

Preretirement Election of an Option—Instructions

* You can use your myCalSTRS account at myCalSTRS.com to complete and submit your form online.

Before making a Preretirement Election of an Option, talk to a CalSTRS benefits specialist and read the applicable section of the *Member Handbook* to make sure you fully understand options and how each option would affect your retirement benefit.

You're eligible to make a preretirement election if you meet any one of the following:

- Are at least 50 years of age and have 30 years of service credit. (CalSTRS 2% at 60 members only.)
- Are at least 55 years of age and have five years of service credit. (All CalSTRS members.)
- Are eligible to retire concurrently with retirement under the California Public Employees' Retirement System, University of California Retirement System, San Francisco Employees' Retirement System, Legislators' Retirement System or the 1937 Act County Retirement Systems.

Your option beneficiary must be a living person or persons or a special needs trust—it cannot be another type of trust, charity, estate or other entity. If you wish to elect or change an option for the benefit of a special needs trust, you will need to complete a *Certification of a Special Needs Trust* form, available online at CalSTRS.com/forms, and submit it with this form.

You may make a Preretirement Election of an Option of one of the following:

- 100% Beneficiary Option
- 75% Beneficiary Option
- 50% Beneficiary Option
- Compound Option

If you elect the 100%, 75% or 50% Beneficiary Option, only one option beneficiary may be designated. A Compound Option allows you to elect one or more option beneficiary or retain a portion of your benefit unmodified. **If you wish to elect the Compound Option, complete the *Preretirement Compound Option Election* form instead.**

The Preretirement Election of an Option is available if you do not yet wish to retire, but you want to ensure a lifetime monthly income to another person if you die before retirement. Your option beneficiary's monthly benefit is

based on the Modified Benefit you would have received if you had retired as of your date of death. At retirement, your monthly benefit will be modified under the option you elected. See "Protecting Your Loved Ones Before You Retire" in the *Member Handbook* for more information.

Complete the *Recipient Designation* form to name a one-time death benefit recipient. See the *Member Handbook* at CalSTRS.com/publications for more information.

ADVANTAGES AND DISADVANTAGES OF ELECTING AN OPTION BEFORE RETIREMENT

What are the advantages and disadvantages of choosing a Preretirement Election of an Option?

Advantages: If you die before retirement, your option beneficiary will receive a lifetime monthly benefit. The benefit begins immediately upon your death, regardless of the age of your option beneficiary.

In most cases, the Modified Benefit you receive at retirement will be higher if you make a Preretirement Election of an Option than if you elect an option at the time of retirement.

Disadvantages: If you cancel or change your Preretirement Election of an Option before retiring, an assessment will be applied to your retirement benefit. If your option beneficiary dies before you retire, your election will be automatically canceled and an assessment will be applied to your retirement benefit. In both cases, the assessment may reduce your retirement benefit for life. The assessment is an amount determined by the Teachers' Retirement Board to be the actuarial equivalent of the coverage you received while your election was in effect.

CHANGING OR CANCELING A PRERETIREMENT ELECTION OF AN OPTION

You may change or cancel your Preretirement Election of an Option at the time of your retirement, but your benefit will be subject to an assessment that may reduce your benefit for life.

If you want to change or cancel a previously filed *Preretirement Election of an Option* form and have already applied for retirement, you must submit your option change or cancellation on a *Service Retirement Application Change Request* form no later than 30 days after the date CalSTRS issues your first payment. The effective date

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of your option change or cancellation is the day prior to your retirement date. If you don't change or cancel your Preretirement Election of an Option within 30 days of your first benefit payment, you can change your option only under limited circumstances. See the *Member Handbook* to learn more.

EFFECT OF REINSTATEMENT AFTER RETIREMENT

If you reinstate after your service retirement, you cannot elect an option or make changes to or cancel your option and beneficiary for one year after your reinstatement. There is a different waiting period for disability benefits. If you had an option beneficiary and your option beneficiary dies within that first year, your option will be canceled automatically and an assessment will be applied to your future retirement benefit. The assessment may reduce your benefit for life.

OTHER IMPORTANT INFORMATION

If you are approved for a disability benefit after making a Preretirement Election of an Option:

- Under **Coverage A**, your Preretirement Election of an Option remains effective.
- Under **Coverage B**, your Preretirement Election of an Option will be voided as of the effective date of your approved disability retirement and the Member-Only Benefit or Modified Benefit you elected on your *Disability Benefit Application* will become effective.

We recommend you make an appointment with a CalSTRS benefits specialist to help you understand your disability coverage. You can schedule an appointment by calling 800-228-5453.

COMPLETING THE FORM

SECTION 1: ELECTION, CHANGE, CANCELLATION

Election: If you do not currently have a Preretirement Election of an Option in effect with CalSTRS and you wish to make a Preretirement Election of an Option, check the *Election* box. An election is effective as of your signature date on your form. Your Preretirement Election of an Option is not valid if we do not receive your form, with your spouse or registered domestic partner's signature if applicable, before your retirement date and within 30 days of both signature dates.

Change: If you wish to make a change to your Preretirement Election of an Option (change the option elected, your designated option beneficiary, or both), check the *Change* box. Changing your preretirement election will result in a lifetime assessment to your future retirement benefit. The effective date of the change is your signature date. Your preretirement election change is not valid if CalSTRS does not receive your form, with your spouse or registered domestic partner's signature if applicable, before your retirement date and within 30 days of both signature dates.

Cancellation: If you wish to cancel your Preretirement Election of an Option, check the *Cancellation* box. Canceling your preretirement election will result in a lifetime assessment to your future retirement benefit. The effective date of your option cancellation is your signature date. Your preretirement election cancellation is not valid if CalSTRS does not receive your form, with your spouse or registered domestic partner's signature if applicable, before your retirement date and within 30 days of both signature dates.

If you are electing, changing or canceling an option due to a divorce or termination of domestic partnership, contact our Legal Office at 916-414-1725.

SECTION 2: MEMBER INFORMATION

Be sure your name is written as it appears on your Social Security card. If you know it, include your Client ID instead of your Social Security number. You can find your Client ID on your *Retirement Progress Report*. Include your telephone number so we can contact you if we have any questions. Indicate if you're a member of one of the other public retirement systems listed. **NOTE:** If you're a concurrent member, age 55 or older with less than five years of CalSTRS service credit, we will verify your retirement eligibility as of the date of your death. If you were ineligible for concurrent retirement, this election is void.

SECTION 3: OPTION ELECTION

The modification to your retirement benefit will be based on the option you elect, your age and your option beneficiary's age on the date you sign your form. An option factor based on actuarial valuation tables is used to determine your Modified Benefit.

Your Modified Benefit will be determined using the higher of the option factor in effect at the time you made the preretirement election or the factor in effect at the time of your retirement or death.

Check the appropriate option box and complete the option beneficiary information. Descriptions of the available beneficiary options follow. If your option beneficiary predeceases you, your benefit will rise to the Member-Only Benefit amount.

100% Beneficiary Option: Upon your death, your option beneficiary will receive the same benefit you were receiving.

75% Beneficiary Option: Upon your death, your option beneficiary will receive 75 percent of the benefit you were receiving.

50% Beneficiary Option: Upon your death, your option beneficiary will receive one-half of the benefit you were receiving.

Nonspouse Option Beneficiary

Under federal law, if you elect someone other than your current or former spouse as your option beneficiary, the type of option you may elect depends on your age and the age of your option beneficiary.

Under the 75% Beneficiary Option, your nonspouse option beneficiary cannot be more than exactly 19 years younger than you.

This also applies to registered domestic partners.

NOTE: If your option beneficiary's death occurs before your retirement date, your option election will be automatically canceled one day after your option beneficiary's date of death. Your retirement benefit will be subject to an assessment, which may reduce your benefit for life. For more information about the advantages and disadvantages of electing an option before retirement, see the *Member Handbook*.

SECTION 4: BENEFICIARY INFORMATION

Enter your beneficiary information. Attach birth date verification unless your beneficiary is a CalSTRS member. Acceptable documents include a photocopy of a birth certificate, state-issued ID, U.S. passport ID page and certain U.S. military IDs.

If you wish to elect or change an option for the benefit of a special needs trust, please check the box and enter your beneficiary information. In addition, you will need complete the *Certification of a Special Needs Trust* form, available online at CalSTRS.com/forms, and submit it with this form.

If your option beneficiary's name has been changed from the name shown on the birth record, a clear, unaltered copy of the marriage certificate or court order documenting the change is required. If you do not have either of these records, contact us at 800-228-5453. After you retire, you may change your option beneficiary only under limited circumstances. For more information, see the CalSTRS Member Handbook at CalSTRS.com/publications.

SECTION 5: REQUIRED SIGNATURES

Check all boxes that apply, then sign and date your *Preretirement Election of an Option* form. If you are married or registered as a domestic partner, your spouse or partner also must sign and date the form. Your election will be effective on the date you signed your form, provided CalSTRS receives your form within 30 days of both signature dates and before your retirement date.

If your spouse or registered domestic partner does not sign your form, you must include a completed and signed *Justification for Non-Signature of Spouse or Registered Domestic Partner* form, available at CalSTRS.com/forms.

If you divorced or terminated a domestic partnership and a portion of your CalSTRS benefit was awarded to a former spouse or partner, check the box that indicates this. You may need to refer to your settlement agreement. If your court documents have not been reviewed by CalSTRS, you may be asked to provide them.

SUBMITTING YOUR FORM

CalSTRS must receive your form within 30 days of both signature dates and before your retirement date. (See Section 1 for additional requirements for changing or canceling an election.) Keep a copy for your records.

myCalSTRS

Use your myCalSTRS account at myCalSTRS.com to complete and submit your form online. Note: Your spouse or registered domestic partner must register for a myCalSTRS account and electronically sign your form.

Hand Delivery

Hand deliver your form to a local CalSTRS office. For a listing of offices that accept forms, visit CalSTRS.com/forms-drop.

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Mail Your Form

CalSTRS
P.O. Box 15275, MS 65
Sacramento, CA 95851-0275

Overnight Delivery

If you are using a special mailing service such as UPS or FedEx, send your form to:

CalSTRS
Member Services
100 Waterfront Place
West Sacramento, CA 95605

Fax Delivery

916-414-5964 or 916-414-5965

- ✱ CalSTRS must receive your form within 30 days of both signature dates and before your retirement date.

Preretirement Election of an Option

SR 0307 rev 01/18

Please read the instructions before completing this form.
For an Election or Change, complete all sections.
For a Cancellation, complete sections 1, 2 and 5.

CALSTRS
California State Teachers' Retirement System
P.O. Box 15275, MS 65
Sacramento, CA 95851-0275
800-228-5453
CalSTRS.com

Section 1: Election, Change, Cancellation

Choose one:

- Election** I am eligible to retire but do not wish to retire at this time. I am making the following Preretirement Election of an Option. I understand that if I change or cancel this election at a later date, it may result in an assessment to my retirement benefit, which may reduce the amount of my benefit for life.
- Change** I revoke any previous Preretirement Election of an Option I made. I am making the following preretirement election change. I understand this will result in an assessment to my retirement benefit, which may reduce my benefit for life. There is no penalty for changing to a special needs trust if the beneficiary remains the same.
- Cancellation** I revoke any previous Preretirement Election of an Option I made. I understand this will result in an assessment to my retirement benefit, which may reduce my benefit for life.

Section 2: Member Information

NAME (LAST, FIRST, INITIAL)		CLIENT ID OR SOCIAL SECURITY NUMBER	
MAILING ADDRESS		DATE OF BIRTH (MM/DD/YYYY)	
()		()	
CITY	STATE	ZIP CODE	HOME TELEPHONE
EMAIL ADDRESS		GENDER: <input type="checkbox"/> MALE <input type="checkbox"/> FEMALE	

If you're a member of any of the following California public retirement systems, indicate below.


- CALPERS SFERS LRS UCRS 1937 ACT COUNTY/NAME _____

Section 3: Option Election

I have read the descriptions of the options, and I elect one of the following:

- 100% Beneficiary Option 75% Beneficiary Option 50% Beneficiary Option

Section 4: Beneficiary Information

Enter your beneficiary information. If you are electing a special needs trust, please check the box, provide your beneficiary information and complete the *Certification of a Special Needs Trust* form, available at CalSTRS.com/forms, which must be submitted with this form. 

I am electing a special needs trust.

BENEFICIARY'S NAME (LAST, FIRST, INITIAL)		BENEFICIARY'S SOCIAL SECURITY NUMBER OR TAX ID	
MAILING ADDRESS		DATE OF BIRTH (MM/DD/YYYY)	
()		()	
CITY	STATE	ZIP CODE	HOME TELEPHONE
EMAIL ADDRESS		GENDER: <input type="checkbox"/> MALE <input type="checkbox"/> FEMALE	

Is your beneficiary a CalSTRS member? Relationship:

- YES NO SPOUSE REGISTERED DOMESTIC PARTNER OTHER

If your beneficiary is not a member of CalSTRS, you must attach birth date verification.

- STATE-ISSUED ID BIRTH CERTIFICATE U.S. PASSPORT ID OTHER



SR0307

Name _____ Client ID or SSN _____

Section 5: Required Signatures

I have read and I fully understand the instructions for the Preretirement Election of an Option. I fully understand that:

- This election does not constitute an application for service retirement.** I still must submit the *Service Retirement Application* to receive a service retirement benefit.
- If my option beneficiary predeceases me before my retirement date or if I cancel or change this option election before service retirement, my service retirement benefit may be reduced for life for each year or portion of a year this option election was in force.
- After I retire, if I keep this option election in place, I cannot change this option election after 30 days from the date my first benefit payment is issued unless my option beneficiary predeceases me; or my option beneficiary is my spouse or registered domestic partner and a final decree for a dissolution of marriage, annulment, dissolution or termination of partnership, or action for separate maintenance, has been entered on or after January 1, 1978; or my option beneficiary is not my current or former spouse or registered domestic partner and I change my election to my current spouse or partner. In addition, my option and beneficiary must remain the same for one year following a reinstatement.
- Under Coverage A, although I may receive a disability benefit and maintain this option election, my otherwise qualified survivors will not be entitled to a survivor benefit in the event of my death unless this option election has been canceled using a *Preretirement Election of an Option* form before the date of my death.
- Under Coverage B, my otherwise qualified survivors will not be entitled to a survivor benefit in the event of my death unless this option election has been canceled using a *Preretirement Election of an Option* form before the date of death. On the effective date of my disability retirement, this option election will become void.
- Court-ordered option elections: A divorced member or member who is a party to a dissolution of domestic partnership who is required to elect a discontinued option (2, 3, 4, 5, 6 or 7) may do so if CalSTRS has previously received and approved a certified court order filed before January 1, 2007.
- If upon my death I am a concurrent member with less than five years of CalSTRS service credit and I am not eligible for concurrent retirement, this election is void.

Check all that apply to your current and any previous marital status.

- I am married or registered as a domestic partner and both our signatures are below.
- I am married or registered as a domestic partner and my spouse or registered domestic partner did not sign below. I have completed, signed and attached the *Justification for Non-Signature of Spouse or Registered Domestic Partner* form. 
- I have never been married or in a registered domestic partnership, **OR** I am widowed or my registered domestic partner has died.
- I have been divorced or have terminated a registered domestic partnership and my former spouse or registered domestic partner was awarded a portion of my CalSTRS benefits.
- I have been divorced or have terminated a registered domestic partnership and my former spouse or registered domestic partner was *not* awarded a portion of my CalSTRS benefits.

Required Signatures (CalSTRS must receive your form within 30 days of both signature dates and before your retirement date.)

I understand it is a crime to fail to disclose a material fact or to make any knowingly false material statement, including a false statement regarding my marital status, for the purpose of using it, or allowing it to be used, to obtain, receive, continue, increase, deny or reduce any benefit administered by CalSTRS and it may result in penalties, including restitution, up to one year in jail and/or a fine of up to \$5,000 (Education Code section 22010). It may also result in any document containing such false representation being voided.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct. I understand that perjury is punishable by imprisonment for up to four years (Penal Code section 126).



Member's Signature

Signature Date (MM/DD/YYYY)



Current Spouse's or Registered Domestic Partner's Signature

Signature Date (MM/DD/YYYY)