Join CalSTRS? Join CalPERS?
Decide which retirement system is best for you
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This guide is based on the California Teachers’ Retirement Law and the California Public Employees’ Retirement Law as of January 1, 2015. If there is a conflict between this information and the law, the law prevails.
As you begin your new position, use this booklet to help you decide which retirement system is the best choice for you to achieve your retirement goals.

**Contact CalSTRS**

Ask your employer for a copy of the CalSTRS Member Handbook or find it online at CalSTRS.com/publications.

Go online to CalSTRS.com for more information. Check to see if pending or new legislation may affect your decision at CalSTRS.com/legislation, or contact your union or legislative representative.

Email a secure message to CalSTRS from your myCalSTRS account or CalSTRS.com/contactus.

Call CalSTRS at 800-228-5453.

**Contact CalPERS**

Ask your employer for the booklet, What You Need to Know About Your School Benefits. You can also download or request a copy by mail at calpers.ca.gov.

Go online to calpers.ca.gov for more information and any legislative changes under consideration.

Call CalPERS at 888-CalPERS (888-225-7377).
California Public Employees’ Pension Reform Act of 2013
The California Public Employees’ Pension Reform Act of 2013 made significant changes to the benefits for members first hired to perform service under CalSTRS and CalPERS on or after January 1, 2013.

CalSTRS
CalSTRS now has two benefit structures:

Members under CalSTRS 2% at 60 include those:

• First hired to perform creditable service on or before December 31, 2012.

• Who were members of a concurrent retirement system under Education Code section 22115.2 on or before December 31, 2012, and performed service in that system within six months of becoming a CalSTRS member.

• Hired to perform creditable service on or after January 1, 2013, who were first hired to perform creditable service before 2013 but who refunded, reinstated, retired, started as nonmembers or elected to have their creditable service covered by another retirement plan, including Social Security.

Members under CalSTRS 2% at 62 are those first hired to perform creditable service on or after January 1, 2013.

For more information, see the CalSTRS Member Handbook, available at CalSTRS.com/publications.

CalPERS
Benefits for CalPERS school members who first become members on or after January 1, 2013, also changed as a result of the California Public Employees’ Pension Reform Act of 2013.

School members under the CalPERS 2% at age 55 benefit formula include those:

• Who became members of CalPERS on or before December 31, 2012, and have remained CalPERS members without a break in service of more than six months.

• Who became members of CalPERS on or before December 31, 2012, and have had a break in service of more than six months but returned to work for the same employer. A change in employment between state entities or from one school employer to another is considered service with the same employer.

• Who were members of CalSTRS or any other reciprocal public retirement system on or before December 31, 2012, and become a member of CalPERS within six months of performing service creditable to CalSTRS or terminating membership in a reciprocal system.

School members under the CalPERS 2% at age 62 benefit formula include those:

• Who first became members of CalPERS on or after January 1, 2013.

• Who first became members of CalPERS on or before December 31, 2012, but have had a break in service of more than six months and returned to work for a different employer. A change in employment between state entities or from one school employer to another is not be considered service with a different employer.

• Who were members of CalSTRS or another reciprocal public retirement system on or before December 31, 2012, but become a member of CalPERS after a break in service of six months or more.

For more information, visit calpers.ca.gov (select Members, then Active Members, then School Employee).
Choosing Your Retirement System

This brochure outlines the differences between CalSTRS and CalPERS if you are changing from a job covered by one retirement system to a job covered by the other retirement system. For example, if you are in a classified position covered by CalPERS and accept a certificated position covered by CalSTRS, you may be eligible to choose to join CalSTRS or remain with CalPERS. Ask your employer or call your current retirement system for eligibility requirements. This important choice is yours.

Staying With Your Current Retirement System

To remain with your current system, submit the Retirement System Election form to your new employer within 60 days of your effective date in your new position. Ask your new employer for the form or go to CalSTRS.com to download or order a copy.

Changing Your Retirement System

Do nothing for 60 days and you automatically become a member of the retirement system covering your new position.

If you decide to become a member of the retirement system covering your new position, here are some additional choices to consider:

- If eligible, you may retire from your former system and become an active member of the new system. If you’re not eligible to retire, you may keep your account with the old retirement system and have dual membership in both systems. You can later retire from both systems at the same time. For more information, see page 19.

- You may take a refund of your contributions in the previous system. CalSTRS and CalPERS have different rules about taking a refund. If you take a refund, you lose all rights to benefits from that system unless you later become a member of that system again and redeposit your contributions plus interest.

Note: If you retire from CalSTRS, you cannot work in a classified position after retirement, except as a teacher’s aide under certain circumstances, without affecting your retirement benefit. See page 9.

You have 60 days from the effective date of your new position to complete and submit the paperwork to stay with your previous retirement system. If you do nothing, you will become a member of the new system.
CalSTRS & CalPERS
Both calculate your retirement benefit based on your years of service (service credit) in the retirement system, your retirement age (age factor) and your final compensation:

\[ \text{service credit} \times \text{age factor} \times \text{final compensation} = \text{basic retirement benefit} \]

The Difference
Age factors are different. See Age Factor tables on page 13.

CalSTRS
CalSTRS 2% at 60: Final compensation is based on the average of your highest 36 consecutive months of annual compensation earnable if you have fewer than 25 years of service credit, or the average of your highest 12 consecutive months of annual compensation earnable if you have 25 or more years of service credit. If you were hired on or after July 1, 1996, under Internal Revenue Code section 401(a)(17), the cap on compensation that can be counted toward your retirement for 2014–15 is $260,000. For 2015–16, this limit increases to $265,000.

CalSTRS 2% at 62: Final compensation is based on the average of your highest annual compensation earnable for 36 consecutive months, regardless of years of service credit. For 2014–15, the cap on compensation that can be counted toward your retirement benefit is $137,941.

CalPERS
CalPERS 2% at 55 school members: Your final compensation is the monthly average of your highest 12 or 36 consecutive months of full-time equivalent pay rate and special compensation. If you were hired on or after July 1, 1996, under Internal Revenue Code section 401(a)(17), the cap on compensation that can be counted toward your retirement for 2014–15 is $260,000. For 2015–16, this limit increases to $265,000.

CalPERS 2% at 62 school members: Your final compensation is the monthly average of your highest 36 months of full-time equivalent pay rate and special compensation. If your service is coordinated with Social Security, the compensation cap used to calculate your benefit is equal to the Social Security wage base, which is $118,500 in 2015. If your service is not coordinated with Social Security, the compensation cap used to calculate your benefit is equal to 120 percent of the Social Security wage base, which is $142,200 in 2015. The actual compensation cap depends on the year of the retirement and is adjusted annually based on the Consumer Price Index for All Urban Consumers.

The Difference
Final compensation is calculated differently for each retirement system, and each system has a different compensation cap.
3 When can I retire?

**CalSTRS**

**CalSTRS 2% at 60:** You can retire as early as age 50 with 30 years of service credit or at age 55 with five years of service credit—or fewer, if retiring concurrently from certain other California public retirement systems.

**CalSTRS 2% at 62:** You can retire at age 55 with five years of service credit—or fewer, if retiring concurrently from certain other California public retirement systems.

**CalPERS**

**CalPERS 2% at 55 school members:** You can retire at age 50 with five years of service credit.

**CalPERS 2% at 62 school members:** You can retire at age 52 with five years of service credit, if all service credit was earned on or after January 1, 2013.

**The Difference**

Minimum retirement ages and years of service are different for each system. Also see page 19.

4 What is my total retirement contribution?

**CalSTRS**

Under the 2014 CalSTRS full funding plan, you contribute 8.15 percent of your earnings toward retirement for 2014–15. You also pay 1.45 percent for Medicare if you were hired after April 1986, or if you elected to participate in Medicare under your employer’s Medicare division election.

**CalSTRS 2% at 60:** Your rate increases to 9.2 percent in 2015–16, and to 10.25 percent in 2016–17.

**CalSTRS 2% at 62:** Your rate increases over two years to a cap of about 9.21 percent, assuming no changes to the normal cost of the benefits.

**CalPERS**

**CalPERS 2% at 55 school members:** You contribute 7 percent of your earnings toward retirement.

**CalPERS 2% at 62 school members:** The percentage of your contribution is intended to be an amount that will cover half of the normal cost of your benefit. For the 2014–15 fiscal year, your contribution rate is 6 percent.

You also pay 1.45 percent for Medicare, and most members pay 6.2 percent for Social Security on earnings up to $118,500 for 2015.

**The Difference**

Contribution rates vary. CalSTRS members earn no credits for Social Security benefits while most CalPERS members contribute to Social Security benefits, so may contribute a higher percentage of their salary toward retirement.
What annual adjustments are made to my benefit?

**CalSTRS**

**Annual benefit adjustment:** Your retirement benefit is increased by 2 percent of your initial benefit beginning September 1 after the first anniversary of your retirement date. The annual benefit adjustment is not compounded or tied to the cost of living.

**Quarterly supplemental payments:** If your benefit falls below 85 percent purchasing power, you’ll receive quarterly supplemental payment.

**CalPERS**

Beginning May 1 of your second calendar year of retirement, your initial benefit is increased up to 2 percent per year, compounded annually, unless the rate of inflation is lower. CalPERS pays monthly supplemental payments when the benefit falls below 75 percent of purchasing power.

**The Difference**

The CalSTRS annual benefit adjustment is not compounded; the CalPERS annual benefit adjustment is compounded annually to reflect inflation and does not have a fixed rate. CalSTRS purchasing power protection is 85 percent and paid quarterly; CalPERS purchasing power protection is 75 percent and paid monthly.
Can I work in education after I retire?

**CalSTRS**
You can continue to receive your full CalSTRS retirement benefit with no earnings limit if you take a job in a private school, private industry, public school outside of California, or for any other non-CalSTRS employer, including the University of California or California State University systems. If you return to work after retirement in a CalSTRS covered position, including substitute teaching, in the California public school system as an employee, an independent contractor or an employee of a third party, there are restrictions under state and federal law:

- You cannot work in a classified position except, under certain circumstances, as a teacher’s aide.
- Under the separation-from-service requirement, also known as the zero-dollar earnings limit, your CalSTRS retirement benefit will be reduced by the amount you earn in a CalSTRS-covered position during the first 180 calendar days following your most recent retirement date, up to your benefit amount payable during that period.
- There is an annual limit to the amount of money you can earn without affecting your retirement benefit. For fiscal year 2014–15, the postretirement earnings limit is $40,173.

If you retire under the Retirement Incentive Program, you’ll lose the ongoing increase in your benefit from the incentive if you return to work in any job with the employer that granted the incentive within five years of retirement.

Under a very narrow exemption through June 30, 2017, if you return to work in specific positions appointed by the State Superintendent of Public Instruction, county superintendent of schools, State Board of Education or Board of Governors of the California Community Colleges to assist schools in financial or academic distress, you may be exempt from the postretirement earnings limit.

See “After You Retire” in the *CalSTRS Member Handbook*.

**CalPERS**
If you retire from CalPERS, you can accept a temporary assignment as a retired annuitant for a CalPERS employer, including school employers, for up to 960 hours in a fiscal year. Accepting a permanent position, whether working fewer than 960 hours in a fiscal year or more than 960 hours in a fiscal year, requires reinstatement.

A 180-day waiting period is required for all retired annuitants except under a certain exemption approved by a county office of education. The 180-day waiting period starts from the date of retirement. If you’re under normal retirement age (age 55 for 2% at 55 members; age 62 for 2% at 62 members), you must have a bona fide separation and no verbal or written agreement to return to work as a retired annuitant between you and any CalPERS employer before you retired.

See the *Employment After Retirement* booklet, at calpers.ca.gov.

**The Difference**
Retirement benefits from both can be affected by postretirement work. For CalSTRS, you cannot return to work in a classified position without affecting your benefit; CalPERS work limitations affect both classified and certificated positions.
**CalSTRS**
You have disability benefits under one of the CalSTRS disability benefit programs: Coverage A or Coverage B. **Coverage A:** hired on or before October 15, 1992, unless you elected Coverage B before April 1993; **Coverage B:** hired after October 15, 1992.

If you have five years of service credit (or one year, if injured by a violent act on the job), your disability benefit generally is 50 percent of your final compensation, plus 10 percent for each eligible child up to 90 percent of your final compensation.

If you were disabled while on active military duty and are unable to return to CalSTRS-covered employment, you may apply for a CalSTRS disability benefit if you meet the other eligibility requirements.

You can apply for service retirement and disability at the same time if you’re otherwise eligible to service retire. This will enable you to receive a monthly retirement income while your disability application is being evaluated.

If you’re not actively employed in a CalSTRS-covered position, you are not eligible for a CalSTRS disability benefit.

See the *Your Disability Guide* at CalSTRS.com/publications.

**Coverage A:** At normal retirement age your disability benefit ends and you may apply for service retirement. You’ll receive an ongoing benefit equal to the lesser of your disability benefit or your retirement benefit.

If you are over age 45 with fewer than 10 years of service credit, your disability benefit is 5 percent of your final compensation X years of service credit. For example, with seven years of service credit, your benefit would be 35 percent of your final compensation.

**Coverage B:** You’ll receive a disability benefit for as long as your disability continues.

**CalPERS**
If you have between five and 10 years of service credit—or 18.5 years or more of service credit—your disability formula is 1.8 percent X years of service credit X final compensation. If you have between 10 and 18.5 years of service credit, your disability retirement benefit may be improved up to 33.333 percent of final compensation. If you qualify for service retirement, you’ll receive your service retirement benefit if the amount is greater than the disability retirement. You also may be eligible for disability benefits under Social Security.

**The Difference**
Disability benefits paid by CalSTRS are generally higher than those paid by CalPERS, but CalPERS members also may be eligible for disability benefits under Social Security. In addition, CalSTRS benefits increase if there are dependent children; CalPERS provides no coverage for dependent children.
8 What is my employer’s contribution?

CalSTRS
Your employer contributes 8.88 percent of your salary in 2014–15. The rate will increase over the next seven years to 19.1 percent in 2020–21. Employer contributions are not credited to your Defined Benefit account but are deposited in the Teachers’ Retirement Fund to help pay the benefits for all members and their beneficiaries. They are not refundable to you.

Your employer also contributes 1.45 percent for Medicare if you were hired after April 1986, or if you elected to participate in Medicare under your employer’s Medicare division election.

CalPERS
The rate of your employer’s contribution varies year to year. These contributions are paid into your employer’s account. For 2014–15, CalPERS school employers will contribute 11.771 percent of compensation. They are not refundable to you.

The Difference
CalSTRS employer contributions are set by law, though CalSTRS has limited authority to set rates to respond to economic conditions. CalPERS adjusts employer contributions periodically by actuarial valuation.

9 Do I participate in Social Security?

CalSTRS
No, and any Social Security benefits you earn from other employment or receive as a spouse may be reduced when you start receiving your CalSTRS retirement benefit.

CalPERS
In most cases, yes, if you were hired after 1959. However, there are spousal Social Security exceptions.

The Difference
CalSTRS members neither contribute to nor earn Social Security benefits. Also, CalSTRS-covered service may reduce previously earned Social Security benefits from other employment. Contact the Social Security Administration at 800-772-1213 or visit socialsecurity.gov to learn more. Most CalPERS school employees contribute to Social Security.
10 Will I have health coverage in retirement?

CalSTRS and CalPERS
If you are covered by the Public Employees’ Medical and Hospital Care Act, you’re eligible for health benefits if you are enrolled upon separation and retire within 120 days of your separation date. If you get health care from other sources, coverage depends on your bargaining agreement. Contact your employer to learn more.

The Difference
There is no difference.

11 Do I earn an extra monthly benefit for a long career?

CalSTRS
CalSTRS 2% at 60: With 25 years of service credit or more, your benefit is based on the average of your highest 12 consecutive months of average annual compensation earnable. With fewer than 25 years of service credit, it is based on your highest 36 consecutive months of average annual compensation earnable.

With 30 or more years of service credit, your age factor is increased by 0.2 percent. This is called a career factor. The maximum combined age factor and career factor is 2.4 percent.

With at least 30 years of service credit earned on or before December 31, 2010, your benefit is increased by a longevity bonus:

<table>
<thead>
<tr>
<th>Service Credit at Retirement</th>
<th>Longevity Bonus</th>
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<tbody>
<tr>
<td>30 years</td>
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<tr>
<td>31 years</td>
<td>$300/month</td>
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<tr>
<td>32 years</td>
<td>$400/month</td>
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</table>

CalSTRS 2% at 62: The career factor, 12-month final compensation and longevity bonus benefit enhancements are not available.

CalPERS
CalPERS does not offer any special benefit enhancements as a reward for career longevity.

The Difference
CalSTRS offers a career factor and longevity bonus for members under the CalSTRS 2% at 60 benefit structure. CalPERS does not offer a longevity bonus.
## What are the age factors?

### Age Factor Comparison for Members First Hired Before January 1, 2013

<table>
<thead>
<tr>
<th>Age</th>
<th>CalSTRS*</th>
<th>CalPERS</th>
<th>Age</th>
<th>CalSTRS*</th>
<th>CalPERS</th>
</tr>
</thead>
<tbody>
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<td>1.64</td>
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<tr>
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<td>2.064</td>
<td>63+</td>
<td>2.40</td>
<td>2.50</td>
</tr>
</tbody>
</table>

*Career factor: Add 0.2 percent to the age factor for 30 years of service credit, up to 2.4 percent.

†Must have 30 or more years of service credit to retire.

### The Difference

CalSTRS and CalPERS have different age factors. The age factor is the percent of final compensation you’re entitled to receive for each year of service credit.

**CalSTRS members under the 2% at 62 benefit structure cannot retire earlier than age 55.**
CalSTRS
Yes. You must complete your purchase before your retirement date. Service credit you may be eligible to purchase:

- Redeposit of withdrawn funds.
- Certain active U.S. military service.
- Job Corps or Peace Corps service (certain restrictions apply).
- Teaching in a publicly supported and administered California university not already credited.
- Maternity or paternity leave approved by your employer.
- Sabbatical leave approved by your employer.
- Family medical leave under the federal Family and Medical Leave Act or the California Family Rights Act approved by your employer.
- Service prior to membership in part-time or substitute work.
- Fulbright Teacher Exchange Program leave.
- Out-of-state or foreign school service.
- Certificated teaching in a child care center, school for the blind or deaf, or Native American school in California.
- Prior service covered under the CalSTRS Cash Balance Benefit Program.

CalPERS
Yes. You must request to purchase service credit before retirement; you can make payments into retirement. You cannot have a retirement date before the date of your request to purchase service credit. Service credit you may be eligible to purchase:

- Redeposit of withdrawn funds.
- Military service.
- Peace Corps, AmeriCorps or AmeriCorps VISTA service.
- Educational or sabbatical leave.
- Temporary job-related disability or illness.
- Maternity or paternity leave.
- Service prior to membership while serving a qualification period or while employed on a temporary, seasonal or less than half-time basis.
- Employment as an elected or appointed official.
- Leave to work in a local, state or foreign governmental agency or nonprofit organization.
- Lay-off periods from public agency employment.
- Service for time spent working for an employer before it began contracting with CalPERS.
- Alternate Retirement Program, if applicable.
- Serious illness.

The Difference
Both allow you to buy service credit for certain activities. In some cases, an activity may be covered by one system and not the other. You must complete your purchase of CalSTRS service credit before retirement. You can continue making payments for CalPERS service credit after retirement.
**CalSTRS**

If you made retirement contributions to CalSTRS on or after January 1, 2001, as a Defined Benefit member, you have a Defined Benefit Supplement account. Your Defined Benefit Supplement account provides an additional retirement benefit. Your Defined Benefit Supplement account receives funds from two sources:

- Earnings in excess of one year of service credit. You and your employer each contribute 8 percent of your earnings in excess of one year to your Defined Benefit Supplement account. Your contributions in excess of 8 percent on these earnings will be returned to you by your employer.
- For CalSTRS 2% at 60 members, special limited-term payments or one-time retirement incentive payments.

From January 1, 2001, to December 31, 2010, one-fourth of your 8 percent contribution for service creditable to the Defined Benefit Program was redirected to your Defined Benefit Supplement account. This redirection did not affect your CalSTRS retirement benefit. Your entire member contribution for service creditable to the Defined Benefit Program is now credited to your Defined Benefit member account.

**CalSTRS 2% at 60:** If you became a member on or after July 1, 1996, for 2014–15, the Internal Revenue Code section 401(a)(17) compensation cap is $260,000 from all sources.

**CalSTRS 2% at 62:** For 2014–15, the compensation cap is $137,941 from all sources.

**CalPERS**

CalPERS does not have a supplemental account.

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**The Difference**

CalSTRS members have a supplemental account for retirement; CalPERS members do not.

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You can only purchase a refund from the system that issued it—you cannot redeposit a CalPERS refund into CalSTRS or vice versa.

**CalSTRS**

If you terminate CalSTRS membership, receive a refund of contributions and interest, and later return to CalSTRS or a retirement system that offers concurrent retirement with CalSTRS—such as CalPERS—you can purchase all or some of the CalSTRS service credit. The cost will include interest your refund would have earned. If you received more than one refund, multiple refund costs are combined for a total cost.

**CalPERS**

If you terminate CalPERS membership, receive a refund of contributions and interest, and later return to CalPERS or become a member of a reciprocal retirement system—such as CalSTRS—you can purchase all or some of the CalPERS service credit represented by the refund. The cost will include interest your refund would have earned. If you received more than one refund, you may repurchase the service credit represented by the refund in reverse chronological order; that is, you can repurchase your most recent refund first.

**The Difference**

CalSTRS combines multiple refunds; CalPERS allows you to repurchase multiple refunds in reverse chronological order.
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What benefits do my survivors receive if I die before I'm eligible to retire?

Coverage A
If you have Coverage A—you were a member on or before October 15, 1992, and you did not elect Coverage B—and have at least one year of service credit, your designated one-time death benefit recipient may receive a lump-sum payment, currently $6,163. In addition, for a surviving spouse or registered domestic partner with dependent children, the monthly survivor benefit equals 40 percent of your final compensation plus 10 percent of final compensation for each eligible dependent child under age 22, for a benefit up to 90 percent of your final compensation.

Your surviving spouse or partner with no eligible dependent children receives either a lump-sum payment of your accumulated Defined Benefit member contributions and interest, or a monthly lifetime benefit. The calculation is based on the projected service credit and final compensation you would have accrued had you retired at normal retirement age. If the monthly benefit is paid before normal retirement age, the amount is actuarially reduced.

Coverage B
If you have Coverage B—you became a member on or after October 16, 1992—and at least one year of service credit, your designated recipient may receive a lump-sum death benefit, currently $24,652. If a monthly survivor benefit is not payable, a lump-sum refund of your contributions and interest is paid to your one-time death benefit recipient. Your surviving spouse or partner can choose between the lump-sum refund of your contributions and interest, or a monthly survivor benefit based on your age and your partner's or spouse's age as of the date you would have reached normal retirement age. This monthly benefit would be one-half of the modified survivor benefit.

If your spouse or partner elects the lump-sum refund, no benefits are payable to dependent children. If you have dependent children and your surviving spouse or partner receives a monthly benefit, an additional benefit, equal to 10 percent of your final compensation, is paid for each child under age 21, up to 50 percent for five or more children.

CalPERS
Your survivors receive the Basic Death Benefit equal to a return of your contributions and interest, plus a month of average monthly earnings for each year of service up to six months’ salary, if you die within 120 days (four months) of separating from CalPERS.

If you’re not covered by Social Security, you may be eligible for the 1959 survivor benefit, which is an additional benefit of up to $1,800 per month payable to an eligible surviving spouse or registered domestic partner—to whom you have been married or in a partnership for at least one year before your death or before the occurrence of the injury or the onset of the illness that resulted in your death—who has care of: unmarried children under age 22; eligible disabled unmarried children; unmarried children under age 22; an eligible surviving spouse or partner over age 60; or dependent parents. To be eligible, you must have been paying a fee, generally $2 per month. If you’re covered by Social Security, you may be eligible for survivor benefits through the Social Security Administration rather than through the 1959 Survivor Benefit program.

The Difference
Under CalSTRS, your surviving spouse or registered domestic partner may choose a lump-sum payment or a monthly benefit, with additional provisions for dependent children. CalPERS pays a Basic Death Benefit, or if eligible, a monthly benefit to your surviving spouse, partner or unmarried children only if certain requirements are met. Social Security may also provide survivor benefits to survivors of CalPERS members covered by Social Security.
CalSTRS
If you didn’t elect a preretirement option beneficiary, your survivors may receive the same coverage as Question 16. If you elected a preretirement option, your option beneficiary receives benefits based on the option you elected plus the one-time death benefit. In addition, your option beneficiary can choose a period-certain annuity or a lump-sum payment equal to the balance in your Defined Benefit Supplement account.

To elect a preretirement option beneficiary, you must be eligible for retirement or at least age 55 and eligible to service retire concurrently from CalPERS or certain other California public retirement systems. If you’re a concurrent member, age 55 or older with less than five years of CalSTRS service credit, we will verify your retirement eligibility as of the date of your death. If you were ineligible for concurrent retirement when you made your preretirement election, your election will be void.

CalPERS
Your survivors receive the Basic Death Benefit equal to a return of your contributions and interest, plus up to six months’ pay. Alternatively, your spouse or registered domestic partner—to whom you have been married or in partnership for at least one year before your death or before the occurrence of the injury or the onset of the illness that resulted in your death—or your children under 18, can receive a monthly benefit equal to 50 percent of what your highest service retirement benefit would have been had you retired on the date of death. Your survivors can receive only one, not both, of these benefits.

Members not covered by Social Security may be eligible for the 1959 survivor benefit, which is an additional benefit of up to $1,800 per month payable to an eligible surviving spouse or registered domestic partner who has care of unmarried children under age 22, to unmarried children under age 22, to an eligible surviving spouse or registered domestic partner over age 60, or to dependent parents. To be eligible, you must have been paying a fee, generally $2 per month.

If you’re an employee for a state agency or California State University rather than a school employee, check with CalPERS because these benefits may vary.

The Difference
CalSTRS allows you to make a preretirement election of an option and name someone to receive a lifetime monthly benefit upon your death when you are eligible to retire. Under CalPERS, you cannot make a preretirement election. In the absence of a preretirement election, both systems provide survivor benefits to specific family members. The amounts paid to survivors may vary.
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What benefits do my survivors receive if I die after I retire?

CalSTRS
Your designated one-time death benefit recipient will receive the current lump-sum death benefit of $6,163. If you elect one of the four CalSTRS retirement options, your option beneficiary’s benefit will be based on the option you elected. You can also choose from one of several annuities or a lump-sum payment if you have a Defined Benefit Supplement account. If you didn’t elect a retirement option, CalSTRS will refund your remaining member contributions and interest to your one-time death benefit recipient or to your estate, if you didn’t name a recipient.

CalPERS
Your beneficiary’s lump-sum death benefit is generally $2,000. (School employers can contract for a $2,000, $3,000, $4,000 or $5,000 lump-sum benefit.) If you elected the option specifically providing a return of unused contributions, your beneficiary will be refunded any remaining contributions and interest. In addition, a survivor’s continuance allowance, equal to 25 percent of your unmodified retirement benefit, if service is coordinated with Social Security, or 50 percent of the unmodified benefit, if service is not coordinated with Social Security, will be paid to your eligible surviving spouse or registered domestic partner, unmarried minor children, eligible disabled adult children, or dependent parents. If you elected a modified benefit, your beneficiary’s benefit is based on the option you elected.

The Difference
CalSTRS has a higher lump-sum death benefit than CalPERS. CalPERS pays an additional survivor continuance benefit, regardless of whether you elect a reduced or basic benefit. Both systems generally have the same options for beneficiary benefits.
## Dual Membership

If you decide to have your new employment covered by your new retirement system, you have the additional decision of whether to keep your account in your previous retirement system or take a refund. You cannot combine service into one system. If you keep service credit in both systems, you could retire concurrently. If you take a refund, you’ll lose all benefits under that retirement system. Before taking a refund, carefully consider the consequences.

Here is an overview of the rights and benefits of CalSTRS and CalPERS members to help you with your decision.

<table>
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<tr>
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<th>CalSTRS</th>
<th>CalPERS</th>
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<tbody>
<tr>
<td><strong>Concurrent Employment</strong></td>
<td>When you’re concurrently employed in a CalSTRS-covered position and a position covered by another retirement system during your final compensation period, compensation earnable under CalSTRS is used to determine final compensation even if you retire concurrently with another system.</td>
<td>When concurrent employment occurs during the final compensation period, the highest compensation earned under either system is used in determining final compensation if you retire from both systems concurrently.</td>
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<tr>
<td><strong>Concurrent Retirement</strong></td>
<td>You may retire from a position covered by another retirement system in which you have concurrent membership on the same day you retire for service from your CalSTRS-covered position—or on different dates as long as there is no creditable service performed with either system between the two retirement dates.</td>
<td>Your final compensation will be calculated using the highest final compensation under either CalPERS or CalSTRS as long as you retire from both systems concurrently. Also see Reciprocity.</td>
</tr>
<tr>
<td><strong>Changing Retirement Systems</strong></td>
<td>You may leave service credit and contributions with CalSTRS and become a member of CalPERS, UCRS, LRS, SFCCRS or 1937 Act County retirement systems.</td>
<td>You may leave service credit and contributions with CalPERS and become a member of CalSTRS, UCRS, LRS, JRSI, JRSII or 1937 Act County or local reciprocal public retirement systems.</td>
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<tr>
<td><strong>Redeposit Rights</strong></td>
<td>If you were a CalSTRS member and took a refund, you’re eligible to redeposit all or a portion of your refunded CalSTRS contributions and interest with CalSTRS if you are a member of CalSTRS, CalPERS, UCRS, LRS, SFCCRS or 1937 Act County retirement systems. If you’re a former CalSTRS member, you don’t have to be employed by a CalSTRS employer while paying for the redeposit.</td>
<td>If you left CalPERS, took a refund of your contributions, and subsequently return to CalPERS-covered employment or are a member of CalSTRS, UCRS, LRS, JRSI, JRSII or a 1937 Act county or local reciprocal public retirement system, you may redeposit the refund and accumulated interest to CalPERS to reestablish service credit and membership. If you’re a former CalPERS member, you don’t have to be employed by a CalPERS employer while paying for the redeposit.</td>
</tr>
<tr>
<td><strong>Reciprocity</strong></td>
<td>CalSTRS does not have reciprocity.</td>
<td>CalPERS has an agreement with many California public retirement systems that allows you to move from one system to the other without loss of benefits. However, your retirement contributions and service credit do not transfer.</td>
</tr>
<tr>
<td><strong>Refund Restriction</strong></td>
<td>You’re eligible to refund your CalSTRS contributions and interest upon terminating CalSTRS-covered employment. You must contact the other retirement system to determine the effect of a refund on your status with that system.</td>
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<td><strong>CalSTRS 2% at 60:</strong> Age 50 with at least 30 years of service credit or as early as age 55 with at least five years of service credit—or fewer, if retiring concurrently from certain other California public retirement systems.</td>
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<td><strong>CalSTRS 2% at 62:</strong> Age 55 with five years of service credit—or less, if retiring concurrently from certain other California public retirement systems.</td>
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<tr>
<td><strong>Minimum Age for Retirement</strong></td>
<td>Age 50 with five years of service credit. If you became a new member on or after January 1, 2013, you must be at least age 52 to retire.</td>
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</tr>
<tr>
<td><strong>CalSTRS 2% at 60:</strong> Age 50 with at least 30 years of service credit or as early as age 55 with at least five years of service credit—or fewer, if retiring concurrently from certain other California public retirement systems.</td>
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<td><strong>Minimum Service Credit Requirement for Retirement</strong></td>
<td>Only CalSTRS service credit is used in calculating your CalSTRS benefit.</td>
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<td>If you’re eligible to receive a benefit from another retirement system, you may retire for service after reaching age 55 regardless of your years of service credit, provided service retirement is concurrent with service retirement from at least one of the other systems. Only CalSTRS service credit is used in calculating your CalSTRS benefit.</td>
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<tr>
<td><strong>CalSTRS 2% at 60:</strong> Final compensation is based on your highest 36 consecutive months of average annual compensation earnable if you have fewer than 25 years of service credit, or your highest 12 consecutive months of average annual compensation earnable if you have 25 or more years.</td>
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<tr>
<td><strong>CalSTRS 2% at 62:</strong> Final compensation is based on your highest average annual compensation earnable for 36 consecutive months, regardless of years of service credit.</td>
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<tr>
<td><strong>Final Compensation</strong></td>
<td>CalPERS uses the highest full-time monthly pay rate for 12 or 36 consecutive months of employment and may include special compensation. CalPERS uses your full-time pay rate, not your earnings. See page 6 for more information.</td>
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<tr>
<td>CalSTRS may use the salaries for your service performed under the other retirement system to calculate your CalSTRS retirement benefit if you retire for service concurrently and do not perform creditable service with both retirement systems during the same pay period. CalPERS uses the highest full-time monthly pay rate for 12 or 36 consecutive months of employment and may include special compensation. CalPERS uses your full-time pay rate, not your earnings. See page 6 for more information.</td>
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<td><strong>Employment After Retirement</strong></td>
<td><strong>You can continue to receive your full CalSTRS retirement benefit with no earnings limitation, if you take a job outside of CalSTRS-covered employment, including work in a private school, private industry, public school outside of California, or the University of California or California State University systems.</strong></td>
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<td><strong>You may retire from CalPERS and accept employment with another public retirement system without affecting your retirement benefit.</strong></td>
<td><strong>If you return to work after retirement in a CalSTRS covered position, including substitute teaching, in the California public school system as an employee, an independent contractor or an employee of a third party, there are restrictions under state and federal law:</strong></td>
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<td><em>You cannot work in a classified position except, under certain circumstances, as a teacher’s aide.</em></td>
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<td><em>Under the separation-from-service requirement, also known as the zero-dollar earnings limit, your CalSTRS retirement benefit will be reduced by the amount you earn during the first 180 calendar days following your most recent retirement date, up to your benefit amount payable during that period.</em></td>
<td><em>Under the separation-from-service requirement, also known as the zero-dollar earnings limit, your CalSTRS retirement benefit will be reduced by the amount you earn during the first 180 calendar days following your most recent retirement date, up to your benefit amount payable during that period.</em></td>
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<td><em>There’s an annual limit to the amount of money you can earn without affecting your retirement benefit. For fiscal year 2014–15, the postretirement earnings limit is $40,173. There is a very narrow exemption to the earnings limit. See page 9.</em></td>
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<td>If you retire under the Retirement Incentive Program, you’ll lose the ongoing increase in your benefit from the incentive if you return to work in any job with the employer that granted the incentive within five years of retirement.</td>
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<td><strong>You may retire from CalPERS and accept temporary employment to work 960 hours or less in a fiscal year with a CalPERS-covered employer as a retired annuitant.</strong></td>
<td><strong>See &quot;After You Retire&quot; in the CalSTRS Member Handbook</strong></td>
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<td><strong>You may retire from CalPERS and accept temporary employment to work 960 hours or less in a fiscal year with a CalPERS-covered employer as a retired annuitant.</strong></td>
<td><strong>You cannot accept a permanent part-time appointment in a CalPERS-covered position, even if the hours worked will be less than 960 hours in a fiscal year, unless you reinstate.</strong></td>
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<td><strong>See the Employment After Retirement publication in the Forms &amp; Publication Center at calpers.ca.gov.</strong></td>
<td><strong>Service retirees accepting a permanent position under CalPERS must submit an application to reinstate from retirement.</strong></td>
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<td><strong>Disability or industrial retirement retirees must be approved to work in a permanent position under CalPERS and must submit medical documentation with the application to reinstate from retirement.</strong></td>
<td><strong>Reinstatement From Retirement</strong></td>
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<td><strong>You may terminate your service retirement and reinstate to active member status. If you reinstate, you may not be eligible for concurrent retirement for a subsequent retirement unless you retire again from another retirement system.</strong></td>
<td><strong>You may retire from CalPERS and accept employment with another public retirement system without affecting your retirement benefit.</strong></td>
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<td><strong>You may retire from CalPERS and accept temporary employment to work 960 hours or less in a fiscal year with a CalPERS-covered employer as a retired annuitant.</strong></td>
<td><strong>A 180-day waiting period is required for all retired annuitants employed on or after January 1, 2013, except under a certain specified exemption approved by a county office of education. The 180-day waiting period starts from the date of retirement.</strong></td>
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<td><strong>You may retire from CalPERS and accept temporary employment to work 960 hours or less in a fiscal year with a CalPERS-covered employer as a retired annuitant.</strong></td>
<td><strong>If under normal retirement age (age 55 if the highest retirement formula is 2 percent at 55), you must have a bona fide separation before accepting a temporary assignment, even if an exemption to the 180-day waiting period is approved by a county office of education.</strong></td>
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<td><strong>You cannot accept a permanent part-time appointment in a CalPERS-covered position, even if the hours worked will be less than 960 hours in a fiscal year, unless you reinstate.</strong></td>
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See "After You Retire" in the CalSTRS Member Handbook.
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<tr>
<th>Disability Benefit</th>
<th>CalSTRS</th>
<th>CalPERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>You may be eligible for a disability benefit if you meet:</td>
<td>You may be eligible for a disability benefit if you meet:</td>
<td>You may retire from CalPERS and work for a non-CalPERS employer without affecting your disability retirement benefit, with certain restrictions. Earnings limit may apply. You may retire from CalPERS and accept temporary employment to work 960 hours or less in a fiscal year with a CalPERS-covered employer as a retired annuitant. A 180-day waiting period is required for all retired annuitants employed on or after January 1, 2013, except under a certain specified exemption approved by a county office of education. The 180-day waiting period starts from the date of disability retirement. See the Employment After Retirement booklet at calpers.ca.gov.</td>
</tr>
<tr>
<td>• The eligibility requirements, including age, service credit and timelines for application and medical documentation.</td>
<td>• The definition of disabled as established for CalSTRS under the California Education Code and have a medically determined physical or mental impairment that is permanent or expected to last at least 12 continuous months. The impairment must prevent you from performing:</td>
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<tr>
<td>• The definition of disabled as established for CalSTRS under the California Education Code and have a medically determined physical or mental impairment that is permanent or expected to last at least 12 continuous months. The impairment must prevent you from performing:</td>
<td>» Your usual duties with or without reasonable modification from your employer.</td>
<td>You can apply for service retirement and disability at the same time if you’re otherwise eligible to service retire. This will enable you to receive a monthly retirement income while your disability application is being evaluated.</td>
</tr>
<tr>
<td>» Duties of a comparable level to your usual duties, which you are qualified for or can become qualified for in a reasonable period of time with education, training or experience.</td>
<td>» Employment at a comparable level at which you can earn at least $66\frac{2}{3}$ percent of your final compensation.</td>
<td>If you're not actively employed with CalSTRS, you are not eligible for a CalSTRS disability benefit. See the Your Disability Guide at CalSTRS.com/publications.</td>
</tr>
<tr>
<td>If you were disabled while on active military duty and are unable to return to CalSTRS-covered employment, you may apply for a CalSTRS disability benefit if you meet the other eligibility requirements.</td>
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<td>If you’re not actively employed with CalSTRS, you are not eligible for a CalSTRS disability benefit.</td>
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<tr>
<td><strong>Employment While Receiving a Disability Benefit</strong></td>
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</tbody>
</table>
Your disability benefit will end if:
- You return to your usual and customary job duties.
- You return to any work earning comparable salary.
- Your medical status no longer qualifies you for a CalSTRS disability benefit.
- You do not provide evidence of your continued qualification upon request.  
Additionally, your benefit will be reduced and you may become ineligible if you exceed your earnings limit.  
**Coverage A:** You are eligible to receive your monthly disability benefit until you reach normal retirement age as long as you remain disabled. At normal retirement age, your disability benefit will end, and you can apply for service retirement.  
**Coverage B:** You will receive a disability benefit for your lifetime as long as you continue to qualify. If you return to active service as a CalSTRS Defined Benefit member and later service retire, your eventual service retirement benefit will be calculated differently than if you had not received a disability benefit. This may provide for a lower service retirement benefit than if you had not received a disability benefit. |  
Disability or industrial disability retirees can be approved to work in a permanent full-time CalPERS-covered position if the duties are significantly different than the duties from the position in which they were found disabled. Retirees must report earnings and an earnings limit applies.  
See the Employment After Retirement booklet in the Forms & Publication Center at calpers.ca.gov. |