I wanted to prepare faculty with facts regarding public pensions and, specifically, CalSTRS. As you know, the public sector and public pensions have been under attack. I know many of you have been hearing all the bad press about public pensions and may be wondering how CalSTRS fits into the discussion.

Sharon Hendricks, AFT 1521 Retirement Liaison

**False: Pensions are a taxpayer giveaway**

**True:** Teachers pay 8% into their pension (more than those who pay into Social Security at 6.25%). We have always paid our fair share into the CalSTRS pension plan. The contribution rate from the state (2.017%) has been consistent over the past 20 years and the current state contribution to CalSTRS is less than half what it was in 1998.

**False: Teachers are retiring with exorbitant pensions**

**True:** The average teacher pension currently being paid out is $3,302/month and for more recent retirees $4,085/month (consider we do not collect Social Security and/or have Social Security offsets and also have earned advanced degrees).

**False: CalSTRS is close to insolvency**

**True:** CalSTRS is one of the best managed and funded public pensions in the nation. Most Defined Benefit plans are NOT fully funded and the financial industry considers a "well funded" plan to be over 80% funded. CalSTRS, like most financial institutions, was hit by the recession in 2008 and its funding level has fallen to 71%. Much like a home mortgage, CalSTRS does not have to pay off benefits all at one time but needs to insure funds are in the system for members retiring over a long period of time.

**False: CalSTRS allows spiking**

**True:** It is difficulty to spike pensions in CalSTRS. When faculty teach overload/summer/winter, their supplemented income over the 1.00 annual service credit automatically goes into a DBS (Supplemental) account and those funds are not calculated with the same formula as the DB plan.

For answers to your retirement questions, please contact Sharon Hendricks, AFT 1521 Retirement Liaison at shendricks@aft1521.org