



CalPERS Education Center presents:

CalPERS Members: Early Career Basics

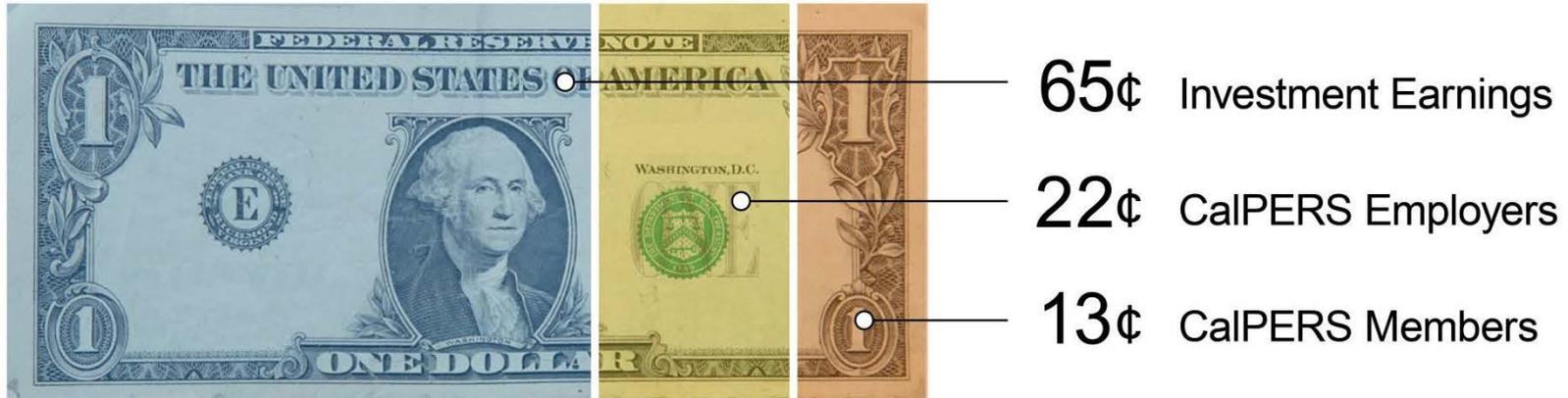
Agenda:

- What is CalPERS?
- Different Sources of Retirement Income
- Your Retirement Calculation
- Service Credit Purchase
- CalPERS Health Benefits
- Power of Attorney
- Pre-retirement Death Benefits
- Leaving Your Employer
- Tools & Resources
- How to Contact CalPERS

What is CalPERS?

California Public Employees' Retirement System (CalPERS) provides retirement and health benefits to more than 1.7 million public employees, retirees, and their families and more than 3,000 employers.

Sources that Fund Your Pension

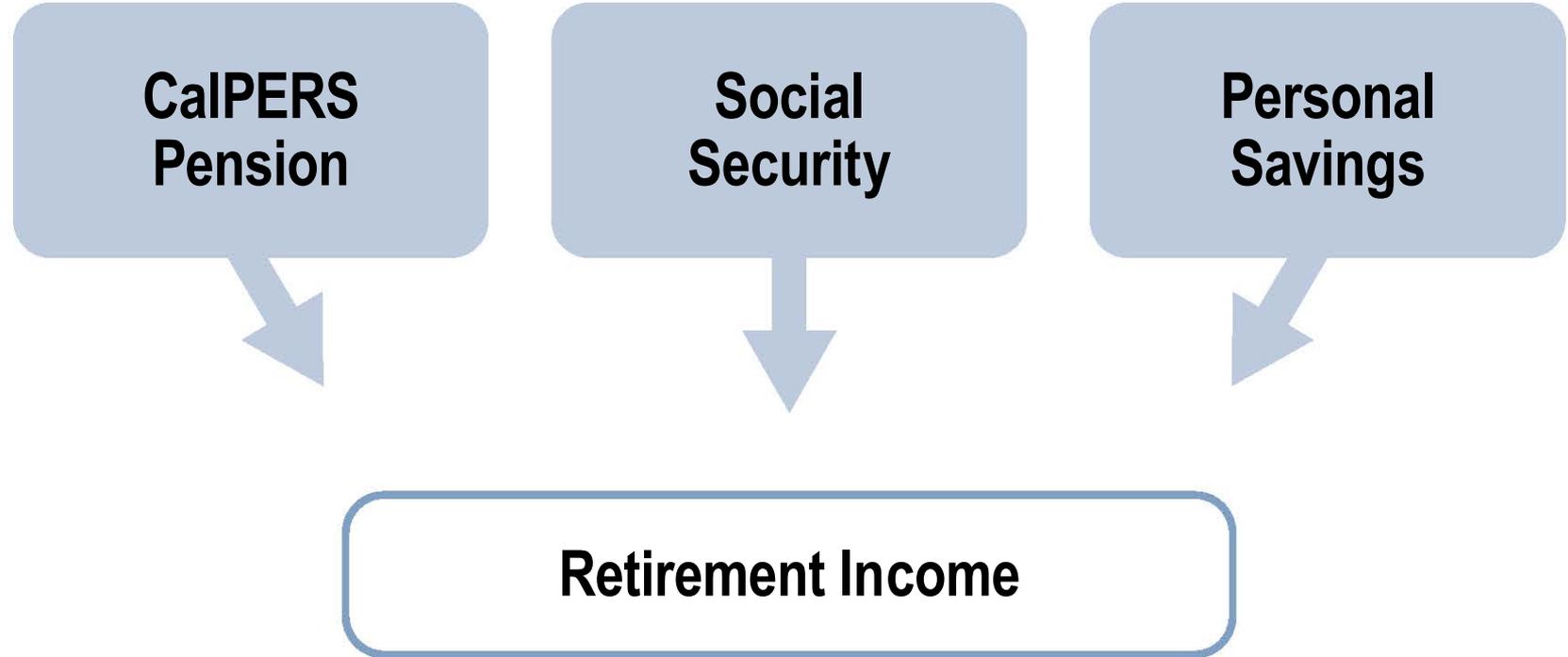


Source: CalPERS income over the last 20 years as of June 2015.

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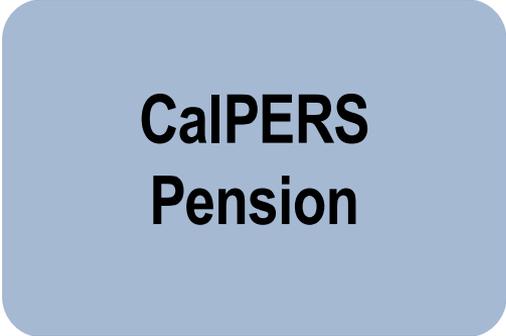
Different Sources of Retirement Income



Different Sources of Retirement Income: CalPERS

CalPERS Pension

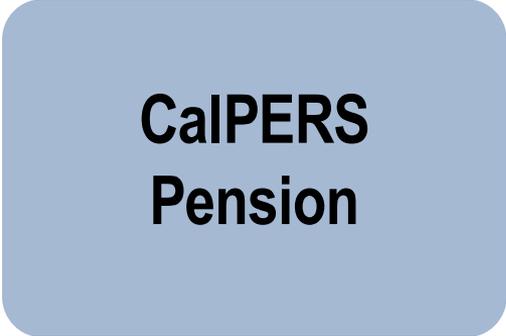
- Based on a defined formula
- Payable for life
- CalPERS manages funds



**CalPERS
Pension**

Different Sources of Retirement Income: CalPERS

- Three types of CalPERS retirement
 - Service retirement
 - Disability Retirement
 - Industrial Disability Retirement



**CalPERS
Pension**

Different Sources of Retirement Income: Social Security

- Social Security
 - Federal program funded through dedicated payroll taxes
 - Benefits based on your date of birth
 - Benefits may begin as early as age 62
 - Contact: www.ssa.gov



**Social
Security**

Different Sources of Retirement Income: Personal Savings

- Personal savings examples:
 - Defined contribution plans
 - Personal savings accounts
 - Individual Retirement Account (IRA)
 - Brokerage accounts, mutual funds
 - Stocks, bonds
 - Real estate



**Personal
Savings**

Different Sources of Retirement Income: Personal Savings

- Personal savings for Public Agency & School members:
 - CalPERS Supplemental Income 457 Plan
 - By contract only

Different Sources of Retirement Income: Personal Savings

- Personal savings for State members:
 - Savings Plus Program – www.savingsplusnow.com
 - CalPERS Supplemental Contribution Plan – www.calpers.ca.gov

Example of Tax Deferred Savings

	Member A	Member B
Monthly Salary	\$2,500	\$2,500
Before Tax Savings	<u>\$ 0</u>	<u>\$ 100</u>
Taxable Income	\$2,500	\$2,400
Taxes Paid	<u>\$ 400</u>	<u>\$ 365</u>
Net Pay	\$2,100	\$2,035
After Tax Savings	<u>\$ 100</u>	<u>\$ 0</u>
Take Home Pay	\$2,000	\$2,035

Example of Compound Interest

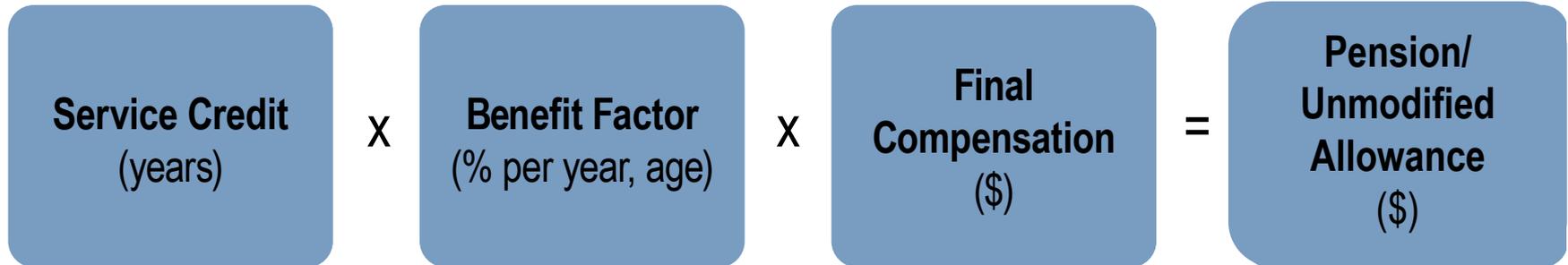
	Member A	Member B
Start of investing age	30 yrs old	45 yrs old
Retirement age	65 yrs old	65 yrs old
Investing for 15 yrs (age 30-45)	\$5,000	\$0
Invests for 20 yrs (age 45-65)	\$0	\$7,500
Total invested	\$75,000	\$150,000
Total invested with return	\$427,495	\$318,046

Based on 7% annual rate of return

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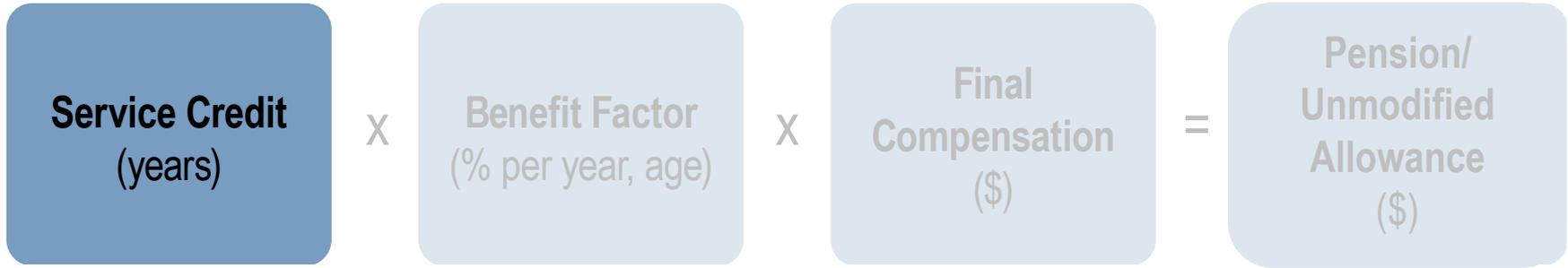
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How Your Retirement Is Calculated



Three factors used to calculate service retirement

How Your Retirement Is Calculated: Service Credit

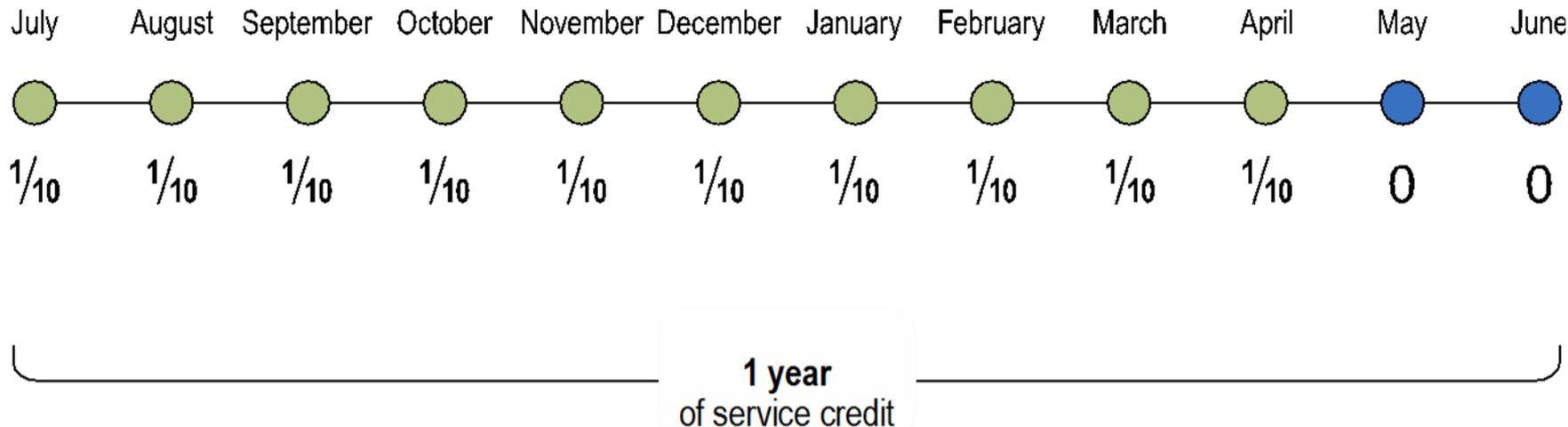


- Earned on a fiscal-year basis (July 1 – June 30)
- Accrued based on how you are paid

Time Base	Requirement
Hourly	1,720 Hours
Daily	215 Days
Monthly	10 Months

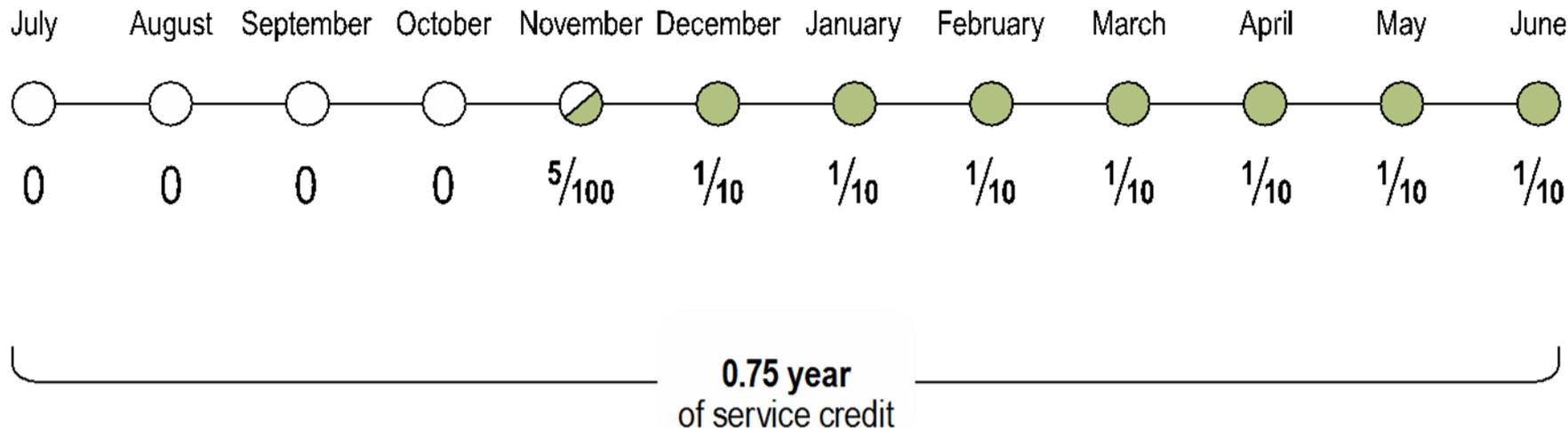
How Your Retirement Is Calculated: Service Credit

Example: Paid monthly and begins work on July 1

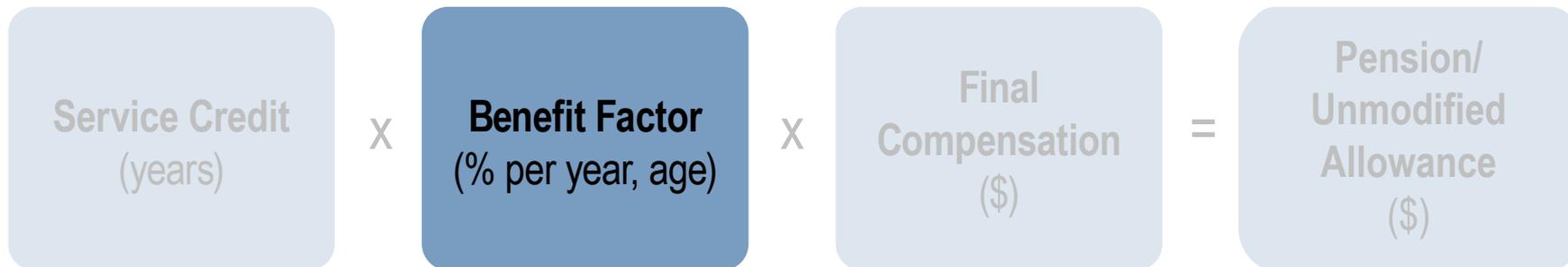


How Your Retirement Is Calculated: Service Credit

Example: Paid monthly and begins work in mid-November



How Your Retirement Is Calculated: Retirement Formula



- Percentage of pay for each year of service
- Determined by:
 - Age at retirement
 - Retirement formula (*based on employer contract*)

How Your Retirement Is Calculated: Retirement Formula

State & Schools Miscellaneous 2% @ 55				
Age at Retirement	Birthday Benefit Factor	$\frac{1}{4}$ Birthday Benefit Factor	$\frac{1}{2}$ Birthday Benefit Factor	$\frac{3}{4}$ Birthday Benefit Factor
50	1.100%	1.146%	1.190%	1.236%
51	1.280%	1.326%	1.370%	1.416%
52	1.460%	1.506%	1.550%	1.596%
53	1.640%	1.686%	1.730%	1.776%
54	1.820%	1.866%	1.910%	1.956%
55	2.000%	2.016%	2.032%	2.048%
56	2.064%	2.080%	2.096%	2.110%
57	2.126%	2.142%	2.158%	2.172%
58	2.188%	2.204%	2.220%	2.236%
59	2.250%	2.268%	2.282%	2.298%
60	2.314%	2.330%	2.346%	2.360%
61	2.376%	2.392%	2.406%	2.422%
62	2.438%	2.454%	2.470%	2.486%
63	2.500%	2.500%	2.500%	2.500%

Retirement formula name



How Your Retirement Is Calculated: Retirement Formula

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54	1.820%	1.866%	1.910%	1.956%
55	2.000%	2.016%	2.032%	2.048%
56	2.064%	2.080%	2.096%	2.110%
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62	2.438%	2.454%	2.470%	2.486%
63	2.500%	2.500%	2.500%	2.500%

Retirement formula range

How Your Retirement Is Calculated: Retirement Formula

State Miscellaneous & Industrial Members

- State 2% @ 55
- State 2% @ 60
- State 2% @ 62
- State 1.25% @ 67
- State 1.25% @ 65 (Tier 2)

School Members

- 2% @ 55
- 2% @ 62

How Your Retirement Is Calculated: Retirement Formula

State Safety Members

- 3% @ 50
- 3% @ 55
- 2.7% @ 57
- 2.5% @ 55
- 2.5% @ 57
- 2.5% @ 60
- 2% @ 50
- 2% @ 55
- 2% @ 57

How Your Retirement Is Calculated: Retirement Formula

Local Miscellaneous Member

- Local 3% @ 60
- Local 2.7% @ 55
- Local 2.5% @ 55
- Local 2% @ 55
- Local 2% @ 60
- Local 2% @ 62
- Local 1.5% @ 65

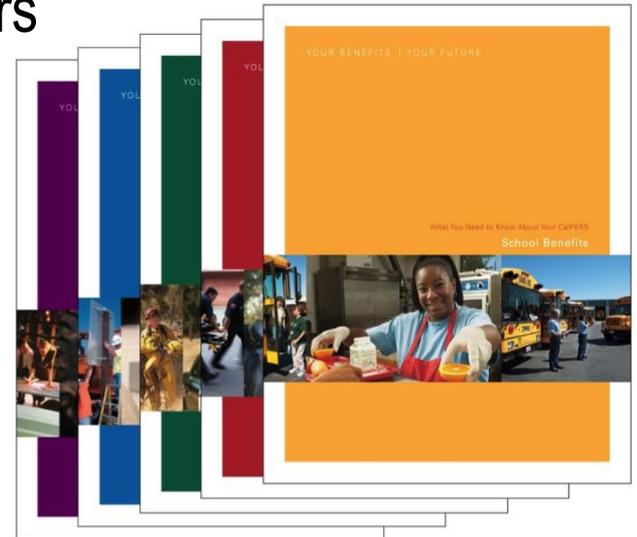
Local Safety Members

- Local 2.5% @ 55
- Local 2% @ 50
- Local 2 % @ 55
- 3% @ 50
- 3% @ 55
- 2.7% @ 57
- 2.5% @ 57
- 2% @ 57

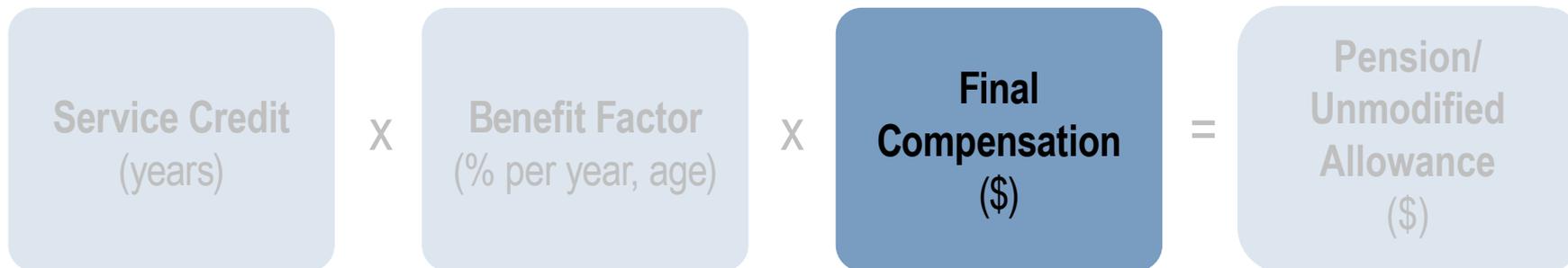
How Your Retirement Is Calculated: Retirement Formula

Forms & Publications

- Member Benefits:
 - State Miscellaneous & Industrial members
 - State Safety members
 - Local Miscellaneous members
 - Local Safety members
 - School members

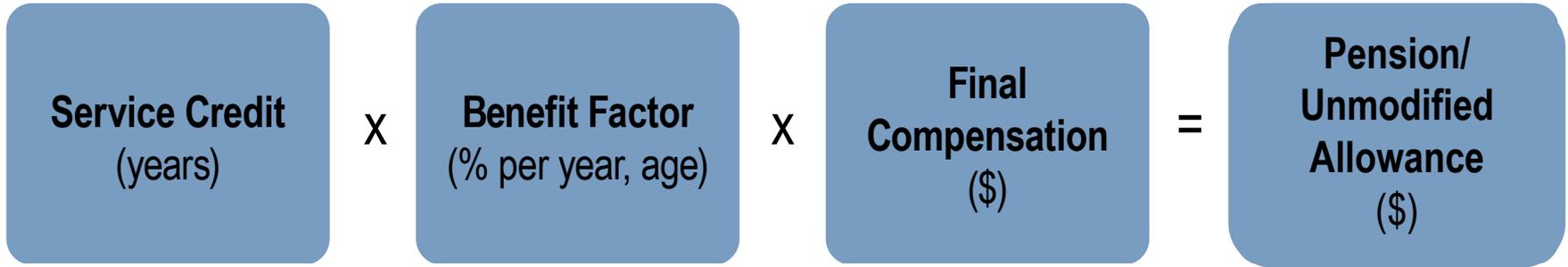


How Your Retirement Is Calculated: Final Compensation



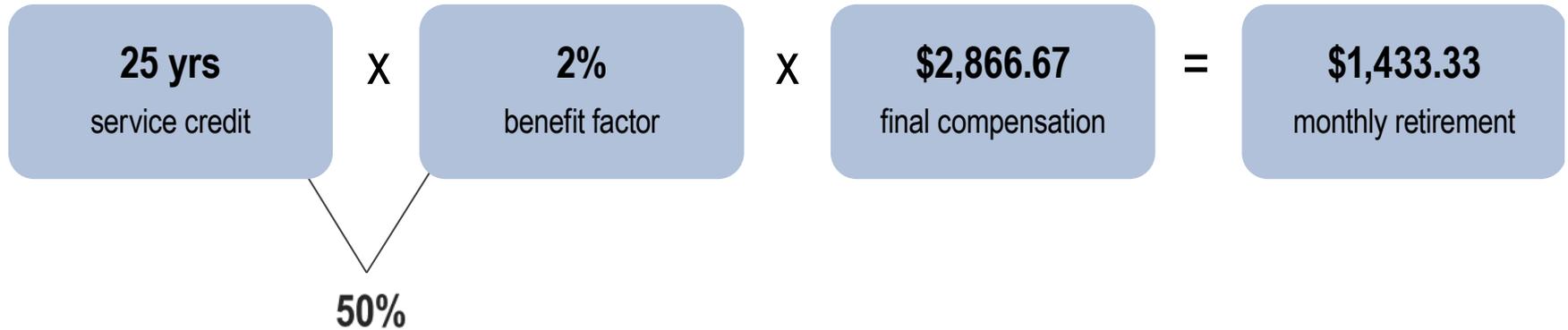
- Highest average pay rate & special compensation
 - Based on full-time pay rate, not earnings
 - 12 or 36 consecutive months (*based on membership date and employer contract*)

How Your Retirement Is Calculated



How Your Retirement Is Calculated

Example: 25 years of service, 2% benefit factor



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Service Credit Purchase

- Examples of service credit purchase types:
 - Redeposit of withdrawn contributions

Service Credit Purchase

- Examples of service credit purchase types:
 - Redeposit of withdrawn contributions
 - Service prior to membership

Service Credit Purchase

- Examples of service credit purchase types:
 - Redeposit of withdrawn contributions
 - Service prior to membership
 - Military service

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CalPERS Health Benefits

- Eligibility:
 - Employer must contract with CalPERS
 - Must meet time base
- Contribution rates:
 - Public Agency and School members – contact employer
 - State members – contact California Department of Human Resources (www.calhr.ca.gov)

CalPERS Health Benefits

- Health plan types offered:
 - Preferred Provider Organization (PPO)
 - Health Maintenance Organization (HMO)
 - Exclusive Provider Organization (EPO)

CalPERS Health Benefits

- Dependent(s) may include:
 - Spouse or registered domestic partner
 - Children up to age of 26
 - Natural, adopted or step
 - Parent-child relationship
 - Certified disabled dependent children over age 26

CalPERS Health Benefits

- Changing health plans:
 - During health open enrollment period
 - Qualifying life events:
 - Marriage/domestic partnership
 - Divorce or termination of domestic partnership
 - Birth of child
 - Loss of coverage
 - Moving

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Why Power of Attorney is Important

- Designate a person to conduct business
 - Specifically for CalPERS issues
 - You give specific authority
 - Cannot be used to make medical decisions
 - Cannot provide authority over real or personal property

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Pre-retirement Death Benefits

- Death benefits may be payable to beneficiaries or survivors, based on member's eligibility
 - One-time payment
 - Monthly payments

Pre-retirement Death Benefits

- A beneficiary may be any person, trust, estate, corporation
- If no designation form on file, State law defines beneficiary
- Certain events revoke designation

Pre-retirement Death Benefits

- Changing your beneficiary
 - my|CalPERS
 - Download from calpers.ca.gov
 - Your personnel office

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Leaving Your Employer: Options

- Leave funds in your CalPERS account
- Take a refund
 - Cash
 - Rollover
- Move to another California public employer

Leaving Your Employer: Classic vs New Members

- Classic members – hired prior to 01/01/2013
 - Moved from one system to another within six months
- New member on or after 01/01/2013
 - No prior membership in any California public retirement system
 - Not eligible for reciprocity with another California system
 - Break in service of more than six months

Leaving Your Employer: Reciprocity

- Reciprocity is an agreement among California public retirement systems which allows:
 - Maintaining membership in each system
 - Coordination of benefits between systems
- No transfer of funds or service credit

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Tools & Resources

- my|CalPERS: my.calpers.ca.gov
 - Retirement
 - Health (*if applicable*)
 - Education Resources
 - Profile
 - Message Center

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Contacting CalPERS

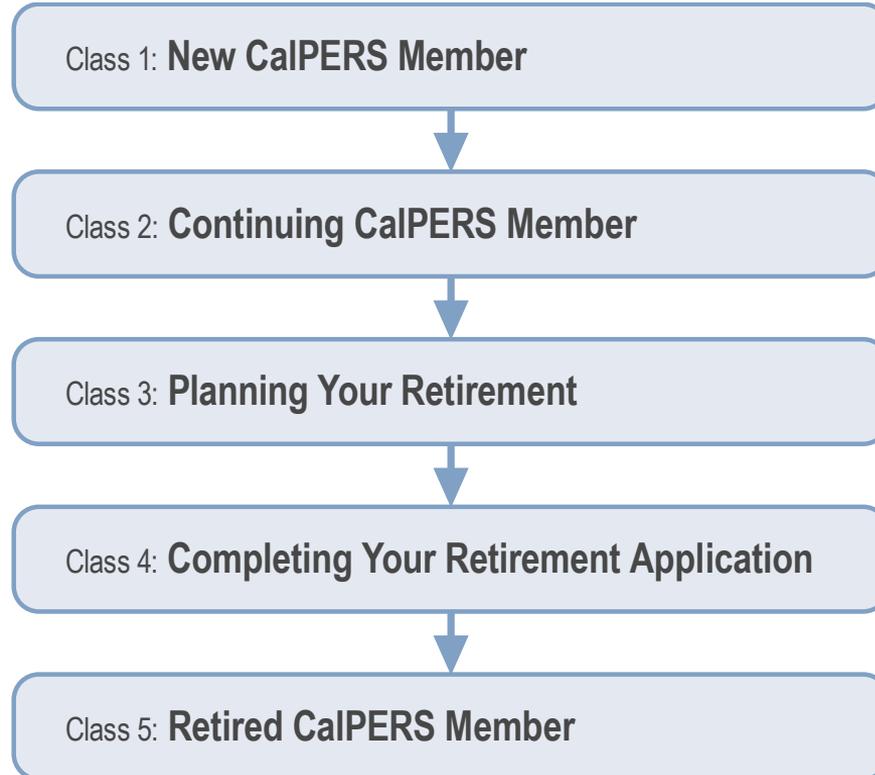
- my|CalPERS Message Center
- By mail
- By phone **888 CalPERS** (or **888-225-7377**)
- Visit a Regional Office

Regional Offices

- Walnut Creek
- Sacramento
- San Jose
- Fresno
- Glendale
- Orange
- San Bernardino
- San Diego



Member Education Classes:



This concludes our presentation.

Thank you for attending!

Disclaimer: CalPERS is governed by the Public Employees' Retirement Law and the Alternate Retirement Program provisions in the Government Code, together referred to as the Retirement Law. The information in this webinar is general and current as of the date recorded. The Retirement Law is complex and subject to change. If there is a conflict between the law and the information presented in this CalPERS webinar, any decisions will be based on the law.