

Disability Benefits Application Instructions **(Includes Service Retirement During Evaluation of a Disability Application)**

This application is for Defined Benefit members who are applying for a disability benefit. Within the same application, there are sections specific to members who are also applying for a service retirement benefit during evaluation of a disability application.

Before completing this application, you must decide if you will apply for a disability benefit only or for a service retirement benefit during evaluation of a disability application.

Use the checklist below to determine the sections of the application you must complete.

COVERAGE A – DISABILITY BENEFIT ONLY

Complete the following sections:

- Section 1
- Sections 3, 3.1, 3.2
- Section 4
- Sections 5, 5.1, 5.2
- Section 6
- Section 7
- Section 8.3
- Sections 9.2, 9.4, 9.5
- Section 10–Required Signatures

COVERAGE A – SERVICE RETIREMENT DURING EVALUATION OF A DISABILITY APPLICATION

Complete the following sections:

- Section 1
- Section 2
- Sections 3, 3.1, 3.2
- Section 4
- Sections 5, 5.1, 5.2
- Section 6
- Section 7
- Sections 8.1, 8.3
- Sections 9.1, 9.2, 9.4, 9.5
- Section 10–Required Signatures

COVERAGE B – DISABILITY BENEFIT ONLY

Complete the following sections:

- Section 1
- Sections 3, 3.1, 3.2
- Section 4
- Sections 5, 5.1
- Section 6
- Section 7
- Sections 8.2, 8.3
- Sections 9.3, 9.4, 9.5
- Section 10–Required Signatures

COVERAGE B – SERVICE RETIREMENT DURING EVALUATION OF A DISABILITY APPLICATION

Complete the following sections:

- Section 1
- Section 2
- Sections 3, 3.1, 3.2
- Section 4
- Sections 5, 5.1
- Section 6
- Section 7
- Sections 8.1, 8.2, 8.3
- Sections 9.1, 9.3, 9.4, 9.5
- Section 10–Required Signatures

TO START

Indicate whether you are:

- **Applying for a disability benefit.** Check this box if you are applying for a disability benefit for the first time.
- **Applying for service retirement during evaluation of a disability application.** Check this box if you are applying to receive a service retirement benefit during the time CalSTRS is evaluating your application for a disability benefit.
- **Reapplying for a disability benefit.** Check this box if you previously applied for a disability benefit.

SECTION 1—MEMBER INFORMATION

This section is required for all applicants.

Include your home and alternate telephone numbers and your email address so we can contact you if we have any questions. Be sure your name on your application matches your name as it appears on your Social Security card. Include your Client ID instead of your Social Security number. Indicate your coverage: A or B.

Your Client ID and type of coverage are on your *Retirement Progress Report*.

SECTION 2—SERVICE RETIREMENT INFORMATION

This section is required if you are applying for service retirement during evaluation of your disability application.

Retirement Date: You will be officially service retired as of the retirement date you put on your application, if the following requirements are met:

1. You are eligible to service retire.
2. Your retirement date must be on or after January 1, 2012.
3. The earliest date you can retire is the day after your last day of work, vacation or authorized leave, whichever is later.
4. If you are retiring after reinstating to active service from retirement, there are restrictions on when you can retire:
 - If you reinstated before July 17, 2012, your retirement date must be at least one calendar year from the date you reinstated.

- If you reinstated on or after July 17, 2012, your retirement date must be at least one day after the date you reinstated.
5. If your retirement date is not the first day of the month, your first benefit payment will be prorated for that month.
 6. If you are purchasing service credit, your retirement date cannot be earlier than the date you complete payment of your service credit purchase.
 7. If you are retiring after your *Disability Benefits Application* is already in the review process, your service retirement date will be the effective date of your disability benefit if you are later approved for disability benefits.

Last Date of Work: Enter your last day of work. If on a leave of absence, enter the last day you were paid. This date must be before your retirement date.

Other Public Retirement Systems: If you are also a member of another public retirement system in California, you must apply for retirement separately with each system. For some systems, if you retire from CalSTRS and the other system concurrently, your benefits may be based on the highest salary earned under all systems as long as you do not work under CalSTRS or another system between the dates you retire from each system.

SECTION 3—EMPLOYMENT INFORMATION

This section is required for all applicants.

If you are still working and receiving compensation, indicate an estimated last day of work and last day of compensation. You must complete all information regarding your employment and provide all information regarding any special credentials or licenses you hold.

Attach a copy of your previous job description or current job description if you are working.

SECTION 3.1—UNLAWFUL ACT INFORMATION

If you have between one and five years of service credit and your disability is due to an unlawful act of bodily injury committed against you by another person while you were working in CalSTRS-covered employment, mark the appropriate box. Attach documentation regarding the unlawful act, such as the official police report or the official employer incident report.

See “Service Credit Requirements” in *Your Disability Benefits Guide*.

SECTION 3. 2—REASONABLE ACCOMMODATION

Indicate whether you have requested reasonable accommodation from your employer. You are responsible for providing CalSTRS with documentation of your reasonable accommodation request. Your application may be rejected if you do not provide the requested information. If you have already requested reasonable accommodation, attach a copy of your request and your employer’s response.

See “Reasonable Accommodation” in *Your Disability Benefits Guide*.

SECTION 4—STATEMENT OF IMPAIRMENT

This section is required for all applicants.

Provide information about your impairment. Answer all questions to the best of your knowledge. Your explanation, along with medical documentation from your treating physicians, provides the basis for determining if any impairment prevents you from working. Use additional sheets if needed. Write your name and Client ID at the top of each page.

Indicate whether a third party (other than a workers’ compensation claim or an uninsured motorist claim) caused your injury. If yes, we will follow up with you to determine whether CalSTRS’ subrogation rights apply to your particular situation.

SECTION 5—MEDICAL INFORMATION

This section is required for all applicants.

Include any medical treatment providers that may have medical documentation relevant to your application. If you are applying due to multiple impairments, list all medical providers that have treated you. Use additional sheets if needed. Write your name and Client ID at the top of each page.

SECTION 5.1—WORKERS’ COMPENSATION INFORMATION

You are required to report any benefit you receive from workers’ compensation if it is for any impairment that qualifies you for a CalSTRS disability benefit. If you are approved for a CalSTRS disability benefit, your CalSTRS disability benefit must be reduced by an amount equal to the benefits you receive from workers’ compensation.

Complete the *Workers’ Compensation Carrier Request for Information* form in the Forms section and send it directly to your workers’ compensation carrier.

See “Benefit Amount” in *Your Disability Benefits Guide*.

SECTION 5.2—OTHER BENEFITS INFORMATION

This section is required for all Coverage A applicants.

You are required to report all benefits you are eligible to receive or are receiving from any other public benefit system. If you are approved for a CalSTRS disability benefit, your CalSTRS disability benefit must be reduced by an amount equal to the benefits you receive from another public benefit system.

See “Benefit Amount” in *Your Disability Benefits Guide*.

SECTION 6—ELIGIBLE DEPENDENT CHILDREN INFORMATION

This section is required for all applicants.

If you have eligible dependent children, list their full names, Social Security numbers and birth dates.

You must provide a copy of each child’s birth certificate and Social Security card before any child’s benefits can be paid.

Include any other related documentation such as custody documents or current tax records that provide evidence of your children’s financial dependence on you.

SECTION 7—AUTHORIZATION TO RELEASE INFORMATION TO CALSTRS

This section is required for all applicants.

Review and sign the authorization form. This authorization will be used by CalSTRS to obtain information related to your disability application to determine your eligibility for disability benefits.

This is not an authorization for CalSTRS to request medical records directly from your treating medical providers. It is your responsibility to provide all requested medical documentation to CalSTRS.

NOTE

SECTION 8—YOUR DEFINED BENEFIT

SECTION 8.1—DEFINED BENEFIT ELECTION (SERVICE RETIREMENT)

This section is required if you are applying for service retirement during evaluation of your disability application. Check one box only to elect the Member-Only Benefit or the Modified Benefit.

If you are re-retiring within 12 months of your most recent reinstatement date, you must keep your retirement option or beneficiaries. If you re-retire after 12 months of reinstating, you may change or cancel your election before or at retirement, but you may have to pay an assessment. Once you are in retirement, you may make a postretirement option change only under four limited circumstances. See the *Member Handbook* to learn more.

Member-Only Benefit—The Member-Only Benefit does not provide a monthly lifetime benefit to anyone when you die after retirement. It is the highest monthly benefit you can receive in retirement.

Modified Benefit—Complete this section to elect an option beneficiary (or if you previously completed the *Preretirement Election of an Option* form) to provide a monthly benefit to an option beneficiary if you die before retirement. Your option beneficiary must be a living person or persons and cannot be a trust, charity, estate or other entity.

You will find descriptions of the options in Step 1 of *Your Disability Benefits Guide* and in the *Member Handbook*. For an estimate of how each option would affect your monthly retirement benefit, talk to a CalSTRS benefits counselor, use the *Retirement Benefit Calculator* at CalSTRS.com/calculators or complete the benefit estimate worksheet in the *Member Handbook*. The option and option beneficiaries you elect are not effective until your retirement date.

Note: For Coverage A, your election applies only to service retirement.

To provide for someone if you die before retirement, see Step 1 of *Your Disability Benefits Guide* for information on the preretirement election of an option.

Beneficiary Information—Enter your beneficiary information if you elect an option other than the Compound Option. Include birth date verification. Acceptable documents include photocopies of a certified birth record, passport ID page and certain military IDs.

If you elect the Compound Option, complete your beneficiary information on the *Compound Option Election* form and include the form with your *Disability Benefits Application*.

SECTION 8.2—DEFINED BENEFIT ELECTION (DISABILITY RETIREMENT)

This section is required for all Coverage B applicants applying for a disability retirement.

Check one box only to elect the Member-Only Benefit or the Modified Benefit.

If you would like to receive Modified Benefit quotes, check the appropriate box. You must complete the beneficiary information section.

Modified Benefit—Complete this section if you are electing an option beneficiary to provide a monthly benefit to your option beneficiary if you should die before you disability retire. Your option beneficiary must be a living person or persons and cannot be a trust, charity, estate or other entity. You will find descriptions of the options in Step 1 of *Your Disability Benefits Guide* and in the *Member Handbook*.

For an estimate of how each option would affect your monthly disability retirement benefit, talk to a CalSTRS benefits counselor. The option and option beneficiaries you elect are not effective until your disability retirement date.

Beneficiary Information—Enter your beneficiary information if you elect an option other than the Compound Option or if you request a quote. Include birth date verification. Acceptable documents include a photocopy of a birth certificate, passport ID page and certain military IDs.

If you elect the Compound Option, complete your beneficiary information on the *Compound Option Election* form and include the form with your *Disability Benefits Application*.

SECTION 8.3—DEFINED BENEFIT TAX WITHHOLDING PREFERENCES

If you do not complete this section, CalSTRS must withhold federal and state income tax from your payment based on rates for a married person claiming three withholding allowances.

If you do not want tax withholding, return the application with the *Do Not Withhold* boxes checked. If you want withholding, mark the appropriate box and specify the number of allowances. You may specify an additional dollar amount to withhold. For state income tax only, you also may elect to withhold a flat dollar amount only without specifying allowances. A flat amount cannot be specified for federal income tax.

SECTION 9—YOUR DEFINED BENEFIT SUPPLEMENT

SECTION 9.1—DEFINED BENEFIT SUPPLEMENT ELECTION (SERVICE RETIREMENT)

This section is required if you are applying for service retirement during evaluation of a disability application.

Service Retirement During Evaluation of a Disability Application—If you are applying for service retirement during evaluation of your disability application, you must make an election to receive your Defined Benefit Supplement account balance under service retirement.

Your Defined Benefit Supplement account balance is shown on your *Retirement Progress Report*. If your account balance is \$3,500 or more, you can choose whether to receive these funds as a lump-sum payment, an annuity payment or a combination lump-sum and annuity payment. Step 1 of *Your Disability Benefits Guide* explains the Defined Benefit Supplement distribution choices available. If your account balance is less than \$3,500, you must take a lump-sum payment.

If you choose to receive your funds as a lump-sum payment, a period-certain annuity of three to nine years, or a combination of the two, enter your payment instructions in section 9.4. See *Your Disability Guide*, pages 18-19, for descriptions of your choices.

SECTION 9.2—DEFINED BENEFIT SUPPLEMENT ELECTION (COVERAGE A)

This section is required for all Coverage A members who are applying for a disability allowance.

If you are applying for a disability allowance, you must make an election to receive your Defined Benefit Supplement account balance under the disability allowance.

If you are approved for disability, your Defined Benefit Supplement account balance will be distributed based on your election.

Your Defined Benefit Supplement account balance is shown on your *Retirement Progress Report*. If your account balance is \$3,500 or more, you can choose whether to receive these funds as a lump-sum payment, an annuity payment or a combination lump-sum and annuity payment. Step 1 of *Your Disability Benefits Guide* explains the Defined Benefit Supplement distribution choices available. If your account balance is less than \$3,500, you must take a lump-sum payment.

If you choose to receive your funds as a lump-sum payment, a period-certain annuity of three to nine years, or a combination of the two, enter your payment instructions in section 9.4.

See *Your Disability Benefits Guide*, pages 18-19, for descriptions of your choices.

SECTION 9.3—DEFINED BENEFIT SUPPLEMENT ELECTION (COVERAGE B)

This section is required for Coverage B members who are applying for a disability retirement.

If you are applying for a disability retirement, you must make an election to receive your Defined Benefit Supplement account balance under the disability retirement.

If you are approved for disability, your Defined Benefit Supplement account balance will be distributed based on your election.

Your Defined Benefit Supplement account balance is shown on your *Retirement Progress Report*. If your account balance is \$3,500 or more, you can choose whether to receive these funds as a lump-sum payment, an annuity payment or a combination lump-sum and annuity payment. Step 1 of *Your Disability Benefits Guide* explains the Defined Benefit Supplement distribution choices available. If your account balance is less than \$3,500, you must take a lump-sum payment.

If you choose to receive your funds as a lump-sum payment, a period-certain annuity of three to nine years, or a combination of the two, enter your payment instructions in section 9.4. See *Your Disability Benefits Guide*, pages 18-19, for descriptions of your choices.

SECTION 9.4—DEFINED BENEFIT SUPPLEMENT PAYMENT INSTRUCTIONS

Lump Sum or Period-Certain Annuity of 3 to 9 Years—Complete this section only if you choose a lump-sum payment or period-certain annuity of three to nine years for your Defined Benefit Supplement distribution.

If you would like your payment to be paid directly to you, check the *Direct Payment* box. Your monthly annuity payments will be mailed to the same address or transferred to the same bank account as your retirement benefits.

If you would like to roll over your payment to a financial institution, check the *Rollover* box. Lump-sum payments or period-certain annuity payments of three to nine years may be rolled over into a qualified plan.

Be sure to read section 11, *Special Tax Notice: Your Rollover Options*, on pages 17-20 of this application.

Service Retirement During Evaluation of a Disability Application—Your Defined Benefit Supplement election under either service retirement or a disability benefit will be paid according to these payment instructions. If you would like to change your payment method, contact your CalSTRS disability analyst.

Rollover of Tax-Deferred Contributions and Interest—The amount of tax-deferred contributions and interest in your Defined Benefit Supplement account is shown on your *Retirement Progress Report*. Your account balance must be \$200 or more to qualify for a rollover to a financial institution. Enter the dollar amount or the percentage (from 1% to 100%) that you would like to roll over.

For example: If you are going to receive an eligible rollover distribution of \$4,000 and you choose to roll over 75 percent of the balance to a qualified plan, CalSTRS will distribute \$3,000 directly to the plan specified by you. The 25 percent remaining balance of \$1,000 paid directly to you is subject to 20 percent federal income tax withholding. You will receive only \$800 (or less, if you choose to have state tax withheld) because \$200 is withheld for federal tax.

Financial Institution Information—When providing your financial institution information, do not attach transfer documents. Also, do not list “IRA” as the name of your financial institution. We will mail the payment to the financial institution address you provide. It is imperative the financial institution name, address and account number are correct. You must also provide the financial institution representative’s signature. If the information is not correct, your rollover will be delayed. We are not able to process direct rollovers to financial institutions outside the U.S.

CalSTRS Pension2® Rollovers—You may select CalSTRS Pension2 for your rollover of contributions and interest without obtaining the financial institution representative’s signature. CalSTRS will obtain the required signatures on your behalf. For more information, visit Pension2.com. You may also email at Pension2@CalSTRS.com or call 888-394-2060, Monday–Friday, 8 a.m. to 5 p.m.

SECTION 9.5—DEFINED BENEFIT SUPPLEMENT TAX WITHHOLDING PREFERENCES

Direct Payment: Lump Sum and Period-Certain Annuity of 3 to 9 Years—Federal law allows lump-sum payments or period-certain annuity payments of three to nine years to be rolled over into a qualified plan. If you choose to have payments paid directly to you, CalSTRS must withhold 20 percent for federal tax. If you choose to have California state tax withheld, CalSTRS will withhold at 10 percent of your federal income tax withholding. For example, if you have 20 percent federal tax withholding, your state tax withholding will be 2 percent.

Be sure to read section 11, *Special Tax Notice: Your Rollover Options*, on pages 17-20.

Lifetime Monthly Annuity and Period-Certain Annuity of 10 Years—If you elect to receive a lifetime annuity or a period-certain annuity of 10 years for your Defined Benefit Supplement funds, specify your tax withholding preferences. If you do not complete this section, CalSTRS will withhold federal and state income tax from your monthly payments based on the rate for a married individual claiming three withholding allowances.

If you do not want tax withholding, return the form with the *Do Not Withhold* boxes checked. If you want tax withholding, mark the appropriate boxes and specify the number of allowances. You may specify an *additional dollar* amount to withhold. You may also elect to withhold a flat dollar amount without specifying allowances for California state tax. A flat amount cannot be specified for federal income tax.

SECTION 10—REQUIRED SIGNATURES

Check all boxes that apply, then sign and date your *Disability Benefits Application*. If you are married or registered as a domestic partner, your spouse or partner also must sign and date your application. Your signature date is the date you signed your application.

If your spouse or registered domestic partner does not sign your application, you must include a completed and signed *Justification for Non-Signature of Spouse or Registered Domestic Partner* form with your application.

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

ADDITIONAL INFORMATION ON TAX WITHHOLDING PREFERENCES

Applies to Sections 8.3, 9.4 and 9.5

Your tax withholding preferences will remain in effect until you change or cancel them. Change or cancel your preferences using the tax withholding feature on *myCalSTRS* or submit the *Income Tax Withholding Preference Certificate* form, available at CalSTRS.com.

Withholding Choices: The number of state withholding allowances you claim may be different from the number of allowances you claim for federal withholding. To help determine the appropriate number of allowances, see the allowance worksheets on the:

- State withholding certificate DE-4P at edd.ca.gov/pdf/pub_ctr/de4p.pdf, and
- Federal withholding certificate W-4P at www.irs.gov/pub/irs-pdf/fw4p.pdf.

There may be penalties for not paying enough tax on your benefits during the year either through withholding or estimated tax payments.

Addresses Outside California: In compliance with federal law, CalSTRS will not withhold California income tax from your benefit if you live outside the state. However, if you think you may be liable for California state income tax, use the *Income Tax Withholding Certificate* form to request California income tax withholding. CalSTRS does not withhold income tax for states other than California.

Addresses Outside the U.S.: Federal law requires that federal income tax be withheld from payments delivered outside the

U.S. or U.S. territories to U.S. citizens or non-U.S. resident aliens, as well as payments made to U.S. resident aliens. U.S. citizens who have payments delivered outside the U.S. or its territories and U.S. resident aliens may elect any withholding status (married, single or head of household) and zero or more withholding allowances.

If you are a U.S. citizen and have your benefits delivered outside the U.S., you can choose not to have tax withheld by giving CalSTRS your home address in the U.S. or in a U.S. possession. If you give CalSTRS only a U.S. address of a nominee, agent, trustee or custodian who is receiving your benefits as an intermediary, but do not give us your own U.S. home address, CalSTRS will treat your benefits as payments to a foreign person and must withhold tax on your benefits as required by tax laws.

Non-U.S. Resident Aliens: A nonresident alien is an individual who is not a U.S. citizen or a resident alien. Generally, nonresident aliens are subject to a 30 percent federal income tax on their U.S. income. A reduced rate, including an exemption, may apply if there is a tax treaty between the foreigner's country of residence and the U.S. For more information, see IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*, available at irs.gov (type in 515 in the search function) or by calling 800-829-3676.

For more information on tax liability, see IRS Publication 575, *Pension and Annuity Income*, and the California Franchise Tax Board Publication 1005, *Pension and Annuity Guidelines*, or contact a qualified tax professional.

SECTION 11 – SPECIAL TAX NOTICE: YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of your CalSTRS payment is eligible to be rolled over to a qualified IRA or an eligible employer plan. Read this notice to help you decide whether or not to do a rollover.

SUBMITTING YOUR APPLICATION

Submit pages 1–15 of your *Disability Benefits Application*. Make a copy for your records.

Hand Delivery

Hand deliver to a local CalSTRS benefits counseling office (see page 23 of the *Your Disability Benefits Guide* or visit CalSTRS.com/localoffices).

Mailing Address:

CalSTRS
P.O. Box 15275, MS 43
Sacramento, CA 95851-0275

Overnight Delivery

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

CalSTRS
Member Services
100 Waterfront Place
West Sacramento, CA 95605

Fax Delivery

916-414-5040

QUESTIONS

Email your questions using your *myCalSTRS* account or CalSTRS.com/contactus, or call 800-228-5453.

RETIREMENT CHANGE REQUESTS

If you have already submitted your *Service Retirement Application* and want to make a change, CalSTRS must receive the *Service Retirement Application Change Request* form (SR 1328) no later than 30 days from the date your first benefit payment is issued. This form is available at CalSTRS.com or by calling us. Use this form to change your retirement date, option, option beneficiary, Reduced Benefit Election, or Defined Benefit Supplement election.

NAME OR ADDRESS CHANGE

Notify us in writing immediately of any change in your name or mailing address. You can update your mailing address online using *myCalSTRS*. Otherwise, complete the *Address Change Request* form, available at CalSTRS.com (select *Forms & Publications*) or call us.

Submit only pages 1–15 of your *Disability Benefits Application*.

You'll also need to submit the *Justification for Non-Signature of Spouse or Registered Domestic Partner* form, if required.

Your application may be delayed or rejected if you do not complete, sign or date your application or provide the required information.

Disability Benefits Application (Includes Service Retirement During Evaluation of a Disability Application)

(DS 0260 rev 5/13)

Complete this application if you are applying for a CalSTRS disability benefit. It includes the option to apply for service retirement during evaluation of your disability application.

With my signature on page 15, I certify that I have read the instructions and the *Your Disability Benefits Guide* booklet. Check one:

- I am applying for a disability benefit only.
- I am applying for a service retirement benefit during evaluation of a disability application.
- I am reapplying for a disability benefit.

I fully understand that under service retirement during evaluation of my disability application, I will be officially retired as of the retirement date I have requested if CalSTRS receives my properly completed, signed and dated application no later than the last day of the month in which I am requesting to retire. Further, if my disability application is not approved, I fully understand I will remain on service retirement, and I will not be eligible to reapply for a disability benefit unless I terminate my service retirement, return to CalSTRS-covered employment and earn one year of service credit.

Section 1: Member Information

Name (Last, First, Initial)	Client ID* or Social Security Number	
Mailing Address	Email Address	
City	State	ZIP Code
Date of Birth (MM/DD/YYYY)	()	()
	Home Telephone	Alternate Telephone

Member Coverage: Coverage A Coverage B

Section 2: Service Retirement Information

Complete only if you are applying for service retirement during evaluation of a disability application.

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Retirement date (MM/DD/YYYY)

Your first benefit payment will be calculated from this date through the end of the month in which you retire.

Last date of work, vacation or approved leave (MM/DD/YYYY). This date must be before your retirement date.

Other Public Retirement Systems

If you are a member of any of the following California public retirement systems and you did not perform service between your CalSTRS retirement date and the other public system's retirement date, you may be able to use the other system's final compensation. Place an X in the appropriate box below. Mark all that apply and indicate your retirement date with the other system.

CalPERS SFERS LRS UCRS 1937 ACT COUNTY—County Name _____

Retirement dates from other systems (MM/DD/YYYY) _____

* Find your Client ID on your *Retirement Progress Report*.



DS0260

NAME _____ CLIENT ID OR SSN _____

Section 3: Employment Information

Please attach a copy of your current or previous job description.

DISTRICT OF EMPLOYMENT _____ COUNTY OF EMPLOYMENT _____

SCHOOL NAME _____ PRINCIPAL'S OR SUPERVISOR'S NAME _____

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MAILING ADDRESS _____ TELEPHONE NUMBER _____

CITY _____ STATE _____ ZIP CODE _____

GRADE LEVEL TAUGHT _____ SUBJECTS TAUGHT _____

POSITION TITLE _____ HOW LONG POSITION HELD _____

Are you currently working? Yes No

LAST DAY OF WORK (MM/DD/YYYY) _____ LAST DAY OF COMPENSATION (MM/DD/YYYY) _____

Are you currently working in any capacity—full-time, part-time or modified work? Yes No
If yes, explain (not limited to public education; for example, real estate, tutoring, day care, counseling or artist).

Have you been in your current position for less than one year? Yes No

If in public education, provide:

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PREVIOUS SCHOOL _____ TELEPHONE NUMBER _____

Do you now or have you ever owned your own business? Yes No

If yes, what is the name of the business? _____

Dates of ownership _____ to _____ (MM/DD/YYYY)

If yes, explain the type of business (real estate, tutoring, day care, counseling, artist, other).

Professional credentials and vocational certificates or licenses held:

Credentials/Certificate/License

Issue Date

Expiration Date

Do you have any experience in the education field other than your present position? If yes, explain.

Do you have work experience or training in a field other than education? If yes, please provide types and dates.

_____ Dates _____ to _____ (MM/DD/YYYY)

_____ Dates _____ to _____ (MM/DD/YYYY)

Section 3.1 Unlawful Act Information

If you have less than five years of service credit, you may be eligible to apply for a disability benefit if your impairment is the result of an unlawful act of bodily injury that occurred on the job.

Is your impairment the result of an unlawful act? Yes No

I have attached supporting documentation—the official police report or official employer’s incident report.

Section 3.2 Reasonable Accommodation

CalSTRS may require you to request reasonable accommodation from your employer as a condition for receiving a disability benefit. A reasonable accommodation may enable you to continue employment in your same position or in one with comparable level responsibilities.

Reasonable accommodation requests to your employer should be in writing and all documentation between you and your employer must be provided to CalSTRS upon request.

Have you requested reasonable accommodation from your employer?

Yes If yes, attach a copy of your reasonable accommodation request, including your employer’s response.

No If no, why not? _____

Has your usual work assignment been modified or eliminated to accommodate your impairment since your initial employment in your school district? Yes (Explain below.) No

Section 4: Statement of Impairment

Respond to each question for each impairment. Use additional sheets if needed. Write your name and Client ID at the top of each page.

1. What is your specific diagnosis/impairment? _____

2. Date of diagnosis/impairment (MM/DD/YYYY) _____

3. Date your impairment began affecting your ability to perform at work (MM/DD/YYYY) _____

4. What are your specific limitations or restrictions due to your diagnosis/impairment? _____

5. How does your diagnosis/impairment prevent you from performing your usual duties? _____

6. How does your diagnosis/impairment prevent you from performing your usual duties with accommodation, or the duties of a comparable level position? _____

NAME _____ CLIENT ID OR SSN _____

Did a third party cause your injury? Yes (Explain below.) No

Section 5: Medical Information

Provide a list of physicians who examined or treated you for each diagnosis/impairment listed on page 3. Use additional sheets if needed. Write your name and Client ID at the top of each page.

_____ ()
Treating Physician's Name (Last, First, Title) Specialty Telephone Number

_____ City State ZIP Code
Mailing Address

Dates of treatment: _____ to _____ (MM/DD/YYYY)

_____ ()
Treating Physician's Name (Last, First, Title) Specialty Telephone Number

_____ City State ZIP Code
Mailing Address

Dates of treatment: _____ to _____ (MM/DD/YYYY)

Have you been hospitalized for this condition? Yes No

If yes, provide the names of hospitals and hospital physicians who examined or treated you for each diagnosis/impairment. Use additional sheets if needed. Write your name and Client ID at the top of each page.

Hospital Name and Mailing Address

Dates Hospitalized: From _____ to _____ (MM/DD/YYYY)

Name of Treating Physician at the Hospital (Last, First, Title)

Section 5.1 Workers' Compensation Information

Are you receiving or do you plan to apply for benefits under workers' compensation for any diagnosis/impairment listed on page 3?

Yes No **If yes, complete the *Workers' Compensation Carrier Request for Information* form in the Forms section of this booklet.**

Has claim been settled? Yes If yes, date settled _____ (MM/DD/YYYY)
 No

Workers' Compensation Carrier

_____ ()
Name of Adjuster Telephone Number

_____ City State ZIP Code
Mailing Address

Claim Numbers Relating to Diagnosis/Impairment Date of Diagnosis/Impairment (MM/DD/YYYY)

Section 5.2 Other Benefits Information – Coverage A Members Only

Are you receiving or do you plan to apply for benefits under any insurance policy (employer paid) or other public system for any impairment listed on page 3? Yes No

Insurance Carrier or Other Public System Contact (Social Security, CalPERS, military, other)

Name of Insurance Carrier or Public System

Contact Person

()

Telephone Number

Mailing Address

City

State

ZIP Code

Claim Numbers Relating to Impairment

Date of Injury/Illness (MM/DD/YYYY)

Section 6: Eligible Dependent Children Information

Provide a copy of the birth certificate and Social Security card for your named dependent children. If there is a joint custody situation, provide a copy of child custody document or your most current tax records.

Child's Name (Last, First, Initial)

Date of Birth

Child's Name (Last, First, Initial)

Date of Birth

Child's Name (Last, First, Initial)

Date of Birth

Child's Name (Last, First, Initial)

Date of Birth

Use additional sheets if needed. Write your name and Client ID at the top of each page.

I have attached a copy of each child's birth certificate and Social Security card.

I have attached additional documents, including: _____

Section 7: Authorization to Release Information to CalSTRS**Authorization to Release Information to CalSTRS**

I hereby authorize and direct any and all organizations, agencies and individuals from whom the California State Teachers' Retirement System or its representatives require information to determine my disability status to disclose all requested information which they may possess. Such information may include, but is not limited to, medical or hospital reports, any benefit or rehabilitation information, tax returns, and legal documents and decisions. The sources may be, but are not limited to: (1) physicians; (2) hospitals; (3) state agencies, such as the California Franchise Tax Board and the Department of Industrial Relations; (4) federal agencies such as the Internal Revenue Service, Social Security Administration and Veterans Administration; (5) any retirement or pension plan; (6) insurance companies, including workers' compensation insurance carriers; (7) rehabilitation firms; (8) psychiatric, psychological or counselor practitioners; and (9) universities and colleges.

The information requested will be used to verify my present and past medical, legal and financial status for the purposes of determining eligibility for and/or continuing qualification for receiving a disability benefit. Rehabilitation/vocational information requested will be used for determining employment or rehabilitation potential and/or to assist in vocational rehabilitation planning.

I understand during the entire period my application is being considered or I am receiving a disability benefit from CalSTRS that the information and documentation pertaining to me may be released to all organizations, agencies and individuals performing business or legal services for CalSTRS in connection to my claim.

In submitting this application, I agree, pursuant to California Education Code section 22450, to submit employment, legal or medical documentation, financial statements, certified copies of state and federal income tax records, or evidence of financial status to CalSTRS, for either establishing eligibility for a disability benefit or continuing qualification to receive a disability benefit. A photocopy of this authorization shall be considered as effective and valid as the original. This authorization remains valid during the entire period my application is being considered and/or I am receiving a disability benefit from CalSTRS.



 Member's Signature to Authorize Release of Information to CalSTRS

 Date Signed (MM/DD/YYYY)

GO TO NEXT PAGE TO CONTINUE COMPLETING THIS APPLICATION

Section 8: Your Defined Benefit

Section 8.1 Defined Benefit Election (Service Retirement)

Complete if you are applying for service retirement during evaluation of a disability application.

I have read the instructions that describe the **Defined Benefit** options and I elect (choose one):

- Member-Only Benefit (Coverage A–Service Retirement). Skip to section 8.3.
- Member-Only Benefit (Coverage B–Service Retirement). Go to section 8.2.
- Modified Benefit. If you check this box, choose one option below.


Modified Benefit

I previously submitted the *Preretirement Election of an Option* form.

Indicate the option you elected _____
and the name of your option beneficiary _____ to confirm your original election.

OR

I am electing an option at retirement. (Your option beneficiary must be a living person or persons—your beneficiary cannot be a trust, estate, charity or other entity. This option is not the one-time death benefit.) I have read *Your Retirement Guide*, pages 9–11, that describe the Defined Benefit options available, and I elect one of the following options at retirement. Choose one and complete the beneficiary information below:

- 100% Beneficiary Option
- 75% Beneficiary Option
- 50% Beneficiary Option
- Compound Option (If you choose the Compound Option, complete and attach the *Compound Option Election* form.) 

Option Beneficiary Information

Beneficiary's Name (Last, First, Initial)		Beneficiary's Social Security Number		
Mailing Address		City	State	ZIP Code
()	()			
Home Telephone	Alternate Number	Email Address		

Member of CalSTRS: Yes No

Gender: Male Female

Relationship: Spouse Registered Domestic Partner Other


Date of Birth _____ (MM/DD/YYYY)

(Attach verification of your option beneficiary's birth date. Acceptable documents include a photocopy of a birth certificate, passport ID page and certain military IDs.)

NAME _____ CLIENT ID OR SSN _____

Section 8.2 Defined Benefit Election–Coverage B (Disability Retirement)

I have read the instructions that describe the **Defined Benefit** options and I elect (choose one):

- Member-Only Benefit. (Coverage B–Disability Retirement). Go to section 8.3.
- Modified Benefit. If you check this box, choose one option below and complete the beneficiary information below:
 - 100% Beneficiary Option
 - 75% Beneficiary Option
 - 50% Beneficiary Option
 - Compound Option (If you elect the Compound Option, complete and attach the *Compound Option Election* form, available at CalSTRS.com.) 

I request Modified Benefit quotes for the option beneficiary below.

Beneficiary Information

Beneficiary's Name (Last, First, Initial)		Beneficiary's Social Security Number	
Mailing Address	City	State	ZIP Code
()	()		
Home Telephone	Alternate Number	E-mail Address	

Member of CalSTRS: Yes No Gender: Male Female

Relationship: Spouse Registered Domestic Partner Other _____

Date of Birth _____ (MM/DD/YYYY)

(Attach verification of your option beneficiary's birth date. Acceptable documents include photocopies of a birth certificate, passport ID page and certain military IDs.)

Section 8.3 Defined Benefit Tax Withholding Preferences

If you do not complete this section, CalSTRS must withhold state and federal income tax from your payment based on rates for a married person claiming three withholding allowances.

Remember, there are penalties for not paying enough tax during the year, either through withholding or estimated tax payments. You may be able to avoid paying quarterly estimated taxes by having enough state and federal tax withheld from your monthly benefit payment.

CALIFORNIA STATE INCOME TAX WITHHOLDING

Do not withhold California state income tax.

OR

Withhold California state income tax.

Withhold only \$ _____ from each benefit payment.* (Enter a flat dollar amount only. Do not enter a percentage.)

OR

Withhold California state income tax based on the tax tables for (choose one):

Married with _____
(Enter 0 or number of allowances.)

Single with _____
(Enter 0 or number of allowances.)

Head of household with _____
(Enter 0 or number of allowances.)

Additional withholding: \$ _____

from each benefit payment in addition to the amount to be withheld based on state tax tables. (You cannot enter an amount without selecting one of the above options. Enter a dollar amount only.)

*A flat amount cannot be specified for federal income tax.

FEDERAL INCOME TAX WITHHOLDING

Do not withhold federal income tax from my monthly benefit payment.

OR

Withhold federal income tax based on the tax tables for (choose one):

Married with _____
(Enter 0 or number of allowances.)

Single with _____
(Enter 0 or number of allowances.)

Additional withholding: \$ _____

from each benefit payment in addition to the amount to be withheld based on federal tax tables. (You cannot enter an amount without selecting one of the above options. Enter a dollar amount only.)

Section 9: Your Defined Benefit Supplement

Section 9.1 Defined Benefit Supplement Election (Service Retirement)

Complete if you are applying for service retirement during evaluation of a disability application.

If you made retirement contributions to CalSTRS on or after January 1, 2001, you have a **Defined Benefit Supplement** account with CalSTRS. If your Defined Benefit Supplement account balance is:

- Under \$3,500, you must take a lump-sum payment. Mark the lump-sum payment box below.
- \$3,500 or more, you have choices about how to receive your funds.

Defined Benefit Supplement Choices

You have three payment choices for your Defined Benefit Supplement account. Choose only one:

1. Lump-Sum Payment

- Check paid to me directly. (Skip to section 9.4, Direct Payment.)
- Rollover to a financial institution. (Skip to section 9.4, Rollover.)

2. Annuity Payment

You have two choices. Choose one:

Period-Certain Monthly Annuity of 3 to 10 years*

Number of years (*circle one*) 3 4 5 6 7 8 9 10

OR

Lifetime Monthly Annuity*

If you elected the **Member-Only Benefit** on page 7, you have one choice:

Member-Only Annuity

If you elected the **Modified Benefit** on page 7, you have three choices. Choose one:

100% Beneficiary Annuity 75% Beneficiary Annuity 50% Beneficiary Annuity

3. Combination Lump Sum *and* Annuity. After your lump-sum payment, at least \$3,500 must remain in your Defined Benefit Supplement account to fund an annuity. Indicate your lump-sum amount and choose one annuity.

\$ _____ Lump-Sum Amount

- Check paid to me directly. (Skip to section 9.4, Direct Payment.)
- Rollover to a financial institution. (Skip to section 9.4, Rollover.)

Annuity (choose one):

Period-Certain Monthly Annuity of 3 to 10 Years*

Number of years (*circle one*) 3 4 5 6 7 8 9 10

OR

Lifetime Monthly Annuity*

If you elected the **Member-Only Benefit** on page 7, you have one choice:

Member-Only Annuity

If you elected the **Modified Benefit** on page 7, you have three choices. Choose one:

100% Beneficiary Annuity 75% Beneficiary Annuity 50% Beneficiary Annuity

*The lifetime monthly annuity and period-certain annuities of 10 years are not eligible for a rollover into a pretax account. See section 9.4 regarding tax considerations.

Section 9.2 Defined Benefit Supplement Election—Coverage A (Disability Allowance)

If you made retirement contributions to CalSTRS on or after January 1, 2001, you have a **Defined Benefit Supplement** account with CalSTRS. If your Defined Benefit Supplement account balance is:

- Under \$3,500, you must take a lump-sum payment. Mark the lump-sum payment box below.
- \$3,500 or more, you have choices about how to receive your funds.

Defined Benefit Supplement Choices

You have three payment choices for your Defined Benefit Supplement account. Choose only one:

1. Lump-Sum Payment

- Check paid to me directly. (Skip to section 9.4, Direct Payment.)
- Rollover to a financial institution. (Skip to section 9.4, Rollover.)

2. Annuity Payment

You have two choices. Choose one:

- Period-Certain Monthly Annuity of 3 to 10 years***
 Number of years (*circle one*) 3 4 5 6 7 8 9 10

OR

- Lifetime Monthly Annuity***

3. Combination Lump Sum and Annuity. After your lump-sum payment, at least \$3,500 must remain in your Defined Benefit Supplement account to fund an annuity. Indicate your lump-sum amount and choose one annuity.

\$ _____ **Lump-Sum Amount**

Annuity (choose one):

- Period-Certain Monthly Annuity of 3 to 10 Years***
 Number of years (*circle one*) 3 4 5 6 7 8 9 10

OR

- Lifetime Monthly Annuity***

*The lifetime monthly annuity and period-certain annuities of 10 years are not eligible for a rollover into a pretax account. See section 9.4 regarding tax considerations.

Section 9.3 **Defined Benefit Supplement Election—Coverage B** **(Disability Retirement)**

If you made retirement contributions to CalSTRS on or after January 1, 2001, you have a **Defined Benefit Supplement** account with CalSTRS. If your Defined Benefit Supplement account balance is:

- Under \$3,500, you must take a lump-sum payment. Mark the lump-sum payment box below.
- \$3,500 or more, you have choices about how to receive your funds.

Defined Benefit Supplement Choices

You have three payment choices for your Defined Benefit Supplement account. Choose only one:

1. Lump-Sum Payment

- Check paid to me directly. (Skip to section 9.4, Direct Payment.)
- Rollover to a financial institution. (Skip to section 9.4, Rollover.)

2. Annuity Payment

You have two choices. Choose one:

Period-Certain Monthly Annuity of 3 to 10 years*

Number of years (*circle one*) 3 4 5 6 7 8 9 10

OR

Lifetime Monthly Annuity*

If you elected the **Member-Only Benefit** on page 8, you have one choice:

Member-Only Annuity

If you elected the **Modified Benefit** on page 8, you have three choices. Choose one:

100% Beneficiary Annuity 75% Beneficiary Annuity 50% Beneficiary Annuity

3. Combination Lump Sum *and* Annuity. After your lump-sum payment, at least \$3,500 must remain in your Defined Benefit Supplement account to fund an annuity. Indicate your lump-sum amount and choose one annuity.

\$ _____ **Lump-Sum Amount**

- Check paid to me directly. (Skip to section 9.4, Direct Payment.)
- Rollover to a financial institution. (Skip to section 9.4, Rollover.)

Annuity (choose one):

Period-Certain Monthly Annuity of 3 to 10 Years*

Number of years (*circle one*) 3 4 5 6 7 8 9 10

OR

Lifetime Monthly Annuity*

If you elected the **Member-Only Benefit** on page 8, you have one choice:

Member-Only Annuity

If you elected the **Modified Benefit** on page 8, you have three choices. Choose one:

100% Beneficiary Annuity 75% Beneficiary Annuity 50% Beneficiary Annuity

*The lifetime annuity and period-certain annuities of 10 years are not eligible for a rollover into a pretax account. See section 9.4 regarding tax considerations.

Section 9.4 Defined Benefit Supplement Payment Instructions

I have received and read the *Special Tax Notice: Your Rollover Options* on pages 17–20 of this application.

I understand I have at least 30 days before distribution to consider the information provided in this notice and decide whether to elect a direct rollover to another retirement plan or have the amount distributed to me. The 30-day waiting period has been met or I waive the 30-day period.

Indicate below if you want to receive your Defined Benefit Supplement distribution as a **direct payment** or a **rollover**.

Direct Payment

I choose to have my Defined Benefit Supplement distribution paid directly to me. Skip to section 9.5.

OR

Rollover

I choose to roll over all or part of my Defined Benefit Supplement distribution to a financial institution. Complete the information below. (If you choose a rollover to CalSTRS Pension2®, CalSTRS staff will obtain the financial institution representative’s signature on your behalf.) *Any amount not designated for transfer will be mailed directly to me.* (See section 9.5 Direct Payment and mark the appropriate box).


THIS SECTION REQUIRES YOUR FINANCIAL INSTITUTION’S SIGNATURE (EXCEPT FOR PENSION2 ROLLOVERS)

Rollover of Tax-Deferred Contributions and Interest. I elect to roll over my tax-deferred contributions and interest to one of the plans listed below.

Traditional IRA Other eligible plan (403(b), 457, 401(k) or 401(a)) Roth IRA (taxable rollover)

Select one: Amount to transfer \$ _____ **OR** Percentage to transfer _____ (indicate 1%–100%)

Financial Institution Information (All information is required.)


Account Number	Make Check Payable to (Full Name of Financial Institution)		
Payment Mailing Address	City	State ()	ZIP Code
Name of Financial Institution Representative	Telephone		
 Financial Institution Representative’s Signature*	Signature Date (MM/DD/YYYY)		

Rollover of After-Tax Contributions. I elect to roll over my after-tax contributions to one of the plans listed below (not applicable for most accounts).

Traditional IRA Other eligible plan (403(b), 457, 401(k) or 401(a)) Roth IRA

Select one: Amount to transfer \$ _____ **OR** Percentage to transfer _____ (indicate 1%–100%)

Financial Institution Information (All information is required.)

Account Number	Make Check Payable to (Full Name of Financial Institution)		
Payment Mailing Address	City	State ()	ZIP Code
Name of Financial Institution Representative	Telephone		
 Financial Institution Representative’s Signature*	Signature Date (MM/DD/YYYY)		

***Certification:** My signature above confirms the account number for the individual named at the top of this page. As a representative of the financial institution or plan named above, I certify that this institution or plan agrees to accept the funds described above as a direct trustee-to-trustee transfer from CalSTRS for deposit into a qualified IRA or other eligible plan as defined in the Internal Revenue Code. I understand that my signature above authorizes the transfer of funds as indicated above.

Section 9.5 Defined Benefit Supplement Tax Withholding Preferences

When completing this section, remember that there are penalties for not paying enough tax during the year, either through withholding or estimated tax payments. You may be able to avoid paying quarterly estimated taxes by having enough state and federal tax withheld from your monthly benefit payment.

Direct Payment Lump Sum and Period-Certain Annuities of 3 to 9 Years

Federal law requires that CalSTRS withhold 20 percent federal income tax for all lump-sum payments and period-certain annuities of 3 to 9 years paid directly to you. CalSTRS will automatically withhold federal tax from your payment.

Under state law, you can choose not to have any state tax withholding. If you choose to have state tax withholding, CalSTRS will withhold at 2 percent for lump-sum payments and period-certain annuities of 3 to 9 years paid directly to you.

Withhold California state income tax? Yes No

Lifetime Monthly Annuity and Period-Certain Annuity of 10 Years

If you do not complete the section below, CalSTRS must withhold state and federal income tax from your payment based on rates for a married person claiming three withholding allowances.

CALIFORNIA STATE INCOME TAX WITHHOLDING

Do not withhold California state income tax.

OR

Withhold California state income tax.

Withhold only \$ _____ from each benefit payment.* (Enter a flat dollar amount only. Do not enter a percentage.)

OR

Withhold California state income tax based on the tax tables for (choose one):

Married with _____
(Enter 0 or number of allowances.)

Single with _____
(Enter 0 or number of allowances.)

Head of household with _____
(Enter 0 or number of allowances.)

Additional withholding: \$ _____

from each benefit payment in addition to the amount to be withheld based on state tax tables. (You cannot enter an amount without selecting one of the above options. Enter a dollar amount only.)

*A flat amount cannot be specified for federal income tax.

FEDERAL INCOME TAX WITHHOLDING

Do not withhold federal income tax from my monthly benefit payment.

OR

Withhold federal income tax based on the tax tables for (choose one):

Married with _____
(Enter 0 or number of allowances.)


Single with _____
(Enter 0 or number of allowances.)

Additional withholding: \$ _____

from each benefit payment in addition to the amount to be withheld based on federal tax tables. (You cannot enter an amount without selecting one of the above options. Enter a dollar amount only.)

Section 10: Required Signatures

Check all that apply.



- 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 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 partner was *not* awarded a portion of my CalSTRS benefits.

Member's Signature

I certify that I have read the Disability Benefits Application Instructions and the booklet, *Your Disability Benefits Guide*, and I am applying for a disability benefit and/or service retirement. I fully understand that if my service retirement is approved by CalSTRS and verified by my employer, I will be officially retired as of the retirement date I have requested if CalSTRS receives my application.

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).

I understand it is a crime to fail to disclose a material fact or to make any knowingly false material statements for the purpose of altering a benefit administered by CalSTRS and it may result in penalties, including restitution, up to one year in jail and a fine of up to \$5,000 (Education Code section 22010).

 _____ Member's Signature	_____ Signature Date (MM/DD/YYYY)
 _____ Spouse's or Registered Domestic Partner's Signature	_____ Signature Date (MM/DD/YYYY)

Submitting Your Application

Submit only pages 1–15 of your *Disability Benefits Application*. You'll also need to submit the *Justification for Non-Signature of Spouse or Registered Domestic Partner* form, if required.

Remember to sign and date your application and other forms.

Hand Delivery

Hand deliver your application to a local CalSTRS benefits counseling office. For a current listing, go to CalSTRS.com/localoffices.

Mailing Address

Mail your application to:
 CalSTRS
 P.O. Box 15275, MS 43
 Sacramento, CA 95851-0275

Overnight Delivery

If you are using a special mailing service such as UPS or FedEx, send your application to:
 CalSTRS
 Member Services
 100 Waterfront Place
 West Sacramento, CA 95605

Fax Delivery

916-414-5040

Keep a copy of your completed application for your records. If you fax your application, keep the confirmation page. We are unable to call and confirm receipt of your faxed application.

This page intentionally left blank.

Section 11: Special Tax Notice: Your Rollover Options**INTRODUCTION**

You are receiving this notice because all or a portion of your CalSTRS Defined Benefit, Defined Benefit Supplement or Cash Balance payment may be eligible for a rollover to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

Rules that apply to most CalSTRS payments are described in the “General Information About Rollovers” section. Special rules that only apply in certain circumstances are described in the “Special Rules and Options” section.

Certain California tax information also is provided. In general, California law conforms to the Internal Revenue Code. However, there are some differences between California and federal law. For additional information, visit ftb.ca.gov.

30-Day Notice Period and Your Right to Waive

Generally, CalSTRS cannot make a direct rollover or a payment to you until at least 30 days after you receive this notice. If you do not wish to wait until this 30-day notice period ends before your payment is processed, you may waive the notice period.

GENERAL INFORMATION ABOUT ROLLOVERS**How can a rollover affect my taxes?**

You will be taxed on your CalSTRS payment if you do not roll it over. If you are under age 59½ and do not do a rollover, you also will have to pay a 10 percent additional federal income tax and a 2.5 percent additional California state income tax on early distributions, unless an exception applies (see page 18 of this application).

If you do a rollover, however, you will not have to pay tax until you receive distributions later and the 10 percent additional federal income tax and 2.5 percent additional state income tax will not apply if those distributions are made after you are age 59½, or if an exception applies.

Where may I roll over my CalSTRS payment?

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees and rights to payment from the IRA or employer plan. For example, no spousal consent rules apply to IRAs and IRAs may not provide loans.

Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

How do I do a rollover?

There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.

Direct rollover: If you do a direct rollover, CalSTRS will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

60-day rollover: If you do not do a direct rollover, you still may do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive your CalSTRS payment to make the deposit.

If you do not do a direct rollover, CalSTRS is required to withhold 20 percent of the payment for federal income tax and, if you choose, will withhold state tax at 10 percent of your federal income tax withholding (2 percent). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20 percent withheld for federal tax and any state tax withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10 percent additional federal income tax and the 2.5 percent additional state income tax on early distributions if you are under age 59½, unless an exception applies.

How much may I roll over?

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any CalSTRS payment is eligible for rollover except:

- Benefit payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary).
- Required minimum distributions after age 70½ (or after death).
- Corrective distributions of contributions that exceed tax law limitations.

CalSTRS can tell you what portion of a payment is eligible for a rollover.

If I don't do a rollover, will I have to pay the 10 percent additional federal income tax and the 2.5 percent additional state income tax on early distributions?

If you are under age 59½, you will have to pay the 10 percent additional federal income tax and 2.5 percent additional state income tax on early distributions for any CalSTRS payment, including amounts withheld for income tax, that you do not roll over, unless one of the exceptions listed below applies. This tax is in addition to the regular federal and state income taxes on the payment not rolled over.

The 10 percent additional federal income tax and the 2.5 percent additional state income tax do not apply to the following CalSTRS payments:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation.
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary).
- Payments made due to disability.
- Payments after your death.
- Corrective distributions of contributions that exceed tax law limitations.
- Payments made directly to the government to satisfy a federal tax levy.
- Payments made under a qualified domestic relations order (QDRO).
- Payments up to the amount of your deductible medical expenses.

If I do a rollover to an IRA, will the 10 percent additional federal income tax and the 2.5 percent additional state income tax apply to early distributions from the IRA?

If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10 percent additional federal income tax and 2.5 percent additional state income tax on early distributions from the IRA, unless an exception applies. In general, the exceptions to the additional federal and state income taxes for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- There is no exception for payments after separation from service that are made after age 55.

- The exception for qualified domestic relations orders does not apply. However, a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse.
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments after you have received unemployment compensation for 12 consecutive weeks, or would have been eligible to receive unemployment compensation but for self-employed status.

SPECIAL RULES AND OPTIONS

If Your Payment Includes After-Tax Contributions

After-tax contributions included in a CalSTRS payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is generally included in the payment. If you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment.

You may roll over to an IRA a CalSTRS payment that includes after-tax contributions through either a direct rollover or a 60-day rollover (see page 17 of this application). You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from CalSTRS and a portion is paid to you, each of the payments will include an allocable portion of the after-tax contributions.

If you do a 60-day rollover to an IRA of only a portion of your CalSTRS payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a complete distribution of your benefit that totals \$12,000, of which \$2,000 is after-tax contributions. In this case, if you roll over \$10,000 to an IRA in a 60-day rollover, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover—and only if the receiving plan separately

accounts for after-tax contributions and is not a governmental section 457(b) plan. You can do a 60-day rollover to an employer plan of part of a CalSTRS payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

If You Miss the 60-Day Rollover Deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline.

To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590, *Individual Retirement Arrangements*.

If You Were Born On or Before January 1, 1936

If you were born on or before January 1, 1936, and receive a lump-sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

If You Roll Over Your Payment to a Roth IRA

You can roll over a payment from CalSTRS made before January 1, 2010, to a Roth IRA only if your modified adjusted gross income is not more than \$100,000 for the year the payment is made to you and, if married, you file a joint return. These limitations do not apply to CalSTRS payments made to you after 2009. If you did a rollover to a Traditional IRA because you were not eligible to do a Roth IRA until after 2009, you can now convert the Traditional IRA to a Roth IRA.

If you roll over your CalSTRS payment to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10 percent additional federal income tax and 2.5 percent additional state income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within five years, counting from January 1 of the year of the rollover). For payments from CalSTRS during 2010 that are rolled over to a Roth IRA, the taxable amount can be spread over a two-year period starting in 2011.

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed, including earnings after the rollover. A qualified distribution from a Roth IRA is

a payment made after you are age 59½—or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000—and after you have had a Roth IRA for at least five years. In applying this five-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10 percent additional federal income tax and 2.5 percent additional state income tax on early distributions, unless an exception applies. You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590, *Individual Retirement Arrangements*.

You cannot roll over a payment from CalSTRS to a designated Roth account in an employer plan.

CalSTRS is not responsible for assuring your eligibility to make a rollover to a Roth IRA. Consult your tax adviser if you are interested in rolling over your payment to a Roth IRA.

If You Are Not a CalSTRS Member

Payments after a member's death. If you receive a distribution after a CalSTRS member's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10 percent additional federal income tax and 2.5 percent additional state income tax on early distributions do not apply. The special rule described under the section "If you were born on or before January 1, 1936" applies only if the CalSTRS member was born on or before January 1, 1936.

If you are a surviving spouse. If you receive a CalSTRS payment as the surviving spouse of a deceased member, you have the same rollover options that the member would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10 percent additional federal income tax and 2.5 percent additional state income tax on early distributions, unless an exception applies. In addition, required minimum distributions from your IRA do not have to start until after you are age 70½.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10 percent additional federal income tax and 2.5 percent additional

state income tax on early distributions. However, if the member had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the member had not started taking required minimum distributions, you will not have to start receiving required minimum distributions from the inherited IRA until the year the member would have been age 70^{1/2}.

If you are a surviving beneficiary other than a spouse. If you receive a CalSTRS payment because of the member's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10 percent additional federal income tax and 2.5 percent additional state income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

Payments under a qualified domestic relations order.

If you are the spouse or former spouse of a CalSTRS member who receives a payment from CalSTRS under a qualified domestic relations order, you generally have the same options the member would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). Payments under the QDRO will not be subject to the 10 percent additional federal income tax or 2.5 percent additional state income tax on early distributions.

If You are a Nonresident Alien

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or a U.S. employer plan, CalSTRS is generally required to withhold 30 percent of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing IRS Form 1040-NR and attaching your IRS Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

OTHER SPECIAL RULES

If a payment is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series, unless you make a different choice for later payments.

If your payments for the year are less than \$200, CalSTRS is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may do a 60-day rollover.

When electing how to receive a CalSTRS payment that is rollover eligible, any amount not designated for a rollover will be mailed directly to you.

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, *Armed Forces' Tax Guide*.

FOR MORE INFORMATION

See the *Tax Considerations for Rollovers* booklet at CalSTRS.com. You may wish to consult a professional tax adviser before taking a payment from CalSTRS.

In addition, you will find more information on the federal tax treatment of payments from employer plans in IRS Publication 575, *Pension and Annuity Income*, IRS Publication 590, *Individual Retirement Arrangements*, and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, at irs.gov or by calling 800-TAX-FORM (800-829-3676).

For information on state tax, contact the California Franchise Tax Board at ftb.ca.gov or call 800-852-5711 (or 916-845-6500 if calling from outside the U.S.).

RIGHT TO RECEIVE PAPER DOCUMENT

You have the right to have this *Special Tax Notice: Your Rollover Options* provided as a written paper document. Although you have provided consent to receive the notice electronically, you may obtain a paper copy of the *Special Tax Notice: Your Rollover Options* upon request and at no charge.