



## **Government Pension Offset and Windfall Elimination Provision repealed**

The Social Security Fairness Act, H.R. 82, was signed into law on January 5, 2025. Once implemented, this act eliminates two federal rules—the Government Pension Offset and the Windfall Elimination Provision—from the Social Security Act for Social Security benefits payable after December 2023.

For Social Security benefits paid prior to January 2024, the Windfall Elimination Provision and the Government Pension Offset could leave you with a smaller Social Security check or no check at all.

Additional information about H.R. 82, the Government Pension Offset and the Windfall Elimination Provision is available at [ssa.gov](https://ssa.gov).

CalSTRS retirement benefits are not affected by this legislation.



CALSTRS<sup>®</sup>

LEARN AND DISCOVER

THE BENEFIT OF A LIFETIME

Near Retirement



Dear CalSTRS member,

You work tirelessly for your students and passionately prepare them for the next stage of their lives. As your retirement plan, CalSTRS is dedicated to your secure financial future and preparing you for one of your most important life stages—retirement. That's why we created this *Learn and Discover: Near Retirement* publication.

As a vested CalSTRS member, you're eligible to receive a lifetime monthly benefit when you retire. I invite you to take a few minutes to look through this publication today. You'll find information that will help you make decisions before and after retirement.

Consider attending one of our webinars or benefits planning sessions, or scheduling an appointment with one of our benefits planning specialists. To learn more, see page 17.

Thank you for dedicating your career to education.

Sincerely,



Cassandra Lichnock  
Chief Executive Officer

## Our mission

Securing the financial future and sustaining the trust of California's educators



## Your timeline

This event timeline from the year before you retire up to your first benefit payment will give you an idea of what to do and when.

### Anytime:

- Activate your *myCalSTRS* account, if you haven't already. Go to **myCalSTRS.com**.
- Attend a financial awareness webinar. Register at **CalSTRS.com/webinars**.

### 10–12 months before your retirement date:

- Read *Your Retirement Guide*, available at **CalSTRS.com/publications**.
- Make your retirement benefit decisions. See pages 18–19.
- Check if pending or new legislation may affect your benefit or influence the timing of your retirement at **CalSTRS.com/legislation**.
- Schedule a *CalSTRS and Your Retirement* benefits planning session by calling 800-228-5453, option 3.

### Six months before you plan to retire:

- Attend a *Service Retirement Application Demonstration* webinar or workshop prior to completing your *Service Retirement Application*.
- Submit your *Service Retirement Application* and other forms using *myCalSTRS* no earlier than six months before your requested retirement date.
- Download forms at **CalSTRS.com/forms**, if you prefer to complete and submit a paper application.

### After you submit your application:

- Check the status of your application on *myCalSTRS*, if you submitted it online.
- Review your award letter, which includes the amount of your retirement benefit.
- Look for your first benefit payment, which you should receive within 45 days of your retirement date or the date your application was processed, whichever is later.

# 10 things to do now



Open this *Learn and Discover: Near Retirement* resource



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You've been helping students build their futures, now get ready to enjoy yours!

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CalSTRS is governed by the Teachers' Retirement Law, available at [CalSTRS.com](http://CalSTRS.com), and other governing laws. If there is a conflict between the law and this booklet, the law prevails. We make reasonable effort to provide accurate information in our publications, but such information is not meant to replace the law or provide legal or financial advice. To stay informed, consult a variety of sources, including [CalSTRS.com](http://CalSTRS.com), the California State Legislative Counsel website at [leginfo.legislature.ca.gov](http://leginfo.legislature.ca.gov), your union and elected legislative representatives. We can provide you with information on your benefit choices, but we do not provide legal, financial, tax or other advice. For such advice, consider consulting a professional in the relevant field.

# Why are we sending you this publication?

The mission of the California State Teachers' Retirement System—securing the financial future and sustaining the trust of California's educators—drives everything we do. This *Learn and Discover: Near Retirement* resource explains your CalSTRS benefits and other issues fundamental to California's educators who are nearing retirement, such as Social Security offsets and other policies that could affect your secure financial future.

*Learn and Discover: Near Retirement* is part of our retirement resource series that places essential information at your fingertips during key times in your career—right when you need it. Understanding the value and security of the CalSTRS defined benefit you're earning is important. We hope this publication answers the questions you have as you near retirement.

## THE BENEFIT OF A LIFETIME

Your CalSTRS defined benefit pension may be your greatest asset. Look through this booklet now to learn more.

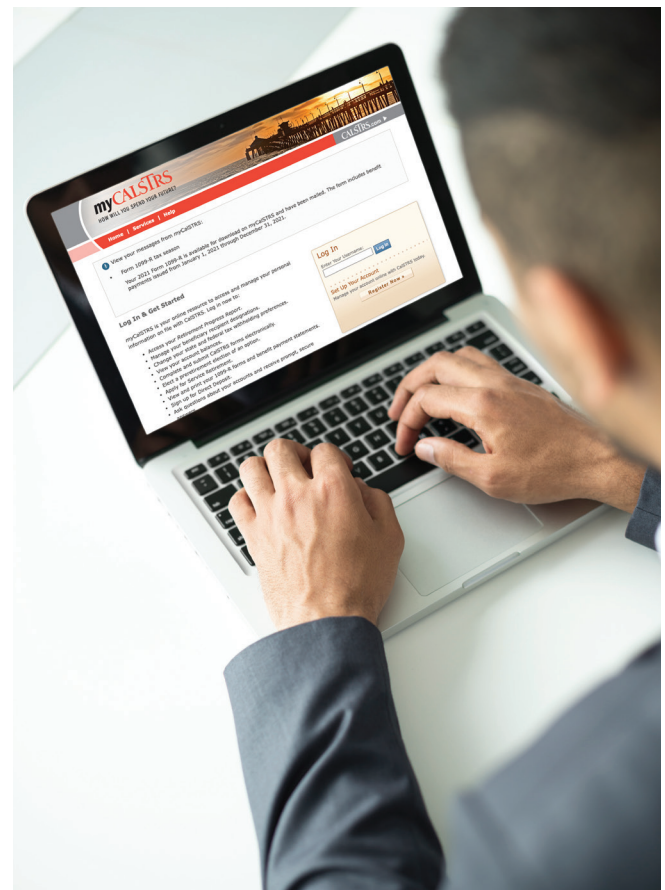


## Access your CalSTRS information online

myCalSTRS offers easy, secure and convenient access to your accounts and forms—anytime, anywhere.

With myCalSTRS, you can:

- Update your contact information.
  - Access your annual *Retirement Progress Report* and view information reported by your employer.
  - View your account balances.
  - Name and update your one-time death benefit recipient.
  - Exchange secure messages with CalSTRS representatives.
  - Complete and submit forms.
  - Link to your CalSTRS Pension2® 403(b) or 457(b) account, if you have one.
- Register at [myCalSTRS.com](https://myCalSTRS.com).



# Your CalSTRS retirement at a glance

As a vested member of CalSTRS, you're entitled to a guaranteed, lifetime monthly benefit when you retire.

Your CalSTRS retirement benefit is a strong foundation, but you'll likely need more to meet your retirement income goal.

If you're like most educators, your retirement income will come from four main sources:

- Your CalSTRS monthly retirement benefit.
- Your CalSTRS Defined Benefit Supplement account funds.
- Your investment savings, such as CalSTRS Pension2 403(b) and 457(b) plans.
- Other personal savings.

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

## Traditional defined benefit plan

### CalSTRS Defined Benefit Program

- You contribute a percentage of your earnings to the Defined Benefit Program.
- Once you retire, you'll receive a guaranteed lifetime monthly benefit.
- Your benefit will be a fixed percentage of your final compensation based on the age you retire and your years of service credit.
- Your benefit is determined by this formula:  
**service credit × age factor × final compensation**
- Your benefit is not based on how much you contributed or your account balance.
- Your benefit is not dependent on how the CalSTRS Investment Portfolio performs.

See pages 4–5 to learn more.

## Cash balance plans

### CalSTRS Defined Benefit Supplement Program

- The funds in your Defined Benefit Supplement account generally come from outgrowth, or extra-pay assignments, such as club adviser, athletic coach or band director.
- A portion of your and your employer's contributions are credited to your Defined Benefit Supplement account based on your eligible earnings.
- Your account earns guaranteed interest and, when the Teachers' Retirement Board declares, additional earnings credits.
- At retirement, you're eligible to receive a lump-sum or annuity benefit based on your total account balance.

See pages 6–7 to learn more.

### CalSTRS Cash Balance Benefit Program

- If you're a part-time educator, you may belong to this retirement plan designed specifically for your unique financial needs.

➤ See the *Cash Balance Benefit Program* booklet at [CalSTRS.com/publications](https://www.calstrs.com/publications) to learn more.

## Defined contribution plan

### CalSTRS Pension2

- This voluntary additional savings account helps you save more for retirement.
- You can choose from 403(b), 457(b), Roth 403(b) and Roth 457(b) plans.
- You make contributions through paycheck deductions.
- The amount you have at retirement depends on your contributions, investment gains or losses, and expenses.

See pages 10–11 to learn more.

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



# Understand how your retirement benefit is calculated

Your Defined Benefit Program monthly retirement benefit is based on a formula set by law:

$$\text{service credit} \times \text{age factor} \times \text{final compensation} = \text{your retirement benefit}$$

As a result of the California Public Employees' Pension Reform Act of 2013, CalSTRS has two benefit structures.

**CalSTRS 2% at 60:** Members first hired to perform service that could be credited to the Defined Benefit Program on or before December 31, 2012, in addition to certain other members.

**CalSTRS 2% at 62:** Members first hired to perform service that could be credited to the Defined Benefit Program on or after January 1, 2013.

The 2% 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 ages, creditable compensation caps and contribution rates.

## Service credit

Service credit is the accumulated period of time, in years and partial years, during which you receive creditable compensation and make contributions to the Defined Benefit Program.

If you earn more than one year of service credit in a school year by performing service, such as outgrowth assignments or working in multiple positions, most of your and your employer's contributions from the additional service will go into your Defined Benefit Supplement Program account (see pages 6-7).

## Final compensation

Final compensation is your highest average annual compensation earnable for 36 consecutive months, or 12 consecutive months if you're a CalSTRS 2% at 60 member and have 25 or more years of qualified service credit.

➤ See the "Your retirement benefit" section in the *CalSTRS Member Handbook* at [CalSTRS.com/publications](http://CalSTRS.com/publications).

▶ View the *Understanding the Formula* videos at [CalSTRS.com/videos](http://CalSTRS.com/videos).

## Age factor

Your age factor is a percentage based on your age on the last day of the month in which you retire. The age factor is less if you retire at an earlier age and is more if you retire at a later age.

### CalSTRS 2% at 60 | Retirement age

<b>55</b>	<b>56</b>	<b>57</b>	<b>58</b>	<b>59</b>	<b>60</b>
1.40%	1.52%	1.64%	1.76%	1.88%	2.00%
<b>61</b>	<b>62</b>	<b>63+</b>			
2.13%	2.27%	2.40%			

### CalSTRS 2% at 62 | Retirement age

<b>55</b>	<b>56</b>	<b>57</b>	<b>58</b>	<b>59</b>	<b>60</b>
1.16%	1.28%	1.40%	1.52%	1.64%	1.76%
<b>61</b>	<b>62</b>	<b>63</b>	<b>64</b>	<b>65+</b>	
1.88%	2.00%	2.13%	2.27%	2.40%	

➤ For more detailed age factor tables, see the *Member Handbook*.

Estimate your projected retirement benefit using the calculator at [CalSTRS.com/calculators](http://CalSTRS.com/calculators).

# Your retirement formula: How it works

## Let's look at Faye:

Faye, a CalSTRS 2% at 60 member, is a first-grade teacher with 29 years of service credit. She just turned 58, and though not in a hurry to retire, she's been thinking more about retirement lately. Her gross monthly salary is \$5,708.

Below are three examples for her Member-Only retirement benefit calculation, not including any unused sick leave she may have that will be converted to service credit at retirement. The examples assume she works full time, earns one full year of service credit every year, does not elect an option to provide a lifetime benefit to someone upon her death, and her pay stays the same.

If Faye retires with at least 30 years of service credit, a 0.2% career factor will be added to her age factor, up to a maximum age factor of 2.4%.

**service credit × age factor × final compensation = retirement benefit**

**Example 1** If Faye were to retire today, her monthly retirement benefit would be calculated as:

29	×	1.76%	×	\$5,708	=	\$2,913
service credit		age factor		final compensation		retirement benefit

**Example 2** If she continues working until her 60th birthday, she would qualify for the career factor. Her monthly retirement benefit would be calculated as:

31	×	2.2%	×	\$5,708	=	\$3,893
service credit		age factor + career factor		final compensation		retirement benefit

**Example 3** If she continues working until her 62nd birthday, she would be eligible for the maximum combined age factor and career factor of 2.4%. Her monthly retirement benefit would be calculated as:

33	×	2.4%	×	\$5,708	=	\$4,521
service credit		age factor + career factor		final compensation		retirement benefit

**CalSTRS 2% at 62 members:** There is no career factor benefit enhancement to the age factor.

➤ See the career factor and age factor tables in the *Member Handbook* at [CalSTRS.com/publications](https://www.calstrs.com/publications).



# Contributions to your CalSTRS retirement

When you retire, your benefits are paid using a combination of your contributions, employer and state contributions, and CalSTRS investment income.

## Your Defined Benefit account

Your contributions for up to one year of service per school year are credited to your Defined Benefit Program account, your primary CalSTRS account. Your contribution rate depends on whether you're a CalSTRS 2% at 60 member or a CalSTRS 2% at 62 member. See [CalSTRS.com/contributions](http://CalSTRS.com/contributions) for your current contribution rate.

## Your Defined Benefit Supplement account

Your contributions for up to one year of service performed in a school year go into your Defined Benefit Program account. Contributions on your earnings for service in excess of one year of service credit in a school year are credited to your Defined Benefit Supplement account. If you're a CalSTRS 2% at 60 member, your contributions on limited-term payments are also credited to your Defined Benefit Supplement account. For current contribution rates, see [CalSTRS.com/contributions](http://CalSTRS.com/contributions).

Your Defined Benefit Supplement account balance earns a guaranteed interest rate. You can find the current interest rate for your Defined Benefit Supplement account in the *Member Handbook*. When you retire, you'll receive the funds in this account as either a lump sum or an annuity equal to the total balance of your account.

Contributions to your Defined Benefit Supplement account do not affect your ability to make contributions to 403(b), 457(b) or similar tax-advantaged accounts.

➤ Find your account balance on your *Retirement Progress Report* at [myCalSTRS.com](http://myCalSTRS.com).

## Employer and state contributions

Employer and state contribution rates vary year to year and are deposited in the Teachers' Retirement Fund to help pay benefits for all members and their beneficiaries.

## Are you a part-time educator?

Working in multiple positions can affect your retirement benefit. Be sure to meet with a CalSTRS benefits specialist at least three years before you plan to retire. See the *Considerations for Part-time Educators* fact sheet at [CalSTRS.com/publications](http://CalSTRS.com/publications) for more information.

**CalSTRS**  
THE PUBLIC EMPLOYEES RETIREMENT SYSTEM

### Considerations for Part-time Educators

Working in multiple positions? Understand how service credit and final compensation could affect you.

As a member of the CalSTRS Defined Benefit Program, your retirement benefit is based on a formula, not on the contributions you made throughout your career.

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

When you work in multiple positions, service credit and final compensation become more important and may complicate the calculation.

Be sure to meet with a CalSTRS benefits specialist at least three years before you plan to retire to explore your options and determine the best plan for your unique situation.

**Retirement benefit formula components**

**Service credit**  
Service credit is the number of full and partial years you paid into CalSTRS. The most service credit you can earn in one school year is 1,000. Service credit is calculated by dividing your salary earned by the annualized pay rate of the assignment.

**Age factor**  
The age factor is the percentage of your final compensation you'll receive for every year of service credit.

**Final compensation**  
Final compensation is an average of your highest annual earnable salary over a period of 36 months or 12 months for members who qualify. For a part-time educator working multiple assignments, this is a weighted average.

**Service credit and final compensation are calculated based on your employees' reporting of different pay types you earn in addition to your regular salary, you may be paid a stipend or an additional amount for teaching a particular subject area.**

Service credit and final compensation are the most important components for a part-time educator who works in multiple positions. See the reverse side for an example of how Lisa, a CalSTRS 2% at 62 member who works part time for two employers and is only paid her regular salary, can use these components advantageously.

**CalSTRS resources**

<b>WEB</b> CalSTRS.com myCalSTRS.com 403@comp.com Pension2.com	<b>CALL</b> 800.228.6463 Call from within the U.S. 916.414.1099 Call from outside the U.S. 916.392.2000 CalSTRS Pension® Personal wealth plan 844.896.9120 (toll-free) CalSTRS Compliance and Ethics Hotline CalSTRShotline.athispoint.com	<b>WRITE</b> Postal mail CalSTRS P.O. Box 15275 Sacramento, CA 95854-0275	<b>VISIT</b> Find your nearest CalSTRS office at CalSTRS.com/locations	<b>FAX</b> 916.414.6040
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**STAY CONNECTED**  
Overnight delivery to  
CalSTRS Headquarters  
100 Westcott Place  
West Sacramento, CA  
95605

COM 1555 (REV 3/23)

# Excess contributions

If you make contributions on earnings for service in excess of one year of service credit in a school year, you're eligible for a return of your contributions that exceed the contribution rate for compensation creditable to your Defined Benefit Supplement account. See [CalSTRS.com/contributions](https://www.calstrs.com/contributions) for current contribution rates.

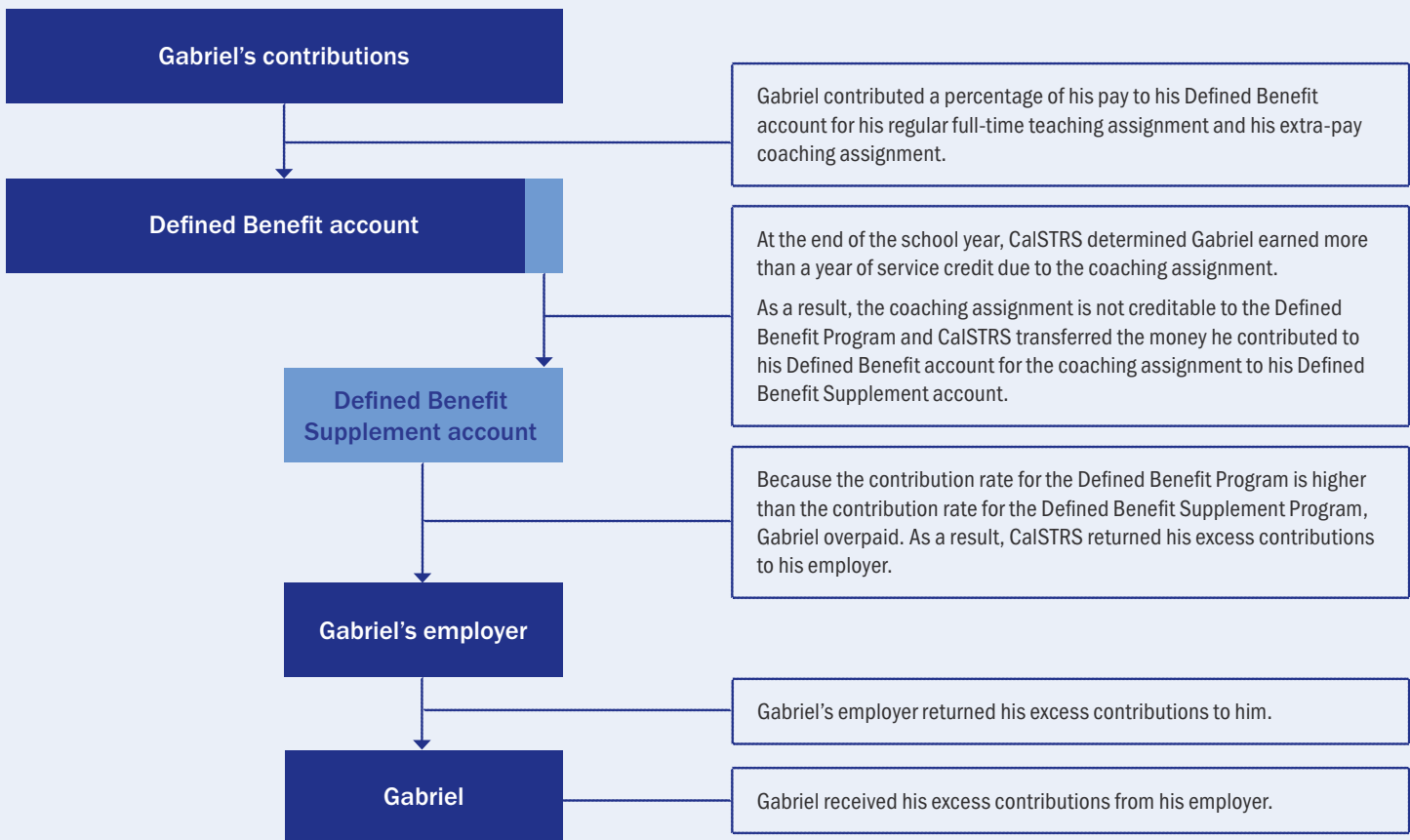
The dollar value of those excess contributions is reported each year on your *Retirement Progress Report*. Your *myCalSTRS* account shows a breakdown of excess contributions by employer.

Your employer is responsible for returning your excess member contributions to you, less any authorized adjustments or tax withholding. If you have questions regarding the return of your excess contributions, contact your employer.

▶ [View the Defined Benefit Supplement Program video series at CalSTRS.com/videos.](https://www.calstrs.com/videos)

## Example

Gabriel is a CalSTRS 2% at 60 member who earned \$60,000 in his regular full-time assignment and an additional \$5,000 coaching an after-school program.



**Note:** Employers and the State of California also contribute to the Defined Benefit Program. Those contributions are deposited in the Teachers' Retirement Fund and are not shown in this example.

# Securing your financial future

Your CalSTRS defined benefit plan is likely the cornerstone of your retirement savings. Since it's set by a formula, not by the amount of contributions you make, it's structured to shield you from the risks of investment. In addition to receiving monthly income for the rest of your life, you also have access to disability benefits while working and to survivor benefits to provide financially for your loved ones.

On average, the CalSTRS retirement benefit replaces 50% to 60% of a career educator's salary. You'll need to close any gap between your retirement income goal and your retirement benefit with savings and investments, such as CalSTRS Pension2. See pages 10–11 to learn more.



**Invest sooner rather than later.** That's the top recommendation from a poll of California educators ages 40 to 49 when asked what advice they would give their younger colleagues.

▶ View *The Gap* video at [CalSTRS.com/videos](https://CalSTRS.com/videos).

## Are you saving enough?

According to the 23rd Annual Transamerica Retirement Survey, only

# 57%

of U.S. workers agree they're currently building a large enough retirement nest egg, yet 34% do not have a retirement strategy.

Use the worksheets on pages 23 and 24 to estimate your expenses and income in retirement.

▶ Estimate your projected retirement benefit using the calculator at [CalSTRS.com/calculators](https://CalSTRS.com/calculators).



# Increase your retirement benefit

You can increase your benefit by increasing one or more components of the retirement benefit formula:

$$\text{service credit} \times \text{age factor} \times \text{final compensation}$$

## Purchase additional service credit

The more service credit you have at retirement, the greater your retirement benefit. You can:

- Redeposit previously refunded contributions and restore service credit if you return to CalSTRS membership or work in a position covered by another eligible California public retirement system.
- Purchase nonmember service, such as part-time or substitute service in the California public school system, performed before you were a CalSTRS member or after taking a refund and before becoming a member again.
- Buy permissive service credit for employer-approved leaves or service not previously credited, if eligible.

You must complete service credit purchases before your retirement date.

➤ See the *Purchase Service Credit Now* fact sheet at [CalSTRS.com/publications](https://CalSTRS.com/publications).

▶ View the *Purchasing Service Credit* video at [CalSTRS.com/videos](https://CalSTRS.com/videos).

## Work a while longer

The longer you work, the more service credit you'll have—and if you're under the CalSTRS 2% at 60 benefit structure, you may qualify for the one-year final compensation and career factor benefit enhancements:

- With 25 or more years of service credit, your final compensation will be based on your highest average annual compensation earnable for 12 consecutive months.
- With 30 or more years of service credit, 0.2% will be added to your age factor to a maximum combined age factor and career factor of 2.4% at age 61 and 6 months.

## Convert unused sick leave to service credit at retirement

We'll convert your unused sick leave to service credit when you retire. If you change employers during your career, coordinate with your former employer to arrange for the transfer of your accumulated unused sick leave to your new employer.

If you're employed full time as an educator, sick leave credit is calculated by dividing the number of accumulated unused sick leave days by the number of base service days, excluding holidays, required to complete the last school year:

$$\frac{\text{accumulated days of unused sick leave}}{\text{number of base days for full-time service}} = \text{service credit}$$

If you work part time, the base service days are calculated in proportion to the full-time equivalent.

Sick leave service credit cannot be used to meet eligibility requirements for service retirement. However, if you're under the CalSTRS 2% at 60 benefit structure, up to two-tenths of one year of unused sick leave may be used to qualify for benefit enhancements.

See the "Your retirement benefit" section in the *Member Handbook* for more information about increasing your benefit.

# Learn the advantages of CalSTRS Pension2 403(b) and 457(b) plans



**According to financial professionals, you may need 80% to 90% of your final salary to retire comfortably.**

Your CalSTRS defined benefit pension is a great start. Your pension may take you about halfway toward your retirement income goal, depending on your years of service and age at retirement. The rest is likely to depend on personal savings and investments.

To make it convenient, ask your school district if they offer CalSTRS Pension2® 403(b) and 457(b) voluntary supplemental savings plans with:

- Lower costs.
- Investment choices to match your investing style.
- Help with planning and investing.

Pension2 is open to all school employees.

## Help with your choices

**Pension2 gives you access to personal support and financial learning resources to help you manage your account.**

Meet with one of our experienced CalSTRS Pension2 specialists in a confidential, one-on-one setting virtually, over the telephone or in person. We can help you define your retirement goals and integrate them with your CalSTRS retirement benefit. If you have a plan with another vendor, we're happy to help you compare fees to see if you would benefit from consolidating your savings into Pension2.

To schedule a Pension2 appointment, call 888-394-2060 or email [Pension2@CalSTRS.com](mailto:Pension2@CalSTRS.com). We schedule appointments Monday through Friday for 30 minutes, 8 a.m. to 5 p.m., excluding state holidays.

**Have funds in your CalSTRS Defined Benefit Supplement account? You can roll them over to your Pension2 account when you retire.**

## Start today

Enrolling in Pension2 now puts time on your side. The earlier you start, the longer your savings and any earnings accumulate in your account, increasing your account's growth potential.



 **Enroll today or learn more at [Pension2.com](https://Pension2.com).**



## Increase your 403(b) or 457(b) contribution

Are you saving enough? One way to save is to invest in a 403(b) or 457(b) tax-advantaged account.

### 403bCompare™

#### Find the right 403(b) for you

403bCompare is your resource for information on the 403(b) plans offered by your school district. You'll find everything you need to compare, select and start building your personal retirement savings.

Visit 403bCompare to:

- Learn the advantages of a 403(b) account.
- Find your district's approved list of 403(b) vendors.
- Compare 403(b) plans side by side, including fees, services and performance.
- Get information about how to enroll and start easy paycheck contributions.

➤ Check out [403bCompare.com](https://403bcompare.com) today.



#### It's never too late to start.

**Power of time and money.** With compound interest, you earn interest on your total balance—your original contribution plus all interest earned and any additional contributions—so your money can grow faster.

**Tax advantages.** When you contribute to your 403(b) or 457(b) account directly out of your paycheck, you defer taxes on the money you invest each month. Your earnings grow tax-deferred, and your monthly taxable income is lower.

Contribute to a Roth 403(b) or Roth 457(b) account through your paycheck and you will not get a tax break up front, but your contributions and earnings will be tax-free at retirement when you withdraw your funds.

**Investing involves risk, including risk of loss of principal.**

To help keep your savings on track, use the savings calculator at [CaISTRS.com/calculators](https://CaISTRS.com/calculators). See how much more you could have at retirement if you increased your monthly contribution by \$100.



## Get the facts on Social Security

As a California public school educator, you do not contribute to Social Security, so you will not receive a Social Security benefit for your CalSTRS-covered employment when you retire.

If you or a spouse paid into Social Security through other employment, two federal rules—the Windfall Elimination Provision and the Government Pension Offset—may be used in the calculation of your Social Security benefit. The application of these offsets may leave you with a smaller Social Security benefit or possibly no Social Security benefit at all.

Your CalSTRS retirement benefit will not be reduced by these rules. Social Security is a federal program, and neither CalSTRS nor the State of California has control over eligibility requirements or benefit calculations.

- See the *Social Security, CalSTRS and You* fact sheet at [CalSTRS.com/publications](https://www.calstrs.com/publications).
- ▶ View the *Introduction to Social Security* video at [CalSTRS.com/videos](https://www.calstrs.com/videos).

Find details, including calculators, to help you determine if these federal rules might affect you at [ssa.gov](https://www.ssa.gov), or you can call Social Security at 800-772-1213.

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

# POP QUIZ

## When are you eligible to retire?

You can retire at age 55 with five years of service credit—or fewer if you service retire concurrently from one or more eligible California public retirement systems. If you're a CalSTRS 2% at 60 member, you can retire as early as age 50 if you have at least 30 years of service credit.

- See page 18 to learn more.



## Review your *Retirement Progress Report*

Keep tabs on your CalSTRS account and service credit balances by reviewing your *Retirement Progress Report* each year. Your new report is available online on *myCalSTRS* in mid-September.

Your *Retirement Progress Report* summarizes:

- Your service credit.
- Your benefit structure—whether you're a CalSTRS 2% at 60 member or a CalSTRS 2% at 62 member.
- Your one-time death benefit recipient.
- Accumulated contributions and interest in your Defined Benefit and Defined Benefit Supplement accounts.
- Any excess contributions returned to your employer.
- Information about your disability and survivor benefit coverage.
- Two estimates of your CalSTRS monthly retirement benefit and your Defined Benefit Supplement account distribution, once you've reached age 45. These are estimates only and not binding.

- ▶ View your *Retirement Progress Report* at **myCalSTRS.com**.

If you believe there's a discrepancy in your report, correct errors by contacting your employer immediately.

Also, be sure to verify your paycheck information, including deductions, each pay period.







# Learn about your disability and survivor benefits

## Your disability benefits

You may be eligible for disability benefits if you have a medically determined physical or mental impairment that is permanent or expected to last at least 12 consecutive months and prevents you from performing:

- Your usual duties with or without reasonable accommodation.

OR

- Duties in a comparable level position.

In general, the basic disability benefit is 50% of your final earned compensation. The maximum benefit, including benefits for eligible dependent children, is 90% of your final earned compensation.

You may apply for disability benefits while you're:

- Still working.
- Receiving sick leave or differential pay.

In addition, if you're eligible to service retire, you can apply for service retirement during the evaluation of your application. However, if your disability benefits application is not approved, you'll remain in service retirement and will not be eligible to apply for disability again.

Your disability benefit does not require your disability to be work related, unlike worker's compensation benefits.

- **See *Your Disability Benefits Guide* and the "Your disability benefits" section in the *Member Handbook* at [CalSTRS.com/publications](https://www.calstrs.com/publications).**

A disability benefit is calculated differently from a service retirement benefit. In some situations, a service retirement benefit may be a more appropriate choice.

Schedule a benefits planning session and ask for a customized benefit estimate to help you make your decision. Call us at 800-228-5453, option 3.

## Your survivor benefits

Your spouse, children and other loved ones may be eligible for survivor benefits after your death. The type and amount of benefits depend on:

- Your years of service credit.
- Your membership status.
- Your type of coverage: A or B.
- If you elect an option.

Find your coverage on your *Retirement Progress Report*.

Depending on your member status at the time of your death, your beneficiaries may be eligible for three types of benefits:

- One-time death benefit.
- Defined Benefit Program monthly benefit.
- Defined Benefit Supplement account distribution.

**NOTE:** All survivor benefits are considered taxable income.

## One-time death benefit recipient

You may designate one or more recipients to receive a one-time death benefit—a person, trust, estate, charitable organization, corporation or public entity. See the *Member Handbook* for the current benefit amounts. To name your one-time death benefit recipient, use your *myCalSTRS* account and be sure to keep your recipient information current.

You can change your one-time death benefit recipient any time, with no financial penalty.

### Defined Benefit Program monthly benefit

If you die before retirement, your survivors, including your spouse or registered domestic partner and dependent children, may be eligible for a monthly survivor benefit.

You may choose to elect an option to provide a lifetime monthly benefit to one or more beneficiaries, instead of a monthly survivor benefit, when you're eligible to retire. You can also elect an option at retirement, or under the Coverage B disability retirement based on your earned income.

### Defined Benefit Supplement distribution

Your membership status when you die determines how the balance in your Defined Benefit Supplement account will be distributed.

If you die before retirement, your Defined Benefit Supplement account balance will be distributed to your one-time death benefit recipient. If you did not name a recipient, we'll pay the balance to your estate.

If you die after retirement, your account balance will be distributed to your one-time death benefit recipient or option beneficiary, depending on the distribution you elected at retirement.

➤ See the *Survivor Benefits* booklet at [CalSTRS.com/publications](https://CalSTRS.com/publications).

▶ View the *Survivor Benefits* video at [CalSTRS.com/videos](https://CalSTRS.com/videos).



## Your retirement benefit options

The highest retirement benefit you can receive is the Member-Only Benefit. The Member-Only Benefit stops with your death. Or you can choose to provide a lifetime monthly benefit to someone upon your death. If you choose to do so, your benefit will be reduced based on your age and your beneficiary's age at the time you elect an option, and the option you elect.

▶ View the *Beneficiary Options* videos at [CalSTRS.com/videos](https://CalSTRS.com/videos).

# myCALSTRS

## Ready to retire? Apply on myCalSTRS

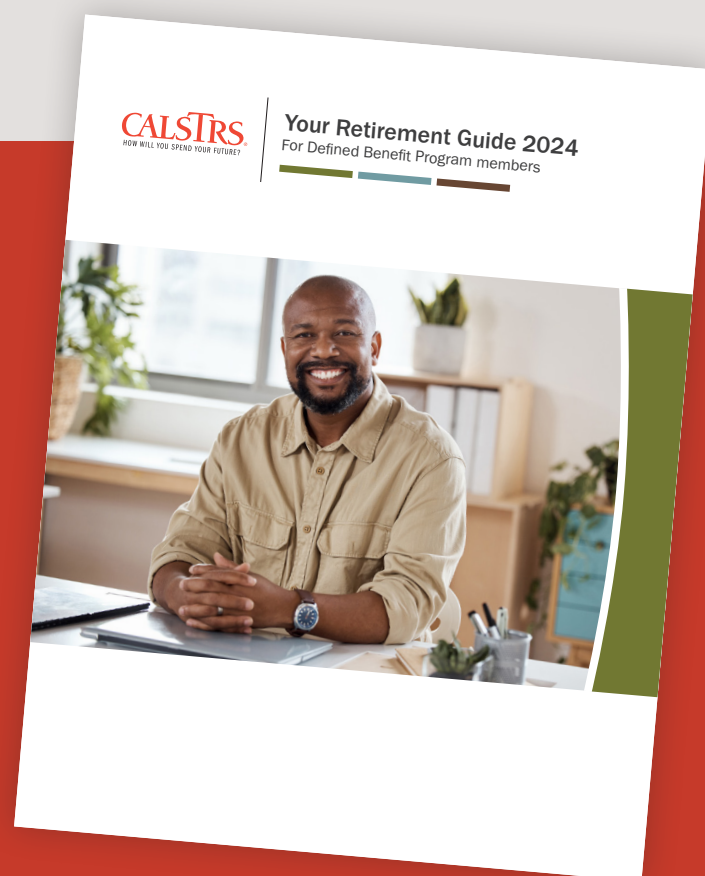
When you complete and submit your *Service Retirement Application* online using myCalSTRS:

- You'll receive step-by-step guidance to help you complete your application correctly.
- Your member-specific information is auto-filled, saving you time.
- You'll receive an immediate email confirmation when we receive your application and after it has been processed.
- We'll promptly contact you via email if we need additional information to process your application.

## Need help completing your application?

Read *Your Retirement Guide*, available at [CalSTRS.com/publications](https://www.calstrs.com/publications), for a review of the application process and a step-by-step checklist.

You can also sign up for a *Service Retirement Application Demonstration* webinar or workshop for help completing your application on myCalSTRS or as a paper form. Register at [CalSTRS.com/webinars](https://www.calstrs.com/webinars) or call 800-228-5453, option 3.





## Attend a webinar

Want to learn more about your benefits and how to save, plan and protect your financial future? Take advantage of our webinars and benefits planning sessions.

### Understand your retirement timelines and decisions

Sign up for the *My Retirement Decisions* webinar. You'll learn how:

- We calculate your defined benefit monthly retirement benefit.
- You can provide a lifetime monthly benefit to your survivors—and how this would affect your monthly benefit.
- To receive the funds in your Defined Benefit Supplement account.
- To submit your *Service Retirement Application*.
- You can return to work in the California public school system in retirement.

### Financial awareness webinars

Learn how to make smart decisions today about your financial future by attending these financial awareness webinars:

**Save for Your Future**—Discover ways to create a spending plan, understand your credit report, build and keep good credit, manage debt and ask the right questions before investing.

**Plan for Your Future**—Create an action plan for your retirement, estimate your income and expenses in retirement, and learn about Medicare basics and Social Security offsets.

**Protect Your Future**—Learn how to maximize and protect your income and reduce the risks of underestimating your expenses in retirement, and how to choose a financial professional.

### Benefits planning session

Are you eligible to retire or considering retirement within the next five years? Learn about your retirement decisions and review personalized estimates prepared by a CalSTRS benefits specialist in a confidential, yet interactive, small-group setting.

The *CalSTRS and Your Retirement* session covers:

- Your CalSTRS accounts and personalized benefit estimates.
- How to leave a lifetime benefit to a loved one.
- How to purchase service credit and what happens to your unused sick leave.
- Concurrent retirement—retiring from more than one California public retirement system.
- Considerations regarding health benefits, Medicare and Social Security.
- How to apply for retirement and when to expect your benefit.

### Do you know how much you'll need?

Try living on your estimated retirement income for a few months while you're still working. Use the monthly retirement income and expense worksheets on pages 23–24 to get an idea of where you stand now.

Register for one or more webinars at [CalSTRS.com/webinars](https://CalSTRS.com/webinars) today. You can also call us at 800-228-5453, option 3, to schedule a benefits planning session or register for a webinar.



# Understand your retirement decisions

It's never too early to start planning for retirement. Attend a webinar or benefits planning session to help you with your decisions.

## Are you eligible to retire?

If you're under the CalSTRS 2% at 60 benefit structure, you're eligible to retire as early as age 50 with at least 30 years of service credit or age 55 with at least five years of service credit or under the special circumstances of concurrent retirement.

If you're under the CalSTRS 2% at 62 benefit structure, you're eligible to retire at age 55 with at least five years of service credit or under the special circumstances of concurrent retirement.

## Do you want to provide a lifetime monthly retirement benefit to someone after your death?

### Member-Only Benefit

The Member-Only Benefit provides the highest monthly benefit. It does not provide a monthly lifetime benefit for someone after your death. After your death, any remaining balance in your account will be paid to your one-time death benefit recipient.

### Modified Benefit

You can choose to distribute your retirement benefit over your life and the life of one or more people. You'll receive a reduced monthly lifetime benefit, known as a Modified Benefit, based on the option you choose, your age and your beneficiary's age at election. When you die, your option beneficiary will receive a lifetime monthly benefit.

You can provide your beneficiary with 100%, 75% or 50% of your modified Member-Only Benefit. Or you can choose the Compound Option that lets you provide a lifetime monthly benefit for one or more individuals and keep a portion of your benefit as a Member-Only Benefit. After you retire, you can change your option beneficiary only under limited circumstances.

To find out how each option would affect your retirement benefit, use the *Retirement Benefits Calculator* at [CalSTRS.com/calculators](https://www.calstrs.com/calculators) or schedule a benefits planning session by calling 800-228-5453, option 3.

## Electing an option beneficiary before retirement

You can elect an option beneficiary when you're eligible but not yet ready to retire. This is called a preretirement election of an option.

### Advantages include:

- The benefit begins immediately after your death.
- If you die before you retire, your option beneficiary will receive a monthly lifetime benefit. If you do not preelect an option beneficiary and you die before retirement, your survivors may receive a smaller benefit or none at all.
- In most cases, the Modified Benefit you'll receive in retirement will be higher if you preelect an option rather than elect an option at the time of retirement.

### Disadvantages include:

- If you cancel or change your option before retiring, a lifetime assessment may be applied to your retirement benefit. The assessment may reduce your retirement benefit for life.
- If your option beneficiary dies before you retire, the election will be canceled automatically. Your retirement benefit will be subject to an assessment that may reduce your benefit for life.

If you choose to elect an option before retirement, complete and submit the *Preretirement Election of an Option* form online using *myCalSTRS*.

➤ See “Protecting your loved ones before you retire” and “Protecting your survivors with a lifetime benefit” sections in the *Member Handbook*.

▶ View the *Beneficiary Options* videos at [CalSTRS.com/videos](https://www.calstrs.com/videos).

## How do you want to receive the funds in your Defined Benefit Supplement account?

The amount in your account determines how you can receive your Defined Benefit Supplement funds at retirement:

- If you have less than \$3,500 in your account, you'll receive your account balance as a lump-sum payment. You may receive your funds directly or roll them into a qualified retirement plan, such as CalSTRS Pension2.
- If you have \$3,500 or more in your account, your choice depends on whether you elect a Member-Only Benefit or a Modified Benefit. You can choose a lump-sum payment, annuity payments or both.

Review your most recent *Retirement Progress Report* for the total amount in your Defined Benefit Supplement account at the end of the last school year.

➤ See “Your Defined Benefit Supplement account distribution” in the *Member Handbook*.

▶ View the three-part Defined Benefit Supplement Program video series at [CalSTRS.com/videos](https://www.calstrs.com/videos).

## Do you want to reduce the number of hours you work prior to retirement?

If you're not ready to retire but want to cut back on the number of hours you work, consider the Reduced

Workload Program (also known as the Willie Brown Act). This program allows you to work less than full time but continue to earn service credit as if you were working full time. You and your employer continue to pay CalSTRS contributions based on your full-time annualized pay rate.

To participate, you must be at least age 55, have at least 10 years of service credit and have been employed full time in a CalSTRS-covered position for the last five years. Talk to your employer to find out whether the program is offered. Availability and participation are at your employer's discretion.

➤ See the “Reduced Workload Program” section in the *Member Handbook*.

## Have you contributed to another public retirement system?

If you're also a member of another public retirement system in California, you'll need to file for service retirement separately with each system.

When calculating your service retirement benefit, we may be able to use your compensation for service performed under the other eligible retirement system if you did not work for both systems at the same time.

➤ See the *Concurrent Retirement* fact sheet at [CalSTRS.com/publications](https://www.calstrs.com/publications) for a list of eligible public retirement systems.

## Health insurance in retirement

**CalSTRS does not provide health benefits.** Your health benefits depend on your district's agreement with your employee bargaining unit. Many retired educators have to contribute to or pay their own health insurance costs. **Consider setting aside extra money now for your future.**

You and your employer each pay 1.45% of your wages toward earning coverage under Medicare, the federal health insurance program for people age 65 and older.

# Working after retirement

As you plan for retirement, consider how you'll spend your time as well as how much money you'll need. If you think you may return to work, here's what you need to know:

- You can work in any job outside the California public school system with no restrictions on your earnings. This includes working for private schools, state colleges and universities, and the private sector.
- Under the separation-from-service requirement, your CalSTRS benefit will be reduced by the amount you earn performing retired member activities during the first 180 calendar days following your most recent retirement date, up to your benefit amount payable during that period. This includes performing retired member activities in the California public school system, including substitute teaching, as an employee, an independent contractor or an employee of a third party. There is a narrow exemption to the separation-from-service requirement. An exemption request must be initiated by your employer prior to you performing retired member activities.
- If you perform retired member activities in the California public school system, including substitute teaching, as an employee, an independent contractor, or an employee of a third party, there's a limit to the amount of money you can earn in a year without affecting your retirement benefit. See [CalSTRS.com/limits](https://www.calstrs.com/limits) for the current postretirement earnings limit.

- If you retired under the Retirement Incentive Program, you'll lose the ongoing increase in your benefit from the incentive if you return to work within five years of retirement in any job with the employer that granted the incentive as an employee, independent contractor or an employee of a third party.

## Your responsibility

If you return to work in the California public school system, you'll need to keep track of your gross earnings (your income before any taxes are deducted), so you do not exceed the earnings limit. CalSTRS will also monitor your earnings, but it usually takes three to four months to receive, review and post your earnings to your account.

If you earn more than the limit, your monthly retirement benefit will be reduced by the excess amount, up to the amount of your total annual benefit. For example, if you earn \$3,000 above the limit in a school year (July 1 to June 30), we'll reduce your retirement benefit by \$3,000.

**NOTE:** If you volunteer, be aware that an employment arrangement that involves volunteering in a position to perform service that would otherwise be creditable to CalSTRS may be in violation of the postretirement earnings limitations.

- See the *Working After Retirement* fact sheet and the "Reinstatement to active member status" section in the *Member Handbook* at [CalSTRS.com/publications](https://www.calstrs.com/publications).

## Inflation protection

Your retirement benefit is protected against rising prices in two ways:

1. Starting September 1 after the first anniversary of your retirement date, your benefit increases automatically each year by 2% of your initial benefit.
2. If inflation erodes the purchasing power of your retirement benefit below a certain level, you'll receive an additional quarterly payment, subject to the availability of funds set aside for purchasing power protection. See [CalSTRS.com/inflation-protection](https://www.calstrs.com/inflation-protection) for the current purchasing power protection level.

# Stay informed and connected

## Member services

Contact us online or by telephone. We're here to help. You'll need to provide your Client ID or Social Security number and your date of birth.

> [CalSTRS.com/contact-us](https://CalSTRS.com/contact-us)

> **800-228-5453**

Stay connected with us to keep up on the latest CalSTRS news.



## Benefits planning sessions

Attend a benefits planning session for help with the decisions you'll need to make when you retire.

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

## Locations

Hours and services vary at our member service centers and satellite offices, and locations may change. For current locations and hours, call 800-228-5453.

### Member service centers

Fresno	Riverside	West Sacramento
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Glendale	San Diego
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Irvine	Santa Clara
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> [CalSTRS.com/local-offices](https://CalSTRS.com/local-offices)

## Pension Sense blog

Subscribe to our blog for the latest information about your benefits, our member services, our investment portfolio and our company engagement activities.

> [CalSTRS.com/pension-sense](https://CalSTRS.com/pension-sense)

## Newsletters

Stay up to date on CalSTRS information by reading our newsletters for active and retired members.

> [CalSTRS.com/newsletters](https://CalSTRS.com/newsletters)

## Reports

Read our reports to discover how CalSTRS is a leader in diversity and sustainability.

*Diversity in the Management of Investments Report*

*Sustainability Report*

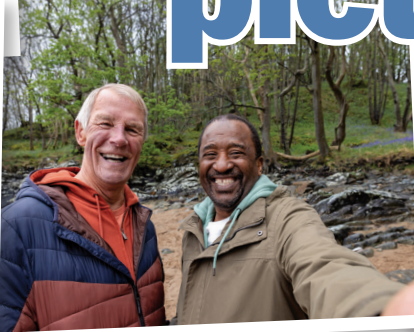
> [CalSTRS.com/reports-and-studies](https://CalSTRS.com/reports-and-studies)

# Retirement will be here before you know it.

Find out what you'll need to know once you're retired by viewing our

*Learn and Discover: Newly Retired* resource at [CalSTRS.com/publications](https://CalSTRS.com/publications).





# Your retirement picture

According to our 2023 Annual Member Survey, 90% of retired CalSTRS respondents report they are satisfied with their quality of life in retirement overall. How do you envision your retirement?

Check all the activities you see yourself doing:

### Work

- Start a new career or business
- Work part time or consult
- Volunteer
- Be a mentor

### Family

- Visit family often
- Care for grandchildren
- Care for a parent
- Care for a spouse

### Education

- Take classes
- Learn a language
- Read more
- Focus on staying healthy

### Travel

- Travel as much as possible
- Take one trip per year
- Buy an RV

### Fun

- Spend more time on hobbies
- Dine out often
- Attend special events
- Plant a garden

### Transportation

- Reduce the number of cars I own
- Use public transportation

### Housing

- Stay in my current home
- Downsize my living space
- Pay off a home mortgage
- Remodel
- Rent
- Buy a second or vacation home
- Move to an active adult community
- Live with family
- Look into assisted living

### Location

- Live near friends or family
- Live in a different climate
- Live closer to my interests
- Move somewhere with a lower cost of living

### Other

# Your retirement income worksheet

Enter your monthly income amounts before taxes to see what your income in retirement will look like.

Guaranteed income	
<b>Defined Benefit Program pension</b>	
My benefit	\$
Other benefit	\$
<b>Defined Benefit Supplement payment</b>	
Lifetime monthly annuity	\$
<b>Social Security</b>	
My benefit from other work	\$
Other benefit	\$
<b>Veteran's benefit</b>	
My benefit	\$
Other benefit	\$
<b>Annuities</b>	
My annuity income	\$
Other annuity income	\$
<b>Other guaranteed income</b>	
Other income	\$
<b>Total guaranteed monthly income</b>	<b>\$</b>

## Guaranteed income checklist

- Have I received estimates of my monthly benefits from all sources?
- Do these income sources adjust with inflation?
- What are the tax considerations of these income sources?
- What happens to these income sources if I or my significant other dies?

Nonguaranteed income	
<b>403(b), 457(b), 401(k), IRA</b>	
Monthly distributions	\$
<b>Roth 403(b), Roth 457(b), Roth 401(k), Roth IRA</b>	
Monthly distributions	\$
<b>Brokerage and savings accounts</b>	
Monthly distributions	\$
<b>Full-time and part-time work</b>	
Income	\$
<b>Income outside of work</b>	
Real estate rental income	\$
Other annuity income	\$
Other	\$
<b>Total nonguaranteed monthly income</b>	<b>\$</b>

## Nonguaranteed income checklist

- Do I have a strategy for taking distributions from each account?
- Have I looked into converting these accounts to guaranteed income, if needed?
- How do the IRS required minimum distribution rules affect these accounts?
- What are the tax considerations of these income sources?

<b>TOTAL MONTHLY INCOME</b>	<b>\$</b>
-----------------------------	-----------

# Your retirement expense worksheet

Categorize each monthly expense as a necessity or a want. If an item is both, allocate separate amounts for each and then total them.

Expenses	Necessity	Want	Total
<b>Taxes</b>			
State	\$	\$	\$
Federal	\$	\$	\$
<b>Home</b>			
Mortgage/Rent	\$	\$	\$
Property tax and insurance	\$	\$	\$
Association dues	\$	\$	\$
Home repair and maintenance	\$	\$	\$
<b>Utilities</b>			
Utilities (gas, electricity, water)	\$	\$	\$
Home phone/Cell phone	\$	\$	\$
<b>Food and household items</b>			
Groceries	\$	\$	\$
Eating out	\$	\$	\$
Household supplies	\$	\$	\$
<b>Transportation</b>			
Loan payments	\$	\$	\$
Gas	\$	\$	\$
Insurance	\$	\$	\$
Maintenance/Repairs	\$	\$	\$
<b>Health and grooming</b>			
Health insurance premiums	\$	\$	\$
Life insurance premiums	\$	\$	\$
Long-term care insurance premiums	\$	\$	\$
Medical out-of-pocket expenses	\$	\$	\$
Prescription medication	\$	\$	\$
Gym/Health club dues	\$	\$	\$
Clothing	\$	\$	\$
Personal care products/Maintenance	\$	\$	\$
<b>Entertainment and recreation</b>			
Cable TV, internet, streaming services	\$	\$	\$
Movies, concerts, sports, other events	\$	\$	\$
Pet care	\$	\$	\$
Newspapers, magazines, books	\$	\$	\$
Vacations/Travel	\$	\$	\$
Hobbies	\$	\$	\$
Gifts	\$	\$	\$
<b>Debt obligations</b>			
Credit card payments	\$	\$	\$
Loan payments	\$	\$	\$
<b>TOTAL</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

## Which CalSTRS career stage are you in?



### CalSTRS resources



#### WEB

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

[myCalSTRS.com](https://my.calstrs.com)

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

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

#### STAY CONNECTED



#### CALL

800-228-5453  
Calls from within the U.S.

916-414-1099  
Calls from outside the U.S.

888-394-2060  
CalSTRS Pension2®  
Personal wealth plan

844-896-9120  
CalSTRS Compliance and Ethics Hotline  
[CalSTRShotline.ethicspoint.com](https://www.calstrshotline.ethicspoint.com)



#### WRITE

**Postal mail**  
P.O. Box 15275  
Sacramento, CA  
95851-0275

**Overnight delivery to  
CalSTRS Headquarters**  
100 Waterfront Place  
West Sacramento, CA  
95605



#### VISIT

Find your nearest  
CalSTRS office at  
[CalSTRS.com/local-offices](https://www.calstrs.com/local-offices).

Call ahead to find out the  
hours and services of  
your local office.



#### FAX

916-414-5040

**CALSTRS**  
HOW WILL YOU SPEND YOUR FUTURE?

California State Teachers' Retirement System  
COM 1768 (rev 7/24)