

LECTURER HANDBOOK MODULE #2: PENSIONS & BENEFITS INFO

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This is a guide prepared by the CFA Lecturers Council, which we hope provides information and resources for Lecturers who are told that they have lost classes or have lost all of their work, and are forced into an earlier retirement than planned. For questions this guide doesn't adequately address, please see the links provided and the contact information at the end of the guide.

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I. HEALTH BENEFITS, COBRA, RETIREMENT, PENSIONS, AND HOW TO PROTECT YOUR MEDICAL AND DENTAL BENEFITS FOR LIFE:

A. For non-members of CalPERS:

If you have taught at least half-time (7.5 WTUs or a .50 time base) for 3 consecutive semesters or 4 consecutive quarters, then you are placed in the CalPERS retirement system. If you aren't in CalPERS, then you're in a defined contribution account called PST (Part-time, Seasonal, Temporary) managed by Aon Hewitt. You should call the Savings Plus Service Center at 855-616-4776 to inquire about your account: <https://www.savingsplusnow.com>. If you gained membership in CalPERS prior to 1/15/11, then 5% of your gross pay is deducted each month towards your eventual CalPERS pension; if you gained CalPERS membership after 1/15/11, then 6% of your gross wages are deducted monthly. Once we are in CalPERS, Social Security is also deducted,

the CSU makes a matching Social Security contribution, and there's an even larger employer contribution to our CalPERS retirement. Until we're in CalPERS we're in PST, in which 7.5% of our gross pay is deducted, there's no employer contribution at all, and neither we nor the CSU is paying into Social Security. Once a part-time Lecturer teaches at least half-time for 3 consecutive semesters or 4 consecutive quarters, they're in CalPERS and they don't need to teach at or above that time base to remain in CalPERS; once you're in CalPERS you're in, and will begin earning CalPERS Service Credit (SC) towards the 5 full years of SC you need to be fully vested for a pension and life-long medical and dental benefits.

Lecturers need an appointment for at least one semester or two consecutive quarters and at least six units of state-support work (a .40 time base) to be eligible for the same medical, dental optical, life and disability insurance as full-time faculty receive. You can accrue units from more than one department and more than one CSU campus to maintain eligibility for benefits. Lecturers with an academic year appointment and at least six units per semester or quarter have year-round benefits, and our eligibility for these benefits is tied to our receiving a monthly paycheck, which is why our academic-year pay is disbursed into 12 monthly paychecks.

B. COBRA:

If you lose your health benefits due to dropping below this six-unit threshold or due to losing all of your work, talk to your campus benefits or human resources office and find out exactly when your benefits will run out. Ask about going on COBRA (the Consolidated Omnibus Budget Reconciliation Act of 1985) which allows you to continue benefits by paying both the employee and employer costs plus 10%. See this section in the Lecturers' Handbook. <http://www.calstate.edu/Benefits/healthcare/cobra.page.shtml>

C. For members of CalPERS:

If you lose your CSU employment and are already a member of CalPERS, you may have the option of retiring from CalPERS to protect your medical and dental benefits, for yourself, a legal spouse or domestic partner with whom you were legally related to at least one year prior to your retirement date, your dependent children (now up to age 26), and/or your dependent parents. If you became a CalPERS member prior to 1/1/13, you are fully vested for both a monthly, defined benefit CalPERS pension as well as lifelong medical and dental benefits if you are at least 50 years old and have earned at least 5 full years of CalPERS service credit (SC). If you became a CalPERS member on 1/1/13 or later, you are fully vested, as above, once you are age 52.

Retiring from CalPERS is not a decision to be made lightly. It is important first to understand what your CalPERS pension will be based on. Once you retire, the amount of your monthly pension check will be determined by multiplying together three factors:

THE 3 FACTORS WHICH DETERMINE THE AMOUNT OF YOUR CALPERS PENSION

1) The highest full-time base salary you've had. This refers to where you are in your salary range, rather than your actual gross or take-home monthly salary. It refers to your monthly gross wages if you were teaching a full-time load of 15 units; it is not based on your actual monthly gross if you have only ever taught part-time. Your full-time equivalent (or base) monthly salary should be indicated on your most recent appointment letter.

2) Your number of years of CalPERS service credit. Teaching full-time earns one year of service credit per fiscal year; actually, one earns a year of service credit for 10 months of full-time teaching if worked during the fiscal year from July 1 to June 30. Consequently, if your appointment or time base is between .85 (teaching 25.5 units per academic year on a semester campus or 38.25 on a quarter campus) up to full-time (teaching 30 units per academic year on a semester campus or 45 units on a quarter campus) you earn one year of service credit per fiscal year. For any year where your appointment level is below .85, you earn service credit more-or-less on a pro-rata basis. For example, on a semester campus teaching three 3-unit classes (9 units) per semester or six such classes per year, equals 18 units out of a full-time time base of 30 units/year. $18/30 = a .60$ appointment level. On a quarter campus, teaching 9 units per quarter or 27 units per year out of a full-time time base of 45 units equals $27/45$ or a .60 appointment level. In both cases, a part-time Lecturer would earn approximately 60% of a year of CalPERS service credit for this fiscal year.

3) The benefit factor, which corresponds to your age at retirement. If you gained CalPERS membership before January 15, 2011, you're in the 2% at age 55 CalPERS retirement group (Tier 1), which means your benefit factor starts at 1.1% if you retire at the earliest possible time (age 50), reaches 2% at age 55, and maxes out at 2.5% if you retire from CalPERS at age 63 or older. For example, retiring at age 63 or older, every year of service credit you retire with corresponds to an additional 2.5% of your highest base salary (12 month average) in your pension check every month after retirement, whereas retiring at age 50 each year of service credit corresponds to an additional 1.1% of your highest base salary.

If you gained CalPERS membership after January 15, 2011 but before 1/1/13, then you're in the 2% at age 60 CalPERS retirement group (Tier 2), which means your benefit factor starts at 1.092% if you retire at the earliest possible time (age 50), reaches 1.460% at age 55 and 2% at age 60, and maxes out at 2.418% if you retire from CalPERS at age 63 or older, in which case every year of service credit will correspond to another 2.418% of your highest base salary (36 month average). NOTE: This pension change for all state employees was established legislatively as part of the 2010 California Budget Act; our pensions are determined by the state constitution and CFA has no ability to bargain over such issues.

If you became a member of CalPERS 1/1/13 or later, then you're in the 2% at age 62 CalPERS retirement group (Tier 3), which means your benefit factor starts at 1.0% if you retire at the earliest possible time (age 52), reaches 1.3% at age 55, 2% at age 62, and maxes out at 2.5% if you retire from CalPERS at age 67 or older. NOTE: This pension change for all state employees was established legislatively as part of the 2012 Public Employees Pension Reform Act (PEPRA); our pensions are determined by the state constitution and CFA has no ability to bargain over such issues.

As you can see, retiring earlier in order to protect health benefits will also lock you into a lower CalPERS pension, as you are retiring at a younger age (hence lower benefit factor), with fewer years of service credit and most likely with a lower base salary than if you retired later. On the other hand, with the cost of health care rising faster than inflation, and the challenges of enrolling in medical insurance out on the individual market (made somewhat easier by the Affordable Care Act) it may make perfect sense for many Lecturers facing loss of work to retire in order to keep their medical and dental benefits for life.

D. Long-term benefits post-retirement:

To begin with, in order to be eligible for life-long health benefits, you must have been eligible for health benefits in your last appointment prior to retirement; this means you were teaching a minimum of six units of state-support work or a .40 time base; teaching self-support classes through Extension for Credit neither earns you CalPERS membership, nor earns you CalPERS service credit, nor qualifies you for the suite of health benefits and insurance. Retiring right after a term when you are not eligible for health benefits – because of teaching fewer than 6 units – precludes you from this life-long health benefit option.

In order to capture your health benefits for life, you need to have a retirement date from CalPERS that is no more than 120 days after your official separation date from the CSU. It is important to understand that you *separate* from the university (the employer) but you *retire* from CalPERS. You are officially separated when you have gone through the campus separation procedure and are no longer on the CSU payroll. If you are still receiving monthly CSU paychecks then you are not yet separated and the 120 day “clock” has not started.

If you were eligible for health benefits in your last appointment, are in CalPERS, have accumulated a minimum of 5 years of CalPERS service credit, and are at least age 50 – or will turn 50 within the next few months – (or age 52 if in tier 3) then you have the option of retiring from CalPERS and preserving your medical and dental benefits for life, as well as receiving a defined benefit pension. This is an important point: in order to be fully vested in CalPERS – meaning that you’re eligible, upon retirement to receive a defined benefit pension and life-long medical and dental coverage for yourself, your spouse or domestic partner, and any dependent offspring up to age 26 – you must be at least age 50 (or age 52 in tier 3) and possess at least 5 years of earned service credit. If you have not earned 5 years of service credit since becoming a member of CalPERS, a following section will describe a way to buy back “service prior to membership” that may allow you to reach the magic number of 5 years of earned service credit. If you are younger than your minimum retirement age – meaning that you won’t be turning 50 or 52 within 120 days of your official separation date from the CSU - then you are not eligible to retire, and hence not eligible to capture the life-long health benefits, although you will be eligible to receive the CalPERS pension.

This is one of the most tragic inequities that Lecturers face: you could have 20 years or more of service credit accumulated, but if you lose your job in the CSU younger than 49.75 years of age, you may have lost your chance for the life-long health benefits. You can still retire from CalPERS as soon as you hit age 50 or older and begin collecting a pension, but because your retirement date will be more than 120 days from your separation date, you will not be eligible for the continuation of medical and dental benefits. If this applies to you, it is important to understand that should you once again become employed in the CSU you will continue to earn service credit that will be added to the service credit you previously earned, no matter how long the break in service. You can then retire in such a way as to capture the life-long health benefits. If the break in service is longer than 10 months, however, you do lose all your accumulated sick leave up to that point. But if upon being rehired after a 10+ month break, you request that your previous sick leave be reinstated,

HR/Benefits is able to do this. One reason you should try to retain your accumulated sick leave is because, at retirement, all unused sick leave is translated into CalPERS service credit, thereby increasing your pension checks. 250 days of sick leave (8 hours per sick leave day therefore 250 days = 2000 hours) equals one year of service credit added. But you never lose your CalPERS service credit, regardless of the length of the break in service. Even if you're never rehired at a CalPERS employer, by retiring at an older age you will increase your pension checks by trapping a higher benefit factor.

Anyone who is planning to retire should go in to their campus Benefits/Human Resources office at least 6 weeks prior to separation in order to transition from the Delta Dental-Enhanced coverage we have while employed (which pays 80% of the costs) to the Delta Dental-Basic coverage we have while retired (which pays 50% of the costs). We lose our subsidized optical benefits when we retire, as these are provided by the employer rather than by CalPERS. We are, however, now allowed to pay for them at our cost - currently \$6.33/month - after retirement.

If your retirement date is no more than 30 days after your separation date, then the continuation of your medical benefits is automatic, and no forms are required.

If your retirement date is more than 30 days after your separation date - but not more than 120 days after - then you will need to go in to your campus Benefits/Human Resources office and fill out a few forms in order to continue your medical coverage after you retire.

But you must choose a retirement date and be fully retired from CalPERS no later than 120 days after your separation date, or you have lost the possibility of retaining life-long medical and dental benefits.

So if you are age 50 (tier 3 = 52) or older and fully vested in CalPERS when you are not reappointed or laid off, the difficult crapshoot is whether to decide to retire immediately at a younger age - which will definitely allow you to keep your health benefits but which locks you into a pension that is lower than it could be because of younger age (and hence lower benefit factor), fewer years of service credit than if you continued teaching before retiring, and a base salary that might be higher in the future. The alternative is to not retire and hope that the economy turns around, the CSU is once again adequately funded, and you're eventually rehired. This would allow you to keep adding service credit, increase your base salary (assuming we continue to be able to bargain General Salary Increases (GSIs) and Salary Service Increases (SSIs), and

then retire at an older age (and at a higher benefit factor) which will translate into a higher pension check. The Hobson's choice is that it's often difficult to predict with any accuracy the probability of being rehired, and so for many Lecturers in this position the best choice might be to retire and lock in the life-long medical and dental benefits. Remember too, even if one is rehired, if it's only for one class one isn't eligible for benefits below 6 units, so retiring after any term below .40 will not allow one to keep medical and dental benefits into retirement.

It normally takes at least 5-6 weeks for CalPERS to process retirement - and currently somewhat longer - so you should plan to speak with your campus benefits/human resources office and with the folks at CalPERS sooner rather than later. The following section provides the contact information for CalPERS:

<http://www.calpers.ca.gov>

Toll-free: 888-225-7377 (hours are Monday thru Friday, 8 am to 5 pm, which are also the hours of the eight regional CalPERS offices.)

TTY for speech and hearing impaired: (916) 795-3240

E. How to register for CalPERS seminars and workshops:

The easiest way to register is by going to CalPERS On-Line at the URL above. Click on the "Members" button at the upper left of the CalPERS homepage, and then look for the "CalPERS Benefits Information Events" and the "Member Education" links on the left side of the Member homepage. You can also register by calling the Customer Contact Center at the toll free number provided above.

You are strongly encouraged to visit your closest CalPERS office if you are considering retiring. All of the regional centers have drop-in appointments, and if you arrive between 8 am and 10 am you will have the shortest wait, no more than 5 minutes. You can also register for a reserved 30-minute appointment by going to the CalPERS web site above. Also at the web site, you can find the driving directions to all eight of the regional offices listed below:

- 1) **Fresno Regional Office**
10 River Park Place East, Suite 230
Fresno, CA 93720
- 2) **Glendale Regional Office**
Glendale Plaza
655 North Central Avenue, Suite 1400
Glendale, CA 91203
- 3) **Orange Regional Office**
500 North State College Boulevard, Suite 750

Orange, CA 92868

- 4) **Sacramento Regional Office**
400 Q Street, Room 1820
Lincoln Plaza East
Sacramento, CA 95814
- 5) **San Bernardino Regional Office**
650 East Hospitality Lane, Suite 330
San Bernardino, CA 92408
- 6) **San Diego Regional Office**
7676 Hazard Center Drive, Suite 350
San Diego, CA 92108
- 7) **San Jose Regional Office**
181 Metro Drive, Suite 520
San Jose, CA 95110
- 8) **Walnut Creek Regional Office**
1340 Treat Blvd., Suite 200
Walnut Creek, CA 94597

F. Visit the CalPERS web site <http://www.calpers.ca.gov> and download important information:

Once there, after establishing a user ID and a password, there's a wealth of information. On the home page you'll find a button entitled "Forms and Publications Center". Click on this and it will allow you to either order or download a number of free retirement pamphlets; in particular you should look at the following four:

1) Pub. 6: Your Benefits Your Future: State Miscellaneous and Industrial Benefits.

The tables that pertain to CalPERS membership before Jan. 2011 are on pages 30 and 31; Tier 2 on pages 32 and 33, and Tier 3 on pages 34 and 35.

2) Pub. 12: A Guide to Your CalPERS Service Credit Purchase Options.

If you taught for any length of time before becoming a member of CalPERS then you should consider purchasing the absolutely least expensive type of service credit, called Service Prior to Membership (SPM). Remember: you didn't become a CalPERS member until the third consecutive semester or fourth consecutive quarter you taught at least 7.5 WTUs (units) - which for most of us means three 3-unit classes (or a .60 appointment level) on a semester campus, or two 4-unit classes (or a .533 appointment level) on a quarter campus.

If it took you a while to enter CalPERS, please read pages 17 & 19 in Pub. 12 and then go to the CalPERS website Click on " Service Credit Cost Estimator" under "Online Services". Click on " Service Credit Cost Estimator" again, and then click on "I Accept". Click on the 3rd bullet "Service Prior to Membership"

and then on "Continue" on this page and the next. Or go to the calculator directly by **copying and pasting** the following URL into your browser: <http://www.calpers.ca.gov/index.jsp?bc=/member/service-credit/scce/home.xml> and then click on Service Credit Cost Estimator.

Fill in the application that comes up. For "pay rate" on the first page, use your **full-time** base salary off of your most recent appointment letter, and keep the default as "per month" and the pay schedule as "monthly" and click "continue". On the next page, use the pull-down menu to identify your CalPERS group: Tier 1 is State Misc: 2% at 55, Tier 2 is State Misc: 2% at 60, and Tier 3 is State Misc: 2% at 62. You should have the appointment letter from the first term you became a CalPERS member, as you will need to indicate 1) the date you became a CalPERS member, and 2) your full-time base salary at the time you became a CalPERS member. If you don't have a copy of your early appointment letters, you can make copies of the ones in your Personnel Action File (PAF) found either in your Dean's Office or in Faculty Affairs.

SPM is the least expensive form of service credit to purchase, as the cost is based on your salary when you became a member and not your current base salary. Fill out the rest of the application and then print it out and follow the instructions to mail it to CalPERS. Whenever you mail anything to CalPERS it should always be "return receipt requested" as you want to be able to verify when they received it. You will have to indicate all the semesters/quarters you taught at a CSU campus, as well as your appointment levels during those terms, before you became a CalPERS member. Send it in to CalPERS, they'll have your employment history verified at the CSU campuses you indicate, and then they'll send you a cost statement informing you of how much service credit you can buy back, the cost to do so, and the effect it would have on your monthly pension check if you retired at the age you make the purchase. You only have 60 days to make the purchase, once you receive the cost statement.

You can roll over any qualified account (401K, 403B, TIAA-CREF, etc.) to make this or any service credit purchase, meaning you won't pay any taxes on it; check with CalPERS for the appropriate form you'll need to do this. But check with the Social Security Administration (<http://www.ssa.gov>) before rolling over your Part-time, Seasonal, and Temporary Employee's Retirement Plan (PST) account to purchase service credit, because PST contributions are not based on Social Security wages, and this roll-over may lead to a reduction in your eventual Social Security benefits due to the regulations of the federal Windfall Elimination Provision (WEP).

As with all service credit purchase options you can pay for it in a lump sum or over time, up to a payment schedule as long as 15 years. It can be deducted from your paycheck either pre-tax or post-tax; pre-tax means it's deducted before your pay is taxed, reducing your tax burden, but it also locks you into whatever payment schedule you choose. Post-tax means it's deducted after taxes are deducted, but it allows you to pay off any balance owed for the service credit purchase at any time you choose. If you're paying it off over time from your pension check then it's deducted post-tax, so you are able to pay it off at any time. One thing about Service Prior to Membership is that it's earned - you actually taught during those terms, it just wasn't credited. This is another reason why it's less expensive than purchasing other forms of service credit because you're only paying the employer contributions. The fact that it's earned also means you can use it to reach the 5 years you need to become vested, and you are able to purchase this type of service credit as soon as you're a member of CalPERS.

You can also purchase service credit for the unpaid portion of a full-year sabbatical or a DIP leave (only available to Full-time Lecturers), any unpaid professional leaves, or unpaid maternity/paternity leaves. Please find the appropriate application in Publication 12 to request a cost statement for these types of service credit purchases (the "Leave of Absence" form on pages 23-26). Additionally, contact CalPERS if you were in the U.S. military, Peace Corps, Americorps, or U.C. retirement system, as there may be options to purchase additional service credit based on these types of service.

3) Pub. 43: A Guide to Completing Your CalPERS Service Retirement Election Application.

In this publication is the actual application for retirement. On it, you'll have to make three important decisions: 1) you'll have to choose one of the seven retirement options described therein and also below, 2) you'll designate a beneficiary who can receive monthly checks of varying proportions of your pension after your death (although two retirement options, the Unmodified Option and Option 1, don't have monthly checks to the beneficiary, 3) your survivor who will receive the survivor continuance monthly check after your death (which also conveys the medical and dental benefits to that person, even if you chose the Unmodified Option or Option 1, and 4) your actual retirement date. This is the date that needs to be within 120 days of your separation date in order to be able to retain your medical and dental benefits into retirement.

4) **Pub. 33: Employment After Retirement:**

It is possible to teach in the CSU after you retire. Due to the 2012 PEPR legislation, all state employees except CSU faculty in the FERP program have to wait 180 days (6 months) between retirement and being rehired as a retired annuitant. Keep in mind, however, that if you are retiring to save health benefits, it is not a sure thing that you will be rehired by your department after you retire. This is true even in the best of times; in a time of financial crisis it's even less of a sure thing. Partly, this is because once you retire you lose all careful consideration rights and preference for work you once had, meaning that you start over as a first term appointee. Once you're evaluated you do earn the right of careful consideration, and you are able to work up to a 3-year appointment with formal entitlement plus all of the article 12.29 provisions that protected you before retirement. But remember that all incumbent Lecturers in your old department will now be higher than you in Article 12.29, and when you consider 12.29a8 and 12.29b9 – which mandate that after the entitlement of all incumbent lecturers are met, any additional course must be offered first to incumbent part-time Lecturers with 3-year appointments up to and including a full-time, 1.0 appointment, and then to incumbent 1-year Lecturers, up to and including full-time – the likelihood of being re-hired as a retired annuitant is very low. This is especially the case during times of cutbacks and reductions of course offerings.

In order to be re-hired as a retired annuitant:

- There is no verbal or written agreement to return to work as a retired annuitant between you and the employer before you retired.
- You are limited to working 50% of your appointment level in the last fiscal year you were employed at the CSU before the fiscal year of your retirement, or 960 hours/year, whichever is less.
- You do not accrue service credit or otherwise acquire retirement rights for employment as a retiree.

Once you are receiving a CalPERS pension, do not file for unemployment insurance (UI) benefits between terms, or otherwise you will have to wait 12 months after receiving benefits to be reappointed in the CSU. If you work for a non-CalPERS employer after retiring from CalPERS and are laid off, you are eligible for UI benefits while unemployed, and your CalPERS pension income will not be deducted from your UI benefits.

G. Your dependants: Definition of terms

1. **Beneficiary:** someone who may receive a monthly pension check after your death for the rest of their life

a. A beneficiary can be anybody: a spouse, domestic partner, child, friend, your estate, a trust, etc.

2. **Survivor:** someone who will receive the Survivor Continuance after your death.

a. Your survivor will receive 25% of your unmodified pension as a monthly check for the rest of their life, even if you choose a different retirement option than the unmodified option.

b. Your survivor can be the same person as your beneficiary or someone else.

c. By law, a survivor is (in the following order):

- a legal spouse, married at least 1 year pre-retirement; if none then
- a legal state domestic partner, at least 1 year pre-retirement; if none then
- an unmarried minor child, biological or adopted, under 18 years of age; only continues until their 18th birthday; if none then
- an unmarried child who was disabled before age 18; survivor continuance check continues for life
- if none of the above, qualifying economically-dependent parents
- If you have none of the above, you have no survivor to receive the Survivor Continuance.

3. The CSU opted in to “Survivor Continuance” with PERS

a. This means if you die before your CalPERS “survivor”, your survivor will receive a monthly check that is 25% of your unmodified pension check.

b. This is independent of beneficiary benefit check that stems from choosing Options: 2, 2W, 3, 3W, or 4

c. This means that one could choose the unmodified option (below) , and still convey medical and dental benefits to a surviving spouse or domestic partner. (I have verified this with CalPERS, but you should also call CalPERS to verify this.)

H. A **BRIEF** OVERVIEW OF THE 7 RETIREMENT OPTIONS (Pub. 6, pp. 11-13; also in Pub. 43. pp. 7-11):

1. The Unmodified option yields the highest pension, and this is the exact percentage of your highest full-time base (gross) salary to which the tables on Pub. 6, pages 29, 31 and 33 refer. But because this option - like option 1 (lump sum payment of remaining member contributions to your beneficiary upon your death) doesn't provide monthly pension checks to your beneficiary upon your death, your beneficiary loses medical and dental coverage upon your death unless your beneficiary is also your survivor. In this case, because they'll receive the Survivor Continuance (25% of your unmodified amount as a monthly check for life) they will also continue to be covered by your medical and dental benefits, for life (Pub. 43, pp. 13-14) Recall that your beneficiary can be anyone, whereas your survivor is limited by law to a legal spouse or

domestic partner (at least one year before retirement), a minor child under 18, a child disabled before 18 (check is for life), or economically-dependent parents. Options 2, 2W, 3, 3W and 4: trade offs between the amount of your pension vs. your beneficiary.

2. Option 1 provides your beneficiary with a lump sum of your remaining employee (EE) contributions to CalPERS. If you have been receiving your CalPERS pension for 10-11 years, there will no longer be any EE contributions left to pay out to a beneficiary.
3. Option 2W provides the same pension to your beneficiary after your death as you get before, and is the highest beneficiary benefits possible. This is the default option if you die before retiring (but are vested).
 - a. If you die before being vested your beneficiary receives life insurance only (Pub. 6, pp. 14-15)
 - b. But if your beneficiary pre-deceases you, your pension remains the same and does not go up to the unmodified amount. This is why you receive a higher benefit in Option 2W than in Option 2.
4. Option 2 provides you with a slightly lower pension check than Option 2W; like Option 2W, upon your death provides your beneficiary with an identical monthly pension as you had, but increases your pension to the unmodified amount - the highest check possible - if your beneficiary pre-deceases you.
5. Option 3 and 3W are similar to 2 & 2W except they provide a higher pension to you the retiree than in Option 2 or 2W because they provide less (1/2 of your monthly check) to your beneficiary.
6. Option 3W provides a higher check than Option 3, because as with 2W vs. 2, in Option 3 if your beneficiary predeceases you, your pension check goes up to the unmodified amount, whereas in option 3W it remains at the 3W level.
7. Option 4: Different combos. Most popular = 2W+Option 1; same as 2W but if any funds remain after both you and your beneficiary are deceased, a lump sum or monthly payments are paid to a 3rd designated beneficiary, such as a child. But do note that if either you or your beneficiary receive a monthly pension check for 10-11 years, there will be nothing left for any additional beneficiary under these Option 4 combos.
 - a. There is an option 4 called Reduced Allowance for Fixed Period of Time. For example: say you had an Unmodified Allowance of \$2000; if you elected to reduce your allowance by \$1000 per month for the first 5 years of retirement, beginning with the 6th year your benefit would be increased to \$2500 per month for the rest of your life. If this interests you, please see Pub. 18, pp. 4-5, which you can download from the CalPERS website.
8. Which option works best for you depends on your personal life situation. Read about them in Pub. 43 and consider consulting with a financial planner.

We hope that you have found this guide to be useful. Even with the improvements CFA has bargained for Lecturers in the CSU, and we realize that this may sound like cold comfort if you have been told you have no classes, but we Lecturers are nonetheless better off due to the successive gains hard won by the CFA. Very few faculty off the tenure-line even have access to a defined benefit pension, let alone life-long medical and dental benefits. We have access to this only because we're unionized and because our union - the CFA - fights for our rights as faculty in the CSU.

Please feel free to contact Jonathan Karpf, CFA AVP-Lecturers North if you have any questions regarding retirement after reading this document. He can be reached at: jkarpf@calfac.org or C: 408-398-9449.