

NEAR RETIREMENT

My Next Steps

To help you with your retirement decisions and completing your *Service Retirement Application*.



Your benefit of a lifetime

As your retirement plan, CalSTRS is committed to your secure financial future.

Your CalSTRS monthly retirement benefit is a defined benefit pension calculated using a formula that provides a fixed percentage of your final compensation based on your age at retirement and your years of service:

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

You can choose to distribute your retirement benefit over your lifetime and the lifetime of one or more beneficiaries. You'll receive a reduced lifetime monthly benefit based on the option you elect, your age and your beneficiary's age. Upon your death, your option beneficiary will receive a lifetime monthly benefit.

Inside you'll learn more about your retirement benefits and the decisions you'll need to make before you retire.



View our member videos

For a quick understanding of topics to help you with your retirement decisions:

- *Beneficiary Options*
- *CalSTRS Pension2®: Overview*
- *Defined Benefit Supplement*
- *Disability Benefits*
- *Introduction to Social Security*
- *Survivor Benefits*
- *Understanding the Formula*

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



Read our publications

Learn and Discover: Near Retirement

Provides information about how your retirement benefit is calculated, ways to increase your benefit and other retirement decisions.

Learn and Discover: Newly Retired

Covers working after retirement, purchasing power protection, and health and Medicare considerations.



CalSTRS benefits planning offices

For current hours and to schedule an appointment, call us at 800-228-5453, option 3.
For the most recent listing of our offices, visit [CalSTRS.com/local-offices](https://www.calstrs.com/local-offices).

Your CalSTRS retirement at a glance

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

1

Your CalSTRS monthly defined benefit pension

2

Your CalSTRS Defined Benefit Supplement account funds

3

Your investment savings, such as CalSTRS Pension2 403(b) and 457(b) plans

4

Other personal savings

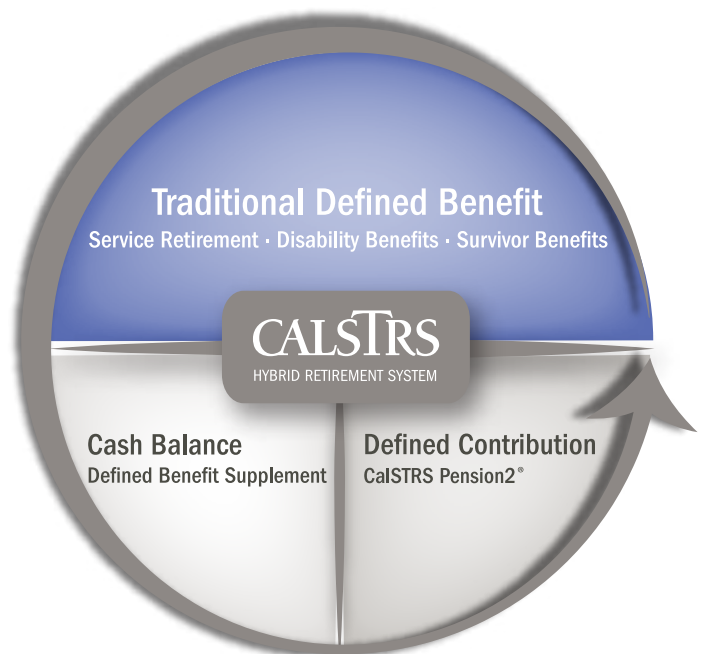
CalSTRS administers a hybrid retirement system consisting of traditional defined benefit, cash balance and voluntary defined contribution plans:

- **Traditional defined benefit plan:** Your monthly retirement benefit is a defined benefit pension calculated using a formula that provides a fixed percentage of your final compensation based on your age at retirement and your years of service, not on how much you contribute or how well the CalSTRS Investment Portfolio performs:

service credit × age factor × final compensation

- **Cash balance plan:** Your CalSTRS Defined Benefit Supplement account is a cash balance plan. A portion of your and your employers contributions on eligible earnings in excess of one year are credited to your Defined Benefit Supplement account. Your account earns guaranteed interest and possible additional earnings credits. At retirement, you receive a benefit that is equal to your total account balance.

- **Defined contribution plan:** CalSTRS Pension2® offers 403(b), 457(b), Roth 403(b) and Roth 457(b) plans for additional income in retirement. Contribute to your tax-advantaged account through paycheck deductions. The amount you have at retirement depends on your contributions, investment gains or losses, and expenses.



Your income in retirement is a shared responsibility between CalSTRS and you. Explore ways to learn how to make your income last in retirement by attending our three-part Financial Awareness workshop series at [CalSTRS.com/webinars](https://www.calstrs.com/webinars).

Learn more on the inside back cover.

Date _____

Section 1: My member information

My CalSTRS Client ID is _____.

I am under the **CalSTRS 2% at 60** or **CalSTRS 2% at 62** benefit structure.

Action item

- Register for *myCalSTRS* at myCalSTRS.com.

Section 2: My defined benefit retirement

- My retirement date must be at least one day after my last day of work, vacation or compensated approved leave.
 - My last day of work, vacation or compensated approved leave will be _____.
 - My expected retirement date will be _____.
- My service credit balance is _____ as of June 30, _____. See Your Service Retirement Estimates for your projected service credit balances.
- I am interested in the following benefit:
 - Member-Only Benefit** or **Modified Benefit:** 100% 75% 50% Compound
- Any service credit I purchase must be paid in full before retirement.
- I may have the following service credit eligible to purchase:
 - Redeposit _____ Permissive _____

Action items

- Review your *Retirement Progress Report*. Contact your employer immediately if you believe there's a discrepancy.
- Watch the *Beneficiary Options* video at CalSTRS.com/videos.
- Complete the *Preretirement Election of an Option* form to elect a beneficiary option before you retire on *myCalSTRS* or available at CalSTRS.com/forms.
- Use the calculators at CalSTRS.com/calculators to estimate the cost to purchase service credit.
- Watch the *Purchasing Service Credit* video at CalSTRS.com/videos and read the *Purchase Service Credit Now* fact sheet at CalSTRS.com/publications.
- Request a billing statement for the availability and actual cost of eligible service credit you may have by completing and submitting the *Redeposit or Purchase of Permissive Service Credit* form available at CalSTRS.com/forms.

Section 3: Concurrent retirement with other eligible California public retirement systems

- I am/was a member of the following retirement systems:
 - CalPERS SFERS LRS UCRP 1937 Act County: _____
- I will retire on the same date from CalSTRS and this retirement system.

Action item

- Contact the other retirement system about your account, potential redeposit, available benefits and requirements.

Section 4: My Defined Benefit Supplement account



- My Defined Benefit Supplement account balance is \$ _____ as of _____.
- I am interested in the following distribution choices:
 - Lump-sum payment (direct payment* or rollover).
 - Period-certain annuity of three to nine years (direct payment* or rollover) or 10 years (direct payment only).
 - Lifetime annuity (direct payment only).
 - Member-Only Annuity** or **Beneficiary Annuity:** 100% 75% 50%
 - Combination lump-sum payment* and annuity.
- If I elect a rollover for my distribution, I will roll over my Defined Benefit Supplement account to **CalSTRS Pension2** or _____.

*Subject to a mandatory 20% federal and optional 2% California state tax withholding if not rolled over to a qualified plan.

Action items

- Review the estimates for your Defined Benefit Supplement account distribution on your *Retirement Progress Report*.
- Watch the *Defined Benefit Supplement Program* video series at CalSTRS.com/videos.
- Read the *Tax Considerations for Rollovers* booklet available at CalSTRS.com/publications and discuss distribution choices and tax considerations with a tax professional.

Section 5: My CalSTRS Pension2 accounts and other investments

- My Member-Only Benefit is _____% of my final compensation.
- I currently have the following:
 - 403(b) 457(b) 401(k) IRA Roth IRA Annuity Other: _____

Action items

- Visit 403bCompare.com to compare your employer's 403(b) plans, including costs, services and performance.
- Contact CalSTRS Pension2 at Pension2@CalSTRS.com or call 888-394-2060 for a complimentary statement comparison to see if Pension2 can help you save money.
- Research your options for taking distributions from your investment accounts.
- Attend a CalSTRS Pension2 workshop to learn how to maximize and protect your income and savings in retirement. Register at CalSTRS.com/pension2-webinars.
- Watch the CalSTRS *Pension2: Rollovers* video at CalSTRS.com/pension2-videos.

Learn how to save more with CalSTRS Pension2



CalSTRS Pension2 is a voluntary defined contribution plan, offering the opportunity to invest through tax-advantaged payroll deductions for additional retirement savings. Scan this QR code to visit Pension2.com or call 888-394-2060 toll-free to learn more.

Section 6: My disability and survivor benefits

- I have **Coverage A** or **Coverage B** to provide coverage for myself and my family while I'm working.
- My one-time death benefit is \$_____ while working and \$_____ after retirement.

Primary recipients: _____

Secondary recipients: _____

Action items

- Complete the *Recipient Designation* form on *myCalSTRS* or download the form at [CalSTRS.com/forms](https://www.calstrs.com/forms) to add, change or update your one-time death benefit recipients.
- Review your eligibility requirements in the *CalSTRS Member Handbook* at [CalSTRS.com/publications](https://www.calstrs.com/publications).
- Watch the *Disability Benefits* and *Survivor Benefits* videos at [CalSTRS.com/videos](https://www.calstrs.com/videos).
- Consider providing a lifetime benefit for your loved ones by electing one or more option beneficiaries. See Section 2 for more information.

Section 7: Health benefits, Medicare and Social Security

- CalSTRS does not provide any health benefits.
- I must sign up for Medicare as soon as I am eligible to avoid a penalty or delay in coverage. For most people, eligibility is reached at age 65. I must check with Medicare if I or my spouse will be working and receiving employer health coverage past age 65. Learn more at ssa.gov/benefits/medicare.
- There are two Social Security offsets—the **Windfall Elimination Provision** can reduce but not eliminate my Social Security benefit from other work and the **Government Pension Offset** can reduce and may eliminate my spousal, widow or widower Social Security benefit.

Action items

- Ask your district about health benefits in retirement. You may also want to contact Covered California, California's health benefit exchange, by visiting coveredca.com or by calling 800-300-1506 for more information.
- Review information about the Health Insurance Counseling and Advocacy Program at cahealthadvocates.org/HICAP or call 800-434-0222 for help with Medicare.
- Visit ssa.gov to learn more about Social Security benefits and offsets or contact the Social Security Administration at 800-772-1213.

Notes

Section 8: My Service Retirement Application and benefit payments

- I can submit my *Service Retirement Application* no earlier than six months before my retirement date.
- I will receive my first payment within 45 days of my retirement date or the day CalSTRS receives my application, whichever is later.
- I have \$_____ in post-tax contributions. My yearly exemption will be on my annual Form 1099-R (box 5).
- I may receive adjustments to my service retirement benefit for up to six months while my *Express Benefit Report* is being processed.

Are you ready to retire?



Scan this QR code to visit CalSTRS.com/ready-to-retire to learn more about the steps to take when you're ready to retire.

Action items

- Contact your employer regarding resignation and retirement date requirements.
- Register for an *Online Service Retirement Application Demonstration* at CalSTRS.com/webinars for help submitting your application on *myCalSTRS*.
- Read the *Your Retirement Guide* booklet available at CalSTRS.com/publications. Signing your retirement application certifies you read this publication.
- Print or make copies of your completed *Service Retirement Application* for your records.
- Submit your *Service Retirement Application* via *myCalSTRS*, in person, mail or fax.
- Submit the *Direct Deposit Authorization* form on *myCalSTRS* after submitting your *Service Retirement Application* or download the form at CalSTRS.com/forms to receive your payments directly in your bank account.
- Submit the *Express Benefit Report* form to your district to verify your last day of work and unused sick leave.

Section 9: Postretirement earnings limitations and adjustments

- I have a 180-calendar day separation-from-service requirement if I return to work in the California public school system. My benefit will be reduced dollar for dollar by any pay I earn for performing retired member activities during this period.
- The annual earnings limit for the 20____ - _____ fiscal year is \$_____.
- I will receive a 2% increase to my initial benefit the first September following the one-year anniversary of my retirement date. The same dollar increase will be applied each September and appear in my October 1 payment. The annual benefit adjustment is not compounded or tied to inflation.

Action items

- Read the *Working After Retirement* fact sheet available at CalSTRS.com/publications.
- Track your gross earnings after retirement to avoid exceeding the earnings limit if you perform retired member activities.

Notes



CALSTRS

pension **2**
personal wealth plan

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

Your CalSTRS defined benefit pension is a great start. Your pension may take you about halfway toward your retirement income goal, depending on your years of service and age at retirement.

The rest is likely to depend on personal savings and investments. To make it convenient, your school district offers CalSTRS Pension2® 403(b) and 457(b) voluntary supplemental savings plans with:

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

Pension2 is open to all school employees.

Help with your choices

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

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

To schedule a Pension2 appointment call **888-394-2060** or email Pension2@CalSTRS.com. Appointments are scheduled Monday through Friday for 30 minutes, 8 a.m. to 5 p.m., excluding state holidays.

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

Start today

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



 **Enroll today or learn more at Pension2.com.**

Stay **engaged**, be **informed**

Our publications explain your CalSTRS benefits



Member Handbook

Provides comprehensive information about benefits and resources.



Your Retirement Guide

Covers the decisions you'll need to make before you retire and includes a timeline.



CalSTRS Pension2 e-book

Introduces Pension2, CalSTRS' voluntary defined benefit contribution plan with 403(b) and 457(b) plans for additional retirement savings.



Working After Retirement

Covers the legal restrictions if you return to work after retirement and perform retired member activities, including substitute teaching.



Purchase Service Credit Now

Explains the types of service credit you can purchase and provides examples to help you determine if buying service credit is the right decision for you.



Social Security, CalSTRS and You

Explains the two federal rules that affect the Social Security benefits you may receive as a spouse or through other employment. These rules will not affect your CalSTRS retirement benefit.



Community Property Guide

Summarizes how state law affects your benefits and includes methods of dividing community property interests and forms.



Your Disability Benefits Guide

Explains disability eligibility requirements and how to apply. Helps you determine whether a disability benefit is the best decision for you.



Join CalSTRS? Join CalPERS?

Details differences between the two public retirement systems and includes information about changing systems, dual membership and concurrent retirement.



Tax Considerations for Rollovers

Summarizes federal and state rules for rollovers, including income tax withholding.



CalSTRS is **here for you** in retirement

As your retirement plan, we're committed to your secure future

Your benefit has built-in inflation protection

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

1. Annual benefit adjustment

Starting September 1 after the first anniversary of your retirement date, your benefit increases automatically each year by 2% of your initial benefit. Adjustments are not compounded or tied to changes in the cost of living.

2. Purchasing power protection

Your retirement benefit has additional purchasing power protection. If inflation erodes the purchasing power of your retirement benefit to less than 85% of your initial monthly benefit, you'll receive an additional quarterly payment, subject to the availability of funds set aside for purchasing power protection.

Working after retirement: Know the laws

You can continue to receive your full CalSTRS retirement benefit, with no earnings limitations, if you take a job outside of CalSTRS-covered employment, including work in:

- Private industry.
- Private schools.
- Public schools outside of California.
- The University of California or California State University system.

If you return to work after service retirement and perform retired member activities—including substitute teaching—within the California public school system as an employee, an independent contractor or an employee of a third party, there are restrictions under state and federal law.

You cannot:

- Earn any pay without affecting your retirement benefit if you return to work before a 180-calendar day separation from service, except under a very narrow exception.
 - Earn more than the annual earnings limit without affecting your CalSTRS retirement benefit.
 - Work in a classified position except, under certain circumstances, as a teacher's aide.
- See the *Working After Retirement* fact sheet at [CalSTRS.com/publications](https://www.calstrs.com/publications).



myCalSTRS

Easy. Secure. Convenient.

You can use your myCalSTRS account in retirement to:

- Update your email address and other contact information, so you don't miss your 1099-R and other important communications.
 - Update your tax withholding preferences.
 - Sign up for direct deposit or change your financial institution information.
 - View current and past benefit payment information.
 - Keep your beneficiary information up to date.
 - Complete and submit forms.
 - Exchange secure messages with CalSTRS representatives.
- Register at [myCalSTRS.com](https://www.calstrs.com).

Attend our **financial awareness** workshops

A three-part series designed for you

This financial awareness workshop series takes an in-depth look at financial planning, including saving money leading up to retirement, planning income and expenses in retirement, and protecting the retirement plans you've set in motion.

Save for Your Future

Learn household budgeting tips, how to establish short-term and long-term savings goals, and the strategies financial planners use to get their clients on the right financial path.

Plan for Your Future

Consider how you'll be spending your days in retirement and learn how to create an action plan to meet those goals.

Protect Your Future

Get help piecing together and protecting your retirement income. Learn ways to project your retirement income and expenses, and strategies to mitigate common retirement savings obstacles.

> CalSTRS.com/webinars



CalSTRS resources



WEB

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

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

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

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

STAY CONNECTED



CALL

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

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

888-394-2060
CalSTRS Pension2®
Personal wealth plan

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



WRITE

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

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



VISIT

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

Call ahead to verify the
hours and services available
at your local office.



FAX

916-414-5040



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