



CALSTRS

pension **2**
personal wealth plan

Pension2 *Program Highlights*

It's your future. Choose **Pension2**TM.

How Pension2 fits into your future

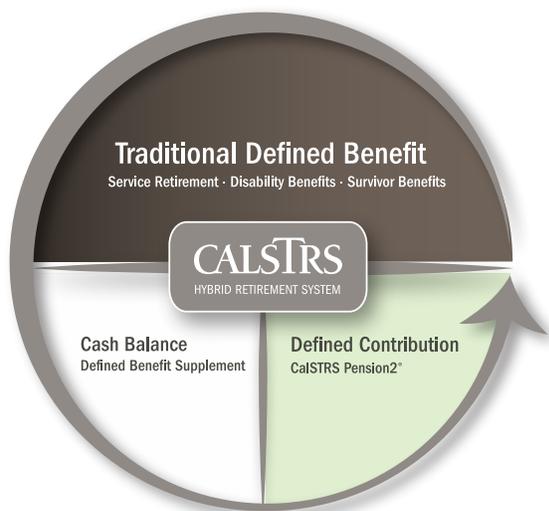
Pension2 is offered by your school district to all school employees — teachers as well as those who work in administration, athletics, food service and operations.

You're off to a great start with your defined benefit pension. You'll also likely need personal savings and investments. According to financial professionals, you may need **80% to 90%** of your final salary to retire comfortably.

On average, the CalSTRS retirement benefit will replace about **50% to 60%** of a career educator's salary. Pension2®, the CalSTRS voluntary supplemental savings program, offers 403(b) and 457(b) plans designed to complement your retirement benefit and support your goal for a secure future.

Pension2 comes with low-cost investment choices to match your investing style, help with planning and investing, and much more.

Contributing to your 403(b) or 457(b) account through paycheck deductions is a convenient way to build up your retirement income. You control how much to save and invest — and you can make changes at any time.



CalSTRS administers a hybrid retirement system consisting of traditional defined benefit (Defined Benefit Program), cash balance (Defined Benefit Supplement Program) and defined contribution (Pension2) plans.

This booklet will help you understand Pension2 as a participant in your school district's 403(b) and/or 457(b) plans. The information is not intended to provide investment advice. Consider consulting a financial professional before investing.

About CalSTRS

As the retirement plan for California's public educators, your plans for the future are important to us. For more than 100 years, we have been prudently managing your pension funds. CalSTRS is the largest educator-only pension fund in the world.

A low-cost way to save for retirement

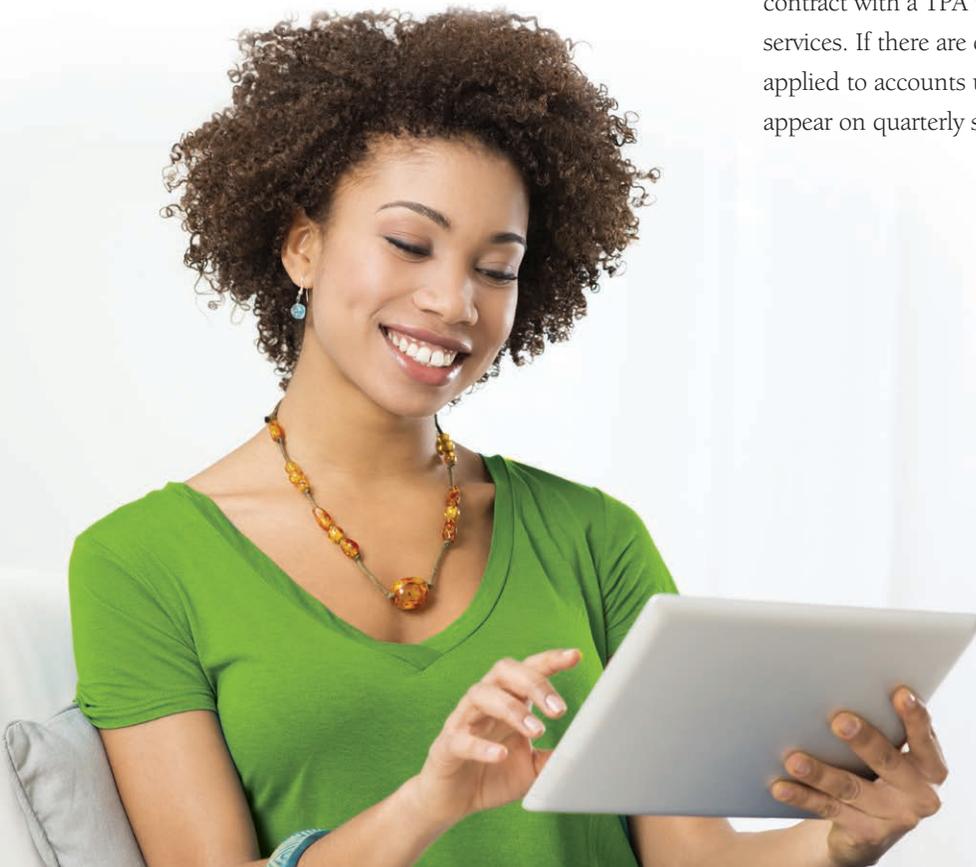
Pension2 is a revenue-neutral program with low costs and expenses. This keeps more of your hard-earned retirement savings working for you. CalSTRS is committed to keeping costs low.

Pension2 has:

- **No commissions.**
- **No load fees.**
- **No surrender charges.**
- **No liquidity restrictions on benefit withdrawals.** (Nonbenefit withdrawals and transfers from Voya Fixed Plus III are subject to equity wash restrictions. See the Voya Fixed Plus III Fact Sheet for details.)

Expenses for plan administration, investment management and school district contracted third party administrator are as follows:

- **Plan administration cost** — All participants are charged 0.25% annually (prorated at 0.0625% per quarter) and appears as a line item on your quarterly account statements.
- **Investment management fees** — This fee is charged by the fund companies for managing the investment options and is based on the amount of money you have invested in each option. For current fees by investment option, see page 9 or visit **Pension2.com**.
- **District-contracted TPA fees (if applicable)** — School districts that offer 403(b) and/or 457(b) plans often contract with a TPA to provide certain plan administration services. If there are charges for these services that are applied to accounts under the plan, the TPA charges will appear on quarterly statements as a separate line item.



Designed with your interests in mind

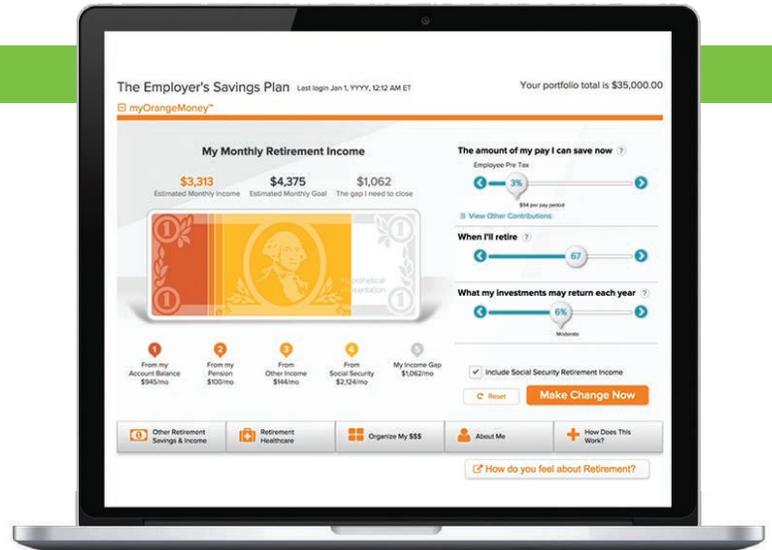
Pension2 gives you access to support, financial learning resources and advice services to help you manage your account.

Benefits planning sessions

CalSTRS benefits planning sessions can help you make the most of your Pension2 account at any stage of your career. Experienced benefits specialists are available to help you define your retirement goals and integrate them with CalSTRS' benefits planning. Find out more at CalSTRS.com/benefits-planning.

Educational workshops

Educational workshops can help you understand Pension2 and how to invest for your retirement. See the workshop schedule at CalSTRS.com/financial-awareness.



Online planning tools

Financial learning resources provided by Voya Institutional Plan Services help you plan for retirement and make financial decisions. Access the tools by logging into your Pension2 account at Pension2.com.

myOrangeMoney®, an online interactive experience, shows you the income you'll likely need each month in retirement and the progress you're making toward that goal. You can try out various savings, investing and retirement age scenarios until you find the combination that's right for you and make changes instantly.

Your **Personal Financial Dashboard** gives you an easy way to organize your finances. You can add all your accounts, create budgets, track spending and more. The tool encrypts your information and makes updates automatically, so you always have a current view of your complete financial picture.

IMPORTANT: The illustrations or other information generated by the calculators are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. This information does not serve, either directly or indirectly, as legal, financial or tax advice and you should always consult a qualified professional legal, financial and/or tax advisor when making decisions related to your individual tax situation.

You're in control with Pension2

A convenient way to save

Your Pension2 contributions are deducted directly from your paycheck. You decide how much, up to the IRS annual maximum limit.

Depending on your school district's plans, you may contribute on a pre-tax basis to your 403(b) and/or 457(b) plan account and/or on an after-tax basis to your Roth 403(b) and/or Roth 457(b) account. Both approaches have tax advantages:

- **With the pre-tax option**, no income taxes are withheld from your contributions. This lowers your current taxes. Your savings, as well as returns, grow tax-free until withdrawal, when you will be required to pay taxes on them, typically at retirement.
- **With the Roth option**, taxes are withheld before your contributions go into your account. Eligible Roth contributions, and their earnings, are tax-free at withdrawal, as long as both IRS rules are met:
 1. The first Roth contribution has been in your Pension2 account for at least five tax years (or sooner, if assets were in a Roth account within another employer-sponsored plan for at least five years and then rolled over into Pension2), and
 2. You are either at least age 59½ or disabled, or the distribution is to be made to your beneficiary after your death.

Whether you make pre-tax or Roth contributions, you benefit from tax-deferred compounding. That's what occurs when your contributions and any investment gains earn returns that go back into your account where they can earn more returns. Tax-deferred compounding gives your account the potential to grow substantially larger amounts than taxable investments.

Advice to help you succeed

When it comes to investing, most of us could use some help. Two levels of personalized objective advice for retirement planning and investing are available from Voya Retirement Advisors, powered by Financial Engines®:

- **Online Advice** is an easy-to-use interactive service available to all Pension2 participants at no additional cost. It's designed for individuals who prefer to manage their own retirement accounts. Any time you log into your Pension2 account, you can get a personalized retirement forecast, risk assessments and specific savings and fund recommendations.
- **Professional Management** is a full-service option designed for those who would rather have the investing decisions made for them for an additional fee. You receive a personalized savings and investment strategy using Pension2 investment options, ongoing account management and quarterly progress reports.

There is no charge for an initial consultation. If you decide to use Professional Management, the annual fee is deducted from your account and listed on your quarterly account statements. You may cancel at any time without penalty.

Advisory Services provided by Voya Retirement Advisors, LLC (VRA). For more information, please read the Voya Retirement Advisors Disclosure Statement and Advisory Services Agreement. These documents may be viewed online by accessing the advisory services link(s) through Pension2.com. You may also request these from VRA by calling 844-electP2 (844-353-2872). Financial Engines Advisors LLC acts as a sub-advisor for Voya Retirement Advisors, LLC. Financial Engines Advisors®, LLC (FEA) is a federally registered investment advisor and wholly owned subsidiary of Financial Engines, Inc. Neither VRA nor FEA provides tax or legal advice. If you need tax advice, consult your accountant; or if you need legal advice, consult your lawyer. Neither VRA nor FEA can guarantee results and past performance is no guarantee of future results. Financial Engines® is a registered trademark of Financial Engines, Inc. All other marks are the exclusive property of their respective owners.

Choosing your investments

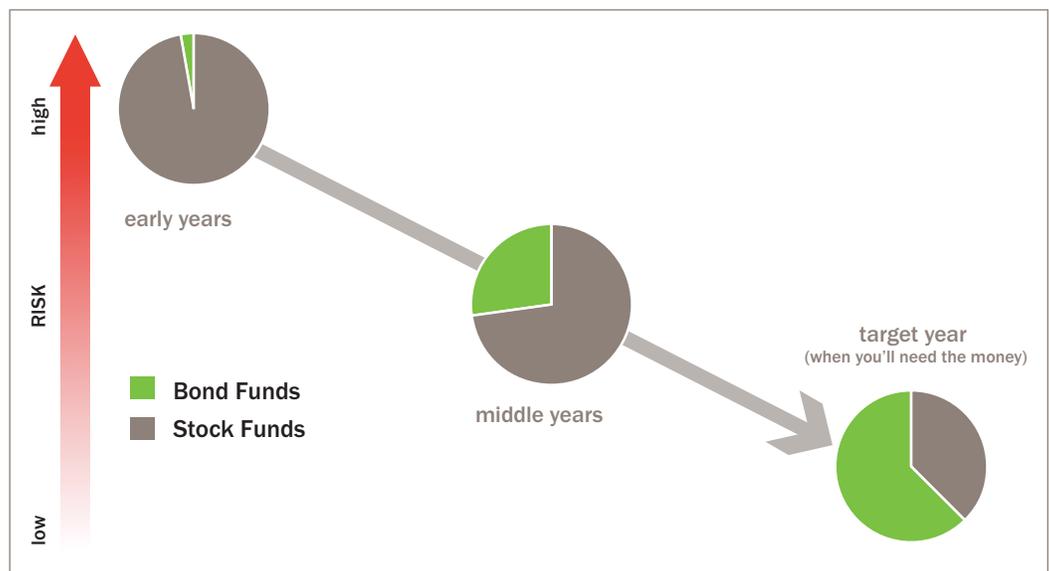
Pension2 provides access to three groups of investments.

Your choice depends on your comfort in managing your retirement portfolio.

1 Easy Choice Portfolios

Designed for those participants who want someone else to do the driving, these portfolios combine risk tolerance and retirement target dates to simplify investment decision-making. The Easy Choice Portfolios provide a ready-made mix of the Pension2 core investments (see Core Investment Options). Portfolios are available for target retirement years 2030, 2040, 2050, 2060+ and for those who are currently retired, and are grouped in three risk categories: conservative, moderate and aggressive.

Each diversified portfolio starts with an asset allocation considered appropriate for its years from retirement and risk tolerance. Then each portfolio gets more conservative over time as it gets closer to its target year. The objective is to achieve the highest possible returns while minimizing potential risks. Note: there is no guarantee this objective will be met.



A key benefit of the Easy Choice Portfolios is that you benefit from broad diversification and oversight by CalSTRS and its investment consultant. You are relieved of the need to make complicated investment, portfolio reallocation and readjustment decisions as your time and risk horizon change.

To choose your portfolio, simply decide whether you are a conservative, moderate or aggressive investor, and then select the target date portfolio in the group that best matches the year in which you plan to retire. Remember, you will be allocating 100% of your investments into a specific target portfolio. CalSTRS will readjust the balances for you to ensure you maintain your investment goals. The CalSTRS Pension2 Easy Choice Portfolios are created by CalSTRS in conjunction with its investment consultant.



2 Core Investment Options

For those who prefer to build their own portfolio, Pension2 provides access to investment options that cover several different asset classes. You may choose from the core funds listed below to develop a portfolio that matches your time horizon and tolerance for assuming risk, and you manage and adjust your portfolio over time.

Stability of Principal

Voya Fixed Plus III
Federated U.S. Treasury Cash

Bond

Vanguard Total Bond Market
Vanguard Short-Term Bond Index

Inflation Protection

Vanguard Inflation-Protected Securities

U.S. Large Cap Stock

American Growth Fund of America
Dodge & Cox Stock
Vanguard Institutional Index
Vanguard Total Stock Market Index
TIAA-CREF Social Choice Equity

U.S. Small/Mid Cap Stock

Vanguard Mid Cap Index
Vanguard Small Cap Index

Global Stock

GMO Global Equity Asset Allocation
Northern Global Sustainability Index Fund

Foreign Stock

Artisan International
DFA International Small Company
Dodge & Cox International Stock
Vanguard Developed Markets Index
Vanguard Emerging Markets Index

Other

Vanguard Real Estate Index
PIMCO All Asset

The CalSTRS Pension2 Advisory Committee selects each of the core funds to ensure the highest quality investment choices. The funds are continuously monitored to ensure that they meet the performance standards of CalSTRS and any fund that does not will be placed on the Investment Watch List. If the fund continues to underperform, a new fund will be selected as a replacement.

3 Self-Directed Brokerage Account

For participants looking for additional control over their retirement portfolios, the Self-Directed Brokerage Account gives you access to a greatly expanded range of mutual funds. Through the fee-based brokerage account offered through TD Ameritrade, you will have access to more than 800 no-transaction-fee mutual funds, in addition to thousands of transaction-fee funds. You have to apply for and set up a separate Self-Directed Brokerage Account before you may trade mutual funds. Note: the mutual funds are not selected, reviewed or monitored by CalSTRS.

Pension2 highlights

This section describes the product features of CalSTRS Pension2 and the Internal Revenue Code rules that apply to 403(b) and 457(b) plans. Your school district's plans may have additional rules or restrictions.

	Pre-tax 403(b)	Roth 403(b)	Pre-tax 457(b)	Roth 457(b)
Getting started				
2020 Contribution Limits (subject to change annually)	\$19,500 (before any available catch-ups) This limit includes contributions to both pre-tax 403(b) and Roth 403(b) contributions made to your school district's 403(b) plan.		\$19,500 (before any available catch-ups) This limit includes contributions to both pre-tax 457(b) and Roth 457(b) contributions made to your school district's 457(b) plan.	
Available Catch-Up Options (if permitted under your school district's plan)	<p>15 Years of Service Catch-up: Eligible participants with at least 15 years of service with their current school district may be able to elect a special catch-up deferral of up to an additional \$3,000 per year up to a lifetime limit of \$15,000.</p> <p>Age 50+ Catch-up: Participants who are at least 50 years old in the tax year may contribute up to an additional \$6,500.</p> <p><i>Note: The age 50+ catch-up may be used concurrently with the special 15-year catch-up for 403(b) programs. An employee who is eligible for both catch-ups in the same year must first contribute the full amount available under the 15 years of service catch-up for that year before contributing under that year's age 50+ catch-up.</i></p>		<p>Special 457 Catch-up: Eligible participants who are within three years prior to the year in which they will reach normal retirement age [as defined in the 457(b) plan] may be eligible to contribute up to two times the annual contribution limit (\$39,000), based on prior years contributions to the 457(b) plan.</p> <p>Age 50+ Catch-up: Participants who are at least 50 years old in the calendar year may contribute up to an additional \$6,500.</p> <p><i>Note: If a participant is eligible for both catch-ups in the same tax year, IRS rules provide that the participant may not use both catch-ups in the same year. The IRS rules permit the participant to contribute under the catch-up with the greater contribution.</i></p>	
Internal Revenue Service 10% Early Distribution Penalty Tax	IRS 10% early distribution penalty tax applies to withdrawals taken prior to age 59½ unless another IRS exception applies. Withdrawals generally will be taxed as ordinary income in the year the money is distributed. Special rules apply to withdrawals of designated Roth contributions made to the 403(b) plan.		The IRS 10% early distribution penalty tax does not apply to amounts contributed to the 457(b) plan. The IRS 10% early distribution penalty tax may apply to amounts rolled into the 457(b) plan from non-457 sources unless an IRS exception applies. Special rules apply to withdrawals of designated Roth contributions made to the 457(b) plan.	
Rollovers In	If permitted by the plan, rollovers are accepted from pre-tax amounts under another 403(b) plan, 401(a)/(k) plan, governmental 457(b) plan or traditional IRA.	If permitted by the plan and the plan has a Roth 403(b) feature, rollovers are accepted from Roth 403(b), Roth 401(k) or governmental Roth 457(b) plans.	If permitted by the plan, rollovers are accepted from pre-tax amounts under another 403(b) plan, 401(a)/(k) plan, governmental 457(b) plan or traditional IRA.	If permitted by the plan and the plan has a Roth 457(b) feature, rollovers are accepted from Roth 403(b), Roth 401(k) or governmental Roth 457(b) plans.
Purchase Additional Service Credit Under a Governmental Defined Benefit Retirement System	Available	Not available	Available	Not available

Pre-tax 403(b)	Roth 403(b)	Pre-tax 457(b)	Roth 457(b)
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Investment options *All investment options apply to all plans.*

Core Investment Options

* Net management fee is the expense ratio minus revenue sharing, if applicable. Refer to the fund information at Pension2.com.

** Guarantees based on the claims paying ability of Voya Retirement Insurance and Annuity Company.

	Ticker Symbol	Net Management Fee*
Stability of Principal		
Voya Fixed Plus III**		N/A. See fact sheet at Pension2.com.
Federated U.S. Treasury Cash	UTIXX	0.19%
Bond		
Vanguard Total Bond Market	VBTIX	0.05%
Vanguard Short-Term Bond Index	VBITX	0.05%
Vanguard Inflation-Protected Securities	VIPIX	0.07%
U.S. Large Cap Stock		
American Growth Fund of America	RGAGX	0.31%
Dodge and Cox Stock	DODGX	0.42%
Vanguard Institutional Index	VIIIX	0.04%
Vanguard Total Stock Market Index	VSMPX	0.02%
TIAA-CREF Social Choice Equity	TISCX	0.17%
U.S. Small/Mid Cap Stock		
Vanguard Mid Cap Index	VMCIX	0.04%
Vanguard Small Cap Index	VSCIX	0.04%
Global Stock		
GMO Global Equity Asset Allocation	GMADX	0.61%
Northern Global Sustainability Index Fund	NSRIX	0.20%
Foreign Stock		
Artisan International	ARTIX	0.83%
DFA International Small Company	DFISX	0.53%
Dodge and Cox International Stock	DODFX	0.54%
Vanguard Developed Markets Index	VTMNX	0.05%
Vanguard Emerging Markets Index	VEMIX	0.10%
Other		
Vanguard Real Estate Index	VGSNX	0.10%
PIMCO All Asset	PAAIX	1.12%

Easy Choice Portfolios

The Easy Choice Portfolios are developed using the Pension2 core fund lineup. The diversified portfolios combine risk tolerance and retirement target dates to simplify your investment decisions. The portfolios are created by the CalSTRS Pension2 Investment Advisory Committee. See the Easy Choice Portfolio Fact Sheet for more information.

Self-Directed Brokerage Account

TD Ameritrade
 \$50 annual charge applies for participants selecting the Self-Directed Brokerage Account option.
 Brokerage services provided by TD AMERITRADE, Division of TD AMERITRADE, Inc., member FINRA/SIPC/NFA.
 TD AMERITRADE is a trademark jointly owned by TD AMERITRADE IP Company, Inc. and The Toronto-Dominion Bank.
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Account expenses *(in addition to the net investment management fees noted above)*

Plan Administration Cost

The current annual plan administration fee is 0.25%, which is prorated at 0.0625% and charged quarterly to your account. It appears as a line item on your quarterly account statement.

District-Contracted TPA Fee

School districts that offer 403(b) plans and 457(b) plans often contract with a third-party administrator to provide certain plan administrative services. If there are charges for these services that are applied to participant accounts under the plan, the TPA charges will appear on quarterly statements as a separate line item.

	Pre-tax 403(b)	Roth 403(b)	Pre-tax 457(b)	Roth 457(b)
Distributions				
Distribution Restrictions	Funds cannot be distributed until: <ul style="list-style-type: none"> • Age 59½ • Severance from employment • Death • Disability • Hardship 		Funds cannot be distributed until: <ul style="list-style-type: none"> • Age 72 • Age 59½* • Severance from employment • Small amount cashouts • Death • Unforeseeable emergency * Check with your employer or third-party administrator to see if Age 59½ Withdrawals are allowed in your plan.	
Portability of Plan Funds After Qualifying Event	Eligible amounts can be rolled over to: <ul style="list-style-type: none"> • Another 403(b) • Governmental 457(b) • IRA (Traditional, SEP, SAR SEP, Roth) • 401(a)/(k) 	Eligible amounts can be rolled over to: <ul style="list-style-type: none"> • Another 403(b), governmental 457(b), or 401(k) plan with a Roth feature • Roth IRA 	Eligible amounts can be rolled over to: <ul style="list-style-type: none"> • Another governmental 457(b) • 403(b) • IRA (Traditional, SEP, SAR SEP, Roth) • 401(a)/(k) 	Eligible amounts can be rolled over to: <ul style="list-style-type: none"> • Another governmental 457(b), 403(b) or 401(k) with a Roth feature • Roth IRA
Hardship/ Unforeseeable Emergency Distributions	Employee contributions, but not earnings, may be distributed for a financial hardship. Contact your district or third-party administrator for further information.		Contributions and earnings may be distributed for a severe financial hardship need resulting from an extraordinary and unforeseeable emergency arising as a result of events beyond the control of the participant. Unforeseeable emergencies are determined based on the participant's particular facts and circumstances. Contact your district or third-party administrator for further information.	
Loans	Permitted up to the Internal Revenue Code limits if allowed under your district's plan.			
Required Minimum Distributions	You are required to begin distributions by April 1 of the calendar year following the calendar year in which you reach age 72 or retire, whichever occurs later. An IRS 50% penalty tax applies on the required amount that was not timely distributed.			
Payment Options	<ul style="list-style-type: none"> • Deferral of payment, subject to IRS required minimum distribution rules • Partial or lump-sum withdrawal • Systematic withdrawal options — specified period or specified amount • Estate conservation option — IRS minimum required distribution • Roll over to another eligible retirement plan • Annuity options • Combination of payout options 			

This information is for general discussion purposes only. Prior to investing, you should carefully review all fund information and objectives contained in the Investment Fund Prospectus, and consult with your investment advisor. For more detailed information on the new investment lineup, including investment objectives, expense ratios and performance information, please review the summary prospectus online at Pension2.com.

Easy account access, 24/7 at Pension2.com or toll free at 844-electP2 (844-353-2872)

You can manage your account and perform a variety of transactions:

- View, download and print account statements, including 18 months of history.
- Manage beneficiary information online.
- Rebalance your account to your current investment allocations.
- Reallocate your fund balances across multiple funds in one simple transaction.
- Download forms and stay up-to-date on Pension2 rules.
- Download account data to Quicken®.



How to enroll in Pension2

Step 1

You can enroll in three ways:

- ▶ Go to **Pension2.com** and select “Enroll Now.”
- ▶ Complete the enrollment form and return it to:

CalSTRS Pension2
Plan Administration
PO Box 24747
Jacksonville, FL 32241-4747

- ▶ Open the Pension2 ebook, available at **Pension2.com**, and follow the steps to enroll.

Step 2

Start your contributions:

- ▶ A *Salary Reduction Agreement* must be completed and submitted to your school district or your district’s third party administrator to start your contributions to Pension2. Contact your school district (or, if applicable your district’s third party administrator or **403bCompare.com**) for the appropriate form(s).

Want to learn more about Pension2 online?

Scan this code with your smartphone or tablet, or go to **Pension2.com**.



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Voya Fixed Plus III is offered through a group annuity contract by Voya Retirement Insurance
and Annuity Company ("VRIAC"). VIPS and VRIAC are members of the Voya® family of companies.

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