

Questions: How accurate or close is the CTA calculator?  
Pretty accurate

What percentage of your check goes to state and federal?  
Varies depends on what you claim on state and federal taxes

How do you get a meeting with a councilor? Online.  
Priority goes to people retiring within the year or disability.

Danny Thompson and Bob Mazzio (Walnut) presenters



Calstrs hybrid

\*Defined benefit

Risk free

Guaranteed for life

Goes in 1st of month

Based on formula not your contribution

We put in about 200,000 which would last about 4 years however CalSTRS invests our benefits which is why our benefits last a life time.

\*D B Supplement - started Jan 1, 2001

From 2000-2010 2% of salary went into DBS but stopped in 2010

Now 8% of all extra pay for extra work and district matches that

When time to retire we could ask for: Lump sum payment (and/or roll it over to TSA) and/or monthly annual payment, if your balance is at least \$3500 for 3-10 years or lifetime.

\*Calstrs pension- TSA, 403b, what I choose

CTA:

Retire 60-65% pay rate about \$3500 a month

100% close to 40 years of service

Survivor benefit

Disability benefit- disabled for at least 12 months

Has a nice plan- pension

One time death benefit

403bcompare.com 403b aka TSA

Call 888 number to get info

Submit retirement application to CalSTRS

Employer:

Determine salary and pay rate

District provides health care and employee benefit

Retirement incentives

Report contact and earnings to CalSTRS

Resolve service credit

Sick leave balance - a day of credit count to retirement

Reduced workload balance

Three benefits: if you pass away

Retirement

Disability

Survivor

Contribution:

Employer 8.25%

Employee 8%. Strs on check

State used to put in a couple percent but hasn't since crisis

Social security put in 6.25% - we get more

Defined benefit formula

Service credit x age factor x final compensation = member only benefit

Service credit only | service credit a year:

Extra money goes into supplement

Unused sick leave converts to service credit : redeposit or permissive

Redeposit allows you to restore the service credit represented by refunded contributions

Dissolution of marriage - ex gets money out of your retirement. You can buy that time back they took out. You can put that money back to get full benefits.

Purchase service credit for following reasons:

Non-member service, Out of service, sabbatical, maternity/paternity/adoption leave, family care



Age factor:

Highest age factor 2.4%

CALSTRS 2% at 60

61 1/2 2.2 + .2 = 2.4%

Add .2 for teaching 30+ years

Final compensation: Salary divide by 12 months = final compensation

Top one year of salary - 25 years or more of service credit

Or top three years of salary - taught less than 25 years

Member only benefit:

Highest possible monthly benefit

Monthly benefit for you lifetime

Annual 2% non-compensated increase

Increase your retirement benefit

Convert unsick leave

Increase salary

Work longer

Can unsick sick leave go towards your 30 years? Unsick sick leave in excess of .20 service credit. (See a councilor about this)

30 years of service before Jan 1, 2011 - longevity bonus around \$200-\$400 a month added to retirement

Plan for state and federal taxes taken out of monthly check, may take out money for health benefit

Long term subs will not have money taken out for CalSTRS so do not count as service credit.

Example:

Maria 61.5 years old

Husband is 62

Mortgage is paid in full

Set on retiring this year

30.8 service credit x 2.2% + .2 = 2.4% age factor x final compensation =

65 unused sick days divide 182 school contract year = .357 service credit increase

$30.8 + .357 = 31.157$  service credit

$30.8 \text{ service credit} \times 2.2\% + .2 = 2.4\% \text{ age factor} \times \$5416 \text{ final compensation} = \$4350$  approximately 75%

Salary divide by 12 months (not 10 months) = final compensation

Benefit options: Should I elect an option? / based on my age and spouse age

Example:

\$4350 based Olivia

100% beneficiary option: I get 3730 / spouse gets when I die 3730. Spouse dies/ member only 4350

75% 3885 / 2914

50% 4076 / 2038

Compound option - leave money to more than one person

CalSTRS retires you the day after you die. Your beneficiary would get the option immediately

Once you pick an option, you may choose another BUT you will have to pay (fine) if you decide to change your beneficiary option.

Preparing for retirement:

Create a preretirement plan

When you want to retire?

Gather info

Include family

CALSTRS monthly retirement, insurance,

Retirement income goal

Consider the gaps in your plan

Use calculator to find out

Gap: what you want to make vs how much you are going to make?

1) CALSTRS retirement

2) TSA

3) Supplement (look at page 3 of CTA to see how much you would get monthly)

Subtract 1-3 from how much you want to make and you find gap.

What type of health benefits from day I retire to age 65?

What will the district pay of health benefits due AFTER age 65?



At age 65 you get Medicare (talk to counselor)

Create a post retirement plan

Working after retirement

Once you retire if you work at CalSTRS covered position

Within six months from retiring, you salary will be subtracted from CalSTRS

After six months, you can work at CalSTRS position get full amount of retirement plus earn up to \$42,000

If you work **outside** of CalSTRS position, you can earn salary and still get retirement at any time

Social Security (talk to SS Office to find out more info)

Teachers can get social security if you fall under certain circumstances. Discuss with social security office.

Resign from district

Retire from CalSTRS

Last day of school could be day you resign and next day you retire even if it a Saturday or Sunday (resign on June 10 and retire on June 11).

Whatever day you retire is your anniversary date. After first year,

October 1 is when you get 2% annual

Your first couple checks will be less because district takes awhile to catch up. But you will get adjustment checks to make the difference. After about 2 months, you will get you regular checks.

1-800-228-5453

Will only give first priority to people who will retire first

Give paperwork to CalSTRS around April 1 for retirement

Plan 2-3 months before retirement

