

Connections



REACHING YOUR RETIREMENT

SEMIANNUAL PUBLICATION FOR ACTIVE AND INACTIVE CALSTRS MEMBERS

Board election slated for fall 2023

In fall 2023, CalSTRS active members will elect three of the 12 members on the Teachers' Retirement Board. CalSTRS will hold the election September 29 through November 30, 2023, for the following board seats:

- One preK–12 or county office of education employee who is an active CalSTRS Defined Benefit Program member or Cash Balance Benefit Program participant. This person cannot be an administrator.
 - » Elected by all preK–12 and county office of education employees who are active CalSTRS Defined Benefit Program members or Cash Balance Benefit Program participants.
- One preK–12 or county office of education employee who is an active CalSTRS Defined Benefit Program member or Cash Balance Benefit Program participant, including administrators.
 - » Elected by all preK–12 and county office of education employees who are active CalSTRS Defined Benefit members or Cash Balance Benefit participants.
- One community college instructor who is an active CalSTRS Defined Benefit Program member or Cash Balance Benefit Program participant.
 - » Elected by all active CalSTRS Defined Benefit Program members or Cash Balance Benefit Program participants who are community college faculty.

Candidates

A Notice of Election and important candidate information, including nomination petitions, can be found on [CalSTRS.com/board-elections](https://www.calstrs.com/board-elections). Nomination petitions with at least 250 valid signatures are due January 10, 2023.

Board member responsibilities

CalSTRS is the largest teachers' retirement fund in the world. As such, Teachers' Retirement Board members ensure the financial security of more than one million members and benefit recipients. Board members set policy and make rules for CalSTRS and are responsible for ensuring benefits are paid by

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View your 2021–22 Retirement Progress Report on myCalSTRS

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CalSTRS mission:

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

Teachers' Retirement Board

Harry M. Keiley, Chair
Sharon Hendricks, Vice Chair
Denise Bradford
Michael Gunning
Fiona Ma
William Prezant
Joe Stephenshaw
Ken Tang
Tony Thurmond
Jennifer Urdan
Karen Yamamoto
Betty Yee

Cassandra Lichnock
Chief Executive Officer

Christopher J. Ailman
Chief Investment Officer

Editor

Laura Martin

Designer


BaoTRAN Bui

Statements in this publication are general and the Teachers' Retirement Law is complex and specific. Nothing contained in this publication should be construed as legal advice.

If a conflict arises between information contained in this publication and the law, the law prevails.

CalSTRS Connections is published twice a year for members of the California State Teachers' Retirement System. Send your comments or suggestions to:

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Member service centers reopened for in-person services

CalSTRS is offering comprehensive services at our member service centers from 8 a.m. to 5 p.m. Monday through Friday. When visiting any of our member service centers, be prepared to abide by all COVID-19 guidelines in place at the time of your visit, including masking requirements.

All member services are available via online or telephone sessions, and our Contact Center is taking calls from 8 a.m. to 5 p.m. Monday through Friday. You can send us a secure message through *myCalSTRS* or our online form at [CalSTRS.com/contact-us](https://www.calstrs.com/contact-us). You can also find the latest updates and answers to most of your questions at [CalSTRS.com](https://www.calstrs.com) or through our publications at [CalSTRS.com/publications](https://www.calstrs.com/publications).

We encourage you to use the online services available through your *myCalSTRS* account, including updating your beneficiary designations, viewing your latest *Retirement Progress Report* and updating contact information. For added convenience, several of our forms can now be signed electronically. If you haven't signed up for *myCalSTRS*, go to [myCalSTRS.com](https://www.calstrs.com/myCalSTRS.com) and register today for immediate access to your accounts.

Retirement is one of life's biggest decisions, and we understand the importance of human connection when you make those choices. We continue to offer individual service retirement benefits planning sessions over the phone or online. Check out our webinars designed for midcareer members and members nearing retirement at [CalSTRS.com/webinars](https://www.calstrs.com/webinars). You can also schedule a telephone or Zoom benefits planning session on *myCalSTRS* or by calling 800-228-5453, option 3.

Visit our COVID-19 resources page for information on how to access all our services at [CalSTRS.com/covid-19-resources](https://www.calstrs.com/covid-19-resources).



Find information about COVID-19 and how to protect yourself and others:

California Department of Public Health: [cdph.ca.gov](https://www.cdph.ca.gov)
Centers for Disease Control and Prevention: [cdc.gov](https://www.cdc.gov)

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Board election slated for fall 2023

CalSTRS in accordance with the law. The board appoints a chief executive officer who is responsible for the administration of CalSTRS. The board also appoints a chief investment officer who is responsible for the investment of the Teachers' Retirement Fund, in keeping with board policy.

The board has five standing committees: Appeals, Audits and Risk Management, Benefits and Services, Board Governance, and Investments.

Interested in a board seat?

If you are interested in running for a board seat, contact the CalSTRS election coordinator at 916-414-1411 or ElectionCoordinator@CalSTRS.com.

View your 2021–22 Retirement Progress Report on myCalSTRS

Keep track of your account and service credit balance

Your *Retirement Progress Report* for 2021–22 is now available online. It's easy to view or print your report—just log on to your *myCalSTRS* account at myCalSTRS.com, select *View Your Retirement Progress Reports* and then select the year. You can also:

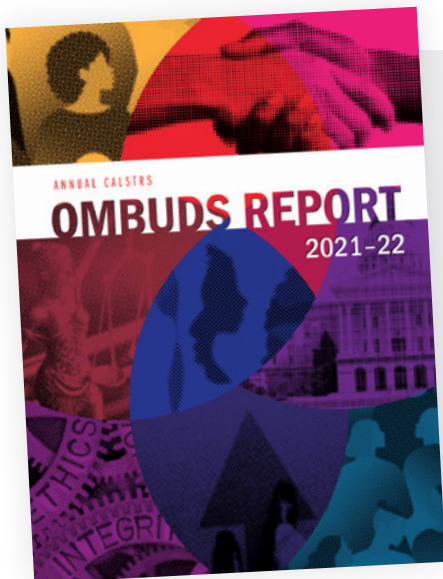
- Use the online glossary at CalSTRS.com/rprglossary if you have any questions about terms used in the report.
- Select the *Employer Detail* screen to view a breakdown of your earnings, contributions, compensation earnable and service credit by employer and by assignment.
- Confirm that you have designated your one-time death benefit recipient. If you need to update your beneficiary, complete the *Recipient Designation* form online through your *myCalSTRS* account (or download a form at CalSTRS.com/forms).

In support of our commitment to sustainability, CalSTRS securely and automatically delivers your annual *Retirement Progress Report* to your online *myCalSTRS* account, reducing paper and postage costs. If you don't have a *myCalSTRS* account, go to myCalSTRS.com and sign up for 24/7 access to your account information. If you want a printed version of next year's report mailed to you, submit the *Retirement Progress Report Delivery Preference* form, available at CalSTRS.com/forms, by July 1, 2023.

- **If you believe there's a discrepancy in your report, contact your employer immediately.**



To learn more about the information included in your report, watch the *Your CalSTRS Retirement Progress Report* video at CalSTRS.com/member-benefit-education-videos.



Annual CalSTRS Ombuds Report available online

As an advocate for our members, the CalSTRS Office of the Ombuds is pleased to bring you the annual *Ombuds Report* for the 2021–22 fiscal year. This report provides the public with information regarding services provided by the CalSTRS Office of the Ombuds and demonstrates to our visitors, potential visitors and stakeholders how this office serves CalSTRS members.

Read the report at CalSTRS.com/calstrs-ombuds.

Have you named your one-time death benefit recipient yet?

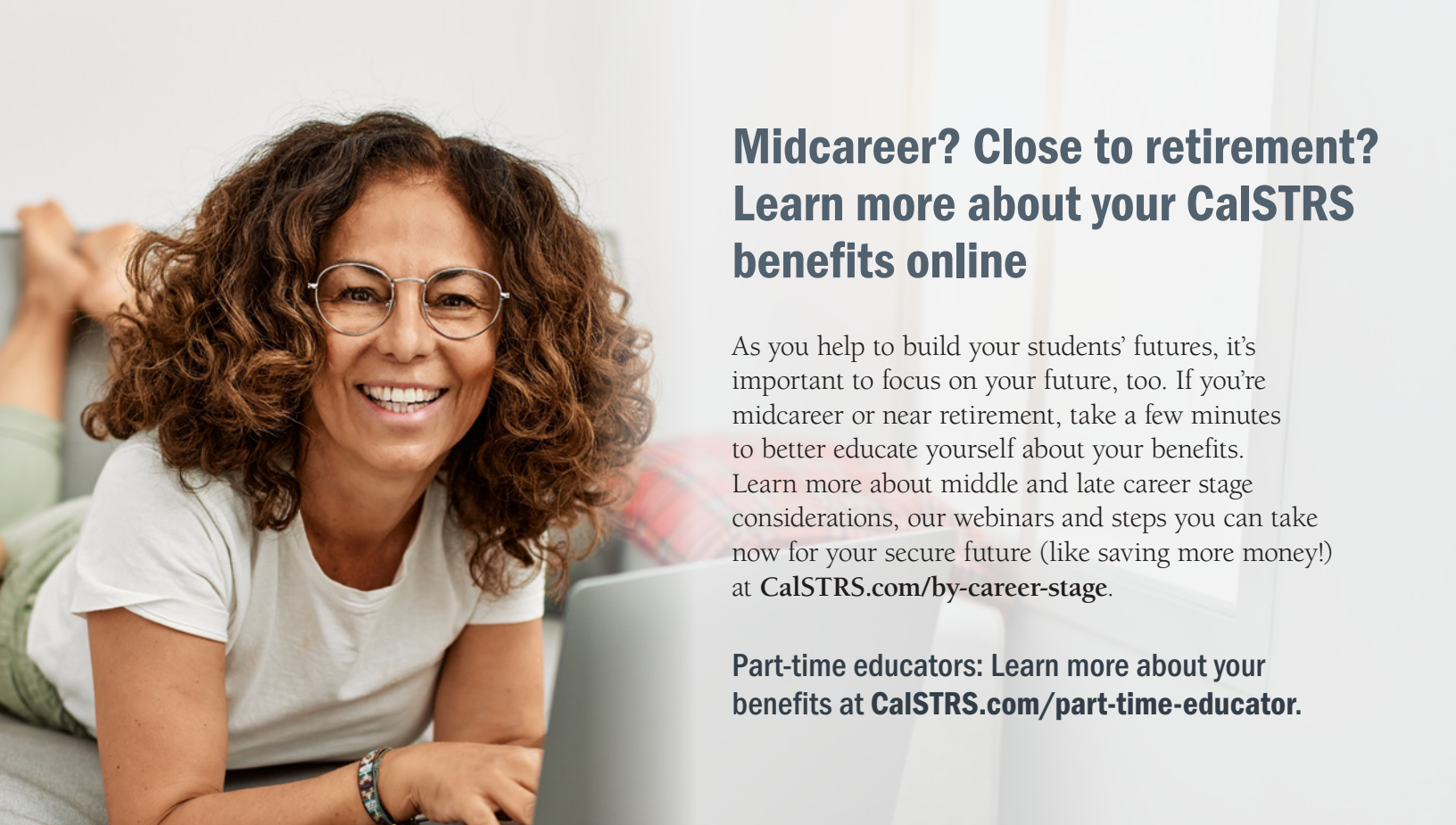
Now is a good time to update your recipient designation information. You may name one or more recipients for the one-time death benefit—a person, trust, charity, estate, parochial institution, corporation or public entity. Just log on to myCalSTRS.com for secure and convenient access to your CalSTRS accounts and select *Manage Your Beneficiary Selections*.

When you use *myCalSTRS* to complete your *Recipient Designation* form, you and your spouse or registered domestic partner can electronically sign through DocuSign®. DocuSign does not require *myCalSTRS* registration for your spouse or registered domestic partner, making submitting this form online easy!

The one-time death benefit is a lump-sum payment made to a beneficiary upon the death of a CalSTRS Defined Benefit Program member. Effective July 1, 2022, the one-time death benefit is \$6,903 if a member dies before retirement under Coverage A and \$27,612 if under Coverage B. If a member dies after retirement, the one-time death benefit is \$6,903 under both Coverage A and Coverage B.

Teacher Talk: What's YOUR story?

You're an outstanding teacher, so tell us about it! Send us a few words about yourself to Communications@CalSTRS.com, with "Teacher Talk" in the subject line and we may feature you in an upcoming issue. Check out our collection of Teacher Talk profiles at CalSTRS.com/teacher-talk-profiles.



Midcareer? Close to retirement? Learn more about your CalSTRS benefits online

As you help to build your students' futures, it's important to focus on your future, too. If you're midcareer or near retirement, take a few minutes to better educate yourself about your benefits. Learn more about middle and late career stage considerations, our webinars and steps you can take now for your secure future (like saving more money!) at CalSTRS.com/by-career-stage.

Part-time educators: Learn more about your benefits at CalSTRS.com/part-time-educator.

CalSTRS annual Member Satisfaction Survey results

We conducted our annual Member Satisfaction Survey earlier this year to gain insight into your experiences with the delivery of CalSTRS benefits and services. As we've done in prior years, we asked a random sample of active and retired members about their overall satisfaction with CalSTRS.

Consistent with previous survey results, 74% of members who responded reported "CalSTRS is an organization I can trust." Both active and retired members indicated retirement planning, the cost of health care and the state of the economy were all major drivers of confidence in their financial needs being met in retirement.

Other findings from the survey—specific to members 50 and older—include:

- 82% are aware they will need additional income to meet their financial goals in retirement.
- 79% are highly satisfied with CalSTRS overall.
- 69% report being engaged with CalSTRS.
- 59% are confident they have enough money to live comfortably throughout their retirement years.

Survey results were presented to the Teachers' Retirement Board at the September 2022 meeting. Read the results by visiting CalSTRS.com/board-meetings, click *Board meeting – September 2022* and find the information under *Benefits & Services Committee*.

74%
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myCALSTRS

Easy. Fast. Secure.

Are you within six months of retiring?

Submit your application online for faster processing

Fill out and submit your *Service Retirement Application* through your myCalSTRS account—it's easy and secure and will expedite the processing time for a faster turnaround. You'll also receive your award letter sooner.

To receive step-by-step instructions from a CalSTRS benefits specialist on how to fill out your *Service Retirement Application* electronically through your myCalSTRS account, join an Online Service Retirement Application Demonstration. Sign up at CalSTRS.com/benefits-planning.

Learn more about the service retirement application process at CalSTRS.com/service-retirement-application-process.



▶ Don't have a myCalSTRS account?


Go to myCalSTRS.com and sign up for convenient, secure online services and 24/7 access to your account information.

How Pension2 fits into your future



CalSTRS Pension2® 403(b) and 457(b) plans give you a smart way to build personal savings that complement your CalSTRS retirement benefit.

- You control how you save and invest.
 - Your costs are lower, with no commissions.
 - You choose funds to match your investing style.
 - Your account can potentially grow tax-deferred with taxes generally not due until money is withdrawn.
- **Have funds in your CalSTRS Defined Benefit Supplement account? Roll them over to Pension2 when you retire.**

 **Learn more at Pension2.com.**

It's your future. Choose Pension2™.

Don't forget: Transfer unused sick leave to your current employer

When you retire, CalSTRS will convert your unused sick leave to additional service credit based on information provided by your employer. However, we can only accept unused sick leave from employers you worked for during the last school year in which you earned creditable compensation.

If you change employers during your career, make sure to coordinate with your previous employer right away to arrange for the transfer of your accumulated unused sick leave to your new employer. And remember—if you cash out your accumulated sick leave, it is not creditable to CalSTRS.

To learn more about sick leave, see the *Member Handbook* at CalSTRS.com/publications.



Looking for a 403(b) plan to roll over your funds?

A 403(b) supplemental retirement savings plan is one way to set aside additional money for retirement. If you want to roll over funds or start a 403(b) account, visit 403bCompare.com to explore your options and easily compare between hundreds of plans.

Board approves investment actions on net zero commitments

Taking a significant step in advancing its pledge from last summer to achieve a net zero emissions portfolio by 2050 or sooner, the Teachers' Retirement Board recently approved a total fund plan that addresses climate change risks to the CalSTRS Investment Portfolio while supporting the retirement security of California's public teachers.

The board set four initial measures for integrating the net zero strategy across the entire portfolio, with a specific focus on emissions reductions:

1. **Interim science-based goal:** Reduce greenhouse gas emissions across the portfolio by 50% by 2030, consistent with the latest findings of the United Nations' Intergovernmental Panel on Climate Change.
2. **Systematic decision-making process:** Adopt processes to incorporate greenhouse gas emissions into investment decisions as part of traditional risk-and-return analyses and their potential impacts on the CalSTRS Funding Plan.
3. **Reduced emissions:** Target a 20% allocation of the Public Equity Portfolio to a low-carbon index to significantly reduce portfolio emissions while managing active risk.
4. **Integration of climate scenarios:** Incorporate future climate-related scenarios into asset-liability modeling framework to help guide our investment allocations.



These actions reflect increasing global momentum toward achieving a net zero economy. We will review our net zero goals and strategy annually to adjust for the latest available data, market fluctuations and related scientific advancements.

“CalSTRS’ net zero pledge is rooted in its century-long promise to deliver a secure retirement for California’s hard-working educators and their families,” said Board Chair Harry Keiley. “Taking these interim actions to reduce emissions in our portfolio is a profound step forward and underscores our commitment to considering the impacts of climate change fully and systematically as we manage our fund on every level.”

“We need to escalate our work in reducing emissions, expand our investments in low-carbon solutions and use our influence to accelerate the global economy’s transition,” said Board Vice Chair Sharon Hendricks. “CalSTRS is taking bold measures to mitigate the risk climate change poses to our fund, while prioritizing our plan to reach full funding by 2046 and fulfilling our promise to California’s teachers.”

In January 2020, the board adopted an investment belief that states investment risks associated with climate change materially impact the value of the portfolio. As a result, we must consider actions to mitigate risk and identify investment-related opportunities. Since 2004, we’ve invested in climate-oriented solutions and integrated climate risk considerations into our investment and stewardship activities.

Learn more about our progress toward a net zero portfolio at CalSTRS.com/path-to-net-zero.

KEY CLIMATE-RELATED INVESTMENT EFFORTS SINCE 2015



2015

Signed Paris Pledge for Action in support of the Paris Climate Agreement



2016

Invested in a low-carbon public equities index with significantly lower exposure to carbon emissions.



2017

Implemented thermal coal exclusions in the CalSTRS Investment Portfolio.



2020

Adopted a low-carbon investment belief.

Supported the development of the California Climate Investment Framework with the California Department of Finance.



2021

Committed to a net zero investment portfolio by 2050 or sooner.

Funded two low-carbon transition readiness exchange-traded funds.

Created a new private asset class portfolio to expand investments in climate solutions.



2022

Approved new investment measures to reduce emissions.

Subscribe to the CalSTRS Pension Sense blog online

Get helpful information about your benefits, the CalSTRS Investment Portfolio, corporate engagement activities and more by subscribing to our Pension Sense blog at CalSTRS.com/pension-sense-blog.

Board Highlights
August 31–September 1, 2022, Teachers' Retirement Board Meeting
Securing the financial future and sustaining the trust of California's educators

Board takes steps to protect teachers' retirements and commit to additional net zero actions

On August 31, 2022, the Teachers' Retirement Board authorized a package of investment actions that will continue to support the retirement security of California's public school teachers while enhancing efforts to achieve a net zero investment portfolio.

Click to view video

These investment actions advance the board's goal of net zero emissions by 2050 or sooner. Net zero means the amount of greenhouse gases emitted by humans is offset by the amount taken away, either by natural means, such as forests, or by technology, such as carbon capture and storage.

In recognition that climate change poses a serious risk to the whole CalSTRS investment portfolio, (continued on page 3)

Member satisfaction with CalSTRS remains high

Every year, CalSTRS conducts a survey of its active and retired members to assess how satisfied and engaged they are with their retirement system.

The news was good once again this year.

Consistent with 2021, 85% of respondents reported being "satisfied" or "completely satisfied" with CalSTRS. This level of satisfaction is also statistically consistent with the 87% in 2020 but represents an increase over the 85% measured in 2019.

Additionally, 85% of respondents said CalSTRS representatives were knowledgeable regarding their questions and concerns.

Ninety-one percent of retired respondents said they're either "satisfied" or "completely satisfied" with their retirement overall.

A few metrics were added in 2022, including measuring how easy it is to navigate the service retirement process. Seventy-one percent of retired respondents said the process was either "very easy" or "easy," and no respondents said their path was "very difficult."

Overall, older respondents reported higher levels of satisfaction and engagement than younger respondents, which is a trend observed since the survey launched in 2004. And respondents who interacted with CalSTRS staff reported higher levels of satisfaction with CalSTRS than those who did not interact.

The survey was emailed to a random sample of 11,278 active and retired members on February 3, 2022, and closed on March 8, 2022. There were 3,229 respondents, representing 2,184 active and 1,045 retired members.

The oldest respondent was 98 years old, the youngest was 22, and the average age was 58.

This survey demonstrates CalSTRS' ongoing commitment to improvement and self-evaluation based on feedback from California's public school teachers.

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August/September TRB meeting online

See the September board meeting and an archive of previous meetings at CalSTRS.com.

Board members

Henry M. Kelley
Chair, K-12 Classroom Teacher

Shauna Hendricks
Vice Chair, Community College Instructor

Debbie Bradford
K-12 Classroom Teacher

Michael Gunning
Public Representative

Flora Ma
Ex Officio Member, State Treasurer

William Prosser
Public Representative

Joe Stephanshaw
Ex Officio Member, Director of Finance

Ken Tang
School Board Representative

Tony Thumstad
Ex Officio Member, State Superintendent of Public Instruction

Jennifer Udell
Public Representative

Karen Temamato
Retired Representative

Gabby Wiley
Ex Officio Member, State Controller

Board highlights available online

CalSTRS offers an easy-to-read downloadable summary of board meeting highlights that is posted online after each meeting. You can view the summary at CalSTRS.com/board-highlights.

Michael Gunning appointed to board

Governor Newsom has appointed Michael Gunning to the Teachers' Retirement Board. Gunning is one of three public representatives appointed by the Governor to the board. The appointment is subject to Senate confirmation. Gunning is the senior vice president of legislative affairs with the California Building Industry Association with extensive experience advocating for constructive policies that bolster the homebuilding industry and increase homeownership opportunities. A veteran of housing finance, insurance and community development policy in California, he has over two decades of experience working with the Legislature.

Gunning has served on the California Housing Financing Agency since his appointment by Governor Arnold Schwarzenegger in 2010. He was reappointed in 2016 by Governor Jerry Brown. Before joining the CBIA, Gunning served as the vice president for the Personal Insurance Federation of California. Prior to that, he was managing director for the Nehemiah Community Reinvestment Fund, where he organized and facilitated millions in NCRF investments throughout California.

The five Governor appointees on the board consist of three public representatives, one retired CalSTRS member and one school board representative. See CalSTRS.com/board-members for more information.

Joe Stephanshaw, Ex Officio Member

Joe Stephanshaw was appointed as director of the California Department of Finance by Governor Gavin Newsom in July and now serves as one of the board's ex officio members. Four board members serve in an ex officio capacity by virtue of their office: Director of Finance, State Controller, State Superintendent of Public Instruction and State Treasurer.

Prior to his appointment, Stephanshaw served in Governor Newsom's office as a senior counselor on Infrastructure and Fiscal Affairs.

He was staff director for the California State Senate Budget and Fiscal Review Committee from 2017 to 2022 and held multiple positions in the Legislature from 2008 to 2017, including serving as a policy consultant in the Office of the Senate President Pro Tempore, a special advisor in the Office of the Assembly Speaker, and a budget consultant for the Assembly Budget Committee and the Senate Budget and Fiscal Review Committee.

He serves on the following committees: Vice Chair—Investment Committee, Audits and Risk Management Committee, Benefits and Services Committee, and Board Governance Committee.

The Teachers' Retirement Board meeting video archive can be found at CalSTRS.com/board-meeting-video-archive.

Have you received unsolicited email about CalSTRS retirement planning?

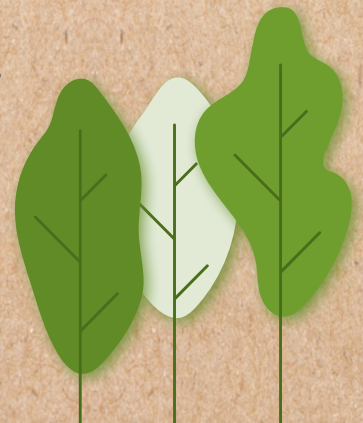
When communicating via email, a CalSTRS representative will always have “@CalSTRS.com” in the email address—for example: noreply@CalSTRS.com. We will never ask for your personal information in an unsolicited email or other type of electronic communication.

CalSTRS Headquarters wins award

The CalSTRS Headquarters building recently won the JLL Energy Star Property of the Year Award for a second time. JLL is CalSTRS’ property manager for the headquarters building, and HOK was the architect.

Energy Star is an annual certification for buildings nationwide that conserve energy, save money and help protect the environment by generating fewer greenhouse gas emissions than typical buildings. To become Energy Star-certified, a building must meet strict energy performance standards set by the EPA.

The award is given to the JLL building that achieves the highest certified Energy Star score. This year, CalSTRS Headquarters received the highest score possible (100 out of 100) and has averaged a score of 99 over the past six years.



Go green!

Newsletters delivered right to your inbox

Save time, save trees. Sign up on *myCalSTRS* to receive *Connections: Reaching Your Retirement* online. Help us conserve natural resources and reduce mailing costs.

If you’re registered on *myCalSTRS*, simply log in to your account, click on *Update Your Profile*, scroll down and edit your newsletter preferences. If you’re not yet registered on *myCalSTRS*, create an account today at **myCalSTRS.com**.

CalSTRS resources

- WEB** | CalSTRS.com
myCalSTRS.com
403bCompare.com
Pension2.com
- 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 (toll free)
CalSTRS Compliance and Ethics Hotline
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/localoffices.
Call ahead for the hours and services
of your local office.
- FAX** | **916-414-5040**

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Three ways to update your contact information:



myCalSTRS makes it easy. From the home page, select *Update Your Profile*, then follow the instructions.

➤ myCalSTRS.com



Fill out the *Address Change Request* form online, sign electronically and submit.

➤ CalSTRS.com/fillable-member-forms



Complete the *Address Change Request* form, sign, date and mail it to us.

➤ CalSTRS.com/forms

➤ For your security, when you update your mailing or email address, we will send you a letter and an email confirming the update.