

# Part-time Educator

In preparation for the webinar:

- ✓ We ask that you either:
  - Print the materials beforehand.
  - Have the materials open on another computer or device, as we will be presenting a PowerPoint.
- ✓ Handouts for this session are available at: [www.calstrs.com/webinars](http://www.calstrs.com/webinars)
- ✓ When you leave, or the host ends this webinar, you will be asked to participate in a survey. We would greatly appreciate your time to provide feedback.
- ✓ This event will have subtitles. You can turn the subtitles on and off by clicking on **Live Transcript** and selecting **Show Subtitles/Hide Subtitles**.

# Trust CALSTRS®, not impersonators.

CalSTRS authorized representatives:

- Have an email address ending in @CalSTRS.com.
- Can provide a CalSTRS ID badge or business card.
- Do not provide refreshments at offsite events.
- Will never meet at your home.
- Do not sell insurance products.



# Trust CALSTRS®, not impersonators.

CalSTRS authorized representatives:

- Have access to your CalSTRS or Pension2® account information.

Some Voya Financial representatives work exclusively with Pension2®.

Their names and photos are listed at [CalSTRS.com/Trust-CalSTRS](https://www.calstrs.com/Trust-CalSTRS).

To verify a CalSTRS representative, contact us at 888-394-2060 or [RepCheck@CalSTRS.com](mailto:RepCheck@CalSTRS.com)



# Objectives

Determine which retirement program you're paying into.

Learn about CalSTRS programs.

Identify retirement considerations.

# What program are you paying into?

CALSTRS®

Defined Benefit

Cash Balance

Pension2®

Not CALSTRS®

Social Security

Alternative  
retirement  
program

# CalSTRS programs

## **Defined Benefit**

Pension based on a formula. As a part-time educator, you may permissively elect membership at anytime.

## **Cash Balance Benefit**

Retirement program offered by participating districts to employees that work on a part-time, temporary basis.

## **Pension2<sup>®</sup>**

Voluntary defined contribution plan available to all members in participating districts.

# Social Security or alternative program

## Social Security

If you are part time, your district must offer Social Security or an alternative plan in addition to the Defined Benefit Program.

## Alternative program

Some districts may offer the Cash Balance Benefit Program, a TSA or a 403(b) plan as an alternative to Social Security.

Contact your district or check your pay statement.

# Example pay statements

1919 Spanos Ct  
Sacramento, CA 95825

Deposit Amount: \$3,011.20

To The Account(s) Of  
**JOHN JONES**  
1 Main Street

Los Rios Commun  
1919 Spanos Ct  
Sacramento, CA 95825

John Jones  
1 Main Street  
Sacramento, CA 95825

Pay Rate: \$5,814.80 Monthly

DIRECT DEPOSIT DISTRIBUTION					
Account Type	Deposit Amount				
Checking	3,011.20				

BEFORE-TAX DEDUCTIONS				
Description	Current	YTD		
Pacificare	374.63	1,374.72		
403B	100.00	800.00		
STRS	465.18	4,024.79		

HOURS AND EARNINGS						TAXES			
Description	Rate	Current		YTD		Description	Current	YTD	
		Hours	Earnings	Hours	Earnings			Current	YTD
Regular	5,814.80	875.00	45,983.15	711.30	4,151.59	Fed Withholdin	711.30	0,151.59	
Dom Partner Exempt from CA tax	353.00		2,471.00	84.00	750.49	Fed MED/EE	84.00	750.49	
Imputed Income for Domestic Partner	0.00		352.07	0.00	0.00	Fed OASDI/EE	0.00	0.00	
Retro Pay - Previous FY	0.00		1,957.30	212.76	1,840.81	CA Withholding	212.76	1,840.81	
Full time sick leave usage	0.00	12.50	0.00						
Overload Lecture	0.00	33.00	2,369.40						
<b>Total:</b>	<b>5,814.80</b>	<b>920.50</b>	<b>50,309.85</b>	<b>1,008.06</b>	<b>8,742.89</b>				

BEFORE-TAX DEDUCTIONS			AFTER-TAX DEDUCTIONS			EMPLOYER PAID BENEFITS		
Description	Current	YTD	Description	Current	YTD	Description	Current	YTD
Pacificare	374.63	1,374.72	Life Insurance	17.42	69.68	Pacificare	623.03	4,158.58
403B	100.00	800.00	Summer Pay	726.85	1,453.70	Delta	104.73	875.44
STRS	465.18	4,024.79	LRCFT Dues	111.46	693.06	STRS	479.72	4,150.56

\*\*\* MESSAGE CENTER \*\*\* Page 1 of 2

Employee Number: 01001415  
Employee Name: Mr. Sample Paycheck

Pay Period: 200606 Ending Date: 12/31/2006  
Warrant No: 0363378 Issue Date: 12/27/2006

Martin Luther King Holiday - Monday January 15th

1001415  
Mr. Sample Paycheck  
1212 Main Street  
Los Angeles CA 90042

Leave Balance	Beginning Balance	Current	Used	Current Balance
Class Vacation	0.00	0.00	0.00	0.00
Class Vacation	0.00	0.00	0.00	0.00
Academic Vacation Hrs	0.00	0.00	0.00	0.00
Academic Vacation Hrs	0.00	0.00	0.00	0.00
Class Illness - Full P	0.00	0.00	0.00	0.00
Class Illness - Full P	0.00	0.00	0.00	0.00

FY	Deductions	Subject	Amount	YTD Total	Deductions	Net Pay
06	FED Income Tax	4,907.48	894.45	3,532.41	1,985.13	3,349.07
06	FED Medicare Tax	5,334.20	77.34	306.52	2,737.12	33,532.70
06	CA Income Tax	4,907.48	261.91	1,030.77		
06	LACCO Pndtn		200.00	600.00		
06	United Way		50.00	150.00		
06	CalSTRS DB Plan		426.72	1,691.16		
06	1521 Fee Payer		69.60	252.12		
06	1521 Fee Payer		5.11	43.84		

Deduction Amount		YTD Total	
894.45	3,532.41		
77.34	306.52		
261.91	1,030.77		
200.00	600.00		
50.00	150.00		
426.72	1,691.16		
69.60	252.12		
5.11	43.84		

Board Paid Benefits		Amount	Amount
	This Pay	YTD	
BC Dent HMO ER P	90.56	381.12	
Blue Shield PPO	881.44	1,762.88	
Vision Serv Plan	21.28	42.56	
Basic Life ER Pa	8.50	25.50	

Paid Absences This Period		Unpaid Absences This Period		EFT or Warrant Number	
Illness	2.00				3,349.07
Jury Duty	1.00				
Personal Necessity	1.00				



# Account balance screen

**myCALSTRS**  
HOW WILL YOU SPEND YOUR FUTURE?

Home | Account | Services | Settings | Administrative | Help | Log Out CALSTRS.com ▶

**Your Online Services**  
As a CalSTRS Representative you can access many services from the services below or by using the main drop down navigation menu.

- Online Messaging - Inbox
- Benefits Planning
- Calculators
- CalSTRS Pension2
- Download Forms & Publications
- View Application Status & Instructions
- View Your Account Balance**
- Complete & Submit Forms
- Excess Contributions

**View Your Messages**  
Receive secure messages from myCalSTRS Inbox.

**Benefits Planning**  
Find requests, applications and other forms to submit to CalSTRS.

**View Your Retirement Progress Reports**  
Check your retirement progress and print your report.

**Access Your Benefit Payments**  
View and print your benefit payment activity.

**403bCompare**   
Your guide to choosing the 403(b) retirement savings product that best matches your needs.

**Your Profile**  
Personal and account information

**Complete & Submit Forms**  
Find requests, applications and other forms to submit to CalSTRS.

**Manage Your Beneficiary Selections**  
Add, edit and/or delete your recipient designations and submit to CalSTRS.

**Use Our Calculators**  
Take advantage of our specialized benefit calculators to help you make informed decisions.


**View & Update Your Tax Withholdings**  
View or update current tax withholdings for your benefit payments.

**Download Forms & Publications**  
Download current CalSTRS forms and publications or request by mail.

**Access Your 1099-R**  
View, print and save your 1099-R & related documents.

**Access Your CalSTRS Pension2 Account**   
Change Investments, check balances, request a disbursement. No account? [Enroll Now](#).

# Defined Benefit, Cash Balance or both



Home | Account | Services | Settings | Administrative | Help | Log Out CALSTRS.com ▶

## View Your Account Balances

Customer Name: Z 🗑️ 📅 🔔

If you have more than one account, you may access the additional accounts from the **Select Your Account** drop down menu below.

### Account Balances

Account balances are subject to change. CalSTRS adjusts your account balance as new and/or additional information is received from your employer and as interest accrues on your account.

#### Select Your Account

Account : Defined Benefit Account  
Cash Balance Account

Defined Benefit Account	Defined Benefit Supplement Account
Account Status: <b>MEMBER</b>	
<b>Account Balance Details</b> ⓘ	
After-Tax Contributions:	\$0.00
After-Tax Interest:	\$0.00
Tax-Deferred Contributions:	\$104,465.92
Tax-Deferred Interest:	\$16,185.31

#### Learn More

- [Frequently Asked Questions](#)
- [About myCalSTRS](#) 📄
- [Privacy Policy](#) 📄

---

#### Contact Us















Need CalSTRS assistance? Submit a secure [Online Inquiry](#) or view [CalSTRS contacts](#) 📄 to find information on how to call, click or write for assistance.

# Accessing your resources



## Your Online Services

As a CalSTRS Representative you may assist customers by selecting from the services below or by using the main drop down navigation menu.

 <b>View Your Messages</b> Receive secure messages in your myCalSTRS Inbox.	 <b>Update Your Profile</b> Keep your personal and myCalSTRS account information up-to-date.	 <b>View &amp; Update Your Tax Withholdings</b> View or update current tax withholdings for your benefit payments.
 <b>Benefits Planning</b>	 <b>Complete &amp; Submit Forms</b> Find requests, applications and other forms to submit to CalSTRS.	 <b>Download Forms &amp; Publications</b> Download current CalSTRS forms and publications or request by mail.
 <b>View Your Retirement Progress Reports</b> Check your retirement progress and print your report.	 <b>Manage Your Beneficiary Selections</b> Add, edit and/or delete your recipient designations and submit to CalSTRS.	 <b>Access Your 1099-R</b> View, print and save your 1099-R & related documents.
 <b>Access Your Benefit Payments</b> View and print your benefit payment activity.	 <b>Use Our Calculators</b> Take advantage of our specialized benefit calculators to help you make informed decisions.	 <b>Access Your CalSTRS Pension2 Account</b> Change investments, check balances, request a disbursement. No account? <a href="#">Enroll Now</a> .
 <b>403bCompare</b>  Your guide to choosing the 403(b) retirement savings product that best matches your needs.		



## Retirement Progress Reports

Customer Name: XXXXXXXXXX



**!** View your messages from *myCalSTRS*:

- Beginning in 2014, your *Retirement Progress Report* will be available exclusively online at *myCalSTRS*, unless you request to continue receiving it by mail. Update [Your Preferences](#) or download and submit the [Retirement Progress Report Delivery Preference form](#) to request mailed reports.

Your *Retirement Progress Reports* provide an overview of your CalSTRS benefits. Take the time to review your account and verify that the information is accurate. The facts and figures will ultimately be used to calculate your retirement benefit. Contact your employer to correct an error or report a discrepancy.

- To view a report, select the appropriate year for the account type you want to review. Reports dating as far back as 2002 are available on *myCalSTRS* for your convenience.
  - Select the Glossary if you have any questions about the terms used in the report for that year.
  - Select Employer Details to review your annual contributions, earnings and service credit reported by your employers for that year. Employer details are not available for inactive members, or for member accounts awarded in a community property settlement.

Retirement Progress Report			
Year	Account Type		
<a href="#">2022</a>	Cash Balance Account	<a href="#">Glossary</a>	
<a href="#">2022</a>	Active Member Account	<a href="#">Glossary</a>	<a href="#">Employer Details</a>
<a href="#">2021</a>	Cash Balance Account	<a href="#">Glossary</a>	
<a href="#">2021</a>	Active Member Account	<a href="#">Glossary</a>	<a href="#">Employer Details</a>
<a href="#">2020</a>	Cash Balance Account	<a href="#">Glossary</a>	
<a href="#">2020</a>	Active Member Account	<a href="#">Glossary</a>	<a href="#">Employer Details</a>
<a href="#">2019</a>	Cash Balance Account	<a href="#">Glossary</a>	
<a href="#">2019</a>	Active Member Account	<a href="#">Glossary</a>	<a href="#">Employer Details</a>
<a href="#">2018</a>	Cash Balance Account	<a href="#">Glossary</a>	
<a href="#">2018</a>	Active Member Account	<a href="#">Glossary</a>	<a href="#">Employer Details</a>
<a href="#">2017</a>	Cash Balance Account	<a href="#">Glossary</a>	

Employer/ Assignment <a href="#">i</a>	Earnings <a href="#">i</a>	Base Hours <a href="#">i</a>	Contributions <a href="#">i</a>	Earnables <a href="#">i</a>	Service Credit <a href="#">i</a>	Comments <a href="#">i</a>
---	----------------------------	------------------------------	---------------------------------	-----------------------------	----------------------------------	----------------------------

**COMMUNITY COLLEGE DISTRICT**

Report Unit: 36271

Member Contribution Rate: 10.25%

Part-Time Service	\$21,560.00	525.00	\$2,209.89	\$40,425.00	0.5331	DBS Contribution
Part-Time Service	\$5,022.00	525.00	\$514.78	\$32,550.00	0.1540	DBS Contribution
Part-Time Service	\$960.00	525.00	\$98.40	\$31,500.00	0.0304	DBS Contribution
Part-Time Service	\$600.00	525.00	\$61.50	\$21,000.00	0.0284	DBS Contribution
Part-Time Service	\$450.00	525.00	\$46.13	\$26,250.00	0.0171	DBS Contribution

**COMMUNITY COLLEGE DISTRICT**

Report Unit: 19169

Member Contribution Rate: 10.25%

Part-Time Service	\$7,414.75	525.00	\$760.00	\$44,488.50	0.1665	
Part-Time Service	\$7,270.40	525.00	\$745.20	\$43,622.25	0.1665	
Defined Benefit Supplement	\$293.70	N/A	\$23.50			DBS Contribution

**COMMUNITY COLLEGE DISTRICT**

Report Unit: 33007

Member Contribution Rate: 10.25%

Part-Time Service	\$21,054.71	N/A	\$2,158.12	\$49,793.40	0.4223	
Part-Time Service	\$3,314.25	N/A	\$339.74	\$53,028.00	0.0625	
Part-Time Service	\$461.18	N/A	\$47.26	\$44,272.80	0.0099	

# Supplemental savings with CalSTRS



403(b)

Roth  
403(b)

457(b)

Roth  
457(b)

Never  
locked in

No hidden  
costs

# What are your retirement goals?

Understand that your income in retirement is a shared responsibility.

Determine how much money you'll need to live.

Calculate your gap.

To learn more, sign up for one of our financial awareness workshops at [CalSTRS.com/webinars](https://CalSTRS.com/webinars).



# Considering an alternative plan?

**CALSTRS**  
HOW WILL YOU SPEND YOUR FUTURE?

**Cash Balance Benefit Program**  
A retirement plan for part-time  
and adjunct educators

---





## Questions to ask

Ask yourself these questions when deciding to choose either the Cash Balance Benefit Program, the Defined Benefit Program or an alternative program:

- Do you plan to be a career educator?
  - Does teaching provide supplemental income or is it your primary source of income?
  - Before teaching, did you have employment that required you to pay into Social Security?
  - What is the contribution rate for the plan and does your employer also make contributions?
  - Is there a minimum requirement to be eligible for benefits?
- Does the plan offer a monthly retirement benefit for life, or is it a nonlifetime benefit based on contributions and interest?
  - Does the plan charge administrative fees?
  - Is there a guaranteed annual interest rate?
  - Does the plan have a sound investment record?
  - When does the plan permit distribution of your account?


A 3D-rendered puzzle with one green piece in the center containing the text '40%'. The puzzle is composed of white interlocking pieces, with one piece in the center being a vibrant green. The text '40%' is written in a clean, white, sans-serif font on the green piece. The lighting creates soft shadows, giving the puzzle a three-dimensional appearance.

40%

A 3D-rendered puzzle piece is the central focus, colored a vibrant green. It is surrounded by a field of white puzzle pieces, some of which are slightly offset, creating a sense of depth. The text '80-90%' is printed in a clean, white, sans-serif font across the center of the green piece. The lighting is soft, casting gentle shadows that emphasize the interlocking shapes of the puzzle pieces.

80-90%



A single green puzzle piece is centered on a background of white puzzle pieces. The green piece contains the text 'Your Goal - 40%' above a horizontal line, and 'Your Gap' below the line.

Your Goal  
- 40%  

---

Your Gap



CALSTRS

**pension 2**  
personal wealth plan

# Cash Balance Benefit Program

# Cash Balance Benefit Program enrollment

## **Permissive election**

You signed up within the first 60 days of being employed.

You can elect Cash Balance at anytime.

## **Automatic enrollment**

If no program was selected within 60 days, if eligible.

# Cash Balance Benefit Program eligibility

## Community College

Adjunct or hourly faculty

Hired semester to semester

Adult education instructors

## Pre-K through 12

Employed less than 50% of full time

Signed a contract for less than 50%

Substitute employees

Only available if district adopts a resolution to offer the Cash Balance Benefit Plan.



# Cash Balance Benefit Program advantages

No program fees

Immediate vesting

Lower contribution rates plus employer matching

Guaranteed annual interest rate

# Cash Balance retirement eligibility

- Normal retirement age:
  - **60** if hired on or before December 31, 2012.
  - **62** if hired on or after January 1, 2013.
- Early retirement at age 55.
- Must terminate all creditable service.
- Required minimum distribution at age 72.

# Defined Benefit Program

# CalSTRS hybrid retirement system



# Defined Benefit enrollment

## Mandatory membership

Employed to work on a full-time or permanent basis.

Hiring basis changes from part time to full time or permanent.

## Permissive election

Any part-time educator can elect the Defined Benefit Program.

For more information on Defined Benefit Program eligibility, see the *Member Handbook*.

# Defined Benefit Program advantages

No program fees

Guaranteed lifetime monthly benefit based on a formula

Concurrent retirement and Inflation Protection

Unused sick leave converts to additional service credit

# Defined Benefit – PEPRA benefit structures

## **CalSTRS 2% at 60**

Members first employed to perform any creditable service on or before December 31, 2012.

## **CalSTRS 2% at 62**

Members first employed to perform any creditable service on or after January 1, 2013.

# Defined Benefit retirement eligibility

- Minimum requirements
  - Age 55 with five service credits.
- Early retirement
  - Age 50 with 30 service credits (CalSTRS 2% at 60 only).
- Concurrent retirement
  - Age 55 with fewer than five service credits if retiring for service with a concurrent retirement system.



# Defined Benefit formula

**Service credit** Time worked and contributed up to 1.000 per year.

×

**Age factor** Percentage based on age at retirement, with a maximum of 2.4%.

×

**Final compensation** Highest average annual compensation earnable for 36 consecutive months.

---

**Monthly Member-Only retirement benefit**

# Determining service credit

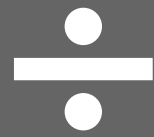
$$\text{Earnings} \div \text{Annualized pay rate} = \text{Service credit}$$

What you actually earned and were paid.

The amount you could earn if you worked a full-time load.

# Determining final compensation

Highest Average Annual  
Compensation Earnable



36 months



**Final  
compensation**



The amount you  
would have been paid  
if you had worked on  
a full-time basis.



The total  
consecutive  
months  
calculated.

# Final compensation notes

Based on what you would have earned if you had worked your position full-time.

When working multiple assignments, a lower paying contract might bring your average earnable down.

The higher your average compensation earnable is, the higher your retirement benefit will be.



For a detailed example of service credit and final compensation, review the *Considerations for Part-Time Educators* fact sheet.

# CalSTRS hybrid retirement system

Defined Benefit  
Supplement  
account



# Build your Defined Benefit Supplement account

Earnings in excess of 1.000 service credit

Contributions from both you and your employer

Guaranteed annual interest rate

To watch the video series and learn more, visit [CalSTRS.com/videos](https://CalSTRS.com/videos).

# CalSTRS hybrid retirement system



**CALSTRS**

**pension 2**  
personal wealth plan

It's your future. Choose Pension2™.

# Choose a plan that works for you

	<b>Cash Balance Benefit Program</b>	<b>Defined Benefit Program</b>
<b>Vesting</b>	Immediately	After 5,000 service credits have been earned



# Choose a plan that works for you

	<b>Cash Balance Benefit Program</b>	<b>Defined Benefit Program</b>
<b>Vesting</b>	Immediately	After 5.000 service credits have been earned
<b>Payroll deductions</b>	Pre-tax	Pre-tax

# Choose a plan that works for you

	<b>Cash Balance Benefit Program</b>	<b>Defined Benefit Program</b>
<b>Vesting</b>	Immediately	After 5.000 service credits have been earned
<b>Payroll deductions</b>	Pre-tax	Pre-tax
<b>Benefit based on</b>	Total balance of the account	A formula

# Choose a plan that works for you

	<b>Cash Balance Benefit Program</b>	<b>Defined Benefit Program</b>
<b>Vesting</b>	Immediately	After 5.000 service credits have been earned
<b>Payroll deductions</b>	Pre-tax	Pre-tax
<b>Benefit based on</b>	Total balance of the account	A formula
<b>Contribution rate</b>	Typically, 4% of earnings	<ul style="list-style-type: none"><li>• 2% at 60 contribute 10.25%</li><li>• 2% at 62 contribute 10.205%</li></ul>



Teaching is a supplemental career for Candace. She is currently planning to teach only 1-2 classes each semester for the next 10 years. This means her service credit could take over 10 years to reach the vesting requirement of the Defined Benefit Program. She'd also like the option to retire early if the opportunity came along.

# Choose a plan that works for you

	Cash Balance Benefit Program	Defined Benefit Program
<b>Vesting</b>	Immediately	After 5,000 service credits have been earned
<b>Payroll deductions</b>	Pre-tax	Pre-tax
<b>Benefit based on</b>	Total balance of the account	A formula
<b>Contribution rate</b>	Typically, 4% of earnings	<ul style="list-style-type: none"> <li>• 2% at 60 contribute 10.25%</li> <li>• 2% at 62 contribute 10.205%</li> </ul>



Although Jack works part-time now, he does hope to find a full-time contract or teach more classes in the near future. Between his and his spouse's income, they make enough money for him to afford the 10% contribution rate. Being young, he still has time to earn his minimum 5,000 service credits to become vested.



# Choose a plan that works for you

	<b>Cash Balance Benefit Program</b>	<b>Defined Benefit Program</b>
<b>Vesting</b>	Immediately	After 5.000 service credits have been earned
<b>Payroll deductions</b>	Pre-tax	Pre-tax
<b>Benefit based on</b>	Total balance of the account	A formula
<b>Contribution rate</b>	Typically, 4% of earnings	<ul style="list-style-type: none"><li>• 2% at 60 contribute 10.25%</li><li>• 2% at 62 contribute 10.205%</li></ul>

# Service credit

## Cash Balance Benefit Program

- Time worked is not used to calculate the benefit.

## Defined Benefit Program

- Time worked in which creditable compensation is earned and contributions are made.
- Unused sick leave.
- Defined Benefit Supplement account.

# Age factor

## Cash Balance Benefit Program

- There is no age factor in the benefit calculation.

## Defined Benefit Program

- Percentage is based on age at retirement.
- Maximum: 2.4%
  - CalSTRS 2% at 60:  
Age 63
  - CalSTRS 2% at 62:  
Age 65

# Final compensation

## Cash Balance Benefit Program

- Your final compensation is not used in calculating your benefit.
- Your contributions are a percentage of the compensation you earn.

## Defined Benefit Program

- Highest average compensation earnable for 36 consecutive months.
- CalSTRS 2% at 60: 12 months with 25 service credits.

# But what does that actually mean?

## Cash Balance Benefit Program

## Defined Benefit Program

10	Years worked	10
\$20,000	Account balance	\$25,500
60	Age at retirement	60
N/A	36-month average highest final compensation	\$2,750
\$134	Monthly benefit	\$550

# Distribution options

## Lifetime options under both programs

- Participant/Member-only annuity
- 100% Beneficiary Option
- 75% Beneficiary Option
- 50% Beneficiary Option

## Cash Balance Benefit Program

- Lump-sum benefit
- Annuity (if balance is  $> \$3,500$ )
  - Period-certain of 3-10 years

## Defined Benefit Program

- Lifetime monthly benefit only



Jack only worked a few years through college in a job that paid into Social Security. He has not earned enough credits yet to receive a benefit. He knows he will rely on his CalSTRS pension to provide the bulk of his income in retirement. Jack and his spouse like the idea of having the security of a lifetime pension.



Candace has been paying into Social Security and contributing to a 401(k) for over 30 years through other work. She wants to retire in 10 years or less and plans on CalSTRS being just a part of the money she will live on when she retires.

A smaller contribution to the Cash Balance Program while working means her benefit will be smaller than if she contributed to the Defined Benefit program.



# Disability and Survivor Benefits

	Cash Balance Benefit Program	Defined Benefit Program
Disability Benefits	✓	✓
Survivor Benefits	✓	✓
One-time death benefit	✗	✓

# Inflation protection in retirement

## Cash Balance Benefit Program

- N/A

## Defined Benefit Program

- Annual benefit adjustment
  - Not tied to inflation
  - Not compounded
- Purchasing power protection
  - CalSTRS monitors this automatically

# Consolidation of benefits

Converts Cash Balance account into Defined Benefit service credit

Must be an active member of the Defined Benefit Program

Must terminate all Cash Balance activity

Consolidation process can be lengthy

# Considerations for Part-time Educators



## Considerations for Part-time Educators

**Working in multiple positions? Understand how service credit and final compensation could affect you.**

As a member of the CalSTRS Defined Benefit Program, your retirement benefit is based on a formula, not on the contributions you made throughout your career.

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

When you work in multiple positions, service credit and final compensation become more important and may complicate the calculation.

Be sure to meet with a CalSTRS benefits specialist at least three years before you plan to retire to explore your options and determine the best plan for your unique situation.



### Retirement benefit formula components

#### Service credit

Service credit is the number of full and partial years you paid into CalSTRS, not simply the number of years you have worked. The most service credit you can earn in one school year is 1.000. Service credit is calculated by dividing your earnings by the annualized pay rate.

**service credit = earnings ÷ annualized pay rate**

#### Age factor

The age factor is the percentage of your final compensation you'll receive for every year of service credit.

#### Final compensation

Final compensation is an average of your highest annual earnable salary. For a part-time educator working multiple assignments, this is a weighted average.

Service credit	Benefit structure	
	CalSTRS 2% at 60	CalSTRS 2% at 62
Less than 25 years	Highest 36 consecutive months	Highest 36 consecutive months
25 years or more	Highest 12 consecutive months	Highest 12 consecutive months

**\* Service credit and final compensation are the most important components for a part-time educator who works in multiple positions. See the reverse side for an example of how Lisa, a CalSTRS 2% at 62 member who works part time for two employers, can use these components advantageously.**

#### CalSTRS resources



#### WEB

CalSTRS.com  
Click Contact Us to email  
myCalSTRS.com  
403bCompare.com  
Pension2.com

#### STAY CONNECTED



#### CALL

800-228-5453  
Calls from within the U.S.  
916-414-1099  
Calls from outside the U.S.

888-294-2060  
CalSTRS Pension2®  
Personal wealth plan  
CalSTRS Compliance and  
Ethics Hotline  
844-896-9120 (toll free)  
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/localoffices

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



#### FAX

916-414-5040

For members of the Defined Benefit Program.

Understand service credit calculations.

Understand how final compensation is calculated using a weighted average.

# Concurrent Retirement



## Concurrent Retirement

Important information if you're a member of more than one California public retirement system

If you currently are or have ever been a member of CalSTRS and one or more other eligible California public retirement systems, you may be able to:

- Qualify for a CalSTRS service retirement benefit at age 55 or older with less than five years of CalSTRS service credit.
- Increase your service retirement benefit by using the compensation from your highest-earning position under any eligible retirement system to determine your final compensation.

To learn about your eligibility for these provisions under another system's rules, and to find out how a redeposit of service credit or concurrent retirement can contribute to your benefits from another system in retirement, contact the other retirement system directly.

### Eligible retirement systems

You may service retire concurrently with CalSTRS and any of the following retirement systems:

- California Public Employees' Retirement System
- University of California Retirement Plan
- San Francisco Employees' Retirement System
- Legislators' Retirement System
- County retirement systems enacted under the County Employees Retirement Law of 1937:
  - » Alameda
  - » Contra Costa
  - » Fresno
  - » Imperial
  - » Kern
  - » Los Angeles
  - » Marin
  - » Mendocino
  - » Merced
  - » Orange
  - » Sacramento
  - » San Bernardino
  - » San Diego
  - » San Joaquin
  - » San Mateo
  - » Santa Barbara
  - » Sonoma
  - » Stanislaus
  - » Tulare
  - » Ventura



### Applying for concurrent retirement

When you complete your *Service Retirement Application*, indicate that you want to service retire concurrently. We will request information from your other retirement system to calculate your benefit. You may experience a delay in receiving your full benefit amount while we exchange information with the other retirement system. If you have fewer than five years of service credit, you will not receive a CalSTRS benefit until we confirm your eligibility for concurrent retirement.

- CalSTRS may only use compensation earnable from another retirement system for pay periods in which compensation earnable associated with CalSTRS service is not available.

Member of other eligible California public retirement system.

Retire on the same day.

Additional retirement benefits for applying together.

Defined Benefit Program only.

# Social Security, CalSTRS and You



## Social Security, CalSTRS and You

Get the facts on two federal rules that may affect you

As a California public school educator, you do not contribute to Social Security, so you will not receive a Social Security benefit for your CalSTRS-covered employment when you retire.

If you or a spouse paid into Social Security through non-CalSTRS covered employment, two federal rules, the Windfall Elimination Provision and the Government Pension Offset, may be used in the calculation of your Social Security benefit. Social Security is a federal program, and neither CalSTRS nor the State of California has control over eligibility requirements or benefit calculations.

These rules affect only your Social Security benefit. Your CalSTRS retirement benefit will not change.



### Windfall Elimination Provision

This federal rule affects your Social Security benefit that is based on your earnings from other employment.

- May reduce your Social Security benefit, but it will not eliminate it.
- Reduces the income replacement ratio covered under the first component of the Social Security benefit formula, known as a bend point, to as low as 40%. If you paid Social Security taxes on substantial earnings for:
  - **Up to 20 years**—This provision reduces the 90% factor of the Social Security computation formula to 40%.
  - **21 to 29 years**—The 40% factor increases incrementally from 45% to 85%.
  - **30 or more years**—There is no reduction to your Social Security benefit.

The following example was created based on a member turning 62 in 2022 with average Social Security-covered earnings of \$2,000.



### Social Security substantial earnings

Social Security substantial earnings are defined each year. Here is a sampling:

1980	\$5,100
1990	\$9,525
2000	\$14,175
2010	\$19,800
2021	\$26,550

### What does this mean for me?

Visit the Social Security Administration's website to learn how the formula will affect you. Go to [ssa.gov/gpo-wep](https://ssa.gov/gpo-wep) for more information, including links to calculators that can provide personalized estimates.

## Windfall Elimination Provision

May reduce but cannot eliminate your Social Security benefit.

## Government Pension Offset

Reduces and may eliminate your spousal, widow or widower Social Security benefit.

Contact the Social Security Administration for more information.



# Working After Retirement



## Working After Retirement

### Know the rules

You can continue to receive your full CalSTRS service retirement benefit, with no earnings limitations, if you take a job outside the California public school system. This includes work in private industry, private schools, public schools outside of California, and the University of California or California State University system.

If you return to work after service retirement and perform retired member activities in the California public school system (prekindergarten through community college), including substitute teaching, as an employee, an independent contractor or an employee of a third party, you're subject to restrictions under state and federal law, including a separation-from-service requirement and a postretirement earnings limit. In addition, you cannot work in a classified position except, under certain circumstances, as a teacher's aide.



#### Separation-from-service requirement

Your retirement benefit will be reduced dollar for dollar by any compensation earned for performing retired member activities during the first 180 calendar days following your most recent retirement effective date, up to your benefit payable during that period.

There is a very narrow exemption from the separation-from-service requirement if you have reached normal retirement age, your appointment is required to fill a critically needed position, the governing body of your employer approved your appointment by resolution at a public meeting, you did not receive any financial inducement to retire, and your termination of service was not the cause of the need to acquire your services. Your employer must submit the required documentation to CalSTRS substantiating your eligibility for the exemption. CalSTRS must receive an exemption request and required documentation before you begin working.

**Cash Balance Benefit Program participants:** The separation-from-service requirement also applies to you if you're a Cash Balance Benefit Program participant.

- If you receive your retirement benefit as an annuity, your payments will be reduced dollar for dollar by any compensation earned from retired participant activities during the first 180 calendar days following your retirement.
- If you receive your retirement benefit as a lump-sum payment, in most cases your benefit will not be payable until 180 calendar days after the date you terminated employment. If you perform creditable service during this waiting period, your retirement will be canceled, and you will not receive your benefit payment. The waiting period may vary for participants who are subject to the federal required minimum distribution rule. Contact us to learn more.

Please note, if you're a retired Defined Benefit Program member and return to work, you cannot contribute to the Cash Balance Benefit Program.



If you belong to another California public retirement system, depending upon the specific circumstances, you may be subject to earnings or hourly limitations under that system.

## Separation-from-service requirement

Benefit reduced dollar for dollar by the amount you earn in CalSTRS-covered employment during first 180 calendar days of retirement.

## Annual postretirement earnings limit

- Benefit reduced dollar for dollar for earnings in excess of the annual limit.
- Earnings limit changes every fiscal year.

# Be your own advocate

- Create your *myCalSTRS* account.
- Review your CalSTRS *Retirement Progress Report* annually.
- Subscribe to CalSTRS' online newsletter.
- Verify your one-time death benefit information is correct.



# For more information

## Online resources

Part-time educator  
webpage

*myCalSTRS*

*Retirement  
Progress Report*

## Benefits planning session

Individual benefits  
planning session

## Attend a workshop or webinar

Consolidation of Benefits

Cash Balance Benefit Program

Additional Income Sources for  
Part-time Educators

[calstrs.com/webinars](http://calstrs.com/webinars)

# Questions?



**CalSTRS.com**  
*myCalSTRS*



**800-228-5453**  
**Monday – Friday**  
**8 a.m. – 5 p.m.**