

# Preretirement Compound Option Election—Instructions

\* You can use your *myCalSTRS* account at [myCalSTRS.com](https://myCalSTRS.com) to complete and submit your form online.

**This form is used to elect a Preretirement Compound Option for a person or persons.** If one or more of your option beneficiaries is a special needs trust, you will also need to complete the *Certification of a Special Needs Trust* form, available online at [CalSTRS.com/forms](https://CalSTRS.com/forms), for each beneficiary and submit it with this form.

Before electing an option before retirement, talk to a CalSTRS benefits specialist and read the applicable section of the *Member Handbook* to make sure you fully understand options and how each option would affect your retirement benefit.

If you are eligible to retire, you may make a Preretirement Compound Option election. This election is available if you do not yet wish to retire but want to ensure a monthly lifetime income to one or more individuals if you die before retirement. The monthly benefit is based on the Modified Benefit you would have received if you had retired as of your date of death. At retirement, your monthly benefit will be modified under the elected option. See “Protecting Your Loved Ones Before You Retire” in the *Member Handbook* for more information.

Your option beneficiary must be a living person or persons or a special needs trust—it cannot be another type of trust, charity, estate or other entity. If you wish to elect or change an option for the benefit of a special needs trust, you will also need to complete the *Certification of a Special Needs Trust* form, available online at [CalSTRS.com/forms](https://CalSTRS.com/forms), for each beneficiary and submit it with this form.

The Compound Option allows three choices. You may:

- Name one option beneficiary, with an option choice, and retain a portion of your benefit as the Member-Only Benefit. NOTE: No contributions and interest remaining in your account upon death will be distributed so long as an option benefit is in effect, even if you retained part of your benefit as Member-Only.
- Name two or more option beneficiaries, with an option choice for each, and retain a portion of your benefit as the Member-Only Benefit. NOTE: No contributions and interest remaining in your account upon death will be distributed so long as an option benefit is in effect, even if you retained part of your benefit as Member-Only.

- Name two or more option beneficiaries, with an option choice for each, and not retain any of your benefit as the Member-Only Benefit.

Complete the *Recipient Designation* form to name a one-time death benefit recipient. See the *Member Handbook* at [CalSTRS.com/publications](https://CalSTRS.com/publications) for more information.

**If you wish to elect a single option beneficiary and not retain a portion of your Member-Only Benefit, complete the *Preretirement Election of an Option* form. Do not complete this form.**

Your monthly retirement benefit will be reduced based on your age, the ages of your beneficiaries and the option you elect for each beneficiary. If one of your option beneficiaries predeceases you, that percentage of your benefit will revert to the Member-Only Benefit. In addition, your benefit will be subject to an assessment that may reduce your benefit for life.

To find out how each option would affect your retirement benefit, make an appointment with a CalSTRS benefits specialist. After you retire, you may change your option beneficiary only under limited circumstances. For more information, see the *CalSTRS Member Handbook* at [CalSTRS.com/publications](https://CalSTRS.com/publications).

## ADVANTAGES AND DISADVANTAGES OF ELECTING AN OPTION BEFORE RETIREMENT

What are the advantages and disadvantages of choosing a Preretirement Compound Option Election?

**Advantages:** If you die before retirement, your option beneficiaries will receive a lifetime monthly benefit. The benefit begins immediately upon your death, regardless of the ages of your option beneficiaries.

In most cases, the Modified Benefit you receive in retirement will be higher if you make a Preretirement Compound Option Election than if you elect the Compound Option at the time of retirement.

**Disadvantages:** If you cancel or change your Preretirement Compound Option Election before retiring, an assessment will be applied to your retirement benefit and may reduce your retirement benefit for life. The assessment is an amount determined by the Teachers' Retirement Board to be the actuarial equivalent of the coverage you received as a result of your preretirement election.

## Preretirement Compound Option Election—Instructions continued

### CHANGING OR CANCELING A PRERETIREMENT COMPOUND OPTION ELECTION

**Important:** If you want to change or cancel a previously filed *Preretirement Compound Option Election* form and have already applied for retirement, you must submit your option change or cancellation on the *Service Retirement Application Change Request* form and *Compound Option Election* form no later than 30 days after the date CalSTRS issues your first payment. The effective date of your option change or cancellation is the day prior to your retirement date.

### EFFECT OF REINSTATEMENT AFTER RETIREMENT

If you reinstate after your retirement, you cannot elect an option or make changes to or cancel your option and beneficiaries for one year after your reinstatement. If you had option beneficiaries and any of your option beneficiaries die within that first year, an assessment will be applied to your future retirement benefit, which may reduce your retirement benefit for life.

### OTHER IMPORTANT INFORMATION

If you are approved for a disability benefit after making a Preretirement Compound Option Election:

- Under **Coverage A**, your Preretirement Compound Option Election remains effective.
- Under **Coverage B**, your Preretirement Compound Option Election will be voided as of the effective date of your approved disability retirement and the Member-Only Benefit or Modified Benefit you elected on your *Disability Benefit Application* will become effective.

We recommend you make an appointment with a CalSTRS benefits specialist to help you understand your disability coverage. See [CalSTRS.com/benefits-planning](http://CalSTRS.com/benefits-planning) for more information.

### Eligibility to elect a Preretirement Compound Option Election:

You are eligible to elect a preretirement election if you meet any one of the following:

- Are at least 50 years of age and have 30 or more years of service credit. (CalSTRS 2% at 60 members only.)
- Are at least 55 years of age and have at least five years of service credit. (All CalSTRS members.)

- Are eligible to retire concurrently with retirement under the California Public Employees' Retirement System, University of California Retirement System, San Francisco Employees' Retirement System, Legislators' Retirement System or the 1937 Act County Retirement Systems.

### SECTION 1: ELECTION, CHANGE, CANCELLATION

**Election:** If you do not currently have a preretirement election of an option in effect with CalSTRS and you wish to make a Preretirement Compound Option Election, check the *Election* box. An election is effective as of your signature date on your form. Your preretirement election is not valid if we do not receive your form, with your spouse or registered domestic partner's signature if applicable, before your retirement date and within 30 days of both signature dates.

**Change:** If you wish to make a change to your preretirement election (change the option elected, your designated option beneficiaries or both), check the *Change* box. If you change your preretirement election, an assessment will be applied to your retirement benefit, which may reduce your benefit for life. The effective date of your option change is your signature date. Your preretirement change election is not valid if CalSTRS does not receive your form, with your spouse or registered domestic partner's signature if applicable, before your retirement date and within 30 days of both signature dates.

**Cancellation:** If you wish to cancel your Preretirement Compound Option Election, check the *Cancellation* box. Canceling your preretirement election will result in a lifetime assessment to your retirement benefit, which may reduce your benefit for life. The effective date of your option cancellation is your signature date. Your preretirement cancellation election is not valid if CalSTRS does not receive your form, with your spouse or registered domestic partner's signature if applicable, before your retirement date and within 30 days of both signature dates.

If you are electing, changing or canceling an option due to a divorce or termination of domestic partnership, contact our Legal Office at 916-414-1725 for assistance.

# Preretirement Compound Option Election—Instructions continued

## SECTION 2: MEMBER INFORMATION

Be sure your name is written as it appears on your Social Security card. If you know it, include your Client ID instead of your Social Security number. You can find your Client ID on your *Retirement Progress Report*. Include your telephone number so we can contact you if we have any questions. Indicate if you're a member of one of the other public retirement systems listed. **NOTE:** If you're a concurrent member, age 55 or older with less than five years of CalSTRS service credit, we will verify your retirement eligibility as of the date of your death. If you were ineligible for concurrent retirement, this election is void.

## SECTION 3: BENEFIT ALLOCATION/OPTION BENEFICIARY DESIGNATION

The modification to your retirement benefit will be made in accordance with the options elected on this form and will be based on your age and the ages of your option beneficiaries on the date you sign your form. An option factor based on actuarial valuation tables is used to determine the modification of your retirement payment.

Your benefit will be determined using the higher of the option factor in effect at the time you made the preretirement election or the factor in effect at the time of your retirement or death.

### Benefit Allocation

If you wish to retain part of your benefit as the Member-Only Benefit, enter the percentage in the space provided.

For each option beneficiary, choose one of the following: 100% Beneficiary Option, 75% Beneficiary Option or 50% Beneficiary Option. Then indicate the percent of your Member-Only Benefit you are allocating. You may select a different percentage for each beneficiary.

We will not be able to process your election if the total allocation of your Member-Only Benefit (to you and your beneficiaries) does not equal 100 percent.

This example is the benefit allocation for a member who wants to retain 50 percent as the Member-Only Benefit and allocate 25 percent to each of her two children.

Recipient	Benefit Allocation
Member-Only	50 %
Beneficiary #1	25 %
Beneficiary #2	25 %
<b>Total</b>	<b>100 %</b>

If you want to designate more than three option beneficiaries, use additional copies of the form.

### Option Beneficiary Designation

Descriptions of the beneficiary options available follow. If your option beneficiary predeceases you, the portion of your Modified Benefit that you allocated to him or her will rise to the Member-Only Benefit amount.

**100% Beneficiary Option:** Upon your death, your option beneficiary will receive the same benefit you were receiving for the portion allocated to him or her.

**75% Beneficiary Option:** Upon your death, your option beneficiary will receive 75 percent of the benefit you were receiving for the portion allocated to him or her.

**50% Beneficiary Option:** Upon your death, your option beneficiary will receive one-half of the benefit you were receiving for the portion allocated to him or her.

If you wish to elect or change an option for the benefit of a special needs trust, please check the box and enter your beneficiary information. You must also complete the *Certification of a Special Needs Trust* form, available online at [CalSTRS.com/forms](http://CalSTRS.com/forms), and submit it with this form.

### Nonspouse Option Beneficiary: Age Restrictions

Under federal law, if you name someone other than your current or former spouse to be your option beneficiary under the Compound Option, the type of option you may elect depends on your age and the age of your option beneficiary:

- Under the 75% Beneficiary Option, your nonspouse option beneficiary cannot be more than exactly 19 years younger than you.
- Under the 100% Beneficiary Option, your nonspouse option beneficiary cannot be more than exactly 10 years younger than you.

These federal age restrictions also apply to registered domestic partners.

**NOTE:** If your option beneficiary's death occurs before your retirement date, your option election will be automatically canceled one day after your option beneficiary's date of death. Your future benefit may be reduced for life depending on the option you elected and the period of time it was in effect. For more information about the advantages and disadvantages of electing an option before retirement, see the *Member Handbook*.

## Preretirement Compound Option Election—Instructions continued

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### Birth Date Verification

Attach verification of each beneficiary's date of birth unless a beneficiary is a CalSTRS member. Acceptable birth date verification documents include a photocopy of a birth certificate, state-issued ID, passport ID page and certain military IDs.

If your option beneficiary's name has been changed from the name shown on his or her birth record, a clear, unaltered photocopy of the marriage certificate or court order documenting the change is required. If you do not have either of these records, contact us at 800-228-5453.

### SECTION 4: REQUIRED SIGNATURES

Check all boxes that apply, then sign and date your *Preretirement Compound Option Election* form. If you are married or registered as a domestic partner, your spouse or partner also must sign and date your form. The election will be effective on the date you signed your form, provided CalSTRS receives your form within 30 days of both signatures dates and before your retirement date.

If your spouse or registered domestic partner does not sign your form, you must include a completed and signed *Justification for Non-Signature of Spouse or Registered Domestic Partner* form, available at [CalSTRS.com/forms](http://CalSTRS.com/forms).

If you divorced or terminated a domestic partnership and a portion of your CalSTRS benefits was awarded to a former spouse or partner, check the box that indicates this. You may need to refer to your settlement agreement. If your court documents have not been reviewed by CalSTRS, you may be asked to provide them.

### SUBMITTING YOUR FORM

CalSTRS must receive your form within 30 days of both signature dates and before your retirement date. Keep a copy for your records.

#### myCalSTRS

You can use your *myCalSTRS* account at [myCalSTRS.com](http://myCalSTRS.com) to complete and submit your form online. You and your spouse or registered domestic partner will be required to sign electronically using DocuSign.

#### Hand Delivery

Hand deliver your form to a local CalSTRS office. For a listing of offices, see [CalSTRS.com/forms-drop](http://CalSTRS.com/forms-drop).

#### Mail Your Form

CalSTRS  
P.O. Box 15275, MS 65  
Sacramento, CA 95851-0275

#### Overnight Delivery

If you are using a special mailing service such as UPS or FedEx, send this form to:

CalSTRS  
Member Services  
100 Waterfront Place  
West Sacramento, CA 95605

#### Fax Delivery

916-414-5964 or 916-414-5965

- \* CalSTRS must receive your form within 30 days of both signature dates and before your retirement date.

# Preretirement Compound Option Election

SR 0365 rev 05/23

**CALSTRS**  
California State Teachers' Retirement System  
P.O. Box 15275, MS 65  
Sacramento, CA 95851-0275  
800-228-5453  
CalSTRS.com

Please read the instructions before completing this form.

For an Election or Change, complete all sections.

For a Cancellation, complete sections 1, 2 and 4.

\_\_\_\_\_ number of additional pages attached

## Section 1: Election, Change, Cancellation

Choose one:

- Election** I am eligible to retire but do not wish to retire at this time. I am making the following Preretirement Compound Option Election. I understand that if I change or cancel this election at a later date, it may result in an assessment to my retirement benefit, which may reduce the amount of my benefit for life.
- Change** I revoke any previous preretirement election I made. I am making the following preretirement election change. I understand this will result in an assessment to my retirement benefit, which may reduce my benefit for life.
- Cancellation** I revoke any previous Preretirement Compound Option Election I made. I understand this will result in an assessment to my retirement benefit, which may reduce my benefit for life.

## Section 2: Member Information

NAME (LAST, FIRST, INITIAL)

CLIENT ID OR SOCIAL SECURITY NUMBER

MAILING ADDRESS

DATE OF BIRTH (MM/DD/YYYY)

( )

CITY

STATE

ZIP CODE

HOME TELEPHONE

EMAIL ADDRESS

**GENDER:**  MALE  FEMALE  NONBINARY

If you're a member of any of the following California public retirement systems, indicate below.

CALPERS  SFERS  LRS  UCRS  1937 ACT COUNTY/NAME \_\_\_\_\_

## Section 3: Benefit Allocation/Option Beneficiary Designation

Each one of your beneficiaries must be a living person or special needs trust. Your option beneficiaries cannot be another type of trust, corporation, charity, estate or other entity.

For each option beneficiary, elect one of the following: 100% Beneficiary Option, 75% Beneficiary Option or 50% Beneficiary Option, and then allocate a percentage of your Member-Only Benefit. (Age restrictions apply for nonspouse option beneficiaries. For details, see the Instructions section.) CalSTRS cannot process your Preretirement Compound Option Election if the total allocation of the option benefits given to your option beneficiaries, including any Member-Only Benefit percentage you retain, does not equal 100 percent. (See Instructions.)

Court-ordered option elections: If you are divorced or a party to a dissolution of domestic partnership who is required to elect a discontinued option, you may do so if CalSTRS has previously received and approved a certified court order filed before January 1, 2007. For more information, contact our Legal Office at 916-414-1725.

- Provide all the information requested for each option beneficiary, including birth date verification.
- If you wish to designate more than three option beneficiaries, use additional copies of this form and indicate the number of additional pages you are submitting in the top right-hand corner of this page.



SR0365

Name \_\_\_\_\_ Client ID or SSN \_\_\_\_\_

**Section 3: Benefit Allocation/Option Beneficiary Designation** continued

I choose to retain \_\_\_\_\_ (indicate 0-99%) of my benefit as the Member-Only Benefit.

**1. I elect the (select one)  100%  75%  50% Beneficiary Option and allocate \_\_\_\_\_% of my Member-Only Benefit.**

Enter your beneficiary information. If you are electing a special needs trust, check the box, provide your beneficiary information below and complete the *Certification of a Special Needs Trust* form, available at CalSTRS.com/forms, which must be submitted with this form.

I am electing a special needs trust.

BENEFICIARY'S NAME (LAST, FIRST, INITIAL) \_\_\_\_\_ BENEFICIARY'S SOCIAL SECURITY NUMBER OR TAX ID \_\_\_\_\_

MAILING ADDRESS \_\_\_\_\_ DATE OF BIRTH (MM/DD/YYYY)

( )

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_ HOME TELEPHONE \_\_\_\_\_

EMAIL ADDRESS \_\_\_\_\_

MEMBER OF CALSTRS:  YES  NO

RELATIONSHIP:  SPOUSE  REGISTERED DOMESTIC PARTNER  OTHER

GENDER:  MALE  FEMALE  NONBINARY

**If your beneficiary is not a member of CalSTRS, you must attach birth date verification:**

STATE-ISSUED ID  BIRTH CERTIFICATE  PASSPORT ID  OTHER

**2. I elect the (select one)  100%  75%  50% Beneficiary Option and allocate \_\_\_\_\_% of my Member-Only Benefit.**

Enter your beneficiary information. If you are electing a special needs trust, check the box, provide your beneficiary information below and complete the *Certification of a Special Needs Trust* form, available at CalSTRS.com/forms, which must be submitted with this form.

I am electing a special needs trust.

BENEFICIARY'S NAME (LAST, FIRST, INITIAL) \_\_\_\_\_ BENEFICIARY'S SOCIAL SECURITY NUMBER OR TAX ID \_\_\_\_\_

MAILING ADDRESS \_\_\_\_\_ DATE OF BIRTH (MM/DD/YYYY)

( )

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_ HOME TELEPHONE \_\_\_\_\_

EMAIL ADDRESS \_\_\_\_\_

MEMBER OF CALSTRS:  YES  NO

RELATIONSHIP:  SPOUSE  REGISTERED DOMESTIC PARTNER  OTHER

GENDER:  MALE  FEMALE  NONBINARY

**If your beneficiary is not a member of CalSTRS, you must attach birth date verification:**

STATE-ISSUED ID  BIRTH CERTIFICATE  PASSPORT ID  OTHER

Name \_\_\_\_\_ Client ID or SSN \_\_\_\_\_

**Section 3: Benefit Allocation/Option Beneficiary Designation** continued

**3. I elect the (select one)  100%  75%  50% Beneficiary Option and allocate \_\_\_\_\_% of my Member-Only Benefit.**

Enter your beneficiary information. If you are electing a special needs trust, check the box, provide your beneficiary information below and complete the *Certification of a Special Needs Trust* form, available at [CalSTRS.com/forms](http://CalSTRS.com/forms), which must be submitted with this form.

**I am electing a special needs trust.**

BENEFICIARY'S NAME (LAST, FIRST, INITIAL)

BENEFICIARY'S SOCIAL SECURITY NUMBER OR TAX ID

MAILING ADDRESS

DATE OF BIRTH (MM/DD/YYYY)

(      )

CITY

STATE

ZIP CODE

HOME TELEPHONE

EMAIL ADDRESS

**MEMBER OF CALSTRS:**  YES  NO

**RELATIONSHIP:**  SPOUSE  REGISTERED DOMESTIC PARTNER  OTHER

**GENDER:**  MALE  FEMALE  NONBINARY

**If your beneficiary is not a member of CalSTRS, you must attach birth date verification:**

STATE-ISSUED ID  BIRTH CERTIFICATE  PASSPORT ID  OTHER

**4. I elect the (select one)  100%  75%  50% Beneficiary Option and allocate \_\_\_\_\_% of my Member-Only Benefit.**

Enter your beneficiary information. If you are electing a special needs trust, check the box, provide your beneficiary information below and complete the *Certification of a Special Needs Trust* form, available at [CalSTRS.com/forms](http://CalSTRS.com/forms), which must be submitted with this form.

**I am electing a special needs trust.**

BENEFICIARY'S NAME (LAST, FIRST, INITIAL)

BENEFICIARY'S SOCIAL SECURITY NUMBER OR TAX ID

MAILING ADDRESS

DATE OF BIRTH (MM/DD/YYYY)

(      )

CITY

STATE

ZIP CODE

HOME TELEPHONE

EMAIL ADDRESS

**MEMBER OF CALSTRS:**  YES  NO

**RELATIONSHIP:**  SPOUSE  REGISTERED DOMESTIC PARTNER  OTHER

**GENDER:**  MALE  FEMALE  NONBINARY

**If your beneficiary is not a member of CalSTRS, you must attach birth date verification:**

STATE-ISSUED ID  BIRTH CERTIFICATE  PASSPORT ID  OTHER

# Preretirement Compound Option Election continued

Name \_\_\_\_\_ Client ID or SSN \_\_\_\_\_

## Section 4: Required Signatures

**I have read and I fully understand the instructions for the Preretirement Compound Option Election. I fully understand that:**

- This election does not constitute an application for service retirement.** I still must submit the *Service Retirement Application* to receive a service retirement benefit.
- If one or more of my option beneficiaries predeceases me before my retirement date or if I cancel or change this option election before service retirement, my service retirement benefit may be reduced for life based on the period of time this option election was in force.
- I cannot change this option election after 30 days from the date my first benefit payment is issued unless one or more of my beneficiaries predeceases me; or one of my option beneficiaries is my spouse or registered domestic partner and a final decree for a dissolution of marriage, annulment, dissolution or termination of partnership, or action for separate maintenance has been entered on or after January 1, 1978; or one of my option beneficiaries is not my current or former spouse or registered domestic partner and I change my election to my current spouse or partner.
- My option and beneficiary must remain the same for one year following a reinstatement.
- Under Coverage A, although I may receive a disability benefit and maintain this option election, my otherwise qualified survivors will not be entitled to a survivor benefit in the event of my death unless this option election has been canceled using the *Preretirement Compound Option Election* form before the date of my death.
- Under Coverage B, my otherwise qualified survivors will not be entitled to a survivor benefit in the event of my death unless this option election has been canceled using the *Preretirement Compound Option Election* form before the date of my death. On the effective date of disability retirement, this option election will become void.
- Court-ordered option elections: A divorced member or member who is a party to a dissolution of domestic partnership who is required to elect a discontinued option (2, 3, 4, 5, 6 or 7) may do so if CalSTRS has previously received and approved a certified court order filed before January 1, 2007.
- If upon my death I am a concurrent member with less than five years of CalSTRS service credit and I am not eligible for concurrent retirement, this election is void.

### Check all that apply to your current and any previous marital status.

- I am married or registered as a domestic partner and both our signatures are below.
- I am married or registered as a domestic partner and my spouse or registered domestic partner did not sign below. I have completed, signed and attached the *Justification for Non-Signature of Spouse or Registered Domestic Partner* form. 
- I have never been married or in a registered domestic partnership, OR I am widowed or my registered domestic partner has died.
- I have been divorced or have terminated a registered domestic partnership and my former spouse or registered domestic partner was awarded a portion of my CalSTRS benefits.
- I have been divorced or have terminated a registered domestic partnership and my former spouse or registered domestic partner was *not* awarded a portion of my CalSTRS benefits.

### Required Signatures

I understand it is a crime to fail to disclose a material fact or to make any knowingly false material statement, including a false statement regarding my marital status, for the purpose of using it, or allowing it to be used, to obtain, receive, continue, increase, deny or reduce any benefit administered by CalSTRS and it may result in penalties, including restitution, of up to one year in jail and/or a fine of up to \$5,000 (Education Code section 22010). It may also result in any document containing such false representation being voided.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct. I understand that perjury is punishable by imprisonment for up to four years (Penal Code section 126).

  
MEMBER'S SIGNATURE \_\_\_\_\_

SIGNATURE DATE (MM/DD/YYYY)

  
CURRENT SPOUSE'S OR REGISTERED DOMESTIC PARTNER'S SIGNATURE \_\_\_\_\_

SIGNATURE DATE (MM/DD/YYYY)

CalSTRS must receive your form within 30 days of both signature dates and before your retirement date.