



The Great Second Half

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Retirement Workshop

Agenda

- The CalSTRS Defined Benefit Program
- Enhancements
- 2012 Legislative CalSTRS Reforms
- CalSTRS Unfunded Liability
- Social Security Offsets
- Medicare A, B and D
- Informational Sources

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PEPRA

Public Employees' Pension Reform Act

- Changes for new members who begin covered employment on or after January 1, 2013

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New Member Changes

- Age Factor is lower at 55 (1.16), age 62 is 2.0 and goes to 65 for maximum 2.4 with no 30 year career factor
- Minimum payment of 50% of normal cost for new members
- Cap for creditable compensation (7/1/16 to 6/30/17) set at 120% of SS maximum (\$137,941)
- 3 highest consecutive years for final compensation factor

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CalSTRS Retirement Benefit Structure

- \$500 per year, paid in quarterly installments of \$125.00
- Teacher required to have 30 years of teaching service – at least half of which, including the 10 years prior to retirement, is in California schools
- No survivor benefits
- CalSTRS was established in 1913 and is 103 years OLD!!!!

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The CalSTRS Defined Benefit Program

- CalSTRS Calculations
- Age and Career Factors
- Examples
- Options for Survivor Benefits

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STRS Calculation

For unit members with fewer than 25 years of service
or 2% at 62 members:

**Average Creditable Salary for highest 3
consecutive years of service (normally
last 3 years), or Ed Code 22136 may apply**

Or

For unit members with 25 years of service or more:

**Average creditable salary for last or
highest year
times (x)**

Your years of service

(to which is added accumulated sick leave days
divided by required # of days in the work year)

times (x)

Retirement factor

For 2% at 60 members - .014 at age 55 to
.024 at age 63 and beyond. Factors different for
those hired on or after 1/1/2013

AGE FACTORS for 2% at 60 members Effective January 1, 1999

55 Years and	Age Factor	w/Career Factor	56 years and	Age Factor	w/Career Factor	57 years and	Age Factor	w/Career Factor
0 months	1,400	1,600	0 months	1,520	1,720	0 months	1,640	1,840
1 month	1,410	1,610	1 month	1,530	1,730	1 month	1,650	1,850
2 months	1,420	1,620	2 months	1,540	1,740	2 months	1,660	1,860
3 months	1,430	1,630	3 months	1,550	1,750	3 months	1,670	1,870
4 months	1,440	1,640	4 months	1,560	1,760	4 months	1,680	1,880
5 months	1,450	1,650	5 months	1,570	1,770	5 months	1,690	1,890
6 months	1,460	1,660	6 months	1,580	1,780	6 months	1,700	1,900
7 months	1,470	1,670	7 months	1,590	1,790	7 months	1,710	1,910
8 months	1,480	1,680	8 months	1,600	1,800	8 months	1,720	1,920
9 months	1,490	1,690	9 months	1,610	1,810	9 months	1,730	1,930
10 months	1,500	1,700	10 months	1,620	1,820	10 months	1,740	1,940
11 months	1,510	1,710	11 months	1,630	1,830	11 months	1,750	1,950
58 Years and	Age Factor	w/Career Factor	59 Years and	Age Factor	w/Career Factor	60 Years and	Age Factor	w/Career Factor
0 months	1,760	1,960	0 months	1,880	2,080	0 months	2,000	2,200
1 month	1,770	1,970	1 month	1,890	2,090	1 month	2,010	2,210
2 months	1,780	1,980	2 months	1,900	2,100	2 months	2,020	2,220
3 months	1,790	1,990	3 months	1,910	2,110	3 months	2,033	2,233
4 months	1,800	2,000	4 months	1,920	2,120	4 months	2,033	2,233
5 months	1,810	2,010	5 months	1,930	2,130	5 months	2,033	2,233
6 months	1,820	2,020	6 months	1,940	2,140	6 months	2,033	2,233
7 months	1,830	2,030	7 months	1,950	2,150	7 months	2,067	2,267
8 months	1,840	2,040	8 months	1,960	2,160	8 months	2,067	2,267
9 months	1,850	2,050	9 months	1,970	2,170	9 months	2,100	2,300
10 months	1,860	2,060	10 months	1,980	2,180	10 months	2,100	2,300
11 months	1,870	2,070	11 months	1,990	2,190	11 months	2,100	2,300
61 Years and	Age Factor	w/Career Factor	62 Years and	Age Factor	w/Career Factor	63 Years and	Age Factor	w/Career Factor
0 months	2,133	2,333	0 months	2,267	2,400	and older	2,4	2,4
1 month	2,133	2,333	1 month	2,267	2,400			
2 months	2,133	2,333	2 months	2,267	2,400			
3 months	2,133	2,333	3 months	2,267	2,400			
4 months	2,167	2,367	4 months	2,300	2,400			
5 months	2,167	2,367	5 months	2,300	2,400			
6 months	2,167	2,367	6 months	2,333	2,400			
7 months	2,200	2,400	7 months	2,333	2,400			
8 months	2,200	2,400	8 months	2,333	2,400			
9 months	2,233	2,400	9 months	2,367	2,400			
10 months	2,233	2,400	10 months	2,367	2,400			
11 months	2,233	2,400	11 months	2,367	2,400			

Electing an Option

How can I provide continuing benefits to a survivor if I should pre-decease my spouse/domestic partner?

An Option is a plan feature that allows you to choose to distribute your retirement allowance over both your life and the life of your option beneficiary. If you wish to have a beneficiary receive a monthly income after your death, you may elect one of the following options. One you elect an option, your choice is irrevocable, except under very limited circumstances.

Full Member Benefit Option

The "full member benefit option" provides the member with the unmodified amount of retirement. Under this choice, the member receives the most money in retirement; however, upon the member's death, no ongoing money is provided to anyone else.

100% Beneficiary Option

This option provides the member with a modified monthly retirement allowance. Upon the member's death, the beneficiary will continue to receive the same modified allowance that the member received. If the option beneficiary pre-deceases the member, the member's allowance will rise to the "full member benefit option."

75% Beneficiary Option

This option provides the member with a monthly retirement allowance that is higher than the "100% beneficiary option" and upon the member's death the option beneficiary receives 75% of the monthly amount that the member received while living.

50% Beneficiary Option

This option provides the member with a monthly retirement allowance that is higher than the "75% beneficiary option" and upon the member's death the option beneficiary receives 50% of the monthly amount that the member received while living.

Combination Option

This option allows the member to designate two or more option beneficiaries, to designate the percentage of the continued allowance the member wishes them to receive, and to choose different option plans for each beneficiary.

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EXAMPLE OF A SECOND CAREER RETIREMENT BENEFIT CALCULATION

YEARS OF SERVICE:

(24 years and sick leave .75)

Total years of credit 24.75 years

X

AGE AT RETIREMENT: 64

X

HIGHEST SALARY FOR 36 MONTHS
DIVIDED BY 3:

$\$72,000 + \$74,000 + \$76,000 = \$222,000$

divided by 3 = \$74,000

$24.75 \text{ years} \times .024 \times \$74,000 = \$43,956$

**THIS IS UNMODIFIED ALLOWANCE
OPTION ALLOWANCES WILL BE LOWER**

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EXAMPLE OF A LIFETIME CAREER RETIREMENT BENEFIT CALCULATION

YEARS OF SERVICE:

(34.5 years and sick leave .5)
Total years of credit 35 years

X

AGE AT RETIREMENT:

61 and 6 months (.024)

X

HIGHEST SALARY FOR 12
CONSECUTIVE MONTHS: \$78,000

35 years x .024 x \$78,000 =
EQUALS \$65,520

**THIS IS UNMODIFIED ALLOWANCE
OPTION ALLOWANCES WILL BE LOWER**

CalSTRS Calculator 30 plus years service credit Retirement Benefits Calculator

Estimate Your Retirement Benefits

Read the disclaimer before using the calculator.

Are you under the **CalSTRS 26 at 60** benefit structure? Yes No
Members under this benefit structure include those that had on or before December 31, 2012 to either CalSTRS or CalPERS or were performing CalSTRS services on or after a certain date when they were performing CalPERS services.

The date you want to retire:



DOB (MM/DD/YY)

Service Credit:

\$3,000 or more

Other Service Credit:

0 - 3.5 CCR

Unusual Sick Leave Days:

Contract Base Service Days:

Do you expect to receive a two-year service credit retirement incentive? Yes No

Annual salaries from your last three years of work:
If you have 25 or more years of service credit, you only need to enter your single highest annual salary. Enter prior annual salaries only if you have less than 25 years of service credit.

This year's salary:
 Last year's salary:
 Salary two years ago:

Option Beneficiary:

None Single Beneficiary

Beneficiary's Date of Birth:

mm/dd/yyyy

Relationship:

Retirement Benefits Calculator



The information you provided:

You plan to retire: **6/20/2018**
 Your age at retirement will be: **63 years, 4 months**
 The age of your beneficiary will be: **67 years, 10 months**
 Your years of service credit will be (includes service credit, unused sick leave): **33,000**
 Your years of other service credit will be: **0,000**
 Your age factor based on your date of birth will be: **0.024**
 Your average monthly salary (final compensation): **\$7,081.75**

Retirement Calculation

The Member-Only Benefit shown below is calculated by multiplying your final compensation by your years of service credit and the age factor at the time of your retirement.

Service Credit X Age Factor X Final Compensation = Member-Only Benefit
33,000 0.024 \$7,081.75 = \$5,808.75

Your Estimated Member-Only Benefit: **\$5,808.75**

Option Beneficiary Estimate

ESTIMATED MODIFIED BENEFITS (For options elected at retirement)			
FOR A SINGLE BENEFICIARY			
Option	Member	Beneficiary Survivor	Member Survivor
30%	\$5,357.17	\$2,878.74	\$5,808.75
75%	\$5,218.50	\$3,814.62	\$5,808.75
100%	\$5,023.75	\$5,023.75	\$5,808.75

For more information about your beneficiary options, visit [Electing an Option](#).

CalSTRS Calculator 25 years or less service credit Retirement Benefits Calculator

Estimate Your Retirement Benefits
 Read the disclaimer before using this calculator.

Are you under the **FASTERS 2% at 60 benefit structure?**

Members under the FASTERS structure include those that need or of before December 31, 2012 to perform CalSTRS activities under a different retirement system, including Social Security.

The date you want to retire:

Yes No

06/20/2018

Your date of birth:

02/07/1955

Years of Service Credit you expect to have at retirement:

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Do not include unused sick leave, retirement vacation and nonqualified "off time" service.

Years of Other Service Credit you expect to have at retirement:

0

Nonqualified "off time" service. Do not include retirement incentive service credit.

Enter the amount of **Sick Leave Credit**:

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Do you expect to receive a two-year service credit **Retirement Incentive?**

Yes No

Annual salaries from your last three years of work if you have 25 or more years of service credit. You only need to enter your single highest annual salary. Enter prior annual salaries only if you have less than 25 years of service credit.

This year's salary: 81821
 Last year's salary: 82821
 Salary two years ago: 82921

Option Beneficiary:

None Single Beneficiary

Beneficiary's Date of Birth:

09/19/1935

Relationship:

Spouse

Calculate Reset

Retirement Benefits Calculator



The information you provided:

Your plan to retire: **6/20/2016**
 Your age at retirement will be: **63 years, 4 months**
 The age of your beneficiary will be: **67 years, 10 months**
 Your years of service credit will be (includes service credit, unused sick leave): **21.553**
 Your years of other service credit will be: **0.000**
 Your age factor based on your date of birth will be: **0.024**
 Your average monthly salary (final compensation): **\$8,970.84**

Retirement Calculation

The Member-Only Benefit shown below is calculated by multiplying your final compensation by your years of service credit and the age factor at the time of your retirement.

Service Credit X Age Factor X Final Compensation = Member-Only Benefit
21.553 X **0.024** X **\$8,970.84** = **\$3,602.37**

Your Estimated Member-Only Benefit **\$3,602.37**

Option Beneficiary Estimate

ESTIMATED MODIFIED BENEFITS FOR A SINGLE BENEFICIARY (for options elected at retirement)			
Option	Member	Beneficiary Service	Member Benefit
30%	\$3,440.85	\$1,720.40	\$3,002.37
75%	\$3,952.37	\$2,514.27	\$3,002.37
100%	\$3,228.84	\$3,228.84	\$3,002.37

For more information about your beneficiary options, visit [Beneficiary and Option](#).

Additional Examples to get to enhancements for 2% @ 60 members

- To get to highest year compensation at 25 yrs.

	Not Eligible	Eligible
Age	63 = 2.4% factor	63 = 2.4% factor
Salary	\$80,000 \$82,000 \$84,000	\$84,000
Service	24.75 yrs.	24.85 yrs.
Sick Leave	0.75	0.75
Total Service	25.50 yrs.	25.60 yrs.
Unmodified Benefit	\$50,184	\$51,609

Additional Examples to get to enhancements for 2% @ 60 members

- To get extra 0.2 factor at 30 yrs.

	Not Eligible	Eligible
Age	61.5 = 2.2% factor	61.5 = 2.2% factor + 0.2%
Salary	\$84,000	\$84,000
Service	29.75 yrs.	29.85 yrs.
Sick Leave	0.75	0.75
Total Service	30.50 yrs.	30.60 yrs.
Unmodified Benefit	\$56,364	\$61,689

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Pre-Retirement Counseling

- It is recommended that you schedule a pre-retirement conference when you reach age 55. You are eligible to pre-elect an option beneficiary at this point in your career.
- Contact a CalSTRS counselor, refer to Member Handbook or go online at www.calstrs.com

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The Enhancements

Defined Benefit Supplemental Program

Purchasing Additional Service Credit

Improvements in the CalSTRS DB Program

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Defined Benefit Supplement Program (DBS)

- DBS account will be funded by redirecting ¼ of the member's 8% contribution (or 2%) to CalSTRS from January 1, 2001 until January 1, 2011.
 - No impact on the Defined Benefit allowance
 - Participation in the DBS is automatic
- As of July 1, 2002, contributions for service in excess of 1.0 year are credited to DBS account
- Includes member contributions and up to 8% of employer contributions
- Previously excluded service is creditable
 - Overhead (6th period assignments)
 - Extracurricular
 - Summer School
 - Extra-duty assignments
- Previously excluded compensation for creditable service is creditable
 - Allowance
 - Bonuses
 - Stipends
- Generally, if it is taxable cash income payable to everyone in a class of employees, it is creditable
- Service up to 1.0 year is credited to DB program as additional credited service and compensation related to that service is included in final compensation
- Member and employer contributions for service over 1.0 year will be credited to member's DBS account
- Began January 1, 2001
- Cannot borrow against account balance
- Does not affect maximum exclusion amount for 403(b)
- No rollovers into DBS allowed
- No additional contributions allowed
- Retirement benefits are distributed as lump-sum, annuity (with at least \$3,500 on account) or a combination of both upon retirement, disability, or death
- Lump-sum termination benefit requires one year waiting period after terminating defined benefit service
- Account earns interest at rate established by CalSTRS Board (5% in 2001-02)
- 2% COLA applies to annuity
- Third Party Record Keeper to maintain DBS data
 - Provide access to member's accounts via internet and automated telephone system
 - Separate check
 - Separate 1099R
 - Separate annual statement of account
- Reimbursement for job-related expenses continue to not be creditable

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PURCHASING ADDITIONAL SERVICE CREDIT

- Sabbatical Leave
- Certain active military service
- UC Service
- Maternity/Paternity leave
- Family Care and Medical Leave
- Out of state public school teaching
- Teaching as a substitute

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Improvements in STRS Benefits, 1997-2004

In the past five years, CTA has succeeded in securing the enactment of legislation to dedicate some \$26 billion in STRS moneys for pension increases. Those CTA backed bills, all signed into law, are summarized here. (* CTA sponsored bill.)

1997-1998 Session

AB 1102 (Kroxy)* Increases the maximum age factor from 2.0% to 2.4%, allows all STRS members to apply any unused sick leave towards retirement, and creates a new career bonus of 0.2% at 30 years of service.

SB 1027 (Schiff)* Allows the purchase of up to 10 years of out of state service credit.

SB 2126 (Schiff)* Allows the purchase of up to five years of "air time" service credit. (Note: Air time does not count towards the bonuses.)

1999-2000

AB 429 (Correa)* Increases pensions between 1% to 6% for those who retired prior to 1998.

AB 816 (Correa)* Clarifies that the Willie Brown Act (part time service with full-time retirement credit) can be bargained to be in the contract for fewer than ten years.

AB 820 (Correa)* Specifies that the purchase of prior service credit can be for less than the total number of years worked.

AB 821 (Correa)* Bases pensions on the single highest 12 months of compensation for those with 25 or more years of service who retire after 1/1/01.

AB 1509 (Machado) Creates the Defined Benefit Supplement, (DBS) a new annuity maintained by STRS for each member to be funded from the automatic reversion of one-quarter of each STRS member's STRS contribution. STRS to apply an annual interest rate, plus current 2% annual "COLA" (Applies only to those working any period of time between 1/1/01 - 1/1/11, unless extended by law). This annuity can be withdrawn at retirement without affecting the regular defined benefit (DB) pension.

AB 1733 (Wildman)* Until 1/1/08, eliminates the post-retirement earnings limitation which reduces pensions for those whose teaching salary exceeds the limit provided that they have "set out" for a year (without STRS service credit). Also raises the limit to \$22,000, adjusted annually after 1/1/08. Applies to all STRS members.

AB 1933 (Strom-Martin)* Creates a new Longevity Bonus of \$200, \$300 or \$400 per month, for 30, 31 or 32 years of service, respectively. Applies to those with 30+ years of service prior to 1/1/11 (can continue to build service after 1/1/11 to qualify for the \$300/\$400 bonuses if you have 30 years by 1/1/11).

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AB 2700 (Lempert)* Effective 7/1/02, all compensation outside the regular assignment subject to STRS (usual STRS employee/employer contributions to be made). Credit to be applied to DBS (annuity) not the DB.

SB 713 (Burton)* Increases the minimum pension to \$15,000 increasing to \$20,000 for those with 20-30 years of service.

SB 1505 (Burton)* Extends the SB 713 benefit to those with 19.5 years of service, those who were on disability or were inactive at the time of retirement.

SB 1666 (Alarcon) Until 7/1/05, exempts those providing direct K-12 instruction from the post-retirement earnings limitation.

2001-2002

AB 135 (Hevick)* Increases from 75% to 80% the purchasing power inflation offset for retired educators.

SB 165 (O'Connell)* Allows all vested PERS members who go into teaching to remain in PERS rather than move to STRS coverage.

SB 334 (Ortiz)* Allows retired STRS members to reinstate for minimum of two years to qualify for any higher benefits enacted after their prior retirement date.

2004-2005

AB 1852 (Mullin) Authorizes any member who retires prior to Jan 1, 2011 to elect to receive a specified lump sum payment upon retirement and an actuarially reduced allowance.

SB 102 (Burton) Authorizes member to apply sick leave in an amount up to 20% of the number of days in the employee's work year to count as "real time" in the classroom. (Example: 182 day work year x 20% = 36 days.)

2012 Pension Reform

- New member changes starting January 1, 2013
- Changes that impact current members January 1, 2013

New Member Changes

- Age Factor is lower at 55 (1.16), age 62 is 2.0 and goes to 65 for maximum 2.4 with no 30 year career factor
- Minimum payment of 50% of normal cost for new members
- Cap for creditable compensation (7/1/16 to 6/30/17) set at 120% of SS maximum (\$139,320)
- 3 highest consecutive years for final compensation factor

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New Member Changes

- Excludes bonuses, cash in lieu and allowances from DBS
- DBS remains the same for extra earnings

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Current and New Member Changes

- 180 day wait-out period for all members for \$0 earnings limit
- \$41,732 earnings limit for CalSTRS creditable work in a fiscal year, July 1 to June 30
- Felons forfeit benefits if job related conviction

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CalSTRS Unfunded Liability

- CalSTRS' actuarial valuation projected an estimated shortfall of \$74 billion to the Defined Benefit Plan. A solution to the shortfall had to be found or CalSTRS would not be able to meet its obligations.
- The shortfall was initially created by the dot-com bust in 2001 and followed by the 2008 global financial market collapse
- The shortfall is like a mortgage and is based on a 30-year projection
- The Legislature and Governor addressed the CalSTRS Unfunded Liability with the passage of AB 1469. The passage of this bill guaranteed that CalSTRS will not have funding issues and has greatly diminished the unfunded liability.

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CalSTRS Unfunded Liability

AB 1469 will increase contributions from the State, employer and employee (Increased contributions till 2046)

CalSTRS Increased Contribution Table (AB 1469)

Fiscal Year	State	Employer	Employee	Total
2014-15	8.15%	8.15%	3.45%	8.88%
2015-18	9.20%	8.56%	4.89%	10.73%
2016-17	10.25%	9.205%	6.33%	12.58%
2017-18	10.25%	9.205%	6.33%	14.43%
2018-19	10.25%	9.205%	6.33%	16.28%
2019-20	10.25%	9.205%	6.33%	18.13%
2020-21	10.25%	9.205%	6.33%	19.10%

Consistent Increase of 1.85%

CalSTRS Unfunded Liability - AB 1469

- Different contribution increase for employees
- In exchange for an increase in employee contributions, employees who pay the higher employee contribution will now be guaranteed a 2% COLA, non compounding
- The higher contributions made by employers will come from within the current Prop. 98 funding
- The CalSTRS Board will have to review the Unfunded Liability every five years starting in July 1, 2019
- The CalSTRS Board will have the authority to increase or decrease the State and employer contribution rate

Social Security Offsets

Windfall Elimination
Provision

Government Pension Offset

Materials from CalSTRS,
CTA, NEA, and SSA about
the SS Offsets

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Windfall Elimination Provision

(applies to you as a wage earner)

Social security offset amount determined the year you turn 62. The offset amount does not change. In 2016 the amount is \$428 if you had less than 20 years of substantial earning.

You will receive the higher of the two.

Windfall provision is eliminated after 30 years of substantial Social Security Earnings.

Method 1

Social Security Benefit:
\$500

Offset amount in 2016 =
\$428

Calculation:
\$500 - \$428 = \$72 mo.
benefit

Method 2

Social Security Benefit:
\$500

Calculation:
½ of benefit (\$500) =
\$250 mo. benefit

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Social Security Offset Table

Maximum Monthly Amount Your Benefit May Be Reduced Because Of The Windfall Elimination Provision (WEP)*
Years of Substantial Earnings

ELY or less	20	21	22	23	24	25	26	27	28	29	30
1990	\$178.0	\$163.2	\$142.4	\$124.6	\$106.8	\$89.0	\$71.2	\$53.4	\$35.6	\$17.8	\$0.0
1991	185.0	166.5	146.0	128.5	111.0	92.5	74.0	55.5	37.0	18.5	0.0
1992	192.5	174.2	154.8	135.5	116.1	96.8	77.4	58.1	38.7	19.4	0.0
1993	200.5	180.5	160.4	140.4	120.3	100.3	80.2	60.2	40.1	20.1	0.0
1994	211.0	189.9	168.8	147.7	126.6	105.5	84.4	63.3	42.2	21.1	0.0
1995	213.0	191.7	170.4	149.1	127.8	106.5	85.2	63.9	42.6	21.5	0.0
1996	218.5	196.7	174.8	153.0	131.1	109.3	87.4	65.6	43.7	21.9	0.0
1997	227.5	204.8	182.0	159.3	136.5	113.8	91.0	69.3	45.5	22.8	0.0
1998	236.5	214.7	190.8	167.0	143.1	119.3	95.4	71.6	47.7	23.9	0.0
1999	252.5	227.3	202.0	176.6	151.5	126.3	101.0	75.8	50.5	25.3	0.0
2000	265.5	239.0	212.4	185.9	159.3	132.8	106.2	78.7	53.1	26.6	0.0
2001	280.5	252.5	224.4	196.4	168.3	140.3	112.2	84.2	56.1	28.1	0.0
2002	296.0	266.4	236.6	207.2	177.6	148.0	118.4	89.8	59.2	29.6	0.0
2003	303.0	272.7	242.4	212.1	181.8	151.5	122.4	90.9	60.6	30.3	0.0
2004	306.0	275.4	244.6	214.2	183.6	153.0	123.4	91.8	61.2	30.6	0.0
2005	313.5	282.2	250.6	219.5	186.1	156.8	125.4	94.1	62.7	31.4	0.0
2006	328.0	295.2	262.4	229.6	196.8	164.0	131.2	98.4	65.6	32.8	0.0
2007	340.0	306.0	272.0	236.0	204.0	170.0	136.0	102.0	68.0	34.0	0.0
2008	355.5	320.0	284.4	245.9	213.3	177.8	142.2	106.7	71.1	35.6	0.0
2009	372.0	334.8	297.6	250.4	223.2	186.0	148.8	111.6	74.4	37.2	0.0
2010	380.5	342.5	304.4	266.4	228.3	190.3	153.2	114.2	76.1	38.1	0.0
2011	374.5	337.1	299.6	262.2	224.7	187.3	149.8	112.4	74.9	37.5	0.0
2012	383.5	345.2	305.6	268.5	230.1	191.8	154.4	115.1	76.7	38.4	0.0
2013	395.5	356.0	316.4	276.9	237.3	197.8	158.2	116.7	78.1	39.6	0.0
2014	405.0	367.2	326.4	285.6	244.8	204.0	162.2	122.4	81.6	40.8	0.0
2015	413.0	371.7	330.4	289.1	247.8	206.5	165.2	123.9	82.6	41.3	0.0
2016	426.0	385.2	342.4	299.6	256.8	214.0	171.2	128.4	85.6	42.8	0.0

*These figures are the maximum amount you may be overpaid. The WEP reduction is limited to one-half of your Social Security benefit based on covered earnings.

Social Security Substantial Earnings

Year	Substantial earnings	Year	Substantial earnings
1937-1954	\$900	1991	\$9,900
1955-1958	\$1,050	1992	\$10,350
1959-1965	\$1,200	1993	\$10,725
1966-1967	\$1,650	1994	\$11,250
1968-1971	\$1,950	1995	\$11,325
1972	\$2,250	1996	\$11,625
1973	\$2,700	1997	\$12,150
1974	\$3,300	1998	\$12,675
1975	\$3,525	1999	\$13,425
1976	\$3,825	2000	\$14,175
1977	\$4,125	2001	\$14,925
1978	\$4,425	2002	\$15,750
1979	\$4,725	2003	\$16,125
1980	\$5,100	2004	\$16,275
1981	\$5,550	2005	\$16,725
1982	\$6,075	2006	\$17,475
1983	\$6,675	2007	\$18,150
1984	\$7,050	2008	\$18,975
1985	\$7,425	2009-2011	\$19,800
1986	\$7,875	2012	\$20,475
1987	\$8,175	2013	\$21,075
1988	\$8,400	2014	\$21,750
1989	\$8,925	2015-2016	\$22,050
1990	\$9,525		

Government Pension Offset

- The Government Pension Offset (GPO) impacts a government pension earner if the are or were married to a Social Security wage earner.
- The impact occurs when the government pension earner, begins to collect their government pension (CalSTRS benefit).
- Does not have an impact of the Social Security wage earner.

Calculation

CalSTRS member benefit: \$3,000

Spouse Social Security benefit: \$1,200

Under GPO a government pension earner benefit is offset by 2/3 of their benefit. 2/3 of your CalSTRS benefit is \$2,000 and you were entitled to \$1,200 as a Social Security spousal benefit your CalSTRS benefit is higher than your Social Security benefit then you will receive **NO** benefit from Social Security.

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Medicare at Age 65

Structure of Medicare

Medicare Eligibility

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Medicare Eligibility

- Have 40 credits in Medicare on your own account, or...
- Have been married for 10 years to a Social Security eligible recipient with 40 credits (even if divorced), but not remarried to a spouse who doesn't qualify), or...
- Did a Medicare only buy-in in 1991, or...
- Covered by 40 credits of Social Security work of own account, or...
- Earn 4 credits per year as an Educator in a district after April 1, 1986
- Eligibility for benefit starts at age 65, not changing like Social Security.

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Structure of Medicare

Part A

- Hospitalization
- Skilled Nursing
- Home Care
- Hospice
- Cost is nothing if eligible or sliding scale with less than full eligibility

Part B

- Doctor's bills
- Outpatient hospital care
- Some medical services
- For 2016 the base rate will be either \$104.90 or \$121.80*
- Estimated base rates for 2017 will be either \$107.60 or \$149.00*

** Could be higher based on income*

Part D

- Prescription Drugs

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Information Sources

- Contacting CalSTRS
- Contacting Social Security
- Activist Resources
- Thank you for Educating our California children and adults

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Contact CalSTRS, Social Security, and Medicare

- CalSTRS is easy to reach at 800-228-5453 or www.calstrs.com or www.calpers.ca.gov
- Social Security and Medicare www.socialsecurity.gov or www.medicare.gov
- Use the phone book or google for an office in your community

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Activist Resources

- **CTA** for what's happening in CA
www.cta.org/Issues/Retirement
- **CTA/NEA Retired**
<http://www.cta.org/About-CTA/Who-We-Are/CTA-NEA-Retired.aspx>
- **NEA** for national information on what is being done to eliminate the Social Security Offsets (WEP/GPO)
www.nea.org/home/16491.htm
- **National Institute on Retirement Security** for research and education on defined benefits plans and retirement security "Pensionomics" tools are incredible!
www.nirsonline.org

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Are you Ready or just planning for Retirement?

- There are many considerations to plan for a secure retirement as now you know.
- Create your plan, see a CalSTRS counselor and/or other advisors.
- Consult with a spouse, or family members, or significant others.
- Review the websites for valuable information in your planning process. It's never too early or too late to plan!
- Help CTA/NEA eliminate the Social Security offsets! Contact your Representative.
- Thank you for coming and educating yourself about your own future.
- Keep up the great work you do everyday in your classroom and public school. You are doing the most important job there is in our communities, educating the future citizens of California!!! Thank you.

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**For materials referenced
during this workshop
and supplemental
materials please access
the box below:**

[HTTPS://APP.BOX.COM/RETIREMENT](https://app.box.com/retirement)