California School
Employees Association
AFL-CIO

Understanding Your CalPERS Defined Benefit Rights and Rewards

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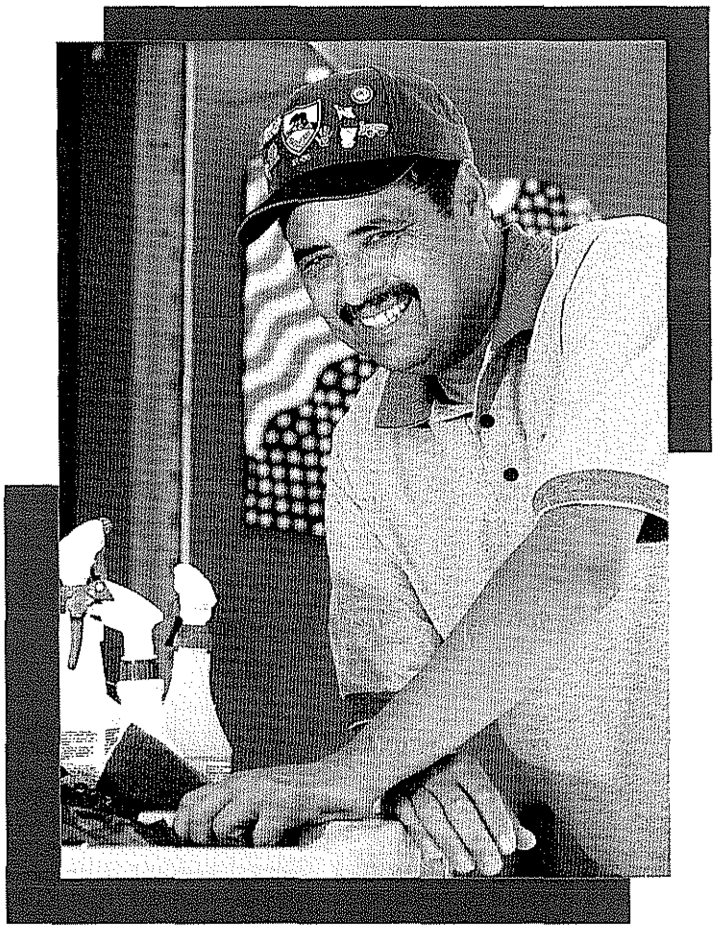

A Guide for all
Classified School Employees
contributing to ***CalPERS***

Revised January 2009

The CSEA state Pre-Retirement Resource Committee is committed to the goal of educating active classified employees of all ages about retirement benefits.

Members have many benefits and protections provided through participation in the California Public Employees Retirement System (CalPERS). It's important that each member understand the benefits they have as active employees and what will be provided in retirement.

Information in this booklet was researched by CSEA and reviewed by CalPERS. It outlines protections for active classified school employees and explains how retirement benefits are calculated. Also included, are important phone numbers for members' use.

The state Pre-Retirement Resource Committee has approved this booklet and recommends it for all classified employees contributing to CalPERS.

PLEASE NOTE: ***The benefits and procedures described are correct at the time this information is being printed. Please note that changes in CalPERS policy and legislation can take place and cause necessary revisions to the information provided.***

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CalPERS General Information and Classified Rights

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DO YOU KNOW you can increase your retirement benefit and how to go about it?

DO YOU KNOW what to do or what questions to ask if a special need such as an injury, or disabling or terminal illness occurs at any age?

DO YOU UNDERSTAND how employment decisions you make within the school system can affect future retirement benefits?

DO YOU KNOW how to choose a retirement date and what options to consider?

About CalPERS

CalPERS (California Public Employees Retirement System), is the largest, most successful public pension system in the United States. CalPERS has the second largest investment portfolio in the entire world. You can be sure your CalPERS retirement funds are very safe and GUARANTEE every member in CalPERS a LIFETIME INCOME at retirement.

Many years ago classified employees did not have a retirement program of any kind. CSEA's founders worked hard to see that legislation was introduced and passed that would make it possible for you to have a LIFETIME monthly income after retirement. We are very proud that the efforts of CSEA made you a part of CalPERS.

CalPERS also includes all state employees and employees from some 1400 different public agencies and special districts in California.

How CalPERS is Governed

CalPERS is governed by a 13-member Board of Administration. Seven members are either appointed or serve because they are elected to offices such as State Treasurer and State Controller. Six Board members are elected by CalPERS members themselves.

Of the elected members, one is a classified employee and two are members-at-large. Active school members are eligible to vote for all three Board members in these two categories. It's important to support people who will continue to pay attention to classified employees needs. Please vote in the CalPERS elections.

Public Agency members represented by CSEA are eligible to vote for a candidate running for the Public Agency seat on the CalPERS Board, plus the two at-large positions. We also urge you to vote at the appropriate time.

One elected member of the CalPERS Board is a retiree. After retirement you will be asked to vote for a retiree to represent your interests on the CalPERS Board. You will still be encouraged to vote in the member-at-large elections as well.

The other elected member on the CalPERS board is elected by the State employees who also participate in the member-at-large election.

It is the responsibility of the CalPERS Board to:

- oversee the investments
- monitor implementation of legislative changes
- protect the system from losses

- develop programs to meet the changing needs of members
- provide necessary staff, facilities and equipment to meet the high standards of service the members of the system deserve.

Public Agencies and Schools with Individual CalPERS Contracts

The California School Employees Association represents several public agencies and some school agencies with individual CalPERS contracts.

Employees in these agencies may have different formulas that will be used to contribute to CalPERS, as well as different formulas used to calculate CalPERS benefits.

Much of the general information about CalPERS benefits contained in this booklet will apply to all CalPERS members, except the formulas and after-retirement death benefits. Some other benefits may also vary by agency.

Employees from the public agencies described here have always had the advantage of being able to negotiate with the employer for better formulas and sick leave conversion without legislative changes.

If you are in an agency with an individual CalPERS contract, be sure to inform your co-workers and discuss whether or not improving your retirement formula is a benefit you want to negotiate at the bargaining table.

Some Changes in CalPERS Benefits Can Be Made at the Bargaining Table

Most school member CalPERS benefits are set by the Legislature. However, there are a few ways school members' benefits under CalPERS can be changed through negotiations:

1. A ***Golden Handshake*** can be negotiated locally. This allows employees, eligible to retire, up to two additional years of service credit. Your employer must apply to the County and prove they can save money by offering this incentive.
2. The law allows us to negotiate for the employer to pay the employee's contributions to CalPERS.
3. Changes in school calendars which cause employees to work portions of more or fewer calendar months can have a significant affect on final compensation figures at retirement.

4. The law allows for less than four hour-per-day employees to voluntarily participate in CalPERS if the employer agrees.
5. Health Benefits can be provided to retirees if negotiated. CalPERS has a health benefit program available which can be negotiated with the employer to insure both active and retired members in a district.
6. The law now allows school members to negotiate out of the school pool and into a risk pool that has a higher formula at a younger retirement age. Negotiating into a "risk pool" will likely increase the employee contribution and most certainly will increase the employer contribution to CalPERS.

   The decision to move to a risk pool is irrevocable. The reimbursement to the district for employer contributions is limited to the reimbursement for schools remaining in the school pool. The additional employer cost would be paid from the general fund budget.

   Any employee group or an employer can seek a valuation from CalPERS to determine the cost of moving to a risk pool. There is a fee for such a valuation.

Safety Retirement Benefits

Schools with employees who qualify as "safety" employees under the law, can seek safety status under CalPERS.

To negotiate safety status it is necessary for CalPERS to be advised of the number and ages of the affected employees. A valuation will be completed by the CalPERS actuarial staff and the amount of contributions necessary to provide a safety retirement will be determined.

Safety retirements do require higher contributions.

What's Available from CalPERS?

Lifetime Income Upon Retirement

When you retire you will receive a lifetime income from CalPERS because you are part of a "defined benefit" pension plan. This means your pension is determined by specific "defined" factors (age at retirement, total CalPERS service credit, full time pay rate).

Home Loans

As a CalPERS member you may be eligible to borrow up to 100% of the cost of a new home by applying to one of the CalPERS Home Loan providers. The money you borrow does not come directly from your own CalPERS account. This is one of many ways CalPERS invests money to be sure there is enough to pay lifetime retirements to all its members.

See page 33 for information on how to reach the CalPERS Home Loan Program.

Long-Term Care

As a CalPERS member, you and your spouse, parents, parents-in-law and siblings, age 18 or older, may apply for CalPERS Long Term Care coverage. The younger you are when you begin the coverage, the more affordable the premiums are. Please note, you can only enroll during designated enrollment periods. Enrollment approval is required.

See page 33 for information on how to reach the CalPERS Long-Term Care Program.

Medical Benefits if Negotiated

CalPERS administers a medical benefits program, it is only available to you if the district you are retiring from is covering all eligible active classified employees with the CalPERS plan. Even then, many districts have special arrangements with CalPERS that do not include full premiums for retirees.

All health benefit questions for retiring school members must be addressed by the school district from which you are retiring.

Additional Investments

It's possible to invest more money in CalPERS through the CalPERS 457 plan. **Participation in this plan must be arranged for by your employer before anyone can invest. The additional funds you contribute under the CalPERS 457 plan are not added to your regular CalPERS contributions, they are a separate investment and one way to create additional retirement income.**

For more information on how your employer can arrange for employees in your District to contribute to the CalPERS 457 plan, call CalPERS at (888) 225-7377.

Who Contributes to CalPERS and How Much?

Generally if you are working in one or more positions for four hours or more a day or twenty hours or more per week, you are required to become a CalPERS member.

If your position requires less than four hours per day but you work 1,000 hours in a school year, CalPERS contributions begin the first of the month after you complete the 1,000 hours. (All hours worked in a fiscal year are to be counted toward the 1,000 hour minimum.)

Once you are vested (five years of CalPERS service credit or, for less than eight hour workers, the equivalent of five years under the five year conversion rule), you will remain a CalPERS member even if the work hours drop below 1000 hours per year, or four hours per day in the future. However, if you are not yet vested and your hours drop below 1,000 in a qualifying period (fiscal year from July 1 to the following June 30), and the school district provides an Alternative Retirement Plan (ARP), you may be placed in an ARP.

A monthly amount of 7% of gross earnings is deducted from your pay BEFORE TAXES.

Note: If you were contributing to CalPERS prior to January 1, 2001, the first $133.33 of your monthly earnings were exempt from CalPERS contributions. That amount was then deducted from your average monthly pay rate when calculating your monthly retirement income. The $133.33 will not be deducted from the average pay rate for any contributions reported after January 1, 2001, therefore you will receive a higher monthly retirement on any time worked after that date.

Other important employer reporting obligations include the following:

1. CalPERS requires that your employer report and identify the earnings you generated in each pay period even one hour. (Government Code Section 20630). If the employer does not properly report, you could receive less monthly income in your retirement. For example, if you are a 10 month employee and your work begins in August (assuming your district's pay period runs from the first to the last day of the month) CalPERS is to be told you had earnings in August. It will not likely affect the amount of service credit you earn but, if the August work occurs during your final compensation period it could dramatically impact your retirement earnings.
2. An employer is required to report, as compensation, most additional earnings described in an employee contract or policy governing employees. Reportable compensation includes items such as shift

differential, education incentive pay (professional growth), longevity, bilingual incentives and many other possible pay incentives approved by CalPERS.

Note: Overtime pay for time worked beyond 40 hours per week is NOT reportable. However if you work less than 40 hours a week any hours worked beyond your regular work schedule, up to 40 hours per week, MUST be reported at the regular pay rate—even if the time was compensated at the overtime rate.

3. Uniform allowances or the cost of the purchase and care of uniforms provided you by your district must be reported to CalPERS as additional income. Your employee contract or district policies must state you are required to wear uniforms and some form of compensation is provided. This is advantageous because it will increase your retirement if included in your final compensation period.
4. Employees working in more than one district in the same county for a total of four hours or more per day, or 1,000 hours in a school year, must be entered into CalPERS and earnings must be reported by both districts.
5. Employees who work less than full time (eight hours per day for 10 or more months per year), must have ALL hours worked (up to 40 hours per week) reported to CalPERS (This includes summer work even if the employee earns a full year of service credit in the regular school year.)
6. If you believe your district is not properly reporting your compensation, contact CalPERS to inquire about whether or not you were reported for the period of time in question. CSEA can assist you if you find you were not reported correctly.

Returns on Your CalPERS Contributions

Your CalPERS contributions are building a LIFE TIME income for you in your retirement. If you live a normal life expectancy, you may receive several times over the amount of money both you and/or your employer contributed to the system.

For example, after you retire, you will receive an amount of money equal to your employee contributions plus the amount contributed by your employer within the first six to 10 years (depends on which option you choose). However, the same amount of monthly income, plus compounded cost of living increases continues for your entire lifetime, regardless of how long you live. Options you may choose at retirement also allow your designated beneficiary to receive a continuing lifetime income upon your death.

When CalPERS estimates your monthly retirement income, multiply it times 12 to figure your annual income, then times 10 to see what it will be in 10 years, then figure 20 or 30 years and you'll be amazed at how much it becomes in relation to how much you've invested.

So, as you see, CalPERS produces an excellent GUARANTEED return on your investment if you live a normal life expectancy and choose your options carefully.

No Borrowing From CalPERS Contributions

You may not borrow from your CalPERS account. (CalPERS does provide funds for home loans as mentioned earlier.)

How to Preserve Benefits if Leaving the District

If you leave a CalPERS covered agency you can leave your money on deposit at CalPERS. (You never know, you may return to work at the same or another CalPERS agency in the future.)

Your money continues to earn compounded interest, and most importantly, you continue to be eligible for a lifetime income if you have (or later earn) enough service credit (five years of credit – or five years of employment.) See section on "When are You Eligible for CalPERS Benefits" on page 12.

If you go to work for another CalPERS covered agency i.e. state, city or county your CalPERS service continues.

If you go to work for another public agency not under CalPERS check to see if the agency's retirement system has a reciprocal agreement with CalPERS. If so, by leaving your CalPERS retirement on deposit and retiring from both systems on the same day, both retirements can be calculated on your highest earnable pay rate for the appropriate time period. (The CalPERS portion would be calculated on the highest 12 months of pay rate for most school employees.)

If you work for a public agency in California, remember that you do not need five years of CalPERS contributions to be eligible for a CalPERS pension if you contribute to a reciprocal pension for at least five years.

If you do not have five years of service or five years of part time employment and know you will not return to work, you can roll over your money

You can protect yourself from excise taxes for early withdrawal of pension funds by rolling over your money directly from CalPERS into another qualified plan, such as an IRA. Remember, if you roll over money, you will lose your employer's contributions.

If you go to work in a non-CalPERS covered agency and are at least 50 years old with five years of employment you CAN retire immediately and draw a lifetime monthly income from CalPERS. Then, if you choose to invest that monthly income in another pension or savings program, you can have your original CalPERS contributions working for you twice. In other words, you will receive your lifetime CalPERS entitlement plus the return on the new investment.

Even though you can begin your retirement income at age 50, you will see that the formula nearly doubles your monthly income at age 55. You may want to consider leaving your money on deposit until age 55 even though you separate from the district before that time, unless you would lose health benefits from your district by delaying your retirement.

If you are under age 50 with five years of employment when you leave your CalPERS covered agency, you can leave your money with CalPERS and apply for monthly retirement income as soon as you reach age 50, but again delaying until age 55 may be more beneficial over your lifetime.

If you become a teacher eligible for CalSTRS (State Teachers Retirement System) you may benefit by leaving your money in CalPERS. You will then be eligible to either continue to contribute to CalPERS or begin contributing to CalSTRS. The employer MUST give you a choice, especially if you are already vested in CalPERS. If you take a teaching position in another District, be sure to advise your new employer you are a CalPERS member.

Here are several comparisons to help you consider whether or not to continue your contributions to CalPERS rather than contributing to CalSTRS.

1. One good reason to continue with CalPERS may be that you would be able to ***continue contributing to Social Security***. In most cases your Social Security entitlement will be reduced if you stop paying in while paying to another retirement system, EVEN IF YOU HAVE 40

QUARTERS. By continuing your Social Security payments, you can expect to receive your full retirement from CalPERS ***plus*** a full Social Security retirement at the eligible age.

2. The highest CalSTRS current maximum age benefit factor is 2.418%. The maximum age benefit factor for CalPERS is 2.5% per year of service at age 63.
3. Retirement income is based on your average highest 12 months of earnable pay rate in CalPERS. By staying with CalPERS you will be able to use your teacher's salary to calculate all of your retirement income.
4. After retirement, CalSTRS cost of living increases are calculated on your original base retirement amount while ***CalPERS cost of living increases are compounded each year,*** this will increase your income more over the years.

If you do decide to switch to CalSTRS when you begin a certificated position, it's still important to ***leave your CalPERS contributions on deposit and retire from both systems ON THE SAME DAY.*** This way both retirements can be calculated on the appropriate HIGHEST earnings during your classified or certificated work history.

A Lump Sum Withdrawal can be VERY Costly

A lump sum withdrawal causes you to lose lifetime earnings from CalPERS. You can easily lose thousands of dollars.

If you withdraw your money in a lump sum you:

1. will lose all of your employer contributions (if your employer pays your employee contributions, those contributions are yours minus the appropriate taxes).
2. must pay 20% automatic Federal withholding taxes on all untaxed money withdrawn, unless it is directly rolled over into a defined contribution plan or approved Individual Retirement Account (IRA) as specified by law.
3. will be subject to excise taxes if you are under age 59 ½. The taxes are 10% Federal and 2 ½% State. These excise taxes may be avoided if the funds are rolled over into a defined contribution plan or approved Individual Retirement Account (IRA) as specified by law.
4. will deny yourself a LIFETIME INCOME from CalPERS.
5. may have a possible loss of health benefit coverage. Contact your personnel office for further details.

When Are You Eligible for CalPERS Benefits?

As a general rule, CalPERS members are eligible to begin receiving a regular monthly income for life at 50 years of age with five years of service credit.*

*NOTE: If you work a regular part time position and contribute to CalPERS, Government Code Section 20970 may allow you to be eligible to receive a benefit, ***even if your service credit is less than five years as long as you have been employed in the part time position and contributing to CalPERS for at least five consecutive years.*** To inquire about this benefit be sure to refer to Government Code Section 20970 and mention Service Credit Conversion on your application.

If you do not have enough service credit but were working part-time before you began contributing to CalPERS, you may be able to qualify for a lifetime income by purchasing service credit for that part time work. (See section on Purchasing Service Credit, page 16.)

If you previously worked for a CalPERS agency, withdrew your funds and are now contributing to CalPERS again, redepositing funds you withdrew will cause you to be eligible for more lifetime CalPERS income under a service and possibly disability retirement. See Redepositing Funds on page 16.

Disability Retirement and Employer's Obligation

Should you become disabled, disability retirement is a way of collecting benefits if you are eligible. It is a lifetime income and paid instead of service retirement.

You can apply for disability retirement for any illness or injury that prevents you from continuing your job. The injury or illness need not be job related. There is no minimum age requirement, however, you must have worked, and contributed to CalPERS for at least five years. See previous section, "When are You Eligible for CalPERS Benefits?."

If you have not contributed to CalPERS for five years, but have worked in a CalPERS covered agency for five years or more, call to ask about purchasing service prior to membership. See section on "Purchasing Service Credit", page 16.

Disability retirement is subject to approval by CalPERS and is based primarily on your doctor's medical report which must substantiate that you are no longer able to do the job you were hired to do.

IMPORTANT: If you become disabled and cannot do your job or your employer will not allow you to do your job because of your illness, injury or physical limitations, you should contact CSEA to learn what leave provisions or other legal rights you have.

Remember, if you are vested in CalPERS your employer has a **legal obligation to you regarding an application for a disability retirement.**

Following is a quote from the Government Code which governs CalPERS:

> *Government Code Section 21153 provides that the employer may not separate a member because of disability who is otherwise eligible to retire for disability. The employer must apply for the disability retirement of such member unless the member waives the right to retire for disability and elects to either withdraw contributions or leave them in the fund for a future service retirement.*

Depending on your age at retirement, you may be eligible to receive a higher benefit on a service retirement than a disability retirement. CalPERS will pay you the higher benefit.

If you are at least 50 and are applying for disability retirement, you can apply for "service retirement pending disability." You will receive service retirement income while CalPERS is considering your request for a disability retirement. When CalPERS determines that you are eligible for disability retirement they will make any increase in your retirement benefit retroactive to your original retirement date.

If you have less than five years of CalPERS service credit but have contributed for five consecutive years on a part time position you may qualify to apply for a disability retirement under Government Code 20970.

The calculation used by CalPERS for a disability retirement varies depending on you're age and the amount of CalPERS service credit you have at the time of retirement. If you have 10 years of actual CalPERS service credit, there may be a significant increase in the amount to which you are entitled.

If you are age 60 or over the service retirement calculation will always be as high as the disability retirement calculation. There would be little reason to proceed with a CalPERS disability retirement at that age. You would still be eligible to apply for a Social Security disability retirement, even if you do not apply for a CalPERS disability retirement.

Terminal Illness-Emergency Retirement

If you, or a co-worker, are faced with a terminal illness, please call CalPERS so an analyst can counsel you or your coworker about options and the maximum benefit available for the family. When calling CalPERS be sure to explain you are calling about an "Emergency Retirement". CalPERS staff may go to your home, hospital or hospice to assist you.

In order to protect a beneficiary's lifetime allowance, generally the ***best choice*** is to sign a disability or service retirement application and choose option 2W prior to death, but not in all cases.

CalPERS FUNDS SHOULD NEVER BE WITHDRAWN IN A LUMP SUM WITHOUT TALKING TO CALPERS FIRST, doing so denies a beneficiary lifetime income and may impose large penalties.

Pre-Retirement Death Benefit

The CalPERS pre-retirement death benefit guarantees that at least all of your contributions and interest, plus some additional income, will be paid to your beneficiary. How much your beneficiary receives if you die while still an employee depends on your age and length of CalPERS service. You should understand the pre-retirement death benefit and inform your beneficiaries about it.

If you are not eligible to retire at the time of your death (under age 50 or over age 50 with less than five years of service credit) all of your CalPERS contributions plus interest will be paid to your beneficiary. In addition, (if you were employed for at least one year), your beneficiary will receive one month's salary for each year you were employed up to a maximum of six. This payment will be subject to normal taxes but not excise (early withdrawal) penalties.

If you are age 50 or more with five years of CalPERS service credit your eligible survivor (spouse, registered domestic partner, child under 18, dependent disabled child any age or dependent parent) has a choice:

> return of contributions plus UP TO 6 months salary
>
> **or**
>
> monthly payments equal to half of the highest monthly payments you would have been eligible to receive had you retired on the day of your death. If you do not have any eligible survivor, the return of contributions, plus appropriate salary, will be paid to your designated beneficiary or beneficiaries.

*(Government Code Section 20970 also applies to pre-retirement death benefits. If you are 50 or over and die after working more than five years, but have less than five years CalPERS service credit at the time of your death,

your survivor should tell CalPERS so CalPERS can determine eligibility for a lifetime income.)

You may request a beneficiary designation form by calling CalPERS or it can be downloaded from the CalPERS website.

Power of Attorney

You should be sure to have a CalPERS Power of Attorney on file or be certain you have a Power of Attorney that contains a durable clause that will apply to your retirement funds. This will give someone you trust the ability to make decisions about your CalPERS funds should you become incapacitated or incompetent to handle your CalPERS affairs.

Please note: it is important to complete a Power of Attorney and keep it updated while you are still working. Also note, your Power of Attorney cannot choose an option that will benefit themselves. For more information contact CalPERS.

Factors that Determine Your Retirement Income

Three factors are used to determine how much monthly income you will receive after retirement. They are:

1. Age at retirement
2. Total CalPERS service credit (you may be eligible to increase your service credit. See section on Purchasing Service Credit, page 16.)
3. Final compensation (average gross monthly earnable wage over your highest 12 consecutive months of employment, adjusted for Social Security contributions if appropriate). How to determine final compensation is explained later.

The simple facts are:

The older you are at retirement,

The more service credit you have,

The more months you work during the 12-month final compensation period and,

The higher your monthly earnable wage,

The more monthly retirement income you will receive each month for the rest of your life.

Purchasing Service Credit Adds to Your Retirement

Buying service credit for which you are eligible can increase your lifetime benefits. It may seem expensive but remember—the additional money you will be eligible to receive upon choosing to purchase the service credit will be a ***lifetime increase.*** So look at the BIG picture when considering such a purchase.

Service Prior To Membership

You can buy service credit at any time prior to retirement. To avoid out-of-pocket costs, you can choose to begin buying the credit at the time of retirement and have payments deducted from the increased retirement benefit you will become eligible to receive, therefore, no out-of-pocket cost is required. However, the request to purchase service credit MUST be made PRIOR to retirement. It may not be wise to post-pone purchasing any service credit because a delay will increase interest costs.

It should also be noted that service prior to membership and a redeposit of previously withdrawn retirement funds are less costly than other types of service credit.

For service prior to membership, once you decide to make the purchase, the employer costs for the time you are purchasing are set aside for you, you will only be paying for the employee cost, plus interest the contributions would have earned.

Redepositing Funds Previously Withdrawn From CalPERS

For a redeposit of funds you will be required to return the money you took out plus the interest the money would have earned. The employer's portion is still in the system, therefore, you are not required to pay any employer costs.

Military Service or Approved Leave

Military, unpaid leave credit and additional retirement service credit (ARSC) calculations all include employer and employee costs and are calculated at "present value". These types of credit are more expensive to purchase.

A WORD OF CAUTION - In some cases purchasing service credit can cause a reduction in your Social Security entitlement. If you will have less than 30 years of Social Security contributions at the time you start collecting your Social Security, your Social Security may be reduced up to fifty percent of the amount by which you increase your CalPERS pension. If you will have 30 years of Social Security contributions at the time of retirement under Social Security there will be no reduction. Contact Social Security or CSEA for further clarification.

Prior Service

If you were working for another public entity that has now become a CalPERS covered agency, you may be eligible to purchase prior service once you become a CalPERS member. Depending on the agency contract, the former employer may even be required to pay for all or part of your prior service.

How To Purchase Service Credit

To purchase the types of service credit described above, call CalPERS at the toll free number (888) 225-7377 to request a "Service Credit Purchase" booklet or download the appropriate form from the CalPERS website at *www.calpers.ca.gov*.

If you are purchasing service prior to membership or service for approved leaves such as maternity or paternity leave, forward the appropriate form to the payroll department where you were working and ask them to record all hours you worked (including any time worked before you became eligible to be in CalPERS less than four hours a day, playground supervision, prior substitute time or hours you were on an approved leave). Ask them to send you a copy of what they are reporting to CalPERS. When CalPERS receives the completed form they will contact you with the following information:

1. The total service credit available for purchase.
2. How much they estimate the service credit will add to your monthly retirement income.
3. How much the service credit will cost if paid in a lump sum.
4. How much the monthly payments would be if purchasing the credit monthly. (You may opt to make pre-tax payments.) You will be given full service credit immediately and can continue payments to CalPERS after retirement.

If you are considering a redeposit of previously withdrawn CalPERS funds or a purchase of prior military service or prior service for work with another CalPERS agency, send the appropriate form directly to CalPERS. They will respond with the information necessary to complete the purchase.

Additional Retirement Service Credit

The law now allows you to purchase up to five additional years of CalPERS service credit if you already have at least five full years of service credit. This type of credit is referred to as "Additional Retirement Service Credit" or ARSC. There are certain guidelines CalPERS would like you to follow:

1. You may purchase one, two, three, four or five even years of service credit but you must make a one time decision as to how much you wish to purchase.

2. To purchase this credit you must first use the CalPERS on-line calculator to determine the cost. If you then wish to inquire further, send a copy of the calculation to CalPERS.You will receive a letter confirming the cost and payment options. You may then choose whether or not to make the purchase.

Working More Increases Retirement Benefits

Full time, 12 month, eight hour-a-day employees will receive a higher monthly retirement than employees working the same number of years in jobs with fewer hours and fewer months worked.

Applying for positions with more hours, or more months at least one year prior to retirement can increase the retirement benefit. However, any unusual activity in the employment pattern close to the retirement date is subject to review and approval by CalPERS Compensation Review Unit.

Unused Sick Leave Will Add to Retirement Benefits

Any unused sick leave you have at the time of your retirement will automatically be converted to additional service credit. (25 eight-hour days equal one additional month of service credit). You are asked to have your employer verify your unused sick leave on your application at the time of retirement. You will be given credit immediately.

Choosing a Retirement Date

Your retirement date will be your personal decision but there are some things you should know that might help you decide when to retire.

1. Timing can make a difference. If you are under age 63 the age factor in your retirement formula increases on your birthday and every quarter year (three months, six months, nine months) from your birthday, which will increase your monthly retirement benefit.
2. Your work schedule can be an equally important factor in deciding when to retire. If you work 10 months and have no income during the summer, waiting for your next birthday or the next quarter anniversary of your birthday may not be wise.
3. Cost of living increases are paid May 1, of the second CALENDAR year after the year of your retirement. By making your last day in paid status on or before December 30 of any year, and your first day of retirement by December 31 of the same year, you will receive your

first cost of living increase one year sooner than if your last day in paid status is December 31, making January 1 of the new calendar year your first day of retirement.

It is important, however, to do this ONLY if other factors such as a birthday, quarter anniversary (If under age 63), golden handshake, or some other incentive do not cause you to have a higher lifetime income by waiting until after the beginning of the year.

If you are also eligible for retirement from another system that has reciprocity with CalPERS, you must use the same retirement date for both systems. By doing so, the higher pay rate from either system is used to calculate how much monthly benefit you will receive from each system. Check with both systems to verify that you are eligible for the benefits of reciprocity.

Health Benefits Eligibility Should Be Considered When Choosing a Retirement Date

Check your employee contract to see if your employer pays or contributes toward health benefit premiums after retirement.

CalPERS does not have a health plan available to retirees unless your employer is currently providing active employees in your district with health benefits purchased through the CalPERS health benefit program.

Check with Social Security to learn when you will become eligible for Medicare. There are several HMO alternatives to Medicare available in most parts of the state and in some other states. These require you to assign your Medicare premium to the HMO. In some cases there are no additional premiums and no deductibles required. This can be an affordable alternative.

For those not choosing to use an HMO alternative to Medicare, you will probably want to find a Medicare Supplement to pay for the deductible under Medicare as well as other costs that Medicare does not pay.

Temporary Annuity May Help You Retire Earlier—Use Caution

A temporary annuity program through CalPERS can help you retire earlier by providing additional income, but **PERMANENTLY REDUCES** your CalPERS lifetime benefit in order to repay this loan.

Under this program, additional funds are advanced to you monthly by CalPERS, starting with your retirement date, for a set period of time. For example, someone who is 60 may take a temporary annuity to age 62 in the amount of $400 per month, knowing that when they reach the age of 62 Social Security will pay them at least $400 per month. When the retired member turns 62, the extra $400 per month from CalPERS stops, along with the cost of living adjustments received on that portion of the monthly income.

When advancing the extra money, CalPERS **charges you for each $100 advanced**, based on your age at retirement and the length of time you will receive the extra money. **The repayment is made by reducing your regular CalPERS benefit permanently beginning with your first retirement warrant.**

You may request a pamphlet on Temporary Annuity by contacting CalPERS or visiting the CalPERS website.

Final Compensation

This is the average of your gross monthly earnable wage (full time pay rate) during your highest 12 consecutive months of employment, minus $133.33 for time worked prior to 1/1/01 if you were also contributing to Social Security. After 1/1/01 you are paying contributions on your full salary, even though you are still contributing to Social Security. That portion of your final compensation is not subject to a reduction at retirement.

Calculating final compensation for 12 month employees is simple. Select a 12 consecutive month period in which your pay rates were the highest. Add your gross pay rates (before deductions) and divide the total by 12. **(Overtime pay is not reported to CalPERS and is not included in the final compensation.)**

If you work eight hours a day but less than a 12 month year, your final compensation will be less.

For example, indicate the gross pay rate for each month you worked (if only one day) and contributed to CalPERS in a 12 month period. For those months you did not work indicate a pay rate of zero for that month. Add the pay rates together and divide by 12 to determine your average earnable monthly pay rate.

If you work less than eight hours per day you have earned less than full service credit so an adjustment has already been made for working fewer hours. Your final compensation is calculated by using the FULL TIME pay rate, as if you worked a full eight hour day. Add the gross pay rate for the number of months you worked and contributed to CalPERS within a consecutive 12 month period. Divide by 12.

If your last 12 months are not your highest, or you worked fewer months during the last 12 month period, it may be wise to choose a period when your pay rate was higher or you worked more months. CalPERS will NOT choose the highest pay rate period for you. YOU MUST TELL THEM which 12 month period to use if it is a period other than the last 12 months.

Final compensation DOES INCLUDE additional earnings reported to CalPERS by your employer, i.e. professional growth, longevity, uniform allowance, etc.

Estimating Your Retirement Income

Now, to estimate your retirement income, refer to the chart on the page 28 of this document.

Select the age you plan to retire from the chart. You will see that under each age listed is a benefit factor. That factor, multiplied by the amount of service credit you have, will show the highest percentage of your final compensation you can receive each month for the rest of your life. (This figure will be adjusted depending on the option you choose.)

For example, if you retire at age 55 with 20 years of service, you are eligible to receive 40% of your final compensation monthly. (The benefit factor at age 55 is 2% x 20 years of service which equals 40%). If your final compensation is 2,000, you would be eligible for 40% of $2,000 which is $800 per month, or $9600 annually. In 10 years that becomes $96,000 plus cost of living increases. Using this example, you would receive over $288,000 from CalPERS if you live to age 85, even more if you live longer. (See Service Retirement Calculation on page 27.)

You can request an estimate of your projected retirement income by calling CalPERS at (888) 225-7377 or visiting the CalPERS website where you will find a calculator to help you. When you retire you will be required to select an option. If you choose one that allows for a continuing monthly lifetime income for a beneficiary after your death, your monthly retirement benefit will be reduced. See "Choosing Options at Retirement" below.

Applying for Retirement

Contact CalPERS for an estimate and an application at least four months before your planned retirement date. You should receive an estimate in about one week. This will help you decide on an option.

Choosing Options at Retirement

When you fill out an application for retirement, you will be required to choose an option. This tells CalPERS how you want your retirement paid and whether or not you want a continuing lifetime income for a beneficiary after your death. Be sure you and your survivor or beneficiaries understand the option you have chosen.

Survivor Continuance

School employees, whose districts remain in the school pool, are automatically covered by a "Survivor Continuance" benefit. This provides that upon your death a portion of your allowance will automatically be paid to an eligible survivor regardless of which option you select in retirement.

For example, if you have an eligible survivor as specified under CalPERS law, a continuing income of one-fourth of the unmodified allowance would be paid to the survivor (the amount is one-half if you did not contribute to Social Security) as long as the individual continues to be eligible for this benefit.

In order of eligibility the eligible survivors are:

1. a spouse, to whom you had been married at least one year prior to retirement;
2. a registered domestic partner registered with the Sate of California
3. a child under the age of 18, who has never been married;
4. a child disabled before the age of 18, never married and continues to be disabled and dependent on you;
5. and parents who are dependent on you for more than half of their support at the time of your retirement.

Below is a basic description of each available option. Contact CalPERS for further clarification of the options.

Unmodified Option

This option can cause considerable loss to loved ones if you are deceased within the first ten years of your retirement. The unmodified allowance provides you with the highest monthly income for which you are eligible, but requires that any money left in your own account at the time of your death stay in CalPERS. If you choose the unmodified allowance there is no return of any remaining contributions at your death. An eligible survivor would receive a "survivor continuance" as described in the previous paragraphs.

Option 1

This may be a good alternative to the unmodified allowance. There is a slight reduction in your allowance, but it ensures that if there are any contributions remaining in your account at the time of your death, they go to your beneficiary in a lump sum (or are shared equally among your beneficiaries if you choose more than one beneficiary). It usually takes about 10 years for the money in your account to be depleted, however, you will receive your pension for life.

Under this option your eligible survivor would also receive the survivor continuance described in the previous section.

Options 2 and 2W

These provide for the combination of your eligible survivor (if one exists) and/or designated beneficiary to continue to receive, after your death, the same total monthly allowance you are eligible to receive under these options. When choosing one of these options you will reduce your monthly entitlement. The amount of reduction depends on the age of your beneficiary and other factors.

If you choose Option 2 and your beneficiary is deceased before you, you're allowance will "pop up" to the unmodified amount. If you choose Option 2W you waive the "pop up."

Options 3 and 3W

These provide for the retiree a higher continuing lifetime income than options 2 or 2W. However, the designated beneficiary will receive a lesser amount. Option 3 provides the "pop up" upon the death of your beneficiary. Option 3W waives the "pop up"

Option 4

Option 4 allows you to create other options within certain guidelines. One of the most popular is a combination of Options 2W and 1. This allows you to choose a continuing lifetime income for a beneficiary after your death, however, if there are any funds in your account after you and your beneficiary are deceased, the balance is paid to a designated beneficiary in a lump sum or in monthly payments.

To choose Option 4 you must inform CalPERS at the time of your application to retire so they can calculate this option for you.

Electronic Funds Transfer

It is recommended you have CalPERS electronically transfer your retirement checks to a financial institution to avoid loss or delays in the mail. A form will be provided to allow you to do this. The transfer should begin with the second or third check following your request.

Taxes

Your retirement income will be taxed, except for any portion that has already been taxed. You can choose to have normal tax deductions, select an amount to be withheld, or have none withheld and pay quarterly to the IRS.

Deductions from Your CalPERS Check

CalPERS allows you certain deductions at your request such as CSEA Retiree Unit dues and Victory Club contributions to be automatically deducted.

To arrange for these deductions you must fill out an application with CSEA.

Cost of Living Adjustments

After you retire you will begin receiving cost of living adjustments of up to 2%, compounded annually, beginning with the May 1 warrant, the second calendar year after your retirement.

If inflation, according to the CPI (Cost Price Index) is less than 2% in any given year, the cost of living adjustment will be less than 2%. If in the following year, the CPI shows a higher than 2% inflation figure, the balance of the 2% figure from the previous year will be added to new 2% factor.

CalPERS also has a 75% purchasing power protection. This means that if, after several years, inflation has exceeded the 2% cost of living increases by a total of 25%, additional funds will be paid to ensure that the purchasing power of your pension never drops below 75% of what it was when you retired.

After Retirement Death Benefit

The after retirement death benefit for school members is a one-time lump sum payment of $2000 in addition to any benefit you make available through the option you choose at retirement.

Social Security

If you have contributed to Social Security at the same time you have contributed to CalPERS and have earned at least 40 credits, you are entitled to Social Security payments in addition to your CalPERS benefits. Depending upon the number of years you have worked under both CalPERS and Social Security, you may find that your combined retirement income may nearly equal or exceed the salary you are making before retirement.

When you apply for Social Security, DO NOT check the box that asks if you will receive a government pension from funds not covered by Social Security.

However, remember if you have purchased service prior to membership that was not covered by Social Security, or additional retirement service credit which also would not be covered by Social Security, you MAY be subject to a reduction in your Social Security payments. If you have 30 years of Social Security contributions at the time you apply for Social Security you will not be reduced, even if you did purchase service credit that was not covered by Social Security.

Contact Social Security or visit the website ***http://www.ssa.com*** to learn about the windfall elimination provision if you have purchased CalPERS service credit that may not have been covered by Social Security.

You may apply for Social Security benefits as early as age 62, however, the benefit is smaller than it would be at full Social Security retirement age. If you were born in 1938 or later you will receive a smaller percentage of your full Social Security entitlement each month if you apply for Social Security early. However, if you are not working or your earnings are small you may want to consider collecting your Social Security early.

You should ALWAYS contact Social Security about Medicare eligibility. If you are receiving health benefits in your district, most employers do not require you to sign up for Medicare when you are eligible (age 65) until after you retire. Social Security needs to know you are receiving health benefits from your employer beyond the age of eligibility. If they are not informed, they may charge you a penalty for signing up late.

It is always wise to get an estimate of future earnings from Social Security prior to your retirement. Call 1-800-772-1213 for a Social Security estimate or other information or to make an appointment to apply for benefits. You can now apply for Social Security benefits on-line. Your application will be processed promptly.

Working After Retirement

If you choose to work after retirement and the employer is NOT a CalPERS covered agency, there is no CalPERS restriction on how much you work or how much you earn.

If you work for a CalPERS covered agency, you may work up to 960 hours in a fiscal year (July 1 through June 30), **but only in a temporary position, without penalty. There is no CalPERS restriction on how much you earn.**

Do not work for a CalPERS agency in a **regular permanent** short hour position while you are collecting your CalPERS retirement. Many short hour positions are less than 960 hours per year but they are still considered "regular permanent" positions.

The CalPERS "Employment after Retirement" brochure specifically states that working in these types of positions is not permitted. Once your employment is discovered you will be required to return all of the retirement you received while working illegally. Your employer will also be subject to a penalty for illegally employing a CalPERS retiree.

If, after you start your CalPERS retirement, you wish to return to work in a CalPERS agency, contact CalPERS to reinstate once you have been assured a position. Once you work and have another year of service credit you may be eligible for a higher retirement when you retire again.

If you are receiving a disability retirement from CalPERS and desire to work after retirement, contact CalPERS for information on any restrictions.

Social Security does have restrictions on how much you can earn without being penalized if you are receiving Social Security benefits but are not of full Social Security retirement age. Contact Social Security for details.

Learn More About Your Retirement

There are several ways you can find out more about both CalPERS and Social Security benefits that you will be entitled to:

1. Attend Saturday Pre-retirement Seminars sponsored by CSEA's Pre-retirement Committee These seminars include speakers from CalPERS and Social Security. They also qualify you to schedule an individual appointment with CalPERS if you register for the seminar on line or fill out a CalPERS registration card at the seminar.
2. Access CalPERS and Social Security on line.
3. Enroll in CalPERS classes offered at RegionalOffices and in various school districts and county offices of education.
4. Enroll in and complete several on-line classes offered by CalPERS. Register at *https://my.calpers.ca.gov* or call 1 (888) 225-7377.

- Average monthly salary over highest 12 consecutive months for school members
- Based on full-time monthly payrate; not earnings
- Final compensation figure must be appropriately adjusted for Social Security contributions prior to 1/1/01

Example of 1 Year Final Compensation

12-Month Employees

Retirement Date – 11/01/2010

From	To	Payrate		Months		Total		Final Compensation
11/01/2009	04/30/2010	$1,900	x	6	=	$11,400		
05/01/2010	10/31/2010	$2,100	x	6	=	$12,600		
				12		**$24,000**	**÷ 12**	**= $2,000.00**

Example of 1 Year Final Compensation

Less Than 12-Month Employees

Retirement Date – 11/01/2010

From	To	Payrate		Months		Total		Final Compensation
11/01/2009	04/30/2010	$1,900	x	6	=	$11,400		
05/01/2010	10/31/2010	$2,100	x	4	=	$ 8,400		
				10		**$19,800**	**÷ 12**	**= $1,650.00**

School Members

2% at 55 Formula

Exact Age and Percentage of Final Compensation

Age	50	51	52	53	54	55	56	57	58	59	60	61	62	63+
Benefit Factor	1.100	1.280	1.460	1.640	1.820	2.000	2.064	2.126	2.188	2.250	2.314	2.376	2.438	2.500
Years Of Service														
5	5.50%	6.40%	7.30%	8.20%	9.10%	10.00%	10.32%	10.63%	10.94%	11.25%	11.57%	11.88%	12.19%	12.50%
6	6.60%	7.68%	8.76%	9.84%	10.92%	12.00%	12.38%	12.76%	13.13%	13.50%	13.88%	14.26%	14.63%	15.00%
7	7.70%	8.96%	10.22%	11.48%	12.74%	14.00%	14.45%	14.88%	15.32%	15.75%	16.20%	16.63%	17.07%	17.50%
8	8.80%	10.24%	11.68%	13.12%	14.56%	16.00%	16.51%	17.01%	17.50%	18.00%	18.51%	19.01%	19.50%	20.00%
9	9.90%	11.52%	13.14%	14.76%	16.38%	18.00%	18.58%	19.13%	19.69%	20.25%	20.83%	21.38%	21.94%	22.50%
10	11.00%	12.80%	14.60%	16.40%	18.20%	20.00%	20.64%	21.26%	21.88%	22.50%	23.14%	23.76%	24.38%	25.00%
11	12.10%	14.08%	16.06%	18.04%	20.02%	22.00%	22.70%	23.39%	24.07%	24.75%	25.45%	26.14%	26.82%	27.50%
12	13.20%	15.36%	17.52%	19.68%	21.84%	24.00%	24.77%	25.51%	26.26%	27.00%	27.77%	28.51%	29.26%	30.00%
13	14.30%	16.64%	18.98%	21.32%	23.66%	26.00%	26.83%	27.64%	28.44%	29.25%	30.08%	30.89%	31.69%	32.50%
14	15.40%	17.92%	20.44%	22.96%	25.48%	28.00%	28.90%	29.76%	30.63%	31.50%	32.40%	33.26%	34.13%	35.00%
15	16.50%	19.20%	21.90%	24.60%	27.30%	30.00%	30.96%	31.89%	32.82%	33.75%	34.71%	35.64%	36.57%	37.50%
16	17.60%	20.48%	23.36%	26.24%	29.12%	32.00%	33.02%	34.02%	35.01%	36.00%	37.02%	38.02%	39.01%	40.00%
17	18.70%	21.76%	24.82%	27.88%	30.94%	34.00%	35.09%	36.14%	37.20%	38.25%	39.34%	40.39%	41.45%	42.50%
18	19.80%	23.04%	26.28%	29.52%	32.76%	36.00%	37.15%	38.27%	39.38%	40.50%	41.65%	42.77%	43.88%	45.00%
19	20.90%	24.32%	27.74%	31.16%	34.58%	38.00%	39.22%	40.39%	41.57%	42.75%	43.97%	45.14%	46.32%	47.50%
20	22.00%	25.60%	29.20%	32.80%	36.40%	40.00%	41.28%	42.52%	43.76%	45.00%	46.28%	47.52%	48.76%	50.00%
21	23.10%	26.88%	30.66%	34.44%	38.22%	42.00%	43.34%	44.65%	45.95%	47.25%	48.59%	49.90%	51.20%	52.50%
22	24.20%	28.16%	32.12%	36.08%	40.04%	44.00%	45.41%	46.77%	48.14%	49.50%	50.91%	52.27%	53.64%	55.00%
23	25.30%	29.44%	33.58%	37.72%	41.86%	46.00%	47.47%	48.90%	50.32%	51.75%	53.22%	54.65%	56.07%	57.50%
24	26.40%	30.72%	35.04%	39.36%	43.68%	48.00%	49.54%	51.02%	52.51%	54.00%	55.54%	57.02%	58.51%	60.00%
25	27.50%	32.00%	36.50%	41.00%	45.50%	50.00%	51.60%	53.15%	54.70%	56.25%	57.85%	59.40%	60.95%	62.50%
26	28.60%	33.28%	37.96%	42.64%	47.32%	52.00%	53.66%	55.28%	56.89%	58.50%	60.16%	61.78%	63.39%	65.00%
27	29.70%	34.56%	39.42%	44.28%	49.14%	54.00%	55.73%	57.40%	59.08%	60.75%	62.48%	64.15%	65.83%	67.50%
28	30.80%	35.84%	40.88%	45.92%	50.96%	56.00%	57.79%	59.53%	61.26%	63.00%	64.79%	66.53%	68.26%	70.00%
29	31.90%	37.12%	42.34%	47.56%	52.78%	58.00%	59.86%	61.65%	63.45%	65.25%	67.11%	68.90%	70.70%	72.50%
30	33.00%	38.40%	43.80%	49.20%	54.60%	60.00%	61.92%	63.78%	65.64%	67.50%	69.42%	71.28%	73.14%	75.00%
31	34.10%	39.68%	45.26%	50.84%	56.42%	62.00%	63.98%	65.91%	67.83%	69.75%	71.73%	73.66%	75.58%	77.50%
32	35.20%	40.96%	46.72%	52.48%	58.24%	64.00%	66.05%	68.03%	70.02%	72.00%	74.05%	76.03%	78.02%	80.00%
33	36.30%	42.24%	48.18%	54.12%	60.06%	66.00%	68.11%	70.16%	72.20%	74.25%	76.36%	78.41%	80.45%	82.50%
34	—	43.52%	49.64%	55.76%	61.88%	68.00%	70.18%	72.28%	74.39%	76.50%	78.68%	80.78%	82.89%	85.00%
35	—	—	51.10%	57.40%	63.70%	70.00%	72.24%	74.41%	76.58%	78.75%	80.99%	83.16%	85.33%	87.50%
36	—	—	—	59.04%	65.52%	72.00%	74.30%	76.54%	78.77%	81.00%	83.30%	85.54%	87.77%	90.00%
37	—	—	—	—	67.34%	74.00%	76.37%	78.66%	80.96%	83.25%	85.62%	87.91%	90.21%	92.50%
38	—	—	—	—	—	76.00%	78.43%	80.79%	83.14%	85.50%	87.93%	90.29%	92.64%	95.00%
39	—	—	—	—	—	—	80.50%	82.91%	85.33%	87.75%	90.25%	92.66%	95.08%	97.50%
40+	—	—	—	—	—	—	—	85.04%	87.52%	90.00%	92.56%	95.04%	97.52%	100.00%

Age Factor Chart

Age	Benefit Factor	Age	Benefit Factor	Age	Benefit Factor
50	1.100%	541/2	1.910%	59	2.250%
501/4	1.146%	543/4	1.956%	591/4	2.258%
501/2	1.190%	55	2.000%	591/2	2.282%
503/4	1.236%	551/4	2.016%	593/4	2.298%
51	1.280%	551/2	2.032%	60	2.314%
511/4	1.325%	553/4	2.048%	601/4	2.330%
511/2	1.370%	56	2.064%	601/2	2.348%
513/4	1.415%	561/4	2.080%	603/4	2.360%
52	1.460%	561/2	2.096%	61	2.376%
521/4	1.506%	563/4	2.110%	611/4	2.392%
521/2	1.550%	57	2.126%	611/2	2.406%
523/4	1.596%	571/4	2.142%	613/4	2.422%
53	1.640%	571/2	2.158%	62	2.438%
531/4	1.686%	573/4	2.172%	621/4	2.454%
531/2	1.730%	58	2.188%	621/2	2.470%
533/4	1.776%	581/4	2.204%	623/4	2.486%
54	1.820%	581/2	2.220%	63+	2.500%
541/4	1.866%	583/4	2.238%		

Calculation Steps

For school members under CalPERS the formula became effective January 1, 2000

All retirements will be calculated on the highest 12 consecutive month earning period.

(If a period of time other than your last 12 months is higher you must tell CalPERS on your retirement application which 12 month period you want used in calculating your retirement. If you do not choose a different period, the last 12 months will automatically be used.)

The formula is 2% at age 55. If you retire at age 55 you will receive 2% times the amount of CalPERS service credit you have. (Example 2% x 25 years of service credit = 50%.) The result is the percentage of your average monthly earnings you will receive every month for the rest of your life. (The average earnings are adjusted for Social Security contribution made prior to 1/1/01. The reduction is made before the percentage of monthly retirement income is calculated.)

When you reach Social Security eligibility you will receive the full Social Security benefit you are entitled to if you have always paid Social Security taxes on all your earnings.

Adjustment for Social Security Contributions Prior to January 1, 2001

For school employees contributing to Social Security prior to January 1, 2001, the law required that the first $133.33 of your earnings be exempt from your monthly contributions to CalPERS. Therefore, when a retiring member's CalPERS retirement was calculated, $133.33 was deducted from the average pay rate before the pension amount was figured.

The law changed. Since January 1, 2001 you still contribute to Social Security but your contributions are now on your full earnings so no deduction is made from your average pay rate for any time you worked after that date.

Below is an example of how CalPERS calculates both time you worked before January 1, 2001 and after that date. The calculations are all completed for you and there are no further reductions because you are contributing to both CalPERS and Social Security.

Years of Service	30 (20 years prior to 1/1/01) (10 years after 1/1/01)
Age at Retirement	55
Final Compensation	$2,000.00

	Years of Service	x	Benefit Factor	x	Final Compensation	=	Unmodified Allowance
Adjustment for Contributions to Social Security prior to 1/1/01	20	x	2.000 = (40%)	x	$2000.00 -133.33 $ 1866.62	=	$746.64
No Adjustment for Contributions to Social Security after 1/1/01	10	x	2.000 = (20%)	x	$2000.00	=	$400.00
					Total	=	$1,146.00

As is stated in the Social Security section of this booklet, if you have always contributed to Social Security and CalPERS on your earnings, you will not be reduced by Social Security because you are also eligible to receive a CalPERS pension.

CSEA Retiree Unit

Any classified employee who retires is urged to join the CSEA Retiree Unit. Retired employees from public agencies represented by CSEA are also invited to join. The cost is only $3 per month if deducted from your CalPERS check. You may choose instead to send $36 annually.

Most of the benefits extended to actively-employed members of CSEA are available, such as:

- money saving benefits
- voluntary insurances
- free accidental death and dismemberment coverage
- free legal advice program
- assistance with CalPERS problems
- representation before the CalPERS Board and the Legislature
- publications to keep you informed mailed regularly to your home
- valuable information about state and national retiree issues
- a nationwide network of other retirees

We hope you'll join the Retiree Unit when you retire.

California School Employees Association
APPLICATION FOR RETIREE UNIT/COUNCIL MEMBERSHIP

___ ___ ___ - ___ ___ - ___ ___ ___ ___
Social Security Number

Last Name ____________ First Name ____________ Middle Initial ____

Street Address or P.O. Box ____________ City ____________ State ____ Zip Code ____

(______) Area Code ____________ Telephone Number ____________ County of Residence ____________

School District or Public Agency Retired From ____________ Date Retired ____________

Were you a member of CSEA when you retired? ☐ Yes ☐ No
If yes, name and number of CSEA chapter you belonged to: ____________

Check One: ____ I hereby authorize $3.00/month to be deducted from the CalPERS warrant I receive (until revoked by me in writing).

____ First year's dues of $36 attached.*

Please attach check or money order* ***payable to CSEA* *and mail to: California School Employees Association; 2045 Lundy Ave., San Jose, CA 95131.*

Member's Signature ____________ Date ____________

White copy (CSEA Headquarters) Yellow copy (Council President) Pink copy (Member) F-1064-07

Important Phone Numbers and Web Sites

CSEA CSEA Web Site	(800) 632-2128, ext. 1205 ***www.csea.com***
CalPERS Benefit Applications and CalPERS Member Services CalPERS Web Site	(888) 225-7377 ***www.calpers.ca.gov***
CalPERS Home Loans	(800) 874-7377
CalPERS Long Term Care	(800) 338-2244
Social Security Social Secuirty Web Site	(800) 772-1213 ***www.ssa.gov***
Medicare Web Site	***www.medicare.gov***

CalPERS Member Services Division Address

CalPERS Member Services
P.O. Box 942704 (mailing address)
400 "Q" Street
Sacramento 94229-2701

To: **CalPERS Regional Office**

From: ______________________

Fax # ______________________

Request for Publications

Name and Address to Ship Materials (Please Print)

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☐ **School Member Booklet**

Public Agency Member Booklets

☐ Local Misc. Benefits 2% @ 60
☐ Local Misc. Benefits 2% @ 55
☐ Local Misc. Benefits 2.5% @ 55
☐ Local Safety Benefits 2% @ 50
☐ Local Safety Benefits 2% @ 55
☐ Local Safety 2.5% @ 55

Forms and Brochures

☐ Planning Your Service Retirement Pub 1
☐ Retirement Allowance Estimate Request Form (MSD-470)
☐ Guide to Completing Your Service Retirement Application Pub 43
☐ Direct Deposit of Your Monthly Benefit Pub 32
☐ A Guide to CalPERS Service Credit Purchase Options Pub 12
☐ Your Disability Retirement Election Application Pub 35
☐ When You Change Retirement Systems Pub 16
☐ Member Change of Address Form (PRS221)
☐ Retirement Option 4 Pub 18
☐ Temporary Annuity Pub 13
☐ Employment After Retirement Pub 33
☐ Reinstatement From Retirement Pub 37
☐ Retired Member Death Benefits Pub 31
☐ Changing Your Beneficiary or Monthly Benefit After Retirement Pub 98
☐ The Power of Attorney Pub 30

All callers should contact the central call center in Sacramento at (888) 225-7377

Mail or Fax To Your Local CalPERS Office

Fresno Office
10 River Park Place East
Suite 230
Fresno 93720
fax (559) 440-4901

Glendale Office
Glendale Plaza
655 N. Central Ave., Suite 1400
Glendale 91203-1400
fax (818) 662-4304

San Jose Office
181 Metro Dr., Suite 520
San Jose 95110
fax (408) 451-8001

Orange Office
500 N. State College, Suite 750
Orange 92868
fax (714) 939-4701

Sacramento Office
P.O. Box 942710
400 Q Street
Sacramento 94229-2701
fax (916) 795-2761

San Bernardino Office
650 E. Hospitality Ln., Suite 330
San Bernardino 92408
fax (909) 806-4820

San Diego Office
7676 Hazard Center Dr., Suite 350
San Diego 92108
fax (619) 220-7201

Walnut Creek Office
1340 Treat Blvd., Ste. 200
Walnut Creek
fax (925) 746-8501