

RETIREMENT COMMITTEE

Maggie Ellis, Chairperson
John Anderson, Vice Chairperson
Dana Dillon, Board Liaison
Steve De Pue, Co-Consultant
Rose Luna-Nuñez, Co-Consultant
Jennifer Baker, Legislative Advocate

MAJOR POLICY – Immediate Action (2/3 vote required)

None

MAJOR POLICY - First Reading

None

OTHER ITEMS FOR IMMEDIATE ACTION

None

REFERRALS TO THE BOARD OF DIRECTORS

None

MATTERS PENDING

None

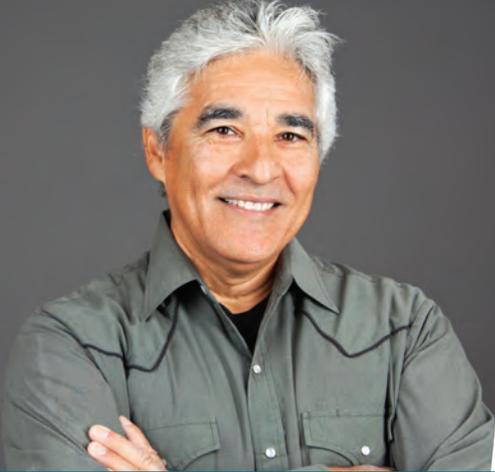
INFORMATIONAL ITEMS

1. The committee took the following positions:
 - AB 178 (Gorell) – Oppose
 - AB 1681 (Smyth) – Watch
 - AB 1819 (Ammiano) – Watch
 - SB 1057 (Huff) – Watch
 - SB 1208 (Leno) – Watch
2. The committee also approved the sponsoring of legislation that adds a provision to the insurance code that specifies an educator-driven 403(b) vendor process that will include: the establishment and creation of a vendor selection process through local collective bargaining; the creation of a preferred vendor process; provisions for vendor participation at local school districts/sites; and restrictions of vendor conduct, including ex-parte communications and gifts.

3. CTA President Dean Vogel and CTA Controller Carlos Moreno presented and held a question and answer session in regards to CTA's development of a 403(b) product(s). The Committee requested information on the member survey that was conducted which has led to the development of a CTA 403(b) product(s), as well as a comparison between the CTA's product(s) and the CalSTRS Pension 2 program. The committee will be sending additional requests for information through the Committee Chair. CTA is targeting January 1, 2013 as a rollout date for the new CTA product(s).
4. Committee was brought to date on the new GASB regulations pertaining to pension liabilities. Beginning in 2014, districts will be required to report their portion of the CalSTRS and CalPERS unfunded pension liabilities on their financial statements. More information on the implementation of the regulations will be developed by NODD and distributed to primary contact staff soon.
5. The committee was informed on the sunset of the CalSTRS earnings limitation exemptions – see attached.
6. The committee elected Maggie Ellis as Chair and John Anderson as Vice-Chair for the 2012-2013 year.
7. The Committee recognized the members of the committee that will be retiring this year.
8. CalSTRS offers a variety of counseling sessions. Check with local CalSTRS offices about arranging for counselors to come to your local to do workshops or group sessions.
9. Due to the unfunded liability, CalSTRS will not be extending the Medicare Premium Payment Program. Eligible members must retire by June 30, 2012 to qualify for this program. Check the CalSTRS website or contact your primary contact staff for more information.
10. CTA-NEA Retired reported that the 2012-2013 officers will be Alen Ritchie, President; and Frank Tarantino, Secretary/Treasurer. There is a vacancy in the office of Vice-President which will be filled at a CTA-NEA Retired meeting this summer.
11. PROTECTING YOUR FUTURE – Become a CTA/NEA –Retired/Pre-Retired Life member. Lifetime dues are \$400. Dues will increase on September 1, 2012, to \$450 for lifetime dues.....don't wait, join now!
Continue to enjoy your CTA/NEA member benefits which include:
 - *Legal consultation for retirement matters, benefits, substitute employment and other concerns*
 - *One million dollars Educators Liability Insurance*
 - *Entertainment, travel and purchasing discounts for members and their families*
 - *Continuing Insurance Plans – Auto, Home, Life, Long Term Care & more*
 - *Home and personal loans and other financial services*
 Come by the CTA/NEA-Retired table and pick up an enrollment form.

12. The Retirement Committee recommends that members use the NEA publication, *The Characteristics of Large Public Education Pension Plans*. The document can be found at www.nea.org/home/30068.htm and used to gather comparative pension information from around the country.

13. Websites to access retirement information include: www.CALSTRS.com
www.calstrsbenefits.us www.mycalstrs.com www.cta.org www.leginfo.ca.gov
www.CALPERS.ca.gov www.nea.org www.ctainvest.org www.nirsonline.org.



RETIRED Educator

WINTER 2012

CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM

INSIDE

- 2 CalSTRS Pensions Benefit State Economy
- 3 Federal Rules Might Reduce Your Social Security Benefits
- 4 Glendale Member Service Center Now Open
- 5 Online Benefit Payment Statements
- 6 We're Committed to Preventing Pension Spiking
- 8 Pay Dates for 2012

Also inside:

2011 Summary Report to Members

Working After Retirement: Exemptions End June 30

All exemptions to the annual postretirement earnings limit will end June 30. Under state law, if you work in any CalSTRS-covered employment on or after July 1, you will be subject to all applicable earnings limits and will no longer be able to apply for any exemptions, which include:

- Direct Classroom and Remedial Exemption
- Emergency Exemption
- Limited-Term Appointment or Assignment Exemption
- 12-Month Break Exemption

In past years the California Education Code provided exemptions to the annual postretirement earnings limit. By law, these exemptions are set to end June 30, 2012.

The following limits apply whether you perform creditable service as an employee of the

public school system, an independent contractor or an employee of a third party.

Annual Postretirement Earnings Limit

The annual postretirement earnings limit for the 2011-12 fiscal year is \$31,020. If you return to work and exceed the earnings limit, CalSTRS must withhold all of your gross monthly retirement benefit until the excess earnings are collected in full, up to the amount of your annual retirement benefit.

continued on page 7

Pension Changes Require Care

We take great care to be thorough and deliberate in reviewing any suspected case of spiking before changing a member's pension payment. Our members' due process during these reviews is important because any resulting actions will affect their retirement income for life.

In cases where pension spiking is determined, we reduce benefits to the appropriate level in accordance with the California Education Code and collect overpayments in a manner consistent with the law.

Regardless of the amount of a retiree's CalSTRS benefit, we are working hard to ensure the member receives the pension he or she has earned and no more. It's an issue of fairness to all California public school educators.

Pension Abuse Reporting Hotline

Anonymously report suspicions of pension abuse to CalSTRS:



Toll free 855-844-2468



CalSTRS.com/pensionabusereporting

Working After Retirement

continued from page 1

Example

You return to CalSTRS-covered employment during the 2011-12 fiscal year and earn a total of \$80,000, exceeding the earnings limit of \$31,020 by \$48,980. CalSTRS will collect your excess earnings of \$48,980 up to your annual retirement benefit you receive from CalSTRS. If your annual retirement benefit is \$41,000, CalSTRS will only collect \$41,000 of your excess earnings.

Separation From Service Requirement

If you retired before age 60, federal law requires you to wait six months or until your 60th birthday, whichever is sooner, before returning to CalSTRS-covered employment in order to avoid significant benefit reduction. If you return to CalSTRS-covered employment during this period, CalSTRS must reduce your retirement benefit by the amount you earn, up to your annual retirement benefit.

What This Change Means for You

With exemptions no longer available starting with the 2012-13 fiscal year, you should work closely with your employer to track your earnings reported to CalSTRS. Exceeding the annual post-retirement earnings limit can significantly affect your retirement benefit. Find other information related to working after retirement at CalSTRS.com.

Keep in Mind

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:

- Private industry
- Private schools
- Public schools outside of California
- University of California or California State University systems

If you have questions, send us an online message using your *myCalSTRS* account or at CalSTRS.com/contactus, or call 800-228-5453.