

CALSTRS

pension **2**
personal wealth plan



Pension2

Program Highlights

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

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Your plans for the future are important to us at CalSTRS. For more than 100 years, we have been the trusted guide for California's educators and school employees by carefully managing their defined benefit pension plan. We are the largest educator-only pension fund in the world and the second-largest public pension fund in the U.S. We provide benefits to California's 868,000 public school educators and their families from the state's 1,600 school districts, county offices of education and community college districts.

Pension2 is CalSTRS' voluntary supplemental savings program designed to support your goals for a more comfortable and rewarding financial future. We recognize that in today's ever-evolving world it is more challenging than ever to meet your financial needs. The Pension2 personal wealth plan offered under your school district's 403(b) and/or 457(b) plans complements your CalSTRS retirement benefit by allowing you to set aside extra money in low-cost and flexible fund choices selected by CalSTRS, in conjunction with its defined contribution investment consultant.

Pension2 provides you with investment options for your Pension2 contributions. All employees eligible to participate in their school district's 403(b) and/or 457(b) plans can contribute on a pre-tax basis — or on an after-tax basis to a Roth 403(b), if offered — to those plans through Pension2, subject to IRS annual contribution limits. Your contributions and any earnings benefit from the power of tax-deferred compounding. What this means is that in most circumstances, you don't pay income taxes on your investments or earnings until you start to take withdrawals, usually in retirement. (Special rules apply to Roth 403(b) contributions and earnings.)

See pages
8–10 for a
comparison
of plan
features.

CalSTRS Pension2 Designed With Your Interests in Mind

Pension2 promotes smart investing principles:

- Investment options that match all levels of investment ability.
 - **Easy Choice Portfolios** — designed to take into account your risk tolerance and retirement date, each is a ready-made mix of the Core Investment Options, which can be elected as a single option.
 - **Core Investment Options** — you choose your funds from a carefully selected list of core investment fund options and actively design and manage your asset allocation over time.
 - **Self-Directed Brokerage Account** — for those looking for additional control over their retirement savings investment choices, the self-directed brokerage account brings you access to a greatly expanded range of mutual funds.
- Easy tax-advantaged payroll contributions.
- Contributions and earnings can benefit from the power of tax-deferral (special rules apply to Roth contributions and earnings).
- Withdrawals are taxed as ordinary income when distributions begin (special rules apply to Roth contributions and earnings).
- Simple, low-cost fee structure.
- Experienced retirement specialists help you define your retirement goals, integrating them with CalSTRS' defined benefit planning.
- Access to financial learning resources, provided by Voya Institutional Plan Services and its affiliates, including tools for retirement planning, personal finance, estate planning and family finance.



Ready to Choose Pension2?

You can enroll two ways.

► Go to <https://calstrspension2.com> and follow the instructions

► Complete the enrollment form enclosed and return it to:

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

This booklet is intended to help you understand the Pension2 investment options available to you as a participant in your school district's 403(b) and/or 457(b) plans. This booklet is not intended to provide investment advice. You should consider consulting with an outside investment advisor before investing.



Want to learn more about Pension2 online?

Scan the code or go to www.voyadelivers.com/calstrs/ebook.

Pension2 — Low Cost, More Features

Designed as a revenue-neutral program, Pension2 has low fees and expenses, so you can keep more of your hard-earned retirement savings working for you. CalSTRS is committed to keeping costs low.

Pension2 has:

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

Fees are charged for three services: plan administration, investment management and school district-contracted third-party administrator (TPA) fees. A description of the fee structure follows:

- **Plan Administration Fees** — The annual plan administration fee, charged quarterly to all participants, is 0.25% (0.0625% per quarter). This fee appears as a line item on your quarterly account statement.
- **Investment Management Fees** — The fees for the investment management of each investment offering are charged by the investment management company and are based on the amount of money you have invested in each investment. Please visit **Pension2.com** for the current investment management fee associated with each investment option.
- **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 is a charge 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.



Tools to Help You Succeed

When it comes to investing, most of us could use some help. Pension2 offers access to professional investment advice through the services provided by Voya Retirement Advisors, powered by Financial Engines®*. Get clear, personalized and objective investment and retirement planning advice offered through two levels of service:

- **Advice for the Do-It-Yourself Investor** — Designed for individuals who prefer to manage their own retirement account, **Online Advice** is a Web-based service, provided at no additional cost to participants, where participants can get a personalized retirement forecast, risk assessments, and specific plan-related savings and fund recommendations.
- **Fully-Managed Account Service Option** — For those who would prefer to hire a professional to manage their Pension2 account, we offer **Professional Management**. Participants receive a personalized retirement savings and investment strategy, as well as ongoing monitoring and management of their account. Participants are notified of each transaction and receive quarterly Retirement Updates to stay informed. Participants pay an additional fee for this service.

* Advisory Services provided by Voya Retirement Advisors, LLC (VRA). For more information, please read the Voya Retirement Advisors Disclosure Statement, Advisory Services Agreement and your plan's Fact Sheet. These documents may be viewed online by accessing the advisory services link(s) through the Pension2 website. You may also request these from VRA by calling your plan's toll-free information line at 844-electP2 (844-353-2872). Financial Engines Advisors LLC acts as a subadvisor 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 Voya Retirement Advisors nor Financial Engines Advisors 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.



Powerful Planning & Education Resources

Through Pension2 you have access to educational workshops and the Pension2 website that offers retirement income planning tools and account management features. You have access to services to help you get financially organized as well as establish a comprehensive personal financial plan.

Whether you're looking for guidance or advice, or simply want to validate the savings and investment choices you're making on your own, you're encouraged to use these resources and establish the strategy that's right for you.

Your Two Online Planning Tools

► **myOrangeMoney™** is designed to help you focus on what matters most — how your accumulated savings translate into estimated monthly income in retirement. The myOrangeMoney experience sees potential income generation as the foundation for every interaction you have with your Pension2 account. Visit **Pension2.com** and learn how you can benefit from this new feature.

► **The Personal Financial Dashboard** is an easy way to organize your finances. This tool gives you a private, secure online environment to set your financial goals, assess where you stand today, create budgets, track spending and more. Using the dashboard consolidation feature allows you to add all your accounts to one place so you always have a current and comprehensive view of your finances. Learn more about the features of this planning tool by visiting <http://voyadelivers.com/organize>.



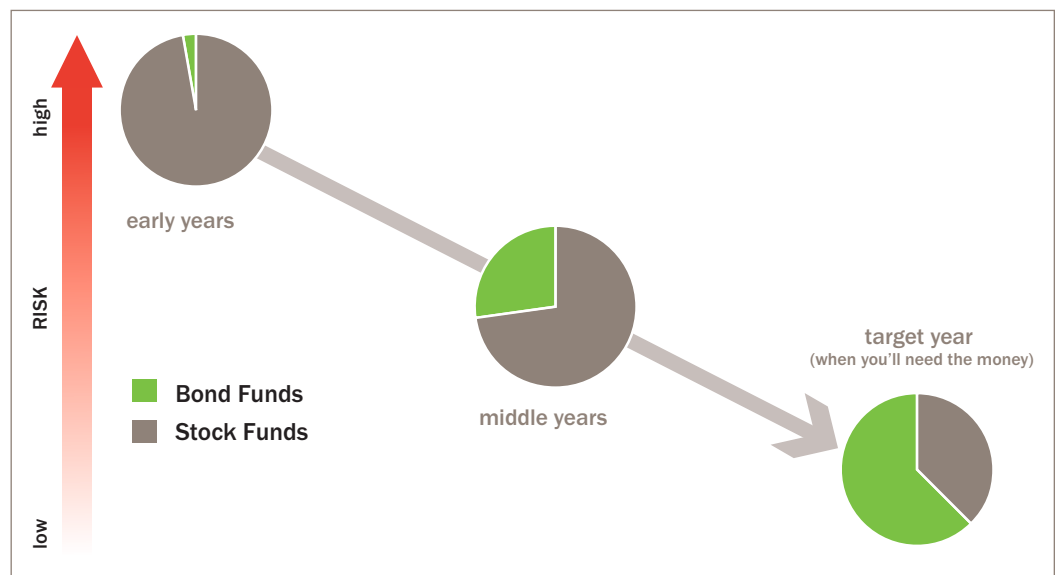
Choosing Your Investments

When it comes to investing for your retirement, Pension2 provides access to three groups of investments, depending 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 2020, 2030, 2040, 2050+ 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 and closer to its retirement date. The objective is to achieve the highest possible returns while minimizing potential risks. (Please 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 that group that best matches the year in which you plan to retire. Remember, you will be allocating 100 percent 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 Investments 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 and 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
ESG Managers Growth

Foreign Stock

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

Other

Vanguard REIT 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 those 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 and certificates of deposit. You have to apply for and set up a separate Self-Directed Brokerage Account before you may trade mutual funds. Please note: the mutual funds are not selected, reviewed or monitored by CalSTRS.

Pension2 Highlights

The following 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)
Getting started			
2015 Contribution Limits (subject to change annually)	\$18,000 (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.		\$18,000 (before any available catch-ups) This limit includes contributions to pre-tax 457(b) 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 \$6,000.</p> <p>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.</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 (\$36,000), 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 \$6,000.</p> <p>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.</p>
Internal Revenue Service 10% Premature Distribution Penalty Tax	IRS 10% premature 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% premature distribution tax does not apply to amounts contributed to the 457(b) plan. The IRS 10% premature distribution penalty tax may apply to amounts rolled into the 457(b) plan from non-457 sources unless an IRS exception applies.
Rollovers In	If permitted by the plan, rollovers 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 accepted from Roth 403(b), Roth 401(k), or governmental Roth 457(b) plans.	If permitted by the plan, rollovers accepted from pre-tax amounts under another 403(b) plan, 401(a)/(k) plan, governmental 457(b) plan or traditional IRA.
Purchase Additional Service Credit Under a Governmental Defined Benefit Retirement System	Available	Not Available	Available

Investment options *All investment options apply to all plans.*

Core Investment Options	Ticker Symbol	Net Mgt. Fee*
<p>You should consider the investment objectives, risks, and charges and expenses of the variable product and its underlying fund options carefully before investing. Fund prospectuses and an information booklet containing this and other information can be obtained online at Pension2.com or by contacting Pension2 at 844-electP2. Please read carefully before investing.</p>	Stability of Principal	
	Voya Fixed Plus III	N/A**
	Federated U.S. Treasury Cash	UTIXX 0.20%
	Bond	
	Vanguard Total Bond Market	VBTLX 0.08%
	Vanguard Short-Term Bond Index	VBITX 0.07%
	Inflation Protection	
	Vanguard Inflation-Protected Securities	VIPIX 0.07%
	U.S. Large Cap Stock	
	American Growth Fund of America	RGAGX 0.34%
	Dodge and Cox Stock	DODGX 0.43%
	Vanguard Institutional Index	VINIX 0.04%
	Vanguard Total Stock Market Index	VITSX 0.04%
	TIAA-CREF Social Choice Equity	TISCX 0.18%
	U.S. Small/Mid Cap Stock	
	Vanguard Mid Cap Index	VMCIX 0.08%
	Vanguard Small Cap Index	VSCIX 0.08%
	Global Stock	
	GMO Global Equity Asset Allocation	GGASX 0.60%
	ESG Managers Growth	PAGIX 0.70%
Foreign Stock		
Artisan International	ARTIX 0.85%	
DFA International Small Company	DFISX 0.54%	
Dodge and Cox International Stock	DODFX 0.55%	
Vanguard Developed Markets Index	VTMNX 0.07%	
Vanguard Emerging Markets Index	VEMIX 0.12%	
Other		
Vanguard REIT Index	VGSNX 0.08%	
PIMCO All Asset	PAAIX 0.88%	

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

**Please refer to the Voya Fixed Plus III Fact Sheet for more information at Pension2.com.

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.
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Self-Directed Brokerage Account	<p>TD Ameritrade</p> <p>\$50 annual charge applies for participants selecting the self-directed brokerage account option.</p> <p>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. ©2010 TD AMERITRADE IP Company, Inc. All rights reserved. Used with permission. TD AMERITRADE is an independent entity and not a corporate affiliate of the Voya family of companies.</p>
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Account fees *(in addition to the net investment management fees noted above)*

Plan Administration Fee	The current annual plan administration fee, charged quarterly to all participants, is 0.25 percent. This fee is prorated and charged quarterly to your account. It appears as a line item on your quarterly account statement.
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Districted-contracted TPA fee	<p>School districts that offer 403(b) plans often contract with a third-party administrator (TPA) to provide certain plan administrative services. If there is a charge 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.</p>	<p>School districts that offer 457(b) plans may contract with a third-party administrator to provide certain plan administrative services. If there is a charge for these services and they are applied to participant accounts under the plan, the TPA charges will appear on quarterly statements as a separate line item.</p>
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	Pre-tax 403(b)	Roth 403(b)	Pre-tax 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 59½ • Severance from employment • Death • Disability • Hardship 	Funds cannot be distributed until: <ul style="list-style-type: none"> • Severance from employment • Attainment of age 70½ • Small amount cashouts • Death • Unforeseeable emergency
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 • IRA (Traditional, SEP, SAR SEP, Roth) • 401(a)/(k) plan 	Eligible Roth 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 • 403(b) • IRA (Traditional, SEP, SAR SEP, Roth) • 401(a)/(k) plan
Hardship/Unforeseeable Emergency Distributions	Employee contributions, but not earnings, may be distributed for a financial hardship. Please 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. Please 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 attain age 70½ 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 • Rollover 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 enclosed fund information book or view summary prospectus online at Pension2.com.

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

- View, download and print account statements, including 18 months of history.
- Manage beneficiary information online.
- Automatic account rebalancing.
 - Automatically rebalances an account to current investment elections.
- Reallocation of account balances.
 - Redistribute fund balances across multiple funds in one simple transaction.
- Download forms and stay up-to-date on Pension2 rules.
- Download account data to Quicken®.

Plan administrative services are provided by Voya Institutional Plan Services LLC (“VIPS”). 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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