



Pension & Retirement Benefit Handbook

CalSTRS

January 2026 Edition

A Guide for Certificated Staff

It is the mission of Teachers Retirement Solutions (TRS) to strategically create partnerships with School Districts to provide education and resources to all classified and certificated staff by simplifying the, "complicated." When it comes to retirement planning Teachers Retirement Solution is a non-captive, multi-vendor consulting company that can tailor a 403b or 457 supplemental retirement plan based on every individuals needs & goals.

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What will your benefit look like?

Your CalSTRS retirement benefit is a strong foundation—it's calculated using a formula that provides a fixed percentage of your final compensation based on your age when you retire and your years of service credit. You'll likely need more to meet your retirement income goal, so consider starting a 403(b) or 457(b) tax-advantaged account early in your career rather than later.

Are you on track?

On average, the CalSTRS retirement benefit replaces 50% to 60% of a career educator's salary. In addition, you'll likely need personal savings and investments. According to financial professionals, you may need 80% to 90% of your final salary to retire comfortably.

CalSTRS 2% at 60 members

25 years of service credit at age 60
= 50% of your final compensation



30 years of service credit at age 60
= 66% of your final compensation,
including the career factor enhancement



CalSTRS 2% at 62 members

25 years of service credit at age 62
= 50% of your final compensation



30 years of service credit at age 62
= 60% of your final compensation

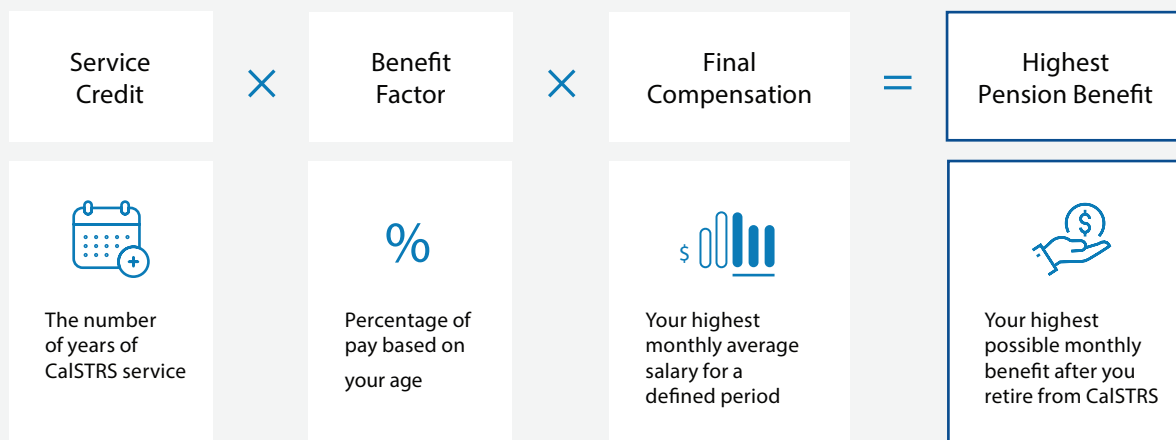


CalSTRS 2% at 62 members are not eligible for the career factor enhancement.

Calculate more scenarios by visiting our website's
[Retirement Income Gap Calculator](#)



Basic Retirement Calculation



Percentage of final compensation for CalSTRS 2% at 60 members

Age	55	56	57	58	59	60	61	62	63+
Age factor	1.40%	1.52%	1.64%	1.76%	1.88%	2.00%	2.13%	2.27%	2.40%
Years of service credit	Percentage of final compensation								
15	21.0%	22.8%	24.6%	26.4%	28.2%	30.0%	32.0%	34.0%	36.0%
16	22.4%	24.3%	26.2%	28.2%	30.1%	32.0%	34.1%	36.3%	38.4%
17	23.8%	25.8%	27.9%	29.9%	32.0%	34.0%	36.3%	38.5%	40.8%
18	25.2%	27.4%	29.5%	31.7%	33.8%	36.0%	38.4%	40.8%	43.2%
19	26.6%	28.9%	31.2%	33.4%	35.7%	38.0%	40.5%	43.1%	45.6%
20	28.0%	30.4%	32.8%	35.2%	37.6%	40.0%	42.7%	45.3%	48.0%
21	29.4%	31.9%	34.4%	37.0%	39.5%	42.0%	44.8%	47.6%	50.4%
22	30.8%	33.4%	36.1%	38.7%	41.4%	44.0%	46.9%	49.9%	52.8%
23	32.2%	35.0%	37.7%	40.5%	43.2%	46.0%	49.1%	52.1%	55.2%
24	33.6%	36.5%	39.4%	42.2%	45.1%	48.0%	51.2%	54.4%	57.6%
25	35.0%	38.0%	41.0%	44.0%	47.0%	50.0%	53.3%	56.7%	60.0%
26	36.4%	39.5%	42.6%	45.8%	48.9%	52.0%	55.5%	58.9%	62.4%
27	37.8%	41.0%	44.3%	47.5%	50.8%	54.0%	57.6%	61.2%	64.8%
28	39.2%	42.6%	45.9%	49.3%	52.6%	56.0%	59.7%	63.5%	67.2%
29	40.6%	44.1%	47.6%	51.0%	54.5%	58.0%	61.9%	65.7%	69.6%
30	48.0%	51.6%	55.2%	58.8%	62.4%	66.0%	70.0%	72.0%	72.0%
31	49.6%	53.3%	57.0%	60.8%	64.5%	68.2%	72.3%	74.4%	74.4%
32	51.2%	55.0%	58.9%	62.7%	66.6%	70.4%	74.7%	76.8%	76.8%
33	52.8%	56.8%	60.7%	64.7%	68.6%	72.6%	77.0%	79.2%	79.2%



Meet Susie: She's 62, a dedicated California educator under the 2% at 60 CalSTRS plan with 31 years of service credit. With a final compensation of \$5,279.17 per month, Susie plans to retire at 63. But when she ran the numbers, her estimated CalSTRS pension left her with a monthly income gap of \$1,788.42, over \$21,000 a year she'll need from somewhere else.

Through Teachers Retirement Solutions, Susie discovered how a 403(b)/457 plan could help close that gap. These plans are tax-deferred, flexible, and portable, letting her contribute on her own terms while minimizing fees and market risk. She also learned about life insurance with living benefits, which builds cash value she may access in retirement. And if she ever faces a critical illness or terminal diagnosis, Accelerated Benefit Riders let her tap into a portion of her death benefit while she's still alive, at no extra cost.

Percentage of final compensation for CalSTRS 2% at 62 members

Age	55	56	57	58	59	60	61	62	63	64	65
Age factor	1.16%	1.28%	1.40%	1.52%	1.64%	1.76%	1.88%	2.00%	2.13%	2.27%	2.40%
Years of service credit	Percentage of final compensation										
15	17.4%	19.2%	21.0%	22.8%	24.6%	26.4%	28.2%	30.0%	32.0%	34.0%	36.0%
16	18.6%	20.5%	22.4%	24.3%	26.2%	28.2%	30.1%	32.0%	34.1%	36.3%	38.4%
17	19.7%	21.8%	23.8%	25.8%	27.9%	29.9%	32.0%	34.0%	36.3%	38.5%	40.8%
18	20.9%	23.0%	25.2%	27.4%	29.5%	31.7%	33.8%	36.0%	38.4%	40.8%	43.2%
19	22.0%	24.3%	26.6%	28.9%	31.2%	33.4%	35.7%	38.0%	40.5%	43.1%	45.6%
20	23.2%	25.6%	28.0%	30.4%	32.8%	35.2%	37.6%	40.0%	42.7%	45.3%	48.0%
21	24.4%	26.9%	29.4%	31.9%	34.4%	37.0%	39.5%	42.0%	44.8%	47.6%	50.4%
22	25.5%	28.2%	30.8%	33.4%	36.1%	38.7%	41.4%	44.0%	46.9%	49.9%	52.8%
23	26.7%	29.4%	32.2%	35.0%	37.7%	40.5%	43.2%	46.0%	49.1%	52.1%	55.2%
24	27.8%	30.7%	33.6%	36.5%	39.4%	42.2%	45.1%	48.0%	51.2%	54.4%	57.6%
25	29.0%	32.0%	35.0%	38.0%	41.0%	44.0%	47.0%	50.0%	53.3%	56.7%	60.0%
26	30.2%	33.3%	36.4%	39.5%	42.6%	45.8%	48.9%	52.0%	55.5%	58.9%	62.4%
27	31.3%	34.6%	37.8%	41.0%	44.3%	47.5%	50.8%	54.0%	57.6%	61.2%	64.8%
28	32.5%	35.8%	39.2%	42.6%	45.9%	49.3%	52.6%	56.0%	59.7%	63.5%	67.2%
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32	37.1%	41.0%	44.8%	48.6%	52.5%	56.3%	60.2%	64.0%	68.3%	72.5%	76.8%
33	38.3%	42.2%	46.2%	50.2%	54.1%	58.1%	62.0%	66.0%	70.4%	74.8%	79.2%



Meet Robert: He's 65 and spent 33 years as a classified employee under the 2% at 62 CalSTRS plan. Robert retired at 61, one year before reaching his full age factor, which permanently reduced his pension. With a final compensation of \$4,971.53, his monthly income gap sits at \$1,889.19. That's nearly \$22,700 a year his pension can't cover.

Robert worked with a retirement specialist at Teachers Retirement Solutions and learned how a 403(b)/457 plan could help fill that gap. The contributions are tax-deferred, so his money grows without being taxed upfront. He has the flexibility to increase or decrease what he puts in based on his budget, and he chose an option that minimizes fees and market risk. Best of all, the plan is portable, so it stays with him no matter what. For Robert, it was the missing piece his pension couldn't provide.

The power of time and money

The best to get started was yesterday, second best is today

A small monthly contribution to your tax-deferret account may reduce your paycheck.

Monthly contribution	May reduce your take-home pay by
\$100	\$63
\$250	\$158
\$400	\$252
\$600	\$378
\$750	\$473
\$1,250	\$788

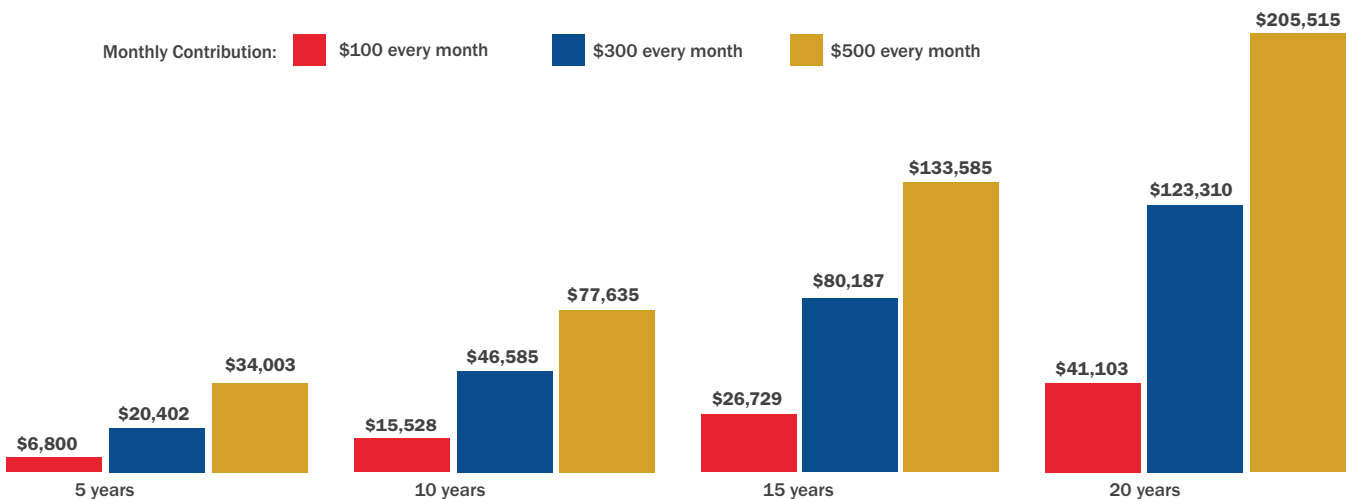
Have other retirement savings accounts?

Bring them all together
 Consider rolling over money currently held in other qualified retirement plans to 403b/ 457. You'll be able to manage your retirement savings in one place and save on fees.

For a no-cost, no-obligation comparison of the fees you may pay elsewhere and with 403b/ 457, call (866) 833-6133.

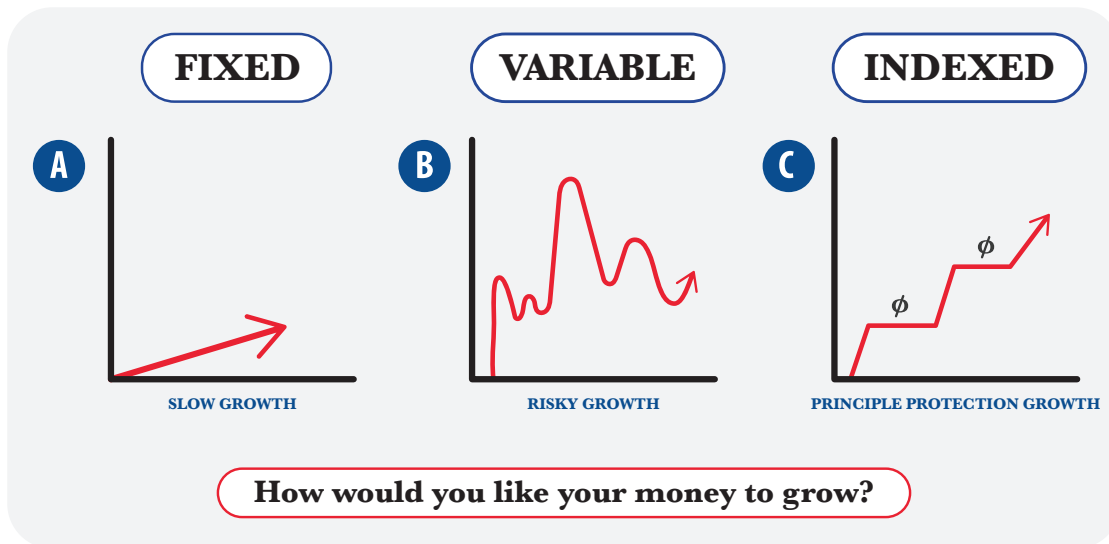
A little now can really add up later

Let's say you contribute \$100 every month to your account. If your account averages a 5% rate of return annually, after 20 years you could have \$41,103. If you increase your monthly contribution to \$300, your savings could grow to \$123,310.



These hypothetical illustrations assume a combined 37% state and federal tax rate. They are not meant to represent the performance of any investment product and should not be used to predict investment performance. Any taxes and expenses associated with an actual investment are not reflected. While taxes are paid when funds are withdrawn, investors are often in a lower tax bracket at retirement.

What Type of 403B / 457 Plan do you own?



If you're like most educators, your supplemental retirement dollars sit in a 403(b) or 457 plan. Did you know, not all 403(b)/ 457 plans grow the same way? A quick retirement plan review can reveal how much risk exposure your money is taking and whether your growth fits your goals.

3 ways your money works:

1. **Fixed** – Slow & steady. Typically offers a declared rate. Pros: principal stability. Cons: lower growth potential; may lag inflation.
2. **Variable** – Market-linked & bumpy. Invested in sub-accounts (like mutual funds). Pros: higher upside potential. Cons: full market risk and high management fees can apply.
3. **Indexed** – Hybrid savings plan. Unlimited interest earning potential with 100% principal protection. Pros: principal protection from market loss with upside potential. Cons: 5-10 year surrender time frames; rules matter.

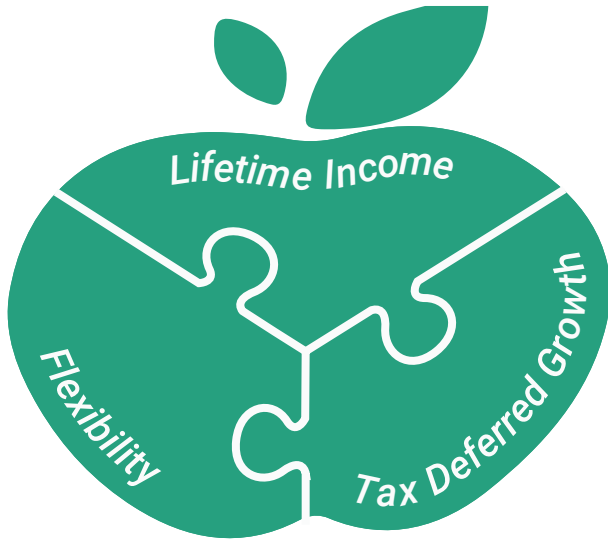
What this means for you:

Your plan type influences how your money grows, your downside protection, fees, and how you'll sleep during volatility. The right mix depends on your time horizon, risk tolerance, and pension/Social Security picture.

Unsure what type of 403b benefits you? : Schedule your complementary consultation to review your retirement plan to see if you have the right strategy and how your money is working.

[Click here to book an appointment or scan the QR code](#)





A Retirement Strategy Built For Every Stage of Life

Excellent on Google
5.0 ★★★★★

*TRS is a non-captive, multi-vendor consulting
company*

Important Disclaimer

Educational Purpose Only

This handbook is provided for educational and informational purposes only. It is not intended as legal, tax, investment, or financial advice. Teachers Retirement Solutions does not guarantee the accuracy, completeness, or timeliness of the information presented.

CalSTRVS Information

Content regarding the California Public Employees' Retirement System (CalPERS) is based on publicly available information current as of January 2026. CalPERS benefits, rules, and regulations are subject to change by the CalPERS Board of Administration and the California Legislature. For the most current and official CalPERS information, please visit www.calpers.ca.gov or contact CalPERS directly at 888-CalPERS (888-225-7377).

Supplemental Retirement Plans (403(b) and 457)

Information about 403(b) and 457 supplemental retirement plans is general in nature. Individual circumstances vary, and specific tax treatment depends on your personal situation. This handbook does not constitute an offer to sell or a solicitation to purchase any insurance or investment product.

Retirement Income Gap

Although you'll receive a CalSTRS Defined Benefit Program pension when you retire, saving additional money for retirement is essential to reaching your retirement savings goal.

Your pension will give you a solid start toward your retirement income goal, depending on your age at retirement and years of service. The rest is likely to depend on your personal savings and investments.

Benefits of 403b/ 457 Plan

A 403b/457 plan is a voluntary defined contribution plan and an important piece of the CalSTRS hybrid retirement system. Teachers Retiree Solutions offers 403(b), 457(b), Roth 403(b) and Roth 457(b) plans with low costs and flexible investment options. You can save a little or a lot—and you can change your contribution amount at any time.

The benefits of a 403b/ 457 plan:

- Flexibility - Increase/ decrease amount to contribute
- Tax Deferred
- Minimize or eliminate Fees and Market Risk
- Portable

Additional Services we offer:

- Pension Report & Gap Analysis
- Life Insurance with Living Benefits
- Roth and Tax-Free Retirement Options
- Mortgage Refinance/ Purchases

At retirement, consider rolling over the funds in your Defined Benefit Supplement or Cash Balance Benefit account into a 403b/ 457 plan.



Scan this QR to Speak to a Financial Specialist to learn more about the advantages