

CalSTRS Benefits Sunsetting

On December 31, 2010, three features of CalSTRS benefits will end:

Longevity Bonus

CalSTRS offers a bonus that is added to the monthly retirement allowance of any member that has at least 30 years of service credit as of December 31, 2010.

The amount of the bonus depends on the total service credit at retirement:

- 30 years = \$200 per month
- 31 years = \$300 per month
- 32+ years = \$400 per month

Eligibility for this bonus ends December 31, 2010.

The bottom line for members:

- Members who do not have 30 years by December 31, 2010, will not be eligible for the Longevity Bonus at retirement.
- Members are not required to retire by December 31, 2010, but must have 30 years of service credit by this date.

Defined Benefit Supplement Program

CalSTRS currently takes a portion of members' Defined Benefit contribution and credits it to the Defined Benefit Supplement Program:

Members contribute 8 percent of compensation = 6 percent to DB and 2 percent to DBS

After December 31, 2010, the member's entire 8 percent contribution will be credited to the DB Program and members will no longer contribute 2 percent of compensation to their DBS accounts.

Contributions to the DBS Program will continue when members earn service in excess of one full school year.

The bottom line for members:

- DBS account balances will not grow as substantially as they have in the past.
- Members should consider additional means of saving for retirement, such as a 403(b) or 457 plan.

Partial Lump Sum

When members retire, they have the option to receive part of their DB benefit as a lump-sum distribution in exchange for a permanent reduction in the monthly retirement benefit.

After December 31, 2010, members will no longer have the option of receiving a partial lump sum.

The bottom line for members:

- If members wish to have the option of receiving a partial lump sum, they must retire on or before December 31, 2010.

For more information, go to www.calstrs.com

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