



## **Join CalSTRS? Join CalPERS?**

### **One-time death benefit amount updated (pages 16 & 18)**

Effective July 1, 2024, if a member dies before retirement, the one-time death benefit is \$7,093 under Coverage A and \$28,372 under Coverage B. If a member dies after retirement, the one-time death benefit is \$7,093 under both Coverage A and Coverage B.



# Join CalSTRS? Join CalPERS?

Decide which retirement system is best for you



# Contents

Choosing your retirement system\_\_\_\_\_5

Your questions answered\_\_\_\_\_6

Dual membership\_\_\_\_\_19

*This guide is based on the California Teachers' Retirement Law, the California Public Employees' Retirement Law and other governing laws. If there is a conflict between the law and this booklet, the law prevails. CalSTRS makes reasonable effort to provide accurate information in its 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, CalPERS.ca.gov, the California State Legislative Counsel website at [leginfo.legislature.ca.gov](http://leginfo.legislature.ca.gov), your union and elected legislative representatives. CalSTRS can provide you with information on your benefit choices but does not provide legal, financial, tax or other advice. For such advice, consider consulting a professional in the relevant field.*



As you begin your new position, use this booklet to help you decide which retirement system is the best choice for you to achieve your retirement goals.

## California State Teachers' Retirement System

**Ask** your employer for a copy of the *CalSTRS Member Handbook* or find it online at [CalSTRS.com/publications](https://www.calstrs.com/publications).

**Go online** at [CalSTRS.com](https://www.calstrs.com) for more information. Check to see if pending or new legislation may affect your decision at [CalSTRS.com/legislation](https://www.calstrs.com/legislation), or contact your union or legislative representative.

**Email** a secure message to CalSTRS at [CalSTRS.com/contactus](https://www.calstrs.com/contactus) or from your *myCalSTRS* account.

**Call** CalSTRS at **800-228-5453**.

## California Public Employees' Retirement System

**Ask** your employer for the *What You Need to Know About Your CalPERS School Benefits* booklet. You can also download or request a copy by mail at [calpers.ca.gov](https://www.calpers.ca.gov).

**Go online** at [calpers.ca.gov](https://www.calpers.ca.gov) for more information and any legislative changes under consideration.

**Call** CalPERS at **888-CalPERS (888-225-7377)**.

## California Public Employees' Pension Reform Act of 2013

The California Public Employees' Pension Reform Act of 2013 made significant changes to the benefits for members first hired to perform service under CalSTRS and CalPERS on or after January 1, 2013.

### CalSTRS

CalSTRS has two benefit structures:

#### Members under CalSTRS 2% at 60 include 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 were 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.

**Members under CalSTRS 2% at 62 are those** first hired on or after January 1, 2013, to perform service that could be credited to the Defined Benefit Program and who never before performed service under a different retirement system, including Social Security, that could be credited to the Defined Benefit Program.

➤ For more information, see the CalSTRS *Member Handbook*, available at [CalSTRS.com/publications](http://CalSTRS.com/publications). Or call CalSTRS at **800-228-5453**.

### CalPERS

Benefits for CalPERS school members who first became members on or after January 1, 2013, also changed as a result of the California Public Employees' Pension Reform Act of 2013.

#### As defined by PEPRA, a new member includes:

- A member who joined CalPERS prior to January 1, 2013, who, on or after January 1, 2013, is hired by a different CalPERS employer following a break in service of more than six months.
- A new hire who joined CalPERS for the first time on or after January 1, 2013, and who has no prior membership in another California public retirement system.
- A new hire who joins CalPERS for the first time on or after January 1, 2013, and who was a member of another California public retirement system prior to that date, but who is not subject to reciprocity upon joining CalPERS.

All members who do not fall into the definitions above are considered classic members. Classic members will retain the existing benefit enrollment levels for future service with the same employer.

➤ For more information, visit [calpers.ca.gov](http://calpers.ca.gov). Or call **888-CalPERS (888-225-7377)**.

# Choosing your retirement system

This booklet outlines the differences between CalSTRS and CalPERS if you're changing from a job covered by one retirement system to a job covered by the other retirement system. For example, if you're in a classified position covered by CalPERS and accept a certificated position covered by CalSTRS, you may be eligible to choose to join CalSTRS or remain with CalPERS. Ask your employer or call your current retirement system for eligibility requirements. This important choice is yours.

## Staying with your current retirement system

To remain with your current system, submit the *Retirement System Election* form to your employer within 60 days of your hire date in your new position. CalSTRS must receive your form within 60 days of your signature date. Ask your new employer for the form or download the form at [CalSTRS.com/forms](https://www.calstrs.com/forms).

## Changing your retirement system

If you decide to become a member of the retirement system covering your new position, here are some additional choices to consider:

- If eligible, you may retire from your former system and become an active member of the new system. If you're not eligible to retire, you may keep your account with the old retirement system and have dual membership in both systems. You can later retire from both systems at the same time. For more information, see page 19.

**Note:** If you retire from CalSTRS, you cannot work in a classified position after retirement, except as a teacher's aide under certain circumstances, without affecting your CalSTRS retirement benefit. See page 8.

- You may take a refund of your contributions in the previous system. If you take a refund, you lose all rights to benefits from the previous system unless you later redeposit your contributions plus interest. CalSTRS and CalPERS have different rules for taking a refund.

You have 60 days from the hire date of your new position to complete and submit the forms to stay with your previous retirement system. If you do nothing, you will become a member of the system that covers your new position.

# 🗨️ Your questions answered

1

How is my retirement benefit calculated?

## CalSTRS and CalPERS

Both calculate your retirement benefit based on your years of service (service credit) in the retirement system, your retirement age (age factor) and your final compensation:

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

### The difference

Age factors are different. See the age factor tables on page 13.

2

How is my final compensation determined?

## CalSTRS

**CalSTRS 2% at 60 members:** Final compensation is based on your highest average annual compensation earnable during any period of 36 consecutive months if you have fewer than 25 years of service credit, or your highest average annual compensation earnable during any period of 12 consecutive months if you have 25 or more years of service credit. Compensation earnable includes a weighted average of your annualized pay rates, plus any remuneration in addition to salary. If you were hired on or after July 1, 1996, under Internal Revenue Code section 401(a)(17), there is a limit on compensation that can be counted toward your retirement.

**CalSTRS 2% at 62 members:** Final compensation is based on your highest average annual compensation earnable during any period of 36 consecutive months, regardless of years of service credit. Compensation earnable includes a weighted average of your annualized pay rates, plus any remuneration in addition to salary. The compensation cap is lower than that required by IRC section 401(a)(17) and is adjusted annually.

➤ For the current compensation caps, see [CalSTRS.com/limits](https://www.calstrs.com/limits).

## CalPERS

**Classic school members:** Your final compensation is your highest average annual compensation during any 12 or 36 consecutive months of full-time equivalent pay rate and special compensation. If you were hired on or after July 1, 1996, under Internal Revenue Code section 401(a)(17), there is a cap on compensation that can be counted toward your retirement.

**PEPRA school members:** Your final compensation is your highest average annual compensation earnable during any consecutive 36 months of full-time equivalent pay rate and special compensation. If your service is coordinated with Social Security, your compensation cap is different than service that is not coordinated with Social Security. The compensation cap is adjusted annually based on the Consumer Price Index for All Urban Consumers.

➤ For the current compensation limits, see the current year's "Compensation Limits of Classic and PEPRA Members Circular Letter" at [calpers.ca.gov](https://www.calpers.ca.gov).

### The difference

The period of time used for calculation of final compensation and the amount of the compensation cap may be different under each retirement system, depending on your membership structure.

### 3

#### When can I retire?

##### CalSTRS

**CalSTRS 2% at 60 members:** You can retire at age 50 with at least 30 years of service credit. You can retire at age 55 with five years of service credit—or fewer, if you retire under the special circumstances of concurrent service retirement with other eligible California public retirement systems.

**CalSTRS 2% at 62 members:** You can retire at age 55 with at least five years of service—or fewer, if you retire under the special circumstances of concurrent service retirement.

##### CalPERS

**Classic school members:** You can retire at age 50 with five years of service credit—or fewer, if you have membership in a reciprocal or nonreciprocal retirement system's defined benefit plan.

**PEPRA school members:** You can retire at age 52 with five years of service credit, if all service credit was earned on or after January 1, 2013—or fewer, if you have membership in a reciprocal or nonreciprocal retirement system's defined benefit plan.

##### The difference

Minimum retirement ages and years of service are different for each system. Also see page 20.

### 4

#### What is my total retirement contribution?

##### CalSTRS

**CalSTRS 2% at 60 members:** You contribute 10.25% of your Defined Benefit Program creditable earnings.

**CalSTRS 2% at 62 members:** Your contribution rate is connected to the normal cost of your retirement plan. When changes in the normal cost meet certain thresholds defined by law, your contribution rate is adjusted. The normal cost is assessed each year based on the system's actuarial valuation, which is the snapshot of CalSTRS' financial status and is presented to the Teachers' Retirement Board each spring. Check with your employer or visit [CalSTRS.com](http://CalSTRS.com) to learn your current contribution rate.

##### CalPERS

The percentage of your contribution is fixed by statute and is generally intended to be an amount that will cover half of the normal cost of the benefit earned per year.

Normal cost will vary by benefit type, as higher benefit formulas have higher normal costs.

For additional information regarding your contribution rate, contact your employer directly or call CalPERS at **888-CalPERS (888-225-7377)**.

##### The difference

CalSTRS 2% at 60 members pay 10.25% of Defined Benefit Program creditable earnings for their contribution rate. CalSTRS 2% at 62 members' contribution rate may change each year based on the CalSTRS actuarial valuation. CalPERS members' contribution rate is fixed by statute and varies based on benefit type.



## 5

### How is the purchasing power of my retirement benefit maintained?

#### CalSTRS

**Annual benefit adjustment:** Your retirement benefit is increased by 2% of your initial benefit beginning September 1 after the first anniversary of your retirement date. Your retirement date must be before September 1 to receive the annual benefit adjustment on September 1 of the next year. The annual benefit adjustment is not compounded or tied to the cost of living.

**Quarterly supplemental payments:** If your benefit loses its original purchasing power, you'll receive quarterly supplemental payments, subject to the availability of funds. The purchasing power protection level is currently set at 85% of your initial benefit.

#### CalPERS

Beginning May 1 of your second calendar year of retirement, your initial benefit is increased up to 2% per year, compounded annually, unless the rate of inflation is lower. CalPERS pays monthly supplemental payments when the benefit falls below 75% of purchasing power.

#### The difference

The CalSTRS annual benefit adjustment is not compounded; the CalPERS annual benefit adjustment is compounded annually to reflect inflation and does not have a fixed rate. CalSTRS purchasing power protection is currently 85% and paid quarterly; CalPERS purchasing power protection is 75% and paid monthly.

## 6

### Can I work after I retire?

#### CalSTRS

You can continue to receive your full CalSTRS retirement benefit with no earnings limit if you take a job in a private school, private industry, a public school outside of California, or any other nonCalSTRS-covered employment, including the University of California or California State University systems. If you return to work after retirement in the California public school system as an employee, an independent contractor, or an employee of a third party and perform retired member activities, including substitute teaching, there are restrictions under California state and federal law:

- You cannot work in a classified position except, under certain circumstances, as a teacher's aide.
- Under the separation-from-service requirement, your CalSTRS retirement benefit will be reduced by the amount you earn in a CalSTRS-covered position during the first 180 calendar days following your most recent retirement date, up to your benefit amount payable during that period.
- In addition to the first 180-day separation-from-service requirement, there is an annual limit to the amount of money you can earn without affecting your retirement benefit.

If you retire under the Retirement Incentive Program and return to work for the same employer that granted the incentive within five years of your retirement date as an employee, an independent contractor or an employee of a third party, you'll lose the ongoing increase in your benefit.

There is a very narrow exemption from the separation-from-service requirement if you have reached normal retirement age and meet all the other exemption requirements. If you are eligible, this exemption applies only to the separation-from-service requirement—the annual postretirement earnings limit still applies.

See "After you retire" in the *CalSTRS Member Handbook* for the current postretirement earnings limit and more information.

## CalPERS

If you retire from CalPERS, you can work in a classified retired annuitant designated position for a CalPERS employer, including school employers, without reinstatement. The work must be of limited duration, or extra-help work; for example, to eliminate a backlog, to perform work in excess of what regular staff can do, or special project work. You also may be appointed to an interim, vacant position during the employers' recruitment for a permanent hire. Refer to the "Vacant positions" section in the CalPERS *Employment After Retirement* publication for more information regarding additional requirements for interim appointments. Regardless, work hours are limited to 960 hours or less per fiscal year and you cannot be employed in any permanent, seasonal, limited-term or other regular staff position. In addition, you cannot be employed in any exempt or excluded CalPERS membership position. For a state agency CalPERS employer, you must also be civil service-eligible to work as a retired annuitant, and you cannot work in any "exempt from civil service" position. Employment with a CalPERS employer in any position other than a retired annuitant position requires reinstatement from retirement.

If you're under normal retirement age on your retirement date, you must have a bona fide separation in service before you begin work for any CalPERS employer. If you have more than one retirement formula, the oldest normal retirement age applies to you. You can find your benefit formula on your my|CalPERS account or your CalPERS *Annual Member Statement*. A bona fide separation is one where there is no agreement, verbal or written, to return to work as a retired annuitant between you and any CalPERS employer before you retire, and there is a 60-day waiting period between your retirement date and the first date of employment.

Before you can be hired as a retired annuitant, a 180-day waiting period between your retirement date and the day you begin work is required unless a certain exception is approved by the school employer's county office of education. An exception approved by the school district alone is not a valid exception. The bona fide separation and 180-day waiting period may occur concurrently.

As a retired annuitant, you cannot receive more than the maximum hourly base pay rate paid to employees performing comparable duties or for the vacant position, as listed in the employer's publicly available pay schedule. You cannot receive any benefit (including sick leave), incentive, compensation in lieu of benefits or any other form of compensation in addition to that hourly pay rate. You may work in retired annuitant positions for up to 960 hours in a fiscal year, July 1–June 30, for all CalPERS employers combined.

There are additional postretirement work restrictions if you receive a disability or an industrial disability retirement from CalPERS. If you violate any of these restrictions, your CalPERS retirement will be canceled, and you must repay the retirement benefits you received during the period of unlawful employment.

CalPERS retirees can work in a CalSTRS-certificated position, in positions with employers of any other public pension system or for private industry employers not associated with any CalPERS employer without affecting their CalPERS retirement. The bona fide separation and 180-day wait period requirements don't apply to CalPERS retirees working in these positions. For employment with a CalPERS employer as an independent contractor, consultant, contract employee or employee of a third party employer, contact CalPERS at **888-CalPERS (888-225-7377)**.

See the *Employment After Retirement* publication at [calpers.ca.gov](http://calpers.ca.gov) before you retire or discuss working after retirement with a CalPERS employer.

### The difference

Retirement benefits from both systems can be affected by postretirement work. For CalSTRS, you cannot return to work and perform retired member activities in the California public school system without affecting your benefit, and you cannot work in a classified position except under certain circumstances. For CalPERS, the work restrictions affect classified positions. If you're a CalPERS retiree, return to work in a CalPERS retired annuitant position and violate any of the restrictions, you can be reinstated from retirement—that is, your retirement can be terminated during the periods of unlawful employment.

# 7

## Do I have disability benefits?

### CalSTRS

You may be eligible for a disability benefit if you meet all the eligibility requirements, including age, service credit, timelines for application and medical documentation, and meet the definition of “disabled” as established for CalSTRS in the California Education Code. See *Your Disability Benefits Guide* at [CalSTRS.com/publications](http://CalSTRS.com/publications) for eligibility requirements.

You can apply for service retirement and disability at the same time if you’re otherwise eligible to service retire. This will enable you to receive a monthly retirement income while your disability application is evaluated. If you’re approved for disability, your service retirement will be canceled. If you’re not approved, you will remain retired.

You have disability benefits under one of the CalSTRS disability benefit programs: Coverage A or Coverage B.

**Coverage A:** You were hired on or before October 15, 1992, unless you elected Coverage B before April 1993.

The Coverage A disability benefit is generally 50% of your final compensation based on your compensation earned, rather than earnable. If you have eligible dependent children, you’ll receive an additional 10% of your final compensation for each child, up to an additional 40%.

At age 60, your disability benefit ends, and you may apply for service retirement. You’ll receive an ongoing benefit equal to the lesser of your disability benefit or your retirement benefit.

If you’re over age 45 with fewer than 10 years of service credit, your disability benefit is 5% of your final compensation (based on your compensation earnable) multiplied by your years of service credit. For example, with seven years of service credit, your benefit would be 35% of your final compensation.

**Coverage B:** You were hired after October 15, 1992, or you elected Coverage B before April 1993.

The Coverage B disability benefit is 50% of your final compensation based on your compensation earned, rather than earnable. Your eligible dependent children also receive up to 10% of your final compensation per child, up to an additional 40%. You will receive a disability benefit for your lifetime as long as you continue to qualify. If you return to active service as a CalSTRS Defined Benefit member and later service retire, your eventual service retirement benefit will be calculated differently than if you had not received a disability benefit. This may result in a lower service retirement benefit than if you had not received a disability benefit.

### CalPERS

If you have between five and 10 years of service credit—or 18.5 years or more of service credit—your disability formula is 1.8% multiplied by your years of service credit and final compensation. If you have between 10 and 18.5 years of service credit, your disability retirement benefit may be improved up to 33.333% of your final compensation. If you qualify for service retirement, you’ll receive your service retirement benefit if the amount is greater than the disability retirement. You also may be eligible for disability benefits under Social Security, subject to the review and approval of the Social Security Administration.

## 8

### Does my employer contribute?

#### The difference

Disability benefits paid by CalSTRS are generally higher than those paid by CalPERS, but CalPERS members also may be eligible for disability benefits under Social Security. In addition, CalSTRS benefits increase if there are dependent children; CalPERS provides no coverage for dependent children.

#### CalSTRS

Yes. Employer contribution rates vary year to year. Employer contributions are deposited in the Teachers' Retirement Fund to help pay benefits for all members and their beneficiaries. They are not refundable to you.

#### CalPERS

Yes. The rate of your employer's contribution varies year to year. These contributions are paid into your employer's account. Employer contributions are not refundable to you.

For information regarding your employer's contribution rate, contact your employer directly or call CalPERS at **888-CalPERS (888-225-7377)**.

#### The difference

Employers contribute to both CalSTRS and CalPERS. Employer contributions to the defined benefit programs are not refundable under either system. The rates vary between the two systems and can change from year to year.

## 9

### Will I be eligible for Social Security and Medicare?

#### CalSTRS

As a California public school educator, you don't contribute to Social Security, so you will not receive a Social Security benefit for your CalSTRS-covered employment. If you're counting on Social Security through your spouse or other employment, two federal rules, the Windfall Elimination Provision and the Government Pension Offset, may leave you with a smaller Social Security benefit or possibly no Social Security benefit at all. Your CalSTRS retirement benefit will not change. For more information, see the *Social Security, CalSTRS and You* fact sheet at [CalSTRS.com/publications](http://CalSTRS.com/publications).

You and your employer contribute toward Medicare if you were hired after April 1986, or if you elected to participate in Medicare under your employer's Medicare division election.

#### CalPERS

In most cases, yes, if you were hired after 1959. In general, you need at least 40 credits—about 10 years of work—to be eligible for Social Security and Medicare benefits.

#### The difference

CalSTRS members neither contribute to nor earn Social Security benefits, and any Social Security benefits earned through other employment or a spouse may be reduced. Contact the Social Security Administration at **800-772-1213** or visit [ssa.gov](http://ssa.gov) to learn more. Most CalPERS members contribute to Social Security. Social Security includes retirement, disability and survivor benefits.

# 10

Will I have health coverage in retirement?

### CalSTRS

CalSTRS does not provide health or dental insurance coverage for members in retirement. However, California state law requires school districts to 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.

### CalPERS

For information on health coverage in retirement as a CalPERS member, see the *CalPERS Health Program Guide*.

#### The difference

Whether you're a CalSTRS or CalPERS member does not affect your health coverage because your coverage depends on your employee group's bargaining agreement with your school district. Contact your employer to learn more.

# 11

Do I earn an extra monthly benefit for a long career?

### CalSTRS

**CalSTRS 2% at 60 members:** With 25 years of service credit or more, your benefit is based on your highest average annual compensation earnable over any period of 12 consecutive months. With fewer than 25 years of service credit, it's based on your highest average annual compensation earnable over any period of 36 consecutive months.

With 30 or more years of service credit, your age factor is increased by 0.2%. This is called a career factor. The maximum combined age factor and career factor is 2.4%.

With at least 30 years of service credit earned on or before December 31, 2010, your benefit is increased by a longevity bonus:

Service credit at retirement	Longevity bonus
30 years	\$200/month
31 years	\$300/month
32 years	\$400/month

**CalSTRS 2% at 62 members:** The career factor, one-year final compensation and longevity bonus benefit enhancements are not available.

### CalPERS

CalPERS does not offer special benefit enhancements as a reward for career longevity.

#### The difference

CalSTRS offers a career factor, one-year final compensation and longevity bonus for members under the CalSTRS 2% at 60 benefit structure. CalPERS does not offer longevity benefits.

# 12

What are the age factors?

## Age factor comparison for members first hired before January 1, 2013

Age	CalSTRS*	CalPERS	Age	CalSTRS*	CalPERS
50	1.10 †	1.10	57	1.64	2.126
51	1.16 †	1.28	58	1.76	2.188
52	1.22 †	1.46	59	1.88	2.250
53	1.28 †	1.64	60	2.00	2.314
54	1.34 †	1.82	61	2.133	2.376
55	1.40	2.00	62	2.267	2.438
56	1.52	2.064	63+	2.40	2.50

\*Career factor: Add 0.2% to the age factor for 30 years of service credit, up to 2.4%.

†Must have 30 or more years of service credit to retire before age 55.

## Age factor comparison for members first hired on or after January 1, 2013

Age	CalSTRS	CalPERS
52	**	1.00
53	**	1.10
54	**	1.20
55	1.16	1.30
56	1.28	1.40
57	1.40	1.50
58	1.52	1.60
59	1.64	1.70
60	1.76	1.80
61	1.88	1.90
62	2.00	2.00
63	2.133	2.10
64	2.267	2.20
65	2.40	2.30
66	2.40	2.40
67	2.40	2.50

\*\*CalSTRS members under the CalSTRS 2% at 62 benefit structure cannot retire earlier than age 55.

### The difference

CalSTRS and CalPERS have different age factors. The age factor is the percentage of final compensation you're entitled to receive for each year of service credit at retirement.

# 13

## Can I buy additional service credit?

### CalSTRS

Yes. You must complete your purchase before your retirement date. You may be eligible to purchase these types of service credit (certain restrictions apply):

- Redeposit of withdrawn funds.
- Prior service covered under the CalSTRS Cash Balance Benefit Program.
- Certain active U.S. military service.
- Job Corps or Peace Corps service.
- Teaching in a publicly supported and administered California university not already credited.
- Maternity or paternity leave approved by your employer.
- Sabbatical leave approved by your employer.
- Family medical leave under the federal Family and Medical Leave Act or the California Family Rights Act approved by your employer.
- Service prior to membership in part-time or substitute work.
- Fulbright Teacher Exchange Program leave.
- Out-of-state or foreign school service.
- Certificated teaching in a child care center, school for the blind or deaf, or Native American school in California.

### CalPERS

Yes. You must complete your purchase before your retirement date. You may be eligible to purchase these types of service credit:

- Redeposit of withdrawn funds.
- Military service.
- Peace Corps, AmeriCorps or AmeriCorps VISTA service.
- Educational or sabbatical leave.
- Temporary job-related injury or illness.
- Maternity or paternity leave.
- Service prior to membership while serving a qualification period or while employed on a temporary, seasonal or less than half-time basis.
- Comprehensive Employment and Training Act service after July 1, 1979.
- Employment as an elected or appointed official.
- Leave to work in a local, state or foreign governmental agency or nonprofit organization.
- Lay-off periods from public agency employment.
- Service for time spent working for an employer before it began contracting with CalPERS.
- Alternate Retirement Program, if applicable.
- Serious illness.

See the *Service Credit Purchase* publication at [calpers.ca.gov](http://calpers.ca.gov).

#### The difference

Both allow you to buy service credit for certain activities and require that your purchase be completed before retirement. In some cases, an activity may be covered by one system and not the other.

# 14

## Do I have a supplemental account?

### CalSTRS

Yes, the Defined Benefit Supplement Program is a cash balance plan for Defined Benefit Program members that provides additional income at retirement. This is a separate fund and benefit in addition to your main CalSTRS retirement benefit.

Your Defined Benefit Program account contains your member contributions for up to one year of service performed in a school year. Any contributions on your earnings in excess of one year of service credit are credited to your Defined Benefit Supplement account. You can build this account by taking on extra-pay assignments such as summer school and intersession. When you retire, you'll receive your CalSTRS retirement benefit and your Defined Benefit Supplement funds.

**CalSTRS 2% at 60 members:** You and your employer each contribute 8% of your earnings, for a total of 16%, on earnings for service in excess of one year of service credit in a school year or on limited-term payments. From January 1, 2001, to December 31, 2010, one-fourth of your 8% member contribution to the Defined Benefit Program was redirected to this account. The redirection did not affect your CalSTRS retirement benefit.

**CalSTRS 2% at 62 members:** You contribute a percentage set each year by the Teachers' Retirement Board and your employer contributes 8% of your earnings for service in excess of one year in a school year.

### CalPERS

CalPERS does not have a supplemental account.

#### The difference

CalSTRS members have a supplemental account for retirement; CalPERS members do not.

# 15

## Can I redeposit a previous refund?

You can only redeposit a refund from the system that issued it—you cannot redeposit a CalPERS refund into CalSTRS or vice versa.

### CalSTRS

If you terminate CalSTRS membership, receive a refund of contributions and interest, and later return to CalSTRS membership or a retirement system that offers concurrent retirement with CalSTRS, such as CalPERS, you can purchase all or some of the CalSTRS service credit represented by the refund. The cost will include the interest the refunded amount would have earned. If you received more than one refund, multiple refund costs are combined for a total cost. You can redeposit all or a portion of the refunded contributions.

### CalPERS

If you terminate CalPERS membership, receive a refund of contributions and interest, and later return to CalPERS membership or become a member of a reciprocal retirement system, such as CalSTRS, you can purchase all or some of the CalPERS service credit represented by the refund. The cost will include the interest the refunded amount would have earned. If you received more than one refund, you may repurchase the service credit represented by the refund in reverse chronological order; that is, you can purchase your most recent refund first.

#### The difference

CalSTRS combines multiple refunds; CalPERS allows you to repurchase multiple refunds in reverse chronological order.



# 16

## What benefits do my survivors receive if I die before I'm eligible to retire?

### CalSTRS

#### Coverage A

If you have Coverage A—you were a member on or before October 15, 1992, and you did not elect Coverage B—and have at least one year of service credit and die while performing creditable service, your designated one-time death benefit recipient may receive a lump-sum payment, currently \$6,372. In addition, for a surviving spouse or registered domestic partner with dependent children, the monthly survivor benefit equals 40% of your final compensation plus 10% of your final compensation for each eligible dependent child under age 22, for a benefit up to 90% of your final compensation, based on your compensation earned, rather than earnable. Your surviving spouse or partner with no eligible dependent children receives either a lump-sum payment of your accumulated Defined Benefit Program member contributions and interest or a monthly lifetime benefit. The calculation is based on the projected service credit and final compensation, based on your compensation earnable, you would have accrued had you retired at normal retirement age. If the monthly benefit is paid before normal retirement age, the amount is actuarially reduced. If there is no surviving spouse, partner or dependent children, then a monthly survivor benefit may be paid to eligible dependent parents.

#### Coverage B

If you have Coverage B—you became a member after October 15, 1992, or elected Coverage B before April 1993—and have at least one year of service credit and die while performing creditable service, your designated one-time death benefit recipient may receive a lump-sum death benefit, currently \$25,488. If a monthly survivor benefit is not payable, a lump-sum refund of your contributions and interest is paid to your surviving spouse or registered domestic partner, if applicable, or otherwise to your one-time death benefit recipient. If eligible, your surviving spouse or registered domestic partner can choose between the lump-sum refund of your contributions and interest or a monthly survivor benefit based on your age and your spouse's or partner's age as of the date you would have reached normal retirement age. This monthly benefit would be one-half of the modified survivor benefit. If your spouse or partner elects the lump-sum refund, no benefits are payable to dependent children. If you have dependent children and your surviving spouse or partner receives a monthly benefit, an additional benefit, equal to 10% of your earned final compensation, is paid for each child under age 21, up to 50% for five or more children.

#### Defined Benefit Supplement Distribution

In addition to the benefits under the Defined Benefit Program, your one-time death benefit recipient will receive a benefit based on the balance in your Defined Benefit Supplement account. If you have \$3,500 or more for each designated recipient, each will have a choice of a lump-sum payment or a period-certain annuity. If you have less than \$3,500 for each designated recipient, each will receive a lump-sum payment. If you did not name a one-time death benefit recipient, we will make a lump-sum payment to your estate.

### CalPERS

Your designated or statutory beneficiaries receive the Basic Death Benefit equal to a return of your contributions and interest, plus a month of average monthly earnings for each year of service up to six months' salary, if you die within 120 days (four months) of separating from CalPERS.

If you're not covered by Social Security, you may be eligible for the 1959 survivor benefit, which is an additional benefit of up to \$2,280 per month. The benefit is paid either to:

- A surviving spouse or registered domestic partner to whom you've been married or registered for at least one year before your death or before the date of injury or onset of the illness that resulted in your death and who has care of unmarried children under age 22, or unmarried disabled children who became disabled prior to age 22.
- A surviving spouse or registered domestic partner who is over age 60 to whom you've been married or registered for at least one year before your death or before the date of injury or onset of the illness that resulted in your death.
- Dependent parents, if none of the above.

See the *Changing Your Beneficiary or Monthly Benefit After Retirement* publication at [calpers.ca.gov](http://calpers.ca.gov).

#### **The difference**

Under CalSTRS, your surviving spouse or registered domestic partner may choose a lump-sum payment or a monthly benefit, with additional provisions for dependent children. CalPERS pays a Basic Death Benefit or, if eligible, a monthly benefit to your surviving spouse, partner or unmarried children only if certain requirements are met. CalPERS may also provide survivor benefits to survivors of CalPERS members not covered by Social Security.

## 17

What benefits do my survivors receive if I'm eligible to retire, but die before I retire?

### **CalSTRS**

If you didn't elect a preretirement option beneficiary, your survivors may receive the same coverage as in Question 16. If you elected a preretirement option, your option beneficiary receives a lifetime monthly benefit based on the option you elected, and your one-time death benefit recipient receives both the one-time death benefit and the balance in the Defined Benefit Supplement account.

To elect a preretirement option beneficiary—one or more persons or a special needs trust—you must be eligible for retirement or at least age 55 and eligible to service retire concurrently from CalPERS or another eligible California public retirement system. If you're a concurrent member, age 55 or older with less than five years of CalSTRS service credit, CalSTRS will verify your retirement eligibility when you initially make your election and as of the date of your death. If you're ineligible for concurrent retirement when you initially make your election or as of the date of your death, your election will be void.

### **CalPERS**

Your designated and statutory beneficiaries receive the Basic Death Benefit equal to a return of your contributions and interest, plus up to six months pay. Alternatively, your spouse or registered domestic partner—to whom you've been married or in partnership for at least one year before your death or before the occurrence of the injury or the onset of the illness that resulted in your death—or your children under 18, can receive a monthly benefit equal to 50% of what your highest service retirement benefit would have been had you retired on the date of death. Your survivors can receive only one, not both, of these benefits.

# 18

## What benefits do my survivors receive if I die after I retire?

Members not covered by Social Security may be eligible for the 1959 survivor benefit, which is an additional benefit of up to \$2,280 per month payable to an eligible surviving spouse or registered domestic partner who has care of unmarried children under age 22, to unmarried children under age 22, to an eligible surviving spouse or registered domestic partner over age 60, or to dependent parents. To be eligible, you must have been paying a fee, generally \$2 per month.

If you're an employee of a state agency or California State University rather than a school employee, check with CalPERS because these benefits may vary.

### The difference

CalSTRS allows you to make a preretirement election of an option and name someone to receive a lifetime monthly benefit upon your death when you're eligible to retire. Under CalPERS, you cannot make a preretirement election. In the absence of a preretirement election, both systems provide survivor benefits to specific family members. The amounts paid to survivors vary.

### CalSTRS

Your designated one-time death benefit recipient will receive a lump-sum death benefit, currently \$6,372. If you elect one of the four CalSTRS retirement options, your option beneficiary's benefit will be based on the option you elected. If you didn't elect a retirement option, CalSTRS will refund your remaining eligible contributions and interest to your one-time death benefit recipient—or to your estate, if you didn't name a recipient.

If you elect to receive your Defined Benefit Supplement account balance as a joint and survivor annuity, your annuity beneficiary's benefit will be based on the annuity you elected.

### CalPERS

Your beneficiary's lump-sum death benefit is generally \$2,000. (School employers can contract for a \$2,000, \$3,000, \$4,000 or \$5,000 lump-sum benefit.) If you elected the option specifically providing a return of unused contributions, your beneficiary will be refunded any remaining contributions and interest. In addition, a survivor's continuance allowance, equal to 25% of your unmodified retirement benefit if service is coordinated with Social Security, or 50% of the unmodified benefit if service is not coordinated with Social Security, will be paid to your eligible surviving spouse or registered domestic partner, unmarried minor children, eligible disabled adult children, or dependent parents. If you elected a modified benefit, your beneficiary's benefit is based on the option you elected.

In addition, Social Security will pay a one-time \$255 benefit to your survivors if you had earned enough Social Security credits and your survivors are eligible.

Visit the Social Security Administration website at [ssa.gov](https://www.ssa.gov) for more information.

### The difference

CalSTRS has a higher lump-sum death benefit than CalPERS. CalPERS pays an additional survivor continuance benefit, regardless of whether you elect a reduced or basic benefit. Both systems generally have the same options for beneficiary benefits.

# Dual membership

If you decide to have your new position covered by a different retirement system than your previous service, you have the additional decision of whether to keep your account in your previous retirement system or take a refund. You cannot combine service into one system. If you keep service credit in both systems, you can retire concurrently. If you take a refund, you'll lose all benefits under that retirement system. Before taking a refund, carefully consider the consequences.

Here is an overview of the rights and benefits of CalSTRS and CalPERS members to help you with your decision.

	<b>CalSTRS</b>	<b>CalPERS</b>
<b>Concurrent retirement date</b>	<p>You may service retire from a position covered by another retirement system in which you have concurrent membership on the same day you retire for service from your CalSTRS-covered position—or on different dates as long as there is no creditable service performed with either system between the two retirement dates. Your final compensation may be calculated using the full-time equivalent compensation for your service performed under the other retirement system. However, CalSTRS may only use compensation from the other retirement system for pay periods in which compensation earnable associated with CalSTRS service is not available.</p> <p>Concurrent retirement is not available for a CalSTRS disability retirement.</p>	<p>Your final compensation may be calculated using the highest average annual compensation earnable under either system as long as you retire from both systems concurrently. You must submit a retirement application to both systems retiring on the same day to retire concurrently. Your final compensation will be reviewed upon concurrent retirement to ensure compliance with applicable laws and regulations that must be met for eligibility to be used to calculate your CalPERS benefit.</p> <p>Also see “Reciprocity” on the following page.</p>
<b>Changing retirement systems</b>	<p>You may leave service credit and contributions with CalSTRS and become a member of CalPERS, UCRP, LRS, SFCCRS or a 1937 Act county retirement system.</p>	<p>You may leave service credit and contributions with CalPERS and become a member of CalSTRS, UCRP, LRS, JRSI, JRSII or a 1937 Act county or local reciprocal public retirement system.</p>
<b>Redeposit rights</b>	<p>If you were a CalSTRS member and took a refund, you're eligible to redeposit all or a portion of your refunded contributions and interest with CalSTRS if you return to CalSTRS-covered service or if you're a member of CalSTRS, CalPERS, UCRP, LRS, SFCCRS or a 1937 Act county retirement system.</p> <p>If you're a former CalSTRS member, you do not have to be employed by a CalSTRS employer while paying for the redeposit as long as you're covered by another eligible California public retirement system.</p>	<p>If you left CalPERS, took a refund of your contributions, and subsequently return to CalPERS-covered employment or are a member of CalSTRS, UCRP, LRS, JRSI, JRSII or a 1937 Act county or local reciprocal public retirement system, you may redeposit the refund and accumulated interest with CalPERS to reestablish service credit and membership.</p> <p>If you're a former CalPERS member, you do not have to be employed by a CalPERS employer, or any other California public retirement system employer, while paying for the redeposit.</p>

## CalSTRS

## CalPERS

<b>Reciprocity</b>	CalSTRS does not have reciprocity with any other public retirement systems. However, the provisions of concurrent membership and concurrent retirement provide some limited benefits similar to reciprocity.	CalPERS has an agreement with many California public retirement systems that allows you to move from one system to the other without loss of benefits. However, your retirement contributions and service credit do not transfer.
<b>Refund restriction</b>	You're eligible to refund your CalSTRS contributions and interest upon terminating CalSTRS-covered employment. Contact the other retirement system to determine the effect of a refund on your status with that system.	You may be eligible to refund your CalPERS contributions and interest upon terminating CalPERS-covered employment. Contact the other retirement system to determine the effect of a refund on your status with that system. If you have established outgoing reciprocity with a reciprocal retirement system other than CalSTRS, there may be restrictions on your ability to refund.
<b>Minimum age for retirement</b>	<p><b>CalSTRS 2% at 60 members:</b> Age 50 with at least 30 years of service credit or as early as age 55 with at least five years of service credit—or fewer, if retiring concurrently from another eligible California public retirement system.</p> <p><b>CalSTRS 2% at 62 members:</b> Age 55 with at least five years of service credit—or fewer, if retiring concurrently from certain other California public retirement systems.</p>	<p><b>Classic school members:</b> You can retire at age 50 with five years of service credit.</p> <p><b>PEPRA school members:</b> You can retire at age 52 with five years of service credit, if all service credit was earned on or after January 1, 2013.</p>
<b>Minimum service credit requirement for retirement</b>	<p>You must have at least five years of service credit to retire under CalSTRS.</p> <p>If you're eligible to receive a benefit from another retirement system, you may retire for service after reaching age 55 regardless of your years of service credit, provided service retirement is concurrent with service retirement from at least one of the other eligible systems.</p> <p>Only CalSTRS service credit is used to calculate your CalSTRS benefit.</p>	<p>You may retire without meeting the minimum service credit requirements when membership is established with the CalSTRS Defined Benefit Program.</p> <p>Only CalPERS service credit is used in calculating your CalPERS benefit.</p>
<b>Final compensation</b>	CalSTRS may use the salaries for your service performed under the other retirement system to calculate your CalSTRS retirement benefit if you retire for service concurrently. CalSTRS may only use compensation from the other retirement system for pay periods in which compensation earnable associated with CalSTRS service is not available. Compensation earnable includes a weighted average of your annualized pay rates, plus any remuneration in addition to salary.	<p>CalPERS uses the highest average annual compensation earnable during any consecutive 12 or 36 months of employment and may include special compensation. CalPERS uses your full-time pay rate, not your earnings. See page 6 for more information.</p> <p>If you retire from both systems concurrently, your retirement benefit may be calculated using the highest final compensation under either system.</p>

**CalSTRS**

**CalPERS**

<p><b>Final compensation</b> (continued)</p>	<p><b>CalSTRS 2% at 60 members:</b> Final compensation is based on your highest average annual compensation earnable during any period of 36 consecutive months if you have fewer than 25 years of service credit, or your highest average annual compensation earnable during any period of 12 consecutive months if you have 25 or more years of service credit.</p> <p><b>CalSTRS 2% at 62 members:</b> Final compensation is based on your highest average annual compensation earnable for 36 consecutive months, regardless of years of service credit.</p>	<p>If you have a combination of classic and PEPRA service in either system, CalPERS will use one final compensation amount for the service earned as a classic member and a second final compensation amount for your PEPRA service to calculate your retirement benefit [California Code of Regulations section 579.24(b)]. CalPERS cannot use your PEPRA salary toward your classic service and vice versa.</p>
<p><b>Concurrent employment and final compensation</b></p>	<p>When you're employed concurrently in a CalSTRS-covered position and a position covered by another eligible retirement system during your final compensation period, compensation earnable under CalSTRS is used to determine final compensation even if you retire concurrently with another system.</p>	<p>When concurrent employment occurs during the final compensation period, the highest compensation earned under either system may be used in determining final compensation if you retire from both systems concurrently.</p>
<p><b>Employment after service retirement</b></p>	<p>You can continue to receive your full CalSTRS retirement benefit with no earnings limitation if you take a job outside of CalSTRS-covered employment, including work in a private school, private industry, a public school outside of California, or the University of California or California State University systems.</p> <p>If you return to work after retirement in the California public school system as an employee, an independent contractor, or an employee of a third party and perform retired member activities—including substitute teaching—there are restrictions under California state and federal law:</p> <ul style="list-style-type: none"> <li>• You cannot work in a classified position except, under certain circumstances, as a teacher's aide.</li> <li>• Under the separation-from-service requirement, your CalSTRS retirement benefit will be reduced by the amount you earn during the first 180 calendar days following your most recent retirement date, up to your benefit amount payable during that period.</li> <li>• There's an annual limit to the amount of money you can earn without affecting your retirement benefit.</li> </ul>	<p>You may retire from CalPERS and accept employment in another eligible public retirement system without affecting your benefit, including CalSTRS-covered positions.</p> <p>You may retire from CalPERS and begin work for a CalPERS-covered employer in a classified retired annuitant designated position after you have met the bona fide separation in service requirement, if applicable, and the 180-day wait period. Retired annuitant designated positions are "extra help" positions. The hourly pay rate cannot exceed the maximum for the position; you cannot work more than 960 hours for all employers combined in a fiscal year (July 1–June 30); and you cannot receive any other compensation or employee benefits, including sick leave. A violation of any one of these retired annuitant restrictions will require CalPERS to terminate your retirement.</p> <p>You cannot work in any position for a CalPERS-covered employer other than a retired annuitant designated position without reinstatement from retirement. This includes any permanent part-time, seasonal, intermittent, limited-term, exempt, contract employee, hourly employee or any other type of part-time or regular staff position.</p>

## CalSTRS

## CalPERS

<p><b>Employment after service retirement</b> (continued)</p>	<p>There is a very narrow exemption from the separation-from-service requirement. See page 8.</p> <p>If you retire under the Retirement Incentive Program, you'll lose the ongoing increase in your benefit from the incentive if you return to work in any job as an employee, an independent contractor or an employee of a third party with the employer that granted the incentive within five years of retirement.</p> <p>For the current postretirement earnings limit and more information, see "After you retire" in the <i>CalSTRS Member Handbook</i> at <a href="http://CalSTRS.com/publications">CalSTRS.com/publications</a>.</p>	<p>If you're interested in working for a CalPERS-covered employer as an independent contractor, consultant or an employee of a third-party employer, send CalPERS the proposed contract for an independent contractor determination before you begin working. If CalPERS determines the position is that of an employee—that is, there is common law employer-employee relationship with the CalPERS-covered employer despite its characterization—the position will be subject to the retired annuitant restrictions.</p> <p>See the <i>Employment After Retirement</i> booklet at <a href="http://calpers.ca.gov">calpers.ca.gov</a>.</p>
<p><b>Reinstatement from retirement</b></p>	<p>You may terminate your service retirement and reinstate to active member status at any time. If you reinstate, you may not be eligible for concurrent retirement for a subsequent retirement unless you retire again from another eligible retirement system.</p>	<p>Service retirees accepting a permanent position under CalPERS must submit an application to reinstate from retirement.</p> <p>Disability or industrial disability retirees must be approved to work in a permanent position under CalPERS and must submit medical documentation with the application to reinstate from retirement.</p> <p>See the <i>Reinstatement From Retirement</i> publication at <a href="http://calpers.ca.gov">calpers.ca.gov</a>.</p>
<p><b>Disability benefit</b></p>	<p>If receiving a CalSTRS disability benefit, you may be eligible to take a service retirement from CalPERS at the same time.</p> <p>Under Coverage A, you may retire if you meet the minimum service retirement age (age 50 or 55) or at age 60 when your CalSTRS disability benefit is changed to a service retirement. Either way, you're considered to have retired on the same date under both systems, and CalSTRS may calculate your final compensation based on your highest rate of pay under either system.</p> <p>If you're not actively employed with CalSTRS, there is no provision for a CalSTRS disability retirement.</p> <p>See <i>Your Disability Benefits Guide</i> at <a href="http://CalSTRS.com/publications">CalSTRS.com/publications</a>.</p>	<p>If receiving a CalPERS disability benefit, there are no provisions for concurrent retirement with CalSTRS.</p> <p>If you're not actively employed with CalPERS, there is no provision for a CalPERS disability retirement.</p> <p>See the <i>Disability Retirement Election Application</i> publication at <a href="http://calpers.ca.gov">calpers.ca.gov</a>.</p>

## CalSTRS

## CalPERS

### Employment while receiving a disability benefit

Your disability benefit will end if:

- You return to your usual and customary job duties.
- You return to any work earning a comparable salary.
- Your medical status no longer qualifies you for a CalSTRS disability benefit.
- You do not provide evidence of your continued qualification upon request.

You can earn income while you're receiving a disability benefit. You can teach under certain employer conditions, but you cannot earn CalSTRS service credit or contribute to CalSTRS while receiving a disability benefit.

Your earnings from all employment, including self-employment, are subject to an earnings limit unless you're participating in an approved CalSTRS rehabilitation plan. Your benefit will be reduced and you may become ineligible if you exceed your earnings limit.

For the current year limits and additional information, see *Your Disability Benefits Guide* and the *Member Handbook* at [CalSTRS.com/publications](http://CalSTRS.com/publications).

You may retire from CalPERS and work for a nonCalPERS employer without affecting your disability retirement benefit, with certain restrictions. An earnings limit may apply.

You may retire for disability or industrial disability and be approved by CalPERS to work in a permanent full-time or part-time CalPERS-covered (classified) position if the duties are significantly different from the duties of the position in which you were found to be disabled.

You may retire for disability or industrial disability and accept a retired annuitant designated position as listed on page 21 with the additional restriction that the duties of the position are significantly different from the duties of the position in which you were found disabled.



## CalSTRS resources

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### WEB

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

### STAY CONNECTED



### CALL

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Personal wealth plan  
844-896-9120 (toll free)  
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