

# Social Security, CalSTRS and You

## Get the facts on two federal rules that may affect you

As a California public school educator, you do not contribute to Social Security, so you will not receive a Social Security benefit for your CalSTRS-covered employment when you retire.

If you or a spouse paid into Social Security through non-CalSTRS covered employment, two federal rules, the Windfall Elimination Provision and the Government Pension Offset, may be used in the calculation of your Social Security benefit. Social Security is a federal program, and neither CalSTRS nor the State of California has control over eligibility requirements or benefit calculations.

These rules affect only your Social Security benefit. Your CalSTRS retirement benefit will not change.

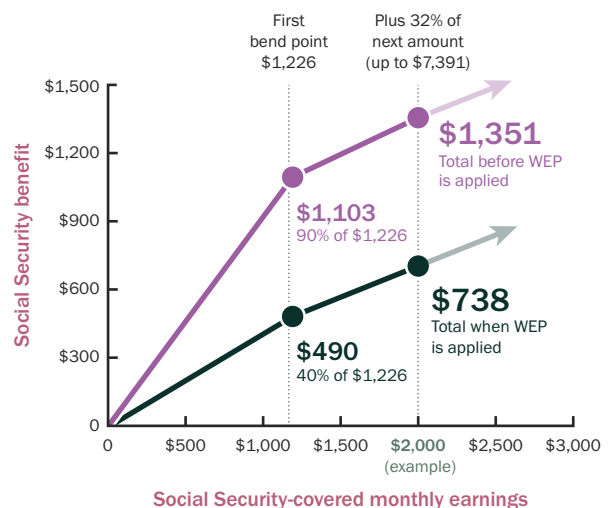


### Windfall Elimination Provision

This federal rule affects your Social Security benefit that is based on your earnings from other employment.

- May reduce your Social Security benefit, but will not eliminate it.
- Reduces the income replacement ratio covered under the first component of the Social Security benefit formula, known as a bend point, to as low as 40%. If you paid Social Security taxes on substantial earnings for:
  - » **Up to 20 years:** This provision reduces the 90% factor of the Social Security computation formula to 40%.
  - » **21 to 29 years:** The 40% factor increases incrementally from 45% to 85%.
  - » **30 or more years:** There is no reduction to your Social Security benefit.

The following example was created based on a member turning 62 in 2025 with average Social Security-covered monthly earnings of \$2,000.



### Social Security substantial earnings

Social Security substantial earnings are defined each year. Here is a sampling:

1990 = \$9,525	2000 = \$14,175	2010 = \$19,800	2020 = \$25,575	2024 = \$31,275
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### What does this mean for me?

Visit the Social Security Administration's website to learn how the formula will affect you. Go to [ssa.gov/gpo-wep](https://ssa.gov/gpo-wep) for more information, including links to calculators that can provide personalized estimates.

# Government Pension Offset

**This federal rule affects the Social Security benefit you receive as a spouse, widow or widower.**

The Government Pension Offset rule applies to Social Security benefits for spouses, widows or widowers and reduces those benefits if the beneficiary also receives money from a government pension.

If you expect to receive Social Security benefits tied to your spouse's work history, the GPO may leave you with less income in retirement than you expected. This federal rule will reduce these benefits by two-thirds of the amount of your CalSTRS retirement benefit and may eliminate them altogether.

For example, if your spouse is receiving \$2,000 a month from Social Security, you could be eligible for up to \$1,000 per month before the application of the GPO.

If you are receiving a CalSTRS benefit of \$1,500 or more, then you will not be eligible to receive a Social Security spousal benefit at this time because two-thirds of \$1,500 is \$1,000. You still may be eligible to receive a widow's or widower's benefit in the future.

Use the GPO Online Calculator at [ssa.gov/gpo-wep](https://ssa.gov/gpo-wep) to estimate your benefits if you are affected by the GPO.

## Important considerations

- If you're receiving Social Security now, your Social Security benefit may be reduced or eliminated when you begin receiving your CalSTRS benefit.
- If you take a CalSTRS refund, your Social Security benefit still may be subject to offset.
- Let the Social Security Administration know when you plan to retire so your Social Security benefit may be adjusted. Otherwise, you will have to repay any excess Social Security benefits you receive once you begin receiving your CalSTRS benefit.
- When you receive your CalSTRS annual benefit adjustment, contact the Social Security Administration. Your Social Security benefit may need to be adjusted.
- These two rules do not affect your Medicare benefits.
- Social Security benefits paid to CalSTRS option beneficiaries and survivor benefit beneficiaries are not affected by these rules.

## CalSTRS Pension2

Consider investing the 6.2% of your salary that would have gone to Social Security. Pension2®, CalSTRS' voluntary defined contribution plan, offers 403(b), Roth 403(b), 457(b) and Roth 457(b) plans for additional retirement savings.



Scan this QR code to learn the advantages of Pension2.

### Pension2.com

Find links to the Pension2 e-book, educational videos and online enrollment. For more information, call 888-394-2060.

### 403bCompare.com

Compare investment fees, performance and services for your employer's 403(b) products.

## CalSTRS resources



### WEB

[CalSTRS.com](https://www.calstrs.com)  
[myCalSTRS.com](https://www.myCalSTRS.com)  
[403bCompare.com](https://www.403bcompare.com)  
[Pension2.com](https://www.pension2.com)

### STAY CONNECTED



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CalSTRS Pension2®  
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844-896-9120  
CalSTRS Compliance  
and Ethics Hotline  
[CalSTRShotline.ethicspoint.com](https://www.calstrshotline.ethicspoint.com)



### WRITE

**Postal mail**  
P.O. Box 15275  
Sacramento, CA  
95851-0275  
**Overnight delivery to  
CalSTRS Headquarters**  
100 Waterfront Place  
West Sacramento, CA  
95605



### VISIT

Find your nearest  
CalSTRS office at  
[CalSTRS.com/local-offices](https://www.calstrs.com/local-offices).  
Call ahead for the hours  
and services of your  
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### FAX

916-414-5040