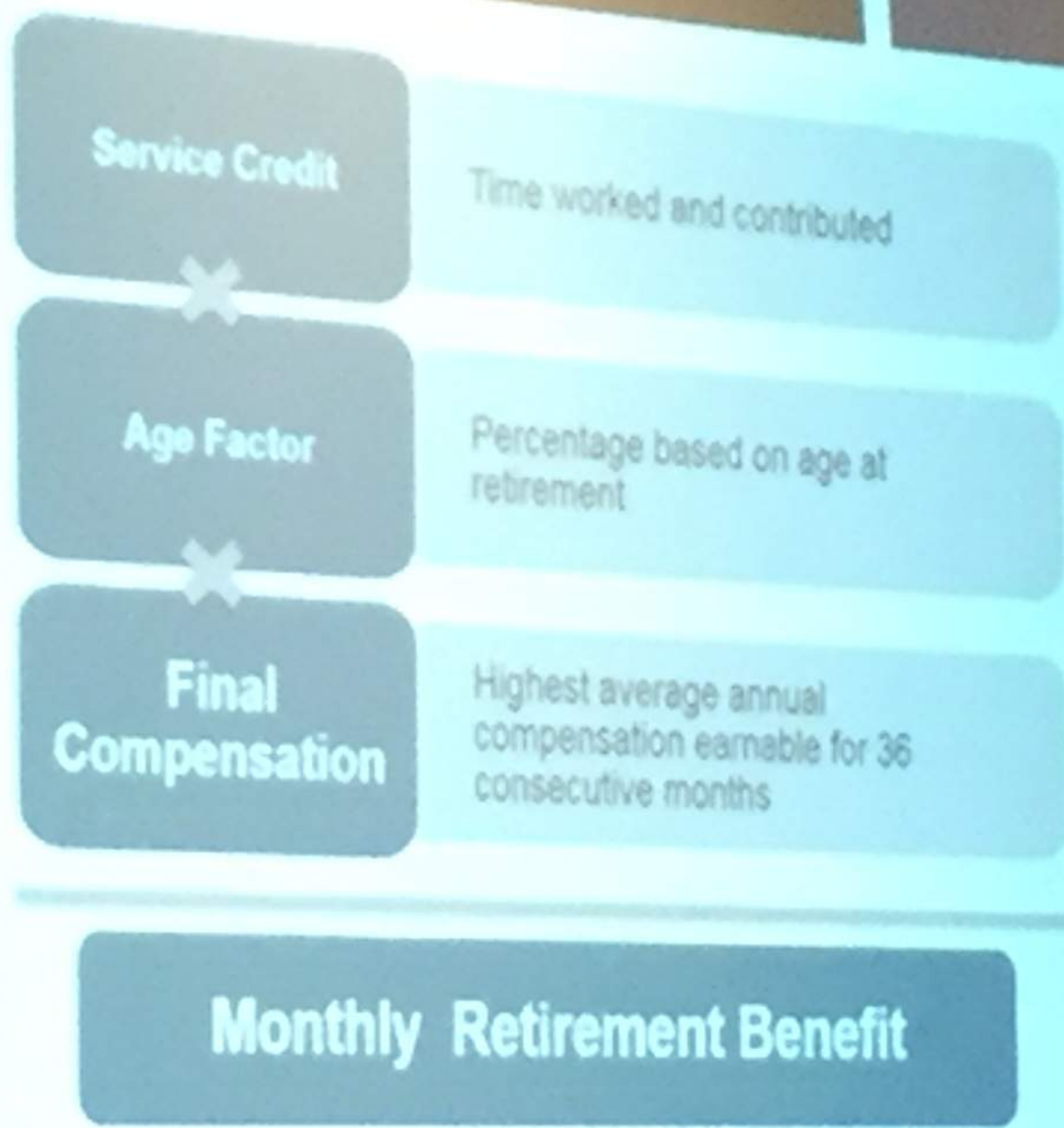
Date of Death

## Defined Benefit Decision

- View the *Beneficiary Options* video at [CalSTRS.com](http://CalSTRS.com).

## Jake's Retirement Benefit

- Jake is a CalSTRS 2% at 60 member who works full time.
- He is 48 with 12 years of service credit and wants to retire at 60.
- His final compensation is \$5,000.





### CalSTRS 2% at 60

- First hired before January 1, 2013

### CalSTRS 2% at 62

- First hired on or after January 1, 2013

## Benefit Structures



Fill in your benefit structure on page 1.



Verify your benefit structure on your *Retirement Progress Report*.

CALSTRS

Unused Sick  
Leave Days



Number of  
Contract Days

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Additional  
Service Credit

## Service Credit

- Track your service credit balance on your *Retirement Progress Report* each fall.

### Minimum Requirements

- Age 55 with five years of service credit

### Early Retirement

- Age 50 with 30 years of service credit (CalSTRS 2% at 60 only)

### Concurrent Retirement

- Age 55 with fewer than five years of service credit if retiring for service with a concurrent retirement system

## Service Retirement Eligibility

- See Your Retirement Guide to learn more.

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\$5,208

\$5,000

\$208

## Final Compensation

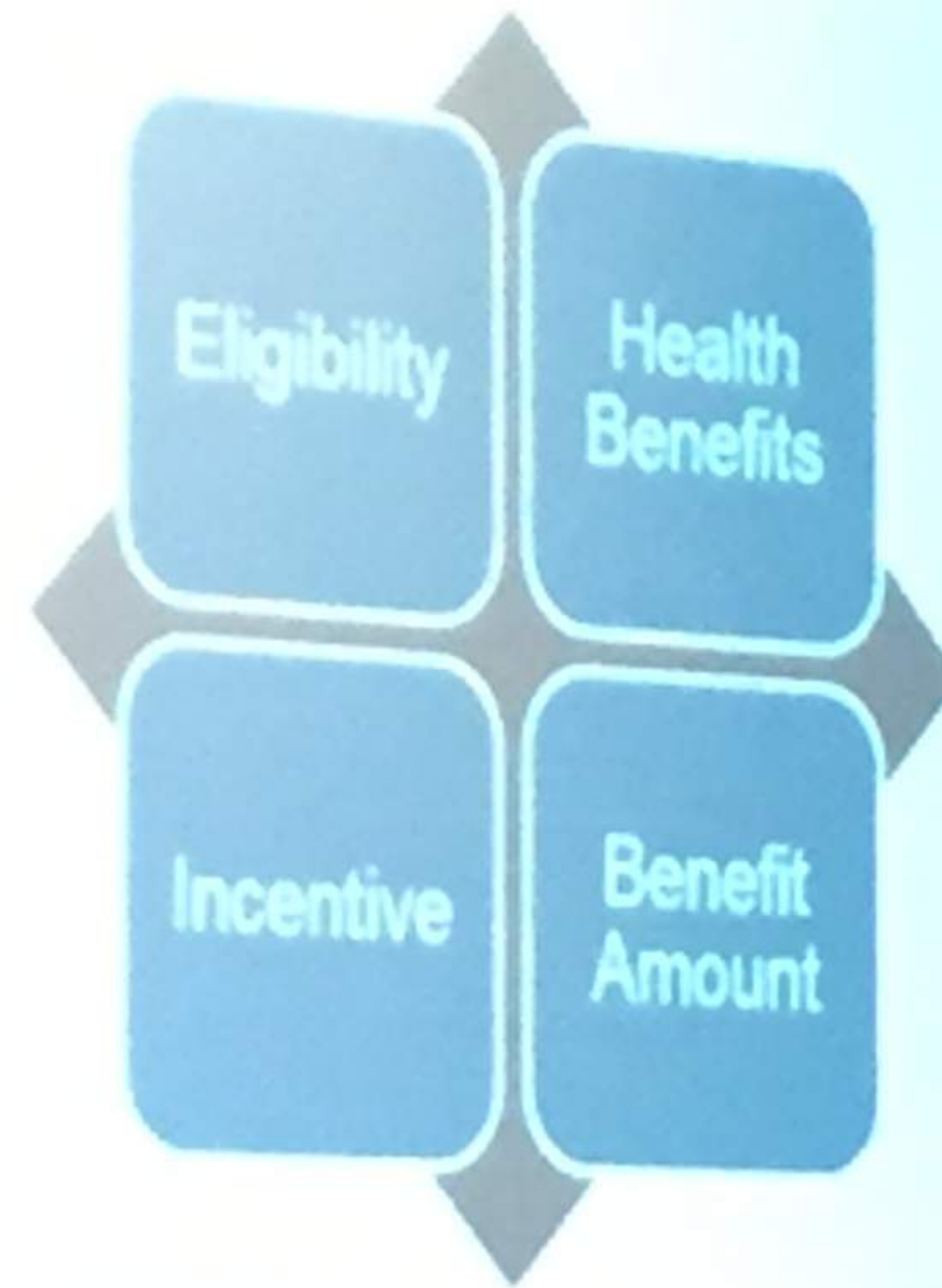
One-Year Final Compensation

12 consecutive months for CalSTRS 2% at 60 members with 25 or more years of service credit

CALSTRS

## Retirement Date Decision

- Check with your employer about health benefits and retirement incentives.
- Verify your last day of work and retirement date with your employer.

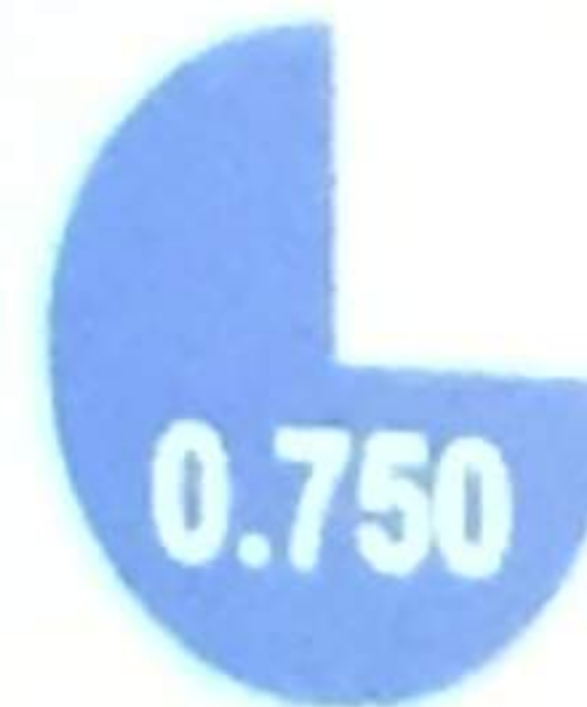


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Full Time



75% Time



50% Time



## Service Credit

- Track your service credit balance on your *Retirement Progress Report* each fall.

# The Retirement Formula

Review the *Understanding the Formula* fact sheet and video at [CalSTRS.com](http://CalSTRS.com).

**Service Credit**

Time worked and contributed



**Age Factor**

Percentage based on age at retirement



**Final Compensation**

Highest average annual compensation earnable for 36 consecutive months

**Monthly Retirement Benefit**



## CalSTRS Hybrid System

Membership includes:

- Defined Benefit Program
- Defined Benefit Supplement Program

Optional:

- CalSTRS Pension2



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# Jake's Retirement Benefit

Use the *Retirement Benefits Calculator* at [CalSTRS.com](http://CalSTRS.com) to estimate your benefit.

27

12,000 + 15,000 earned between 48 and 63

0.024

2.4% at 63

\$5,208

\$62,500 / 12 months

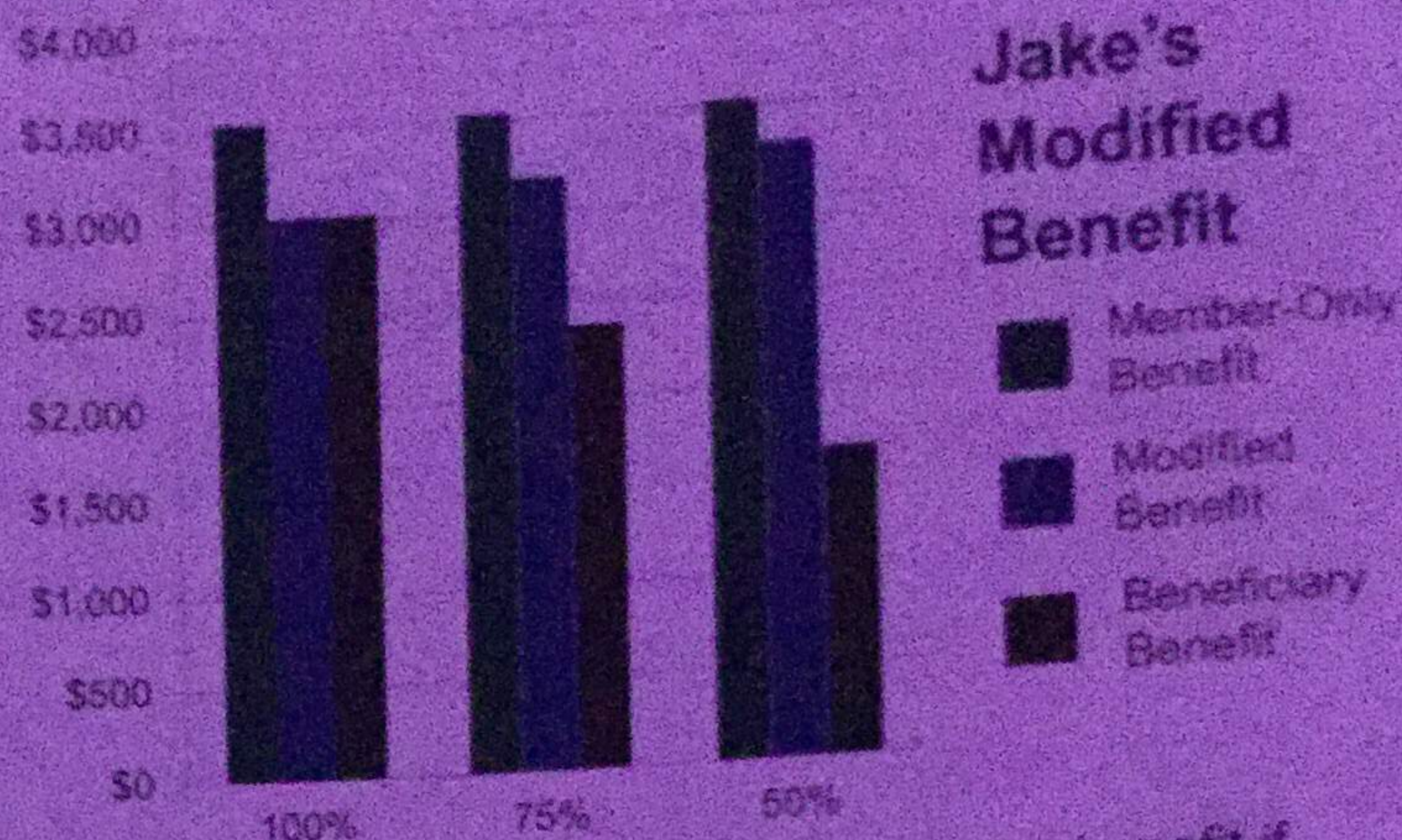
**\$3,375**

**Monthly Retirement Benefit**



## Section 5: Defined Benefit Decision

- The Member-Only Benefit is the highest benefit I can receive and ends when I die. Any remaining account balance is paid to my one-time death benefit recipient.
- The Modified Benefit is a reduced benefit that provides a lifetime monthly benefit to one or more beneficiaries when I die. The reduction is based on the option I elect and my age and the age of my beneficiaries when I make the election. I can choose to leave my beneficiary 100%, 75% or 50% of my reduced benefit.
- Once eligible to retire, I can make a *Preretirement Election of an Option* to secure an option benefit if I should die before retirement.



### Action Items:

- View the *Beneficiary Options* video and learn about the Compound Option in the *Member Handbook*.
- Attend a benefits planning session or obtain an estimate before electing an option.

## Section 6: Defined Benefit Supplement Choices

- The Defined Benefit Supplement Program is a cash balance plan with guaranteed benefits based on contributions and credits. I can choose between the following distributions at retirement:

Lump Sum	Return of account balance
Annuity	<ul style="list-style-type: none"> <li>• Lifetime—separate monthly payment for my lifetime or for my lifetime and the lifetime of my option beneficiary if I elect the Modified Benefit</li> <li>• Period Certain—separate monthly payment for three to 10 years</li> </ul>
Combination	Lump-sum payment and annuity based on remaining account balance



### Action Items:

- Consider working additional extra-pay assignments to increase my account balance.
- View my account balance on *myCalSTRS* and watch the video series on *CalSTRS.com* to review funding sources, distributions choices and tax considerations.

## Section 7: CalSTRS Pension2

- CalSTRS Pension2, a voluntary defined contribution plan, provides additional income in retirement. It offers 403(b), 457(b), Roth 403(b) and Roth 457(b) accounts with low fees and a variety of investments.



### Action Items:

- Visit *Pension2.com* for more information, educational videos and contribution calculators.
- Research supplemental savings plan offered by my employer at *403bCompare.com*

## My Retirement Decisions

RR 1858 01/2017

### Section 1: Membership Information and Resources

- My benefit structure determines how my retirement benefit is calculated.
  - ✎ I am a CalSTRS 2% at \_\_\_\_\_ member.
- CalSTRS.com—access benefit information, forms and publications, educational videos, and calculators.
- myCalSTRS—view and update account information, submit forms and messages, and access my *Retirement Progress Report*.
- *Retirement Progress Report*—provides membership and benefit information, service credit and account balances, and information reported by my employer.



#### Action Items:

- Verify my benefit structure on my *Retirement Progress Report*, if needed.
- Review my *Retirement Progress Report* each fall and contact my employer directly regarding any discrepancies.
- Register for myCalSTRS and update my communication preferences at myCalSTRS.com.
- View the *Your Retirement Guide* booklet at CalSTRS.com.

### Section 2: Choosing a Retirement Date

- The minimum retirement requirement is age 55 with five years of service credit.
- CalSTRS does not offer health benefits. I am responsible for my own coverage. My employer may offer special benefit packages or incentives if I retire within a certain time period.
- Once eligible for retirement, I can retire as early as the day following my last day of work or paid leave.
- My benefit may depend on my retirement date.

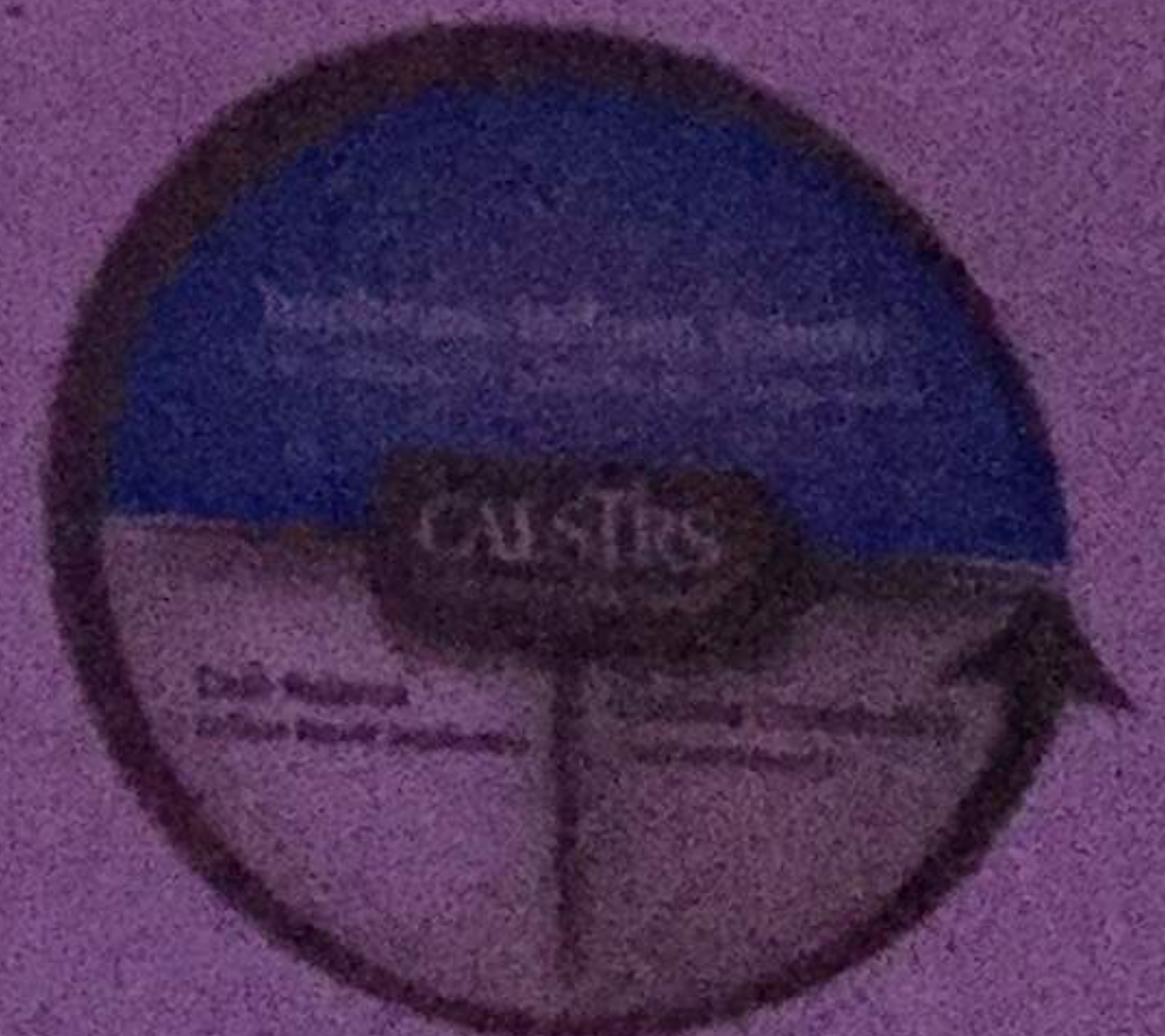


#### Action Items:

- See the *Your Retirement Guide* booklet for more information on retirement eligibility.
- Check with my employer about health benefits and retirement incentives for retirees.
- Verify my last day of work and retirement date with my employer.

### Section 3: CalSTRS Hybrid System

- My membership includes the Defined Benefit and Defined Benefit Supplement programs.
- The CalSTRS Pension2 program is a voluntary defined contribution plan.



## Section 8: Application Process and After Retirement

- I can submit my *Service Retirement Application* as early as six months before my retirement date. Resigning with my employer is a separate process.
- The Windfall Elimination Provision can reduce but will not eliminate my earned Social Security benefit.
- The Government Pension Offset can reduce or eliminate my spousal/widow(er) Social Security benefit.
- I have a separation-from-service requirement. If I return to CalSTRS-covered employment within 180 calendar days of retirement, my benefit will be reduced dollar for dollar by the amount I earn.
- After the first 180 days of retirement, I can work in CalSTRS-covered employment up to the annual postretirement earnings limit. The limit is \$ \_\_\_\_\_ for \_\_\_\_\_ / \_\_\_\_\_.



### Action Items:

- Submit my *Service Retirement Application* no earlier than six months before retirement.
- Verify my resignation process with my employer.
- Contact the Social Security Administration for more information on benefit reductions.

## Section 9: Benefit Improvement

- I will receive an increase in my monthly benefit each September after the one-year anniversary of my retirement. The increase is equal to 2 percent of my initial benefit and is not compounded.
- If the purchasing power of my current benefit ever falls below 85 percent of the purchasing power of my initial benefit, I will receive a supplemental benefit payment.

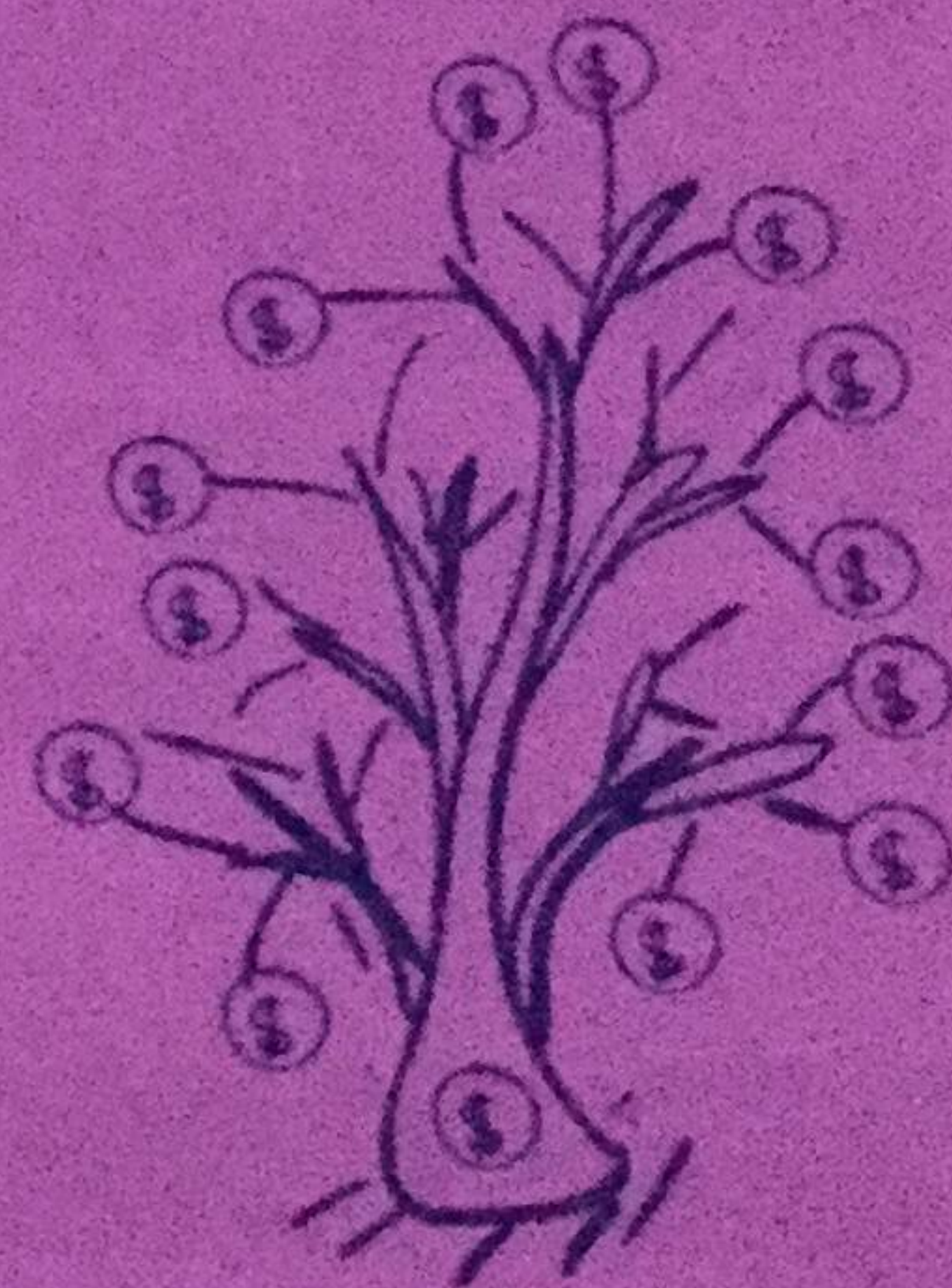


### Action Items:

- View the *Member Handbook* for more information.

## Section 10: Learn More

- Financial Awareness Workshops
  - Save for Your Future—budgeting basics, savings and investing, credit and debt
  - Plan for Your Future—retirement lifestyle, expenses, income and obstacles
  - Protect Your Future—retirement distributions, maximizing and protecting income
- CalSTRS and Your Retirement—personalized benefit estimates, electing an option, application process and after retirement



### Action Items:

- Visit [CalSTRS.com/financial-awareness](http://CalSTRS.com/financial-awareness) for more information.
- Contact my local office to schedule a CalSTRS and Your Retirement session.
- Send an online message using *myCalSTRS* or call 800-228-5453 if I have questions.