

# Connections

## REACHING YOUR RETIREMENT

SEMIANNUAL PUBLICATION FOR ACTIVE AND INACTIVE CALSTRS MEMBERS

### Retiring soon and thinking about returning to the classroom?

Teaching is more than just an occupation for many of our members—it's a calling! Many retired CalSTRS members return to the classroom, but there are restrictions under state and federal law when working after retirement within the California public school system.

#### Separation-from-service requirement

The separation-from-service requirement applies to all members who return to work and perform retired member activities within the California public school system as an employee, an independent contractor or an employee of a third party. Both your monthly Defined Benefit and Defined Benefit Supplement benefits will be reduced dollar for dollar by the amount you earn in CalSTRS-covered employment, including employer contributions to tax-sheltered annuities and other tax-favored products, during the first 180 calendar days following your most recent retirement effective date, up to your benefit amount payable during that period.

There is a narrow exemption from the 180-day separation-from-service requirement. Your employer can help determine if you meet the exemption requirements and submit the required exemption request documents. Recently signed legislation will adjust the requirements to apply for this exemption from July 1, 2024, through June 30, 2026, but will not eliminate the separation-from-service requirement for members who do not receive an exemption.

#### Postretirement earnings limit

In addition to the required separation-from-service period, if you return to work after service retirement and perform retired member activities in the California public school system, you're subject to the annual postretirement limitation. The postretirement earnings limit for retired CalSTRS members for the 2023–24 fiscal year is \$50,655. If you exceed this annual limit, we will collect back the excess earnings from your retirement benefit, up to the benefit payable during that period.

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**Are you within six months of retiring? Submit your application online for faster processing.**

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## CalSTRS mission:

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

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Statements in this publication are general and the Teachers' Retirement Law is complex and specific. If a conflict arises between information contained in this publication and the law, any decisions will be based on the law.

*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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# Have questions? We'll help you find answers!

Whether you're looking for information online or need to speak to someone on the phone or in person, we're here to help

## Get help online

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). You can also send us a secure message through *myCalSTRS* or our online form at [CalSTRS.com/contact-us](https://www.calstrs.com/contact-us).

From planning for your future to help with completing your *Service Retirement Application*, check out our free webinars designed for midcareer members and members nearing retirement at [CalSTRS.com/webinars](https://www.calstrs.com/webinars).

Many of our popular member forms can be completed online and submitted to CalSTRS in one easy step. Learn more at [CalSTRS.com/fillable-member-forms](https://www.calstrs.com/fillable-member-forms).

Use the online services available through your *myCalSTRS* account, including updating your beneficiary designations, viewing your latest *Retirement Progress Report* and updating contact information. If you haven't signed up for *myCalSTRS*, go to [myCalSTRS.com](https://www.calstrs.com/myCalSTRS) and register today for immediate access to your accounts.

## Give us a call

Our Contact Center takes calls from 8 a.m. to 5 p.m. Monday through Friday at **800-228-5453**, excluding holidays. For the security of your account information, be prepared to provide your Client ID or Social Security number and date of birth. You can call us to schedule a telephone or online individual benefits planning session.

## Visit us in person

We offer comprehensive in-person services at our member service centers from 8 a.m. to 5 p.m. Monday through Friday, excluding holidays. Member service centers are located statewide in Fresno, Glendale, Irvine, Riverside, San Diego, Santa Clara and at our headquarters in West Sacramento. Visit [CalSTRS.com/member-service-centers](https://www.calstrs.com/member-service-centers) for more information.

## Be sure we have your current email address

Sign in to your *myCalSTRS* account and click *Update Your Profile* to keep your contact information up to date—including your personal email address, so if you change employers, you'll continue to receive news and information about your CalSTRS benefits.

# View your 2022–23 Retirement Progress Report on myCalSTRS

## Keep track of your account and service credit balance

Your *Retirement Progress Report* for 2022–23 is now available online. It's easy to view or print your report—just log on to your *myCalSTRS* account at [myCalSTRS.com](https://myCalSTRS.com), select *View Your Retirement Progress Reports* and then select the year. You can also:

- Use the online glossary at [CalSTRS.com/rpvglossary](https://CalSTRS.com/rpvglossary) if you have 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 you've 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 the form at [CalSTRS.com/forms](https://CalSTRS.com/forms)).

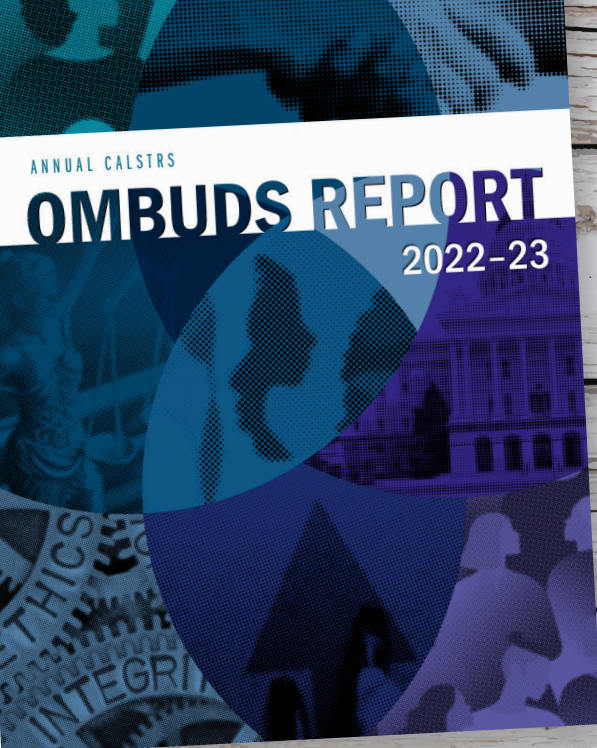
In support of our commitment to sustainability, we securely and automatically deliver your annual *Retirement Progress Report* to your online *myCalSTRS* account, reducing paper and postage costs. If you do not have a *myCalSTRS* account, go to [myCalSTRS.com](https://myCalSTRS.com) and sign up for 24/7 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 by July 1, 2024. You can fill out, electronically sign and submit this form at [CalSTRS.com/fillable-member-forms](https://CalSTRS.com/fillable-member-forms). You can also download a copy at [CalSTRS.com/forms](https://CalSTRS.com/forms).



- ✳️ **To learn more about the information included in your report, watch the *Your CalSTRS Retirement Progress Report* video at [CalSTRS.com/videos](https://CalSTRS.com/videos).**
- ✳️ **If you believe there's a discrepancy in your report, contact your employer immediately.**
- ✳️ **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](mailto:noreply@CalSTRS.com). We will never ask for your personal information in an unsolicited email or other type of electronic communication.



## 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 2022–23 fiscal year. This report provides the public with information regarding services provided by the Office of the Ombuds and demonstrates to our visitors, potential visitors and stakeholders how this office serves CalSTRS members.

The Office of the Ombuds is a safe environment where CalSTRS members and the public can voice their concerns. The ombuds will help resolve issues and may recommend a variety of options to address concerns. If you have not been able to resolve an issue through normal CalSTRS communication channels, contact the ombuds through an online inquiry form at [CalSTRS.com/contact-us](https://www.calstrs.com/contact-us).

Read the report at [CalSTRS.com/ombuds](https://www.calstrs.com/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. Log on to [myCalSTRS.com](https://www.calstrs.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 now

electronically sign through DocuSign®. DocuSign does not require *myCalSTRS* registration for your spouse or registered domestic partner.

**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.**

## Connections is going digital-only in fall 2024

### Sign up on *myCalSTRS* to get your newsletter delivered to your inbox

Starting next fall, this *Connections* newsletter will be available online only and printed copies will no longer be mailed. If you currently receive printed newsletters in the mail, you'll need to sign up through your *myCalSTRS* account to start receiving the digital version.

Simply log in to your account, click on *Update Your Profile*, scroll down and edit your newsletter preferences to receive your copy of *Connections* online. Be sure we have your most current email address so you can continue receiving the newsletter. If you're not yet registered on *myCalSTRS*, create an account today at [myCalSTRS.com](https://www.calstrs.com).



## 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.

As a CalSTRS member, you have:

- Access to disability benefits while working.
- Survivor benefits to provide financially for your loved ones.
- Access to supplemental savings plans, such as CalSTRS Pension2®.
- Lifetime monthly retirement payments, once eligible.

➤ **Part-time educators: Learn more about your benefits at [CalSTRS.com/part-time-educator](https://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.

Survey results were presented to the Teachers' Retirement Board in September. To review survey results, visit [CalSTRS.com/board-meetings](https://CalSTRS.com/board-meetings).

Both active and retired members indicated retirement planning, the cost of health care and the state of the economy as major drivers of confidence in their financial needs being met in retirement. Other findings from the survey—specific to members 50 and older—include:

# 72%

of members who responded reported "CalSTRS is an organization I can trust."

# 57%

are confident they have enough money to live comfortably throughout their retirement years

# 68%

report being engaged with CalSTRS

# 77%

are highly satisfied with CalSTRS overall

# 78%

are aware they will need additional income to meet their financial goals in retirement



# 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* webinar. Sign up at [CalSTRS.com/webinars](https://CalSTRS.com/webinars).

Learn more about the service retirement application process at [CalSTRS.com/service-retirement-application-process](https://CalSTRS.com/service-retirement-application-process).



## ▶ Don't have a *myCalSTRS* account?

Go to [myCalSTRS.com](https://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. Visit [403bCompare.com](https://403bCompare.com) to explore your options and easily compare hundreds of plans

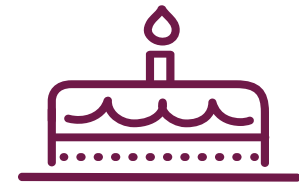
➤ **Learn more at [Pension2.com](https://Pension2.com).**

It's your future. Choose Pension2™.

## Age raised for federal required minimum distribution

Required minimum distributions are the minimum amounts you have to withdraw from your retirement accounts each year when you reach a certain age. The federal Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE Act) and the SECURE 2.0 Act of 2022 raised the minimum distribution age for qualified retirement plans such as CalSTRS.

Birthdate	Required minimum distribution age
June 30, 1949, and prior	70.5
July 1, 1949–December 31, 1950	72
January 1, 1951, and later	73



For tax-deferred retirement accounts such as 403(b)s and 401(k)s, there is no limit to the amount you can withdraw, but you must withdraw the required minimum amount, whether you need the money or not. Consult a tax professional to learn more.

### Tips for required minimum distribution planning

- **Strategize**—Plan to withdraw enough to meet your needs but not so much that you'll deplete your accounts too soon.
- **Consolidate**—Consider combining multiple accounts into one to simplify the required minimum distribution process.
- **Reinvest**—If you do not need the income to help cover your immediate retirement expenses, consider reinvesting the distribution into a difference account, perhaps to cover unexpected medical expenses.

# Trust CalSTRS, not impersonators



## From the Pension Sense blog: Free coffee isn't worth the buzz

What a deal! A chat with a CalSTRS representative about your retirement, potentially lucrative savings plans and unlimited free coffee?

It's too good to be true. Seriously, it's too good to be true.

We hear many stories from members who believe they met with a CalSTRS representative when they actually met with an impersonator. An impersonator is not bound by law to protect your best interests financially like we are.

California is an "any vendor state," meaning employers can offer an infinite number of 403(b) and 457(b) retirement savings products from any company that offers them. These companies may also offer for-profit, costly annuities that may not be a good choice for you and your beneficiaries.

So, if you see a financial presentation at your school or a targeted social media post promoting free retirement planning advice for California's public educators, be aware those are likely not from CalSTRS.

Even worse, impersonators may present an inaccurate picture of what your retirement benefits will be.

Outreach and sales tactics by these unaffiliated companies are getting more aggressive and sophisticated, including deceiving emails and social

media posts; free coffee, pizza or snacks for those who attend an event; and flyers that use the CalSTRS logo illegally. Plus, there are many "boots on the ground" representatives from these companies who have easy access to schools and other employers.

How can you tell the difference? Use this checklist to help properly identify real CalSTRS representatives. They will:

- Have an email address ending in @CalSTRS.com.
- Provide a CalSTRS ID badge or business card upon request.
- Have access to your CalSTRS and Pension2® account information without asking you to log in.
- Never ask you to provide a copy of your *Retirement Progress Report* or Pension2 (retirement savings plan) statements.
- Not sell insurance products.
- Never meet at your home.

Did you schedule an appointment or already meet with someone you think may not be a CalSTRS representative? To verify, call us at 888-394-2060 or email [RepCheck@CalSTRS.com](mailto:RepCheck@CalSTRS.com).

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# Gaining knowledge and engaging industry leaders at Climate Week 2023

The Teachers' Retirement Board, which administers CalSTRS, has pledged to achieve a net zero CalSTRS Investment Portfolio by 2050 or sooner. As part of this commitment, we're increasing investments in climate solutions, escalating our involvement in climate-related strategies, and using our influence to engage policy makers and companies to speed up the global low-carbon transition.

In September, we participated in Climate Week in New York City, which brings together international leaders from businesses and governments to showcase climate action. CalSTRS Sustainable Investment and Stewardship Strategies Portfolio Manager Brian Rice spoke on a panel and shared our approach to investing in energy transition opportunities.

CalSTRS staff met with money managers who are funding clean tech companies that are creating innovative methods to generate energy. These methods include developing iron-air batteries that store and discharge energy longer and at lower cost than lithium-ion technology, and

developing software that manages and coordinates numerous energy systems, so they are balanced, stable and reliable.

In addition, we met with companies we invest in, data providers, investment fund managers, investment industry peers and other pension funds. We engaged with oil and gas companies and encouraged them to measure their methane emissions, rather than estimate them, and set goals to reduce those emissions.

The world is demanding cleaner fuels that produce less emissions. As we engage with companies and encourage them to move toward net zero emissions, the companies we invest in will likely increase their long-term value, which will likely provide more stable long-term returns for the CalSTRS Investment Portfolio.

Learn more about CalSTRS' investment philosophy at [CalSTRS.com/investments](https://CalSTRS.com/investments).

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## Retiring soon and thinking about returning to the classroom?

Recently signed legislation will change how the annual limit is calculated from July 1, 2024, through June 30, 2026, increasing the amount you can earn from retired member activities for this time period. The 2024–25 limit is \$74,733.

Additionally, working after retirement will impact your participation in the CalSTRS Retirement Incentive Program.

Learn more at [CalSTRS.com/working-after-retirement](https://CalSTRS.com/working-after-retirement) or download the *Working After Retirement* fact sheet at [CalSTRS.com/member-publications](https://CalSTRS.com/member-publications).

- **If you take a job outside the California public school system, you can continue to receive your full CalSTRS service retirement benefit with no earnings limitations.**
- **Many CalSTRS retirees enjoy regularly scheduled volunteer work. If you decide to volunteer after you retire, be aware that an employment arrangement that involves volunteering in a position that would otherwise be creditable to CalSTRS may be in violation of the postretirement earnings limitations.**

## From the Pension Sense blog: Free coffee isn't worth the buzz

Since 2014, Voya Financial® has provided recordkeeping services for the CalSTRS Pension2 Program. Pension2 offers the opportunity to invest through tax-deferred payroll deductions in lower-cost, flexible 403(b) and 457(b) plans for additional retirement savings. Learn more at [CalSTRS.com/Pension2](https://CalSTRS.com/Pension2). You can also email [Pension2@CalSTRS.com](mailto:Pension2@CalSTRS.com) or call 888-394-2060 to speak with a Pension2 representative.

Several Voya representatives with an @Voya.com email address work exclusively with CalSTRS Pension2. Find their names and photos at [CalSTRS.com/verify-your-CalSTRS-representative](https://CalSTRS.com/verify-your-CalSTRS-representative).

If you do not want to meet with CalSTRS in person but still want guidance regarding your defined contribution 403(b) retirement plan, visit [403bCompare](https://403bCompare.com), a state-sponsored website provided by CalSTRS that gives you an easy and transparent way to compare investment fees, performance and services for the 403(b) plans your district offers.

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

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## Unused sick leave can increase your retirement benefit

When you retire, CalSTRS will convert your unused sick leave to additional service credit based on information provided by your employer. 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's not creditable to CalSTRS.

➤ Learn more about sick leave in the *Member Handbook* at [CalSTRS.com/publications](https://CalSTRS.com/publications).

The transfer of sick leave from employer to employer is not regulated by CalSTRS, and some restrictions will apply. The California Department of Education regulates sick leave transfers for preK-12 employers, and the Community College Chancellor's Office regulates sick leave transfers for community college districts.

# BOARD NEWS

## Funded status continues to rise

The funded status for the CalSTRS Defined Benefit Program rose to 74.4% as of June 30, 2022, according to the most recent actuarial valuation, which is a snapshot of the fund's assets and liabilities taken every year on June 30. The funded status refers to the ratio of CalSTRS' assets compared to its total liabilities. This is the fifth successive year our funded status has increased. For comparison, the funded status in 2017 was 62.6%.

These snapshots guide the Teachers' Retirement Board in determining whether adjustments to contribution rates are needed to keep the Defined Benefit Program on track to reach full funding by 2046.

The Defined Benefit Program is a traditional defined benefit plan that provides retirement, survivor and disability benefits. A "defined benefit" retirement, as opposed to common "defined contribution" plans such as a 401(k) or 403(b), features a guaranteed pension payment amount members will receive throughout their retirement.

The board received the valuation results at the May 2023 meeting, which indicated the Defined Benefit Program was slightly ahead of schedule to reach the goal of being fully funded by 2046. The board voted to maintain the current supplemental state and employer contribution rates to stay on track.

See the full reports on the valuations for the Defined Benefit, Defined Benefit Supplement and Cash Balance Benefit programs at [CalSTRS.com/board-meetings](https://CalSTRS.com/board-meetings) and click *Board meeting - May 2023*.

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## Board Highlights available online

After each Teachers' Retirement Board meeting, we post an easy-to-read, online summary at [CalSTRS.com/board-highlights](https://CalSTRS.com/board-highlights). While you're there, make sure to subscribe to the *Board Highlights* newsletter that is sent via email after each board meeting.

➤ You can find the Teacher's Retirement Board meeting video archive at [CalSTRS.com/board-meeting-video-archive](https://CalSTRS.com/board-meeting-video-archive).

**September 2023 Board Highlights**

News from the September 2023 board meeting, including supplemental benefit payment increases, CalSTRS member satisfaction survey and semi-annual investment performance reports.

**Payment increases coming for members who retired before 1999**

Educators who retired before 1999 will receive a special increase between 5% and 15% to their supplemental payment to maintain their purchasing power, according to Chief Executive Officer Cassandra Lichock's report to the Teachers' Retirement Board.

**Survey results show that satisfaction among CalSTRS members remains high**

Every year, CalSTRS conducts a survey of active and retired members to assess their satisfaction point of service satisfaction with

**Investment reports demonstrate fund's resilience, long-term success**

CalSTRS released its latest semi-annual performance reports to the Teachers' Retirement Board's Investment Committee at the September 2023 meeting. These reports—Executive Summary (a summary of each asset class), Real Estate Strategy and Private Equity Performance—aid the Investment Committee in overseeing the Teachers' Retirement Fund. The reports reflect the six-month period between January 1, 2023, and June 30, 2023.

**Josie Peavy, second grade teacher, Natomas**

Elementary school teacher Josie Peavy shares her approach to teaching, her love of nature and wine-making, and plans for a comfortable retirement, thanks to her CalSTRS benefits.

## CalSTRS resources

- WEB** [CalSTRS.com](http://CalSTRS.com)  
[myCalSTRS.com](http://myCalSTRS.com)  
[403bCompare.com](http://403bCompare.com)  
[Pension2.com](http://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](http://CalSTRShotline.ethicspoint.com)
- WRITE** **Postal mail**  
P.O. Box 15275  
Sacramento, CA 95851-0275  
**Overnight delivery to  
CalSTRS Headquarters**  
100 Waterfront Place  
West Sacramento, CA 95605
- VISIT** Find your nearest CalSTRS office  
at [CalSTRS.com/local-offices](http://CalSTRS.com/local-offices).  
Call ahead for the hours and services  
of your local office.
- FAX** **916-414-5040**

STAY CONNECTED



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## Moved or planning a move soon?

### Three ways to update your contact information:



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

- [myCalSTRS.com](http://myCalSTRS.com)



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

- [CalSTRS.com/fillable-member-forms](http://CalSTRS.com/fillable-member-forms)



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

- [CalSTRS.com/forms](http://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.