

Frequently asked questions about retirement

Want to know when you are eligible to retire? Wondering what formula is used to calculate your retirement benefit? These are among the most common questions classified employees ask. Here are some answers:

When am I eligible to retire?

Generally, CalPERS members are eligible to retire at age 50 with a minimum service credit of five years. Part-time employees may be eligible with less than five years total service credit if they have contributed for five years or more.

How is my retirement calculated?

For classified employees, there are three factors used to calculate retirement: age at retirement, years of service credit and final compensation. Final compensation is the full time pay rate averaged over 12 consecutive months.

Is there any way I can increase my retirement?

If you worked as a substitute employee or in a part-time position (less than four hours a day) before you began contributing to CalPERS, you can purchase service credit for that time. You can also redeposit any funds you may have withdrawn upon leaving a previous CalPERS position. You may also add service credit for qualifying military time served prior to your school employment. You may also purchase credit for any unpaid maternity/paternity leave. Arrangements for purchasing service credit must be made prior to retirement, but you can retire before you have completed payment for the service.

How do I know if I have the right amount of service credit?

If you work 1,720 hours in a fiscal year (July 1 through June 30), you will earn one year of service credit. If you work less than 1,720 hours, you will receive a reduced amount of service credit. Be sure to check your service credit on your annual member statement that is mailed to your home each fall.

How do I apply for retirement?

CalPERS has developed a simple on-line process they want members to use in calculating an estimate and obtaining the application for retirement. If you have not already created an on-line my/CalPERS account do so right away to track your retirement information, It will be helpful to you in planning and monitoring your account.

To create an account, go to the CalPERS website at www.calpers.ca.gov. Log on as a “member”, then as a “school member”. You will see a screen that has an icon “my/CalPERS” on the right-hand side. Click on the screen and follow the prompts to set up your account.”

You can also use the on-line calculator without setting up an account but you will have to know more about your service credit and pay rate used in calculating your retirement. That information is automatically available when you set up an account.

What information is needed on the retirement application, and when should I send it to

CalPERS?

Once you have selected a retirement date you must also choose an option. Be sure you understand the options because you cannot generally change options after retirement. Send your application to CalPERS no more than 90 days before your retirement date.

If you are retiring from CalPERS within 120 days of separating from your employer, any unused sick leave you have at the time of your retirement will be converted to additional retirement service credit. Your employer is required to report the unused sick leave and an adjustment will later be made to increase your monthly retirement.

How long will I receive monthly checks from CalPERS after I retire?

CalPERS retirement is a guaranteed **lifetime** income regardless of how many years you live. Generally, you will receive an amount equal to what you contributed plus interest in the first three to five years after retirement, but the checks never stop.

Can my spouse continue to receive my retirement upon my death?

There is a “survivor continuance” feature of CalPERS paid for by the employer. This guarantees a spouse a continuing lifetime income of at least one fourth of a retiree’s monthly income. There are several other options that allow a retiree to provide a larger continuing income to a spouse or other designated beneficiary.

Am I eligible for health benefits after retirement?

Contact your district or refer to your employee contract to learn if your district offers health benefits after retirement. You are not eligible to participate in the CalPERS health benefit program unless your district insures active employees with CalPERS-provided health care.

Can I work and still receive my retirement checks?

The law requires all members who retire after January 1, 2013 to wait six months (180 days) before returning to work in a CalPERS covered agency. Once you have waited the six months you may only work as a substitute or limited term employee. **You may not accept a permanent part time position with a CalPERS employer while receiving CalPERS retirement.** There is no limit to how much you work or how much you earn if working outside a CalPERS agency.

Do I get my full Social Security benefit along with my CalPERS income?

Yes. If you have always contributed to both CalPERS and Social Security you will receive both.

There will be no reduction in your Social Security benefits because you receive CalPERS retirement. If you worked in a part-time position or as a substitute and did not contribute to Social Security at that time, you will possibly become subject to a small reduction in your Social Security due to a law known as the Windfall Elimination Provision (WEP). If you have 30 years of contributions to social Security on significant earning during your lifetime you are exempt from this position. If you have purchased CalPERS service credit for that part-time work you will need to contact CalPERS to learn how much the service credit purchase increased your pension so the amount of the reduction can be accurately determined.

When do I become eligible for Social Security?

You may begin to draw Social Security as early as age 62. Full retirement age for Social Security depends on your birth date if born in 1938 or later. If you draw Social Security before your full retirement age you will receive a reduced amount.

If you are under “full Social Security age” Social Security will notify you each year of how much you can earn without a penalty. Earning more than the limit can still be to your advantage in the future. Once you reach full Social Security age there is no limit as to how much you can earn and still collect your Social Security. For more information about Social Security visit the Social Security website at www.ssa.gov.

Can I draw Social Security if I am employed?

Yes. There is a limit to how much you can earn if you are drawing Social Security before you reach full retirement age. There is no limit to how much you can earn once you have reached full retirement age.

How can I contact CalPERS? Are there any toll-free numbers?

Check out the CalPERS Web site at www.calpers.ca.gov. You can download forms or request forms or information about service credit, retirement, death benefits, etc. by calling (888) CalPERS (225-7377).

Why do I need a CalPERS Power of Attorney completed?

A CalPERS Power of Attorney allows someone you trust to make decisions about your retirement in the event something occurs that you are still living but unable to complete an application or change information about yourself with CalPERS. If you have a Power of Attorney for other purposes CalPERS will be happy to review it to see if it will also allow that person to manage your CalPERS affairs. Without an appropriate Power of Attorney that will qualify for CalPERS matters, someone would have to go to court to get a conservatorship to handle your affairs for you for something as simple as changing your address.

Don't overlook the importance of filling out the CalPERS Power of Attorney form and making sure it is on file with CalPERS. Please address any questions about the CalPERS Power of Attorney form to a knowledgeable CalPERS representative.

If you have questions about any of the above information, attend a CSEA Pre-Retirement Seminar or you may also call CSEA Member Benefits Coordinator Nadine Franklin at (800) 632-2128 ext. 1205 or Debb Jachens ext. 1309. They work closely with the CalPERS staff to ensure that classified employees are informed about their retirement benefits.

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