MYTH VS. FACT ON TEACHER RETIREMENT

MYTH: The retirement fund is a taxpayer giveaway.

FACT: Over the life of their careers, teachers contribute 8% of their monthly pay to their retirement. Employers kick in another 8.25% of monthly pay, the state contributes just over 2% (which previously was 4.6% but was reduced a decade ago), and the returns garnered by CalSTRS investments do the rest.

MYTH: Teachers engage in pension 'spiking'

FACT: CalSTRS is vigilant in preventing spiking. All extra compensation for teachers over and above their normal salary gets put into a separate account that cannot be used towards their final retirement salary. Learn about CalSTRS new Pension Abuse Hotline to help combat spiking.

MYTH: Teachers retire too early and into a life of luxury.

FACT: The average benefit payment is $3,300 per month while the number of years a teacher works for those benefits averages 27.

MYTH: The CalSTRS system is headed toward insolvency.

FACT: While it is true that CalSTRS has a $40 billion shortfall, this is not an amount that is paid overnight. Just like a mortgage, this is an amount that will need to be closed over 30 years, not in the first month's payment. Even under current economic conditions, CalSTRS has sufficient assets and projected contributions to pay benefits until 2044.

MYTH: CalSTRS suffers from a lack of accountability and oversight.

FACT: CalSTRS has received national recognition for its ethical standards. The system has a long history of accountability and transarency. In fact, the ethical standards of CalSTRS has become a national model for board accountability.

MYTH: Our state would be better off financially without having to contribute to teachers' retirement benefits.

FACT: The state benefits economically from teachers' retirement benefits. In fact, $4.5 billion in value is added to the state's economy each year from generated business activity from retirement benefits. Entire counties depend on that retirement income.