

YOUR RETIREMENT PLAN



CalSTRS Is Here for You

Resources for every stage of your career:

- Your annual *Retirement Progress Report* provides a summary of your account and service credit balances.
- *myCalSTRS*, your secure online resource to access your accounts, complete CalSTRS forms, update your contact information and more.
- Customer service by email, phone, letter or in person at offices across the state.
- Publications and videos about your benefits.
- Financial awareness and benefits planning workshops.
- CalSTRS Pension2 low-cost 403(b) and 457(b) investment plans.
- 403bCompare, an online tool at 403bCompare.com that lets you compare the fees, performance and services of your employer's 403(b) plans.



myCALSTRS

Find your account and service credit balances, update your contact information, complete and submit forms and more.

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Your CalSTRS Basics

CalSTRS is the retirement plan for California public educators.

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Protecting your CalSTRS personal and financial information is among our highest priorities. See page 117 for our security measures along with steps you can take to help protect the security of your CalSTRS information.



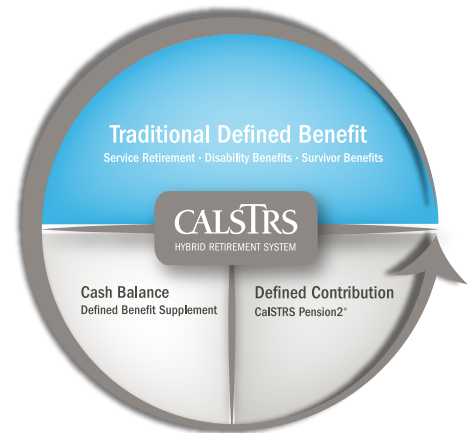
Your Hybrid Plan Explained

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

- **Traditional defined benefit plan:** Your CalSTRS retirement benefit is a defined benefit pension. It's based on a formula that provides a fixed percentage of your final compensation as of the age you retire and your years of service credit, not on how much you contribute or how well CalSTRS investments perform:

service credit x age factor x final compensation = your retirement benefit

- **Cash balance plans:** The Defined Benefit Supplement Program is a cash balance plan. A portion of your and your employer's contributions on earnings in excess of one year are credited to your Defined Benefit Supplement account. Your account earns guaranteed interest and, when the Teachers' Retirement Board declares, additional earnings credits. At retirement, you receive a benefit that is equal to your total account balance. The Cash Balance Benefit Program, a retirement plan for part-time educators, is also a cash balance plan.
- **Defined contribution plan:** CalSTRS Pension2 offers 403(b) and 457(b) investment 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.

Social Security, CalSTRS and You

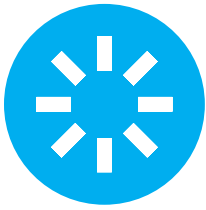
Two Rules May Affect You

As a California public school educator and a CalSTRS contributing member, you do not pay into Social Security, so you will not receive Social Security benefits for your CalSTRS-covered employment.

If you expect to receive a Social Security benefit through other employment or your spouse, two federal rules—the Windfall Elimination Provision and the Government Pension Offset—could leave you with a smaller Social Security benefit or no benefit at all. **Your CalSTRS retirement benefit will not be reduced by these rules.**

The Windfall Elimination Provision affects your Social Security benefit that is based on your earnings from other employment. It may reduce your Social Security benefit but will not eliminate it. The Government Pension Offset affects your spousal, widow or widower Social Security benefit that is based on your spouse's earnings.

- Visit ssa.gov/gpo-wep to learn more.
- See "Social Security Offsets," page 51.



What Will My Benefit Look Like?

Your CalSTRS retirement benefit is a strong foundation—it's calculated using a formula that provides a fixed percentage of your final compensation based on your age when you retire and your years of service credit. You'll also likely need more to meet your retirement income goal, so consider starting a 403(b) or 457(b) tax-advantaged account early in your career rather than later.

Am I on Track?

On average, the CalSTRS retirement benefit replaces about 50 to 60 percent of a career educator's salary. Next, you'll likely need personal savings and investments. According to financial professionals, you may need 80 to 90 percent of your final salary to retire comfortably.

2% at 60 Members

25 years

of service credit at age 60 = 50% of your final compensation



30 years

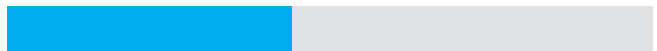
of service credit at age 60 = 60% of your final compensation



2% at 62 Members

25 years

of service credit at age 60 = 44% of your final compensation



30 years

of service credit at age 62 = 60% of your final compensation



➤ Calculate more scenarios at [CalSTRS.com/calculators](https://www.calstrs.com/calculators).

My Retirement Picture

How much do I need? \$
my retirement income goal

How much will I get? \$
my estimated retirement benefit

What else can I do?

- Start a CalSTRS Pension2 403(b) or 457(b) account for additional income in retirement.
 - Build my CalSTRS Defined Benefit Supplement account by taking on extra-pay assignments.
 - Purchase service credit, if I'm eligible to do so.
 - Work longer.
- See the Retirement Income Gap worksheet on page 40.

CalSTRS by the Numbers





CalSTRS Programs at a Glance

Defined Benefit Program

Mandatory for full-time California public school preK–12 teachers, community college instructors and public school administrators; part-time educators can choose to become members.

Retirement Benefit

With five years of service credit, you're eligible for a lifetime monthly benefit based on the following formula that provides a fixed percentage of your final compensation determined as of the age you retire and your years of service:

service credit x age factor x final compensation

You can choose to provide a lifetime monthly benefit to someone after your death, which will reduce the amount of your monthly benefit.

Contributions in 2018–19

2% at 60 members You contribute 10.25 percent of your creditable compensation.

2% at 62 members You contribute 10.205 percent of your creditable compensation.

Your employer contributes an amount equal to 16.28 percent of your creditable compensation.

The State of California contributes 9.828 percent of members' annual creditable compensation, including about 2.5 percent of members' earnings to pay for purchasing power protection.

Eligibility for Retirement

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

CalSTRS 2% at 62 You're eligible to retire at 55 with at least five years of service—or fewer, if you retire under the special circumstances of concurrent service retirement.

Survivor and Disability Benefits

Depending on your years of service credit, whether you elected an option and whether you die before or after retirement, your survivors may receive a monthly benefit or a refund of the balance in your account, and a one-time death benefit.

The basic disability benefit is 50 percent of your final compensation calculated based on your actual earnings, up to 90 percent of your final compensation when including benefits for eligible children.

Defined Benefit Supplement Program

A supplemental cash balance plan for Defined Benefit Program members, for earnings for service in excess of one year in school year and other specific compensation.

Retirement Benefit

Your Defined Benefit Supplement account balance, including interest earned, is yours at retirement as a lump sum or an annuity.

Contributions

2% at 60 members contribute 8 percent and **2% at 62 members** contribute 9 percent of their creditable compensation to this account on earnings for service in excess of one year in a school year. Employers contribute 8 percent of your creditable compensation on earnings for service in excess of one year in a school year.

For 2% at 60 members, contributions for limited-term payments are also credited to this account. If you were a CalSTRS member from January 1, 2001, to December 31, 2010, one-fourth of your 8 percent member contribution to the Defined Benefit Program was credited to your Defined Benefit Supplement account during that time.

Survivor and Disability Benefits

If you die before retirement, a lump-sum payment equal to the total balance of your Defined Benefit Supplement account will be distributed to your one-time death benefit recipient. If you die after retirement, your Defined Benefit Supplement account balance may be paid to your option beneficiary as a monthly annuity, or to your one-time death benefit recipient as a lump-sum payment or a period-certain annuity.

You will also receive your Defined Benefit Supplement account balance if you receive a CalSTRS disability benefit.

- See “Your Defined Benefit Membership,” page 21, and “Your Defined Benefit Supplement Account,” page 24.

Cash Balance Benefit Program

A cash balance retirement plan employers can offer part-time educators as an alternative to the Defined Benefit Program or Social Security.

Retirement Benefit

Your Cash Balance Benefit account balance, which includes your contributions, your employer's contributions, guaranteed interest and any additional earnings credits, is yours at retirement as a lump sum or an annuity.

Contributions

You typically contribute 4 percent of your salary.

Your employer must contribute an amount equal to at least 4 percent of your salary.

Employers may bargain alternative rates, but the combined participant/employer contribution must be at least 8 percent. For contracts entered into or changed on or after January 1, 2014, the employee contribution rate can't be less than the employer's rate.

Survivor and Disability Benefits

Your survivors typically receive a lump-sum distribution of the total account balance, which includes your contributions, your employer's contributions, guaranteed interest and any additional earnings credits.

Your disability benefit is your total account balance, which includes your contributions, your employer's contributions, guaranteed interest and any additional earnings credits.

● See "Cash Balance Benefit Program," page 35.

CalSTRS Pension2

CalSTRS' voluntary defined contribution plan, with 403(b), 457(b), Roth 403(b) and Roth 457(b) investment options for additional retirement income.

Retirement Benefit

Your investment account balance at retirement—early withdrawal tax penalties may apply if you are under age 59½.

Contributions

You contribute to your tax-advantaged account through paycheck deductions or rollover.

Survivor and Disability Benefits

403(b) and 457(b) funds can be withdrawn upon death and disability.

● See "CalSTRS Pension2," page 41.

Your Retirement Progress Report

Your *Retirement Progress Report* is one of your most important CalSTRS records. **Keep tabs on your CalSTRS account and service credit balances by reviewing your *Retirement Progress Report* each year.** Your new report is available online on *myCalSTRS* in mid-September.

Your report summarizes:

- The service credit you earned or purchased the previous year.
- Your total accumulated service credit.
- The name of your one-time death benefit recipient and preretirement option beneficiary, if you elected one.
- Accumulated contributions and interest in your accounts.
- Any excess member contributions for the year.
- Your disability and survivor benefits under Coverage A or Coverage B.
- Two estimates of your CalSTRS monthly retirement benefit and your Defined Benefit Supplement account distribution when you turn 45. These are estimates only and not binding.

Inactive members who have contributions and interest remaining in their Defined Benefit account balance, but who did not perform creditable service during the prior school year, also receive a report. Retired members and other benefit recipients do not receive a report.

If you believe there is a discrepancy on your report, contact your employer. Adjustments made to service credit and contributions after June 30 will be included on your report for the next school year. If you purchased service credit or redeposited contributions previously refunded, the changes will appear on your report for the school year during which the final payment was made.

Your *Retirement Progress Report* is available online on *myCalSTRS*. If you would like to receive your report by mail, use your *myCalSTRS* account to request your delivery preference, or complete the *Retirement Progress Report Delivery Preference* form, available at CalSTRS.com/forms.

Be sure to verify your paycheck information, including deductions, each pay period.



For security and privacy, all members have a randomly generated Client ID number for identification. You'll find your Client ID on your annual *Retirement Progress Report*. Please use it when you communicate with us about your account.

A personal report for: DEFINED BENEFIT MEMBER Birth year: 1952
 Client ID: 333333333 Initial membership date: 08/01/2001

Your Retirement Progress Report provides an overview of your CalSTRS benefits. Review this report and verify your account information such as your years of service credit, retirement option, one-time death benefit recipient and employers is accurate. The information reported by your employer, such as your years of service credit, will be used to calculate your retirement benefit. Contact your employer to correct an error or report a discrepancy.

Your Retirement Benefit Basics

As a CalSTRS member, you participate in a hybrid retirement system consisting of traditional defined benefit (Defined Benefit Program), cash balance (Defined Benefit Supplement Program) and voluntary defined contribution (CalSTRS Pension2+) plans. With the passage of the California Public Employees' Pension Reform Act of 2013, CalSTRS has two benefit structures:

- **CalSTRS 2% at 60:** You're eligible to retire at age 50 with at least 30 years of service credit, at age 55 with at least five years of service credit, or under the special circumstances of concurrent retirement.
- **CalSTRS 2% at 62:** You're eligible to retire at age 55 with at least five years of service credit or under the special circumstances of concurrent retirement.

You can find which benefit structure you're under in the **Special Messages** section on page 3.

Defined Benefit Program

Your retirement benefit is a defined benefit pension calculated using a formula that provides a fixed percentage of your final compensation as of the age you retire and your years of service credit, not on how much you contribute or how well CalSTRS investments perform. The formula:

Service Credit x Age Factor x Final Compensation = Your Retirement Benefit

Service Credit is time, in full and partial years, that you earned creditable compensation for CalSTRS-covered service. Your total service credit is listed below.

SERVICE CREDIT ACTIVITY	SERVICE CREDIT
DB beginning balance as of July 1, 2017	16,000
Current year service credit	0.964
DB ending balance as of June 30, 2018	16,964

The **Defined Benefit Account Activity** shows your 2017-18 fiscal year contributions and interest. For 2017-18, Defined Benefit accounts earned 0.9 percent interest. Remember, your monthly benefit is based on the formula above, not on your contributions or total account balance. For more information, see "Your Defined Benefit Membership" in the Member Handbook at CalSTRS.com/publications.

DEFINED BENEFIT ACCOUNT ACTIVITY	MEMBER		INTEREST (\$)	TOTAL (\$)
	TAKEN	TAX DEFERRED		
DB beginning balance as of July 1, 2017	0.00	90,592.09	8,729.44	99,321.53
Interest credited for 2017-2018		8,429.65	936.92	936.92
Current year contributions		8,429.65		8,429.65
DB ending balance accrued as of June 30, 2018	0.00	99,021.74	9,666.37	108,688.11

Log in to your account at myCalSTRS.com to view your earnings and contributions by employer and a glossary of terms used in this report.

Additional

More Money for

Defined Benefit Supplement

As a Defined Benefit Supplement account holder, you can contribute to your retirement. This is a separate account from your main CalSTRS retirement account.

Since you cannot earn credit in a school year, contributions from your employer to the compensation can build your account. You can also contribute as a summer school or music director. With CalSTRS retirement Supplement funds.

If you're under the limited-term payment creditable to your account.

Excess Contributions

If you earn more than you're eligible for, you were made in excess of your Defined Benefit Supplement account. The excess contribution amount of excess contributions is reported in the Special Messages section.

CalSTRS will return your excess contributions typically in October of the following year. The amount of your excess earnings amounts. The amount returned to you depends on your employer if you are a current employee.

Social Security

As a CalSTRS member, you are eligible for Social Security benefits through your employer's Social Security benefit through your employer.

CALSTRS
HOW WILL YOU SPEND YOUR FUTURE?

Retirement Progress Report 2018
Your Annual Account Statement and Planning Guide
Defined Benefit Program as of June 30, 2018



If you believe there's a discrepancy in your report, don't wait to correct errors. Contact your employer immediately.

myCALSTRS ▶ Are You Registered?



myCalSTRS offers easy, secure and convenient access to your accounts and CalSTRS forms, any time, anywhere. Register at myCalSTRS.com. Once you complete the process, your myCalSTRS account will be active.

With myCalSTRS, you can:

- 1 Update your contact information.
- 2 Access your annual *Retirement Progress Report* and view information reported by your employer.
- 3 View your account balances.
- 4 Name and update your one-time death benefit recipient.
- 5 Exchange secure messages with CalSTRS representatives.
- 6 Complete and submit forms.
- 7 Link to your CalSTRS Pension2 403(b) or 457(b) account, if you have one.



Need help registering?

View the self-paced, interactive online registration guide at myCalSTRS.com.

You'll find help with resetting your password at CalSTRS.com/myCalSTRS-help-videos.

Connect on Social Media

Engage with us and get to know us on your favorite social media: Facebook, Instagram or Twitter. We're here because of you. Get to know what we do, keep up on the latest CalSTRS news and share and connect with other educators like you!

▶ CalSTRS.com/stay-connected



Your CalSTRS Resources



Online

myCalSTRS

Access your account information and balances, service credit total, forms and more. Start at [myCalSTRS.com](https://mycalstrs.com).

CalSTRS.com

Find information about CalSTRS benefits and services, workshops, publications, forms, benefit estimate calculators and more.

Pension2.com

Learn about CalSTRS Pension2 403(b), Roth 403(b), 457(b) and Roth 457(b) investment plans, and find enrollment forms and financial planning tools.

403bCompare.com

Compare the 403(b) plans in California offered by your employer.

Stay Connected



Forms

Find the forms you need to designate a one-time death benefit recipient, apply for a service retirement, change your address and more online and on *myCalSTRS*. Also, find the CalSTRS offices that accept hand-delivered forms.

- > [myCalSTRS.com](https://mycalstrs.com)
- [CalSTRS.com/forms](https://calstrs.com/forms)
- [CalSTRS.com/forms-drop](https://calstrs.com/forms-drop)



Publications

Find publications online:

- CalSTRS Comprehensive Annual Financial Report*
 - Cash Balance Benefit Program*
 - Community Property Guide*
 - Concurrent Retirement*
 - Introduction to CalSTRS Disability Benefits*
 - Join CalSTRS? Join CalPERS?*
 - Member Handbook*
 - Member Kits*
 - myCalSTRS*
 - Pension2 ebook*
 - Purchase Additional Service Credit*
 - Refund: Consider the Consequences*
 - Social Security, CalSTRS and You*
 - Survivor Benefits: Remember Your Loved Ones*
 - Tax Considerations for Rollovers*
 - Understanding the Formula*
 - Uniformed Services Employment and Reemployment Rights Act*
 - Welcome to CalSTRS*
 - Working After Retirement*
 - Your Disability Benefits Guide*
 - Your Retirement Guide*
- ### **Newsletters**
- CalSTRS Connections: Your Money Matters* (for active members under 50)
 - CalSTRS Connections: Reaching Your Retirement* (for active members 50 and older)
 - Retired Educator* (for retired members and other benefit recipients)
- > [CalSTRS.com/publications](https://calstrs.com/publications)



Videos

Your benefits explained in less than four minutes:

Welcome to CalSTRS

myCalSTRS

Understanding the Formula

The Gap

CalSTRS Pension2

Refund: Consider the Consequences

Introduction to Social Security

Purchasing Service Credit

Defined Benefit Supplement Program

Beneficiary Options

Survivor Benefits

Disability Benefits

Working After Retirement

Connect Now

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



Hybrid Benefits Specialists

Make an appointment with a hybrid benefits specialist at one of our member service centers or offices in Redding and Fresno. In addition to their knowledge of the Defined Benefit and Defined Benefit Supplement programs, they offer in-depth information about CalSTRS Pension2's 403(b) and 457(b) plans for additional retirement savings.

> Call 888-394-2060 or email Pension2@CalSTRS.com



Pension Abuse Reporting Hotline

Anonymously report suspicions of pension abuse by calling us toll free at 855-844-2468.

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



Workshops

Explore benefits and services with the help of a CalSTRS benefits specialist.

Workshops—Understand your benefits and retirement decisions.

Financial Awareness Series—Learn to save for, plan for and protect your future with a series of workshops on financial topics.

● See "Benefits Planning Services," page 54

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

Benefits Planning Sessions

Meet with a benefits specialist for help with the decisions you'll need to make when you retire. Learn with fellow educators in a confidential and interactive small group setting. Contact your local office or visit *myCalSTRS* to schedule a session.

You can also meet with a benefits specialist one-on-one in person or over the phone.

> [CalSTRS.com/benefits-planning](https://www.calstrs.com/benefits-planning)



CalSTRS Ombudsman

Contact the CalSTRS Ombudsman for help with resolving problems not solved through usual channels by completing and submitting the online form.

> [CalSTRS.com/contactus](https://www.calstrs.com/contactus), select "CalSTRS Ombudsman" to send a secure email



CalSTRS Benefits Planning Offices

Member Service Centers		
Location	Telephone Number	Hours
Glendale	800-228-5453, ext. 3	M–F 8–5
Irvine		
Riverside		
San Diego		
Santa Clara		
West Sacramento		

Have a question? Send us a secure online message using your [myCalSTRS](#) account or call us at 800-228-5453. Or visit one of our member service centers or satellite offices.

Satellite Offices*	
Location	Telephone Number
Bakersfield	800-228-5453, ext. 3
Ceres	
Cordelia	
Culver City	
Downey	
El Centro	
Eureka	
Fresno/Central Valley	
Lancaster	
Oroville	
Oxnard	
Palm Springs	
Pleasant Hill	
Redding	
Salinas	
San Francisco	
San Marcos	
Santa Barbara	
Santa Cruz	
Santa Fe Springs	
Santa Maria	
Santa Rosa	
Visalia	
Walnut	

* Hours and services vary at satellite offices, so please call ahead of time or visit [CalSTRS.com/localoffices](https://www.calstrs.com/localoffices) for more information.



Your Checklist

- Early Career
- Mid-Career
- Near Retirement



Check your *Retirement Progress Report* every year to make sure your service credit is accurate.

Less than one year of service credit

- Activate your *myCalSTRS* account at myCalSTRS.com to view your account balances and service credit, update your contact information and more online.
- Designate a one-time death benefit recipient using *myCalSTRS* or by completing the *Recipient Designation* form, available at CalSTRS.com/forms.
- Watch the member education videos at CalSTRS.com/videos for a quick way to learn about your benefits. Check out the workshops at CalSTRS.com/workshops.
- Start a tax-advantaged 403(b) or 457(b) account for additional money in retirement. Consider CalSTRS Pension2, which offers low costs and flexible investment options. See the Pension2 ebook at Pension2.com and page 41 to learn more.

One to five years of service credit

Your survivors are eligible to receive a CalSTRS one-time death benefit and survivor benefit if you should die before retirement.

- Designate a one-time death benefit recipient using *myCalSTRS* or by completing the *Recipient Designation* form, available at CalSTRS.com/forms, if you haven't already done so.
- Check your *Retirement Progress Report* every year to make sure your service credit is accurate.
- Attend a CalSTRS workshop or benefits planning session for new members.

Five years of service credit

You're eligible for a lifetime monthly retirement benefit when you retire.

- Attend a CalSTRS workshop or benefits planning session tailored to your career stage.
- Consider increasing your contribution to your 403(b) or 457(b) account.
- Consider purchasing additional service credit if you are eligible to redeposit service credit or purchase permissive service credit. The earlier you purchase service credit, the lower the cost. Use the calculator at CalSTRS.com/calculators to estimate the cost or submit the *Redeposit or Purchase Permissive Service Credit* form at CalSTRS.com/forms.
- Estimate your retirement benefit using the *Retirement Benefits Calculator* at CalSTRS.com/calculators.
- Develop a financial plan for your secure future.

10 years of service credit

It's time to plan for transitioning from working to retirement.

- Review your one-time death benefit recipient designation, account balances and service credit total on your *Retirement Progress Report*.
- Update your financial plan.
- Step up contributions to your 403(b) or 457(b) account. Or open an account today—it's never too late to start saving.
- Look into purchasing service credit to increase your retirement benefit, if you have eligible service.
- Ask your employer about health insurance in retirement. Consider setting aside extra money now for health care expenses later.

Age 55 with at least five years of service credit—or fewer, if you retire under the special circumstances of concurrent service retirement (or age 50 with at least 30 years of service credit if under CalSTRS 2% at 60)

You're eligible to retire.

- Get the facts on Social Security. Know the rules if you're eligible for a Social Security benefit based on other employment or your spousal Social Security benefit.
- Attend a CalSTRS and Your Retirement session to receive personalized benefit estimates prepared by a CalSTRS benefits specialist.
- Submit the *Preretirement Election of an Option* form if you want to provide a lifetime monthly benefit to someone should you die before retirement.
- Make sure your one-time death benefit recipient information is current.
- Complete and submit your *Service Retirement Application* online using *myCalSTRS* for faster processing, no earlier than six months before your retirement date. If you have a complex application, you can still complete it online, then print, sign and mail or fax it to us.