



Understanding Your State Retirement

CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM (CALSTRS)

When preparing for your future knowing how your state pension works is critical so you know when you could retire, how much you could receive and most importantly what you may need to save on your own to have the retirement of your dreams. The following will help you understand how your benefits are calculated as of today, you need to be aware that the system may change the rules in the future. Studies have shown that since 2005 teacher pension benefits have declined by \$100,000 on average¹, so you need to watch for changes and adjust accordingly.

Retirement with Full Benefits

CalSTRS benefits are based on your age and years of service under CalSTRS. Eligibility for a full lifetime retirement benefit is based on when you joined CALSTRS:

CalSTRS 2% at 60 members (Hired prior to 1/1/2013)

- Age 50 with 30 years of service (not available if hired after 12/31/2012), or
- Age 55 with at least five years of service

CalSTRS 2% at 62 members (Hired on or after 1/1/13)

- Age 55 with at least five years of service

You may work beyond meeting the requirements and will receive increased pensions benefits based on your additional years of service, the maximum years of service that may be used in the calculation is 40.

Early Retirement

There are provisions for early retirement where you will receive a pension payment, but it will be reduced. Please see your plans website for details.

How Standard Pension Benefits are Calculated

1. Determine your years of creditable service (YOS)
2. Multiply by Age Factor (see table to identify)
3. Multiply final average salary
4. Divide by 12 to get monthly payment

Example

Age: 55 | Years of service: 30

Final average salary: \$56,000 (2% at age 60 participant)

Calculation

YOS: $30 \times 1.4\% = 42\%$ payout factor

$42\% \times \$56,000 = \$23,520$

$\$23,520 / 12 = \$1,960$ per month

This is a reduction of 58% of what is being earned today!

Your Worksheet

YOS: _____ x _____ % = _____ payout factor

_____ x \$ _____ Final Avg. Salary = \$ _____

\$ _____ / 12 = \$ _____ per month

Age Factor Table CalSTRS 2%@60 (expressed as percentages)

For participants hired prior to January 1, 2013

	Months											
	0	1	2	3	4	5	6	7	8	9	10	11
63	2.400	2.400	2.400	2.400	2.400	2.400	2.400	2.400	2.400	2.400	2.400	2.400
62	2.267	2.267	2.267	2.300	2.300	2.333	2.333	2.333	2.367	2.367	2.367	2.367
61	2.133	2.133	2.133	2.167	2.167	2.167	2.200	2.200	2.200	2.233	2.233	2.233
60	2.000	2.000	2.000	2.033	2.033	2.033	2.067	2.067	2.067	2.100	2.100	2.100
59	1.880	1.890	1.900	1.910	1.920	1.930	1.940	1.950	1.960	1.970	1.980	1.990
58	1.760	1.770	1.780	1.790	1.800	1.810	1.820	1.830	1.840	1.850	1.860	1.870
57	1.640	1.650	1.660	1.670	1.680	1.690	1.700	1.710	1.720	1.730	1.740	1.750
56	1.520	1.530	1.540	1.550	1.560	1.570	1.580	1.590	1.600	1.610	1.620	1.630
55	1.400	1.410	1.420	1.430	1.440	1.450	1.460	1.470	1.480	1.490	1.500	1.510
54	1.340	1.345	1.350	1.355	1.360	1.365	1.370	1.375	1.380	1.385	1.390	1.395
53	1.280	1.285	1.290	1.295	1.300	1.305	1.310	1.315	1.320	1.325	1.330	1.335
52	1.220	1.225	1.230	1.235	1.240	1.245	1.250	1.255	1.260	1.265	1.270	1.275
51	1.160	1.165	1.170	1.175	1.180	1.185	1.190	1.195	1.200	1.205	1.210	1.215
50	1.100	1.105	1.110	1.115	1.120	1.125	1.130	1.135	1.140	1.145	1.150	1.155

Note: You must have 30 years of service credit to retire between the ages of 50 and 55. Source: *CalSTRS Member Handbook*, 2025

Age Factor Table CalSTRS 2%@62 (expressed as percentages)

For participants on or after January 1, 2013

	Months											
	0	1	2	3	4	5	6	7	8	9	10	11
65	2.400	2.400	2.400	2.400	2.400	2.400	2.400	2.400	2.400	2.400	2.400	2.400
64	2.267	2.267	2.267	2.300	2.300	2.300	2.333	2.333	2.333	2.367	2.367	2.367
63	2.133	2.133	2.133	2.167	2.167	2.167	2.200	2.200	2.200	2.233	2.233	2.233
62	2.000	2.000	2.000	2.033	2.033	2.033	2.067	2.067	2.067	2.100	2.100	2.100
61	1.880	1.890	1.900	1.910	1.920	1.930	1.940	1.950	1.960	1.970	1.980	1.990
60	1.760	1.770	1.780	1.790	1.800	1.810	1.820	1.830	1.840	1.850	1.860	1.870
59	1.640	1.650	1.660	1.670	1.680	1.690	1.700	1.710	1.720	1.730	1.740	1.750
58	1.520	1.530	1.540	1.550	1.560	1.570	1.580	1.590	1.600	1.610	1.620	1.630
57	1.400	1.410	1.420	1.430	1.440	1.450	1.460	1.470	1.480	1.490	1.500	1.510
56	1.280	1.290	1.300	1.310	1.320	1.330	1.340	1.350	1.360	1.370	1.380	1.390
55	1.160	1.170	1.180	1.190	1.200	1.210	1.220	1.230	1.240	1.250	1.260	1.270

Source: *CalSTRS Member Handbook*, 2025

Determining Final Average Compensation

If you were hired prior to 12/31/2012 (2% at 60 members only) and retire with 25 or more years of service, your highest one year compensation is used.

If you have under 25 years of service or were hired after 12/31/2012, final compensation is based on highest 36 consecutive months.

Payment Options

Your plan offers multiple payment options. The highest payout will be for your life only, other options will pay a benefit to a designated beneficiary but will reduce the monthly payment. Please review your payment choices on your plan's website.

Payment Increases

Current state law calls for an automatic benefit increase equal to 2% of your initial benefit (non-compounded). The California Legislature can reduce or eliminate this benefit for new and existing members, even those already retired, if economic conditions dictate.

Payments may also be increased to maintain purchasing power. If the purchasing power of your initial benefit falls below 85% of the initial benefit, a one year supplement will be paid. Additionally, the state Legislature may grant ad hoc or one time permanent increases to monthly benefits.

Your Pensions Website

Go to www.CalSTRS.com or scan the QR code



¹ Teachers Retirement U website, Teacher Pension Basics, teacherretirementu.org - August, 2023

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