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Teacher Retirement Decision Guide

Turning Your CalSTRS Pension Into a Complete Retirement Plan

California teachers have one of the strongest retirement systems in the country through **CalSTRS**. Your pension can provide a reliable foundation for retirement income.

However, many educators discover that their pension alone may not fully support the lifestyle they want in retirement.

The key question becomes:

How do you turn a strong pension into a complete retirement strategy?

The Foundation: Your CalSTRS Pension

Your CalSTRS pension is designed to provide **stable lifetime income**.

Your benefit is determined by three primary factors:

- Years of service
- Your final compensation
- Your retirement age and benefit formula

For many educators, this pension replaces **approximately 50–70% of their working income** depending on years of service and retirement timing.

While this creates a strong base, retirement planning often requires additional flexibility.

The Second Retirement Paycheck

Many teachers create a **second retirement paycheck** using supplemental retirement savings such as:



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- 403(b) accounts
- 457 plans
- IRAs or investment accounts

These accounts can provide:

- additional monthly income
- protection against inflation
- flexibility for travel, lifestyle, and family support
- a financial buffer for unexpected expenses

When coordinated properly with your pension, these savings can help create **a more complete retirement income strategy.**

Common Retirement Questions for California Teachers

Educators often face unique retirement planning questions, including:

- How much income will my CalSTRS pension provide?
- Should I contribute to a 403(b), a 457 plan, or both?
- How do retirement contributions affect my long-term income?
- When is the best time to retire?
- How should my retirement savings be invested?

Answering these questions early can help avoid costly mistakes and create a clearer retirement path.

Coordinating Pension and Savings

A simple framework for teacher retirement planning looks like this:

Pension = Income Foundation

Savings = Income Flexibility



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When these two sources are coordinated properly, educators can create a retirement strategy that supports both essential expenses and lifestyle goals.

Planning Ahead Matters

Many teachers delay retirement planning until they are only a few years from retirement. However, the earlier these decisions are evaluated, the more flexibility and options become available.

Reviewing your retirement picture early can help ensure that your pension, savings, and long-term goals are working together effectively.

Start With a Conversation

Every educator's retirement situation is different. Years of service, retirement age, supplemental savings, and long-term goals all influence the best strategy.

If you would like guidance evaluating your retirement picture, a conversation can help clarify how your pension and retirement savings fit together.

Schedule a conversation at:

www.mydrwealth.com/start-here

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Helping California educators make smarter decisions about retirement, investments, and long-term financial strategy.

Serving teachers throughout **Turlock, Modesto, Merced, and California's Central Valley.**