



KANSAS BOARD OF REGENTS

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LONG-TERM DISABILITY BENEFITS AVAILABLE TO PARTICIPANTS IN KANSAS BOARD OF REGENTS MANDATORY RETIREMENT PLAN

Eligible employees participating in the Kansas Board of Regents Mandatory Retirement Plan ("Retirement Plan") who become disabled and begin receiving benefits under the long-term disability program sponsored and maintained by the Kansas Public Employees' Retirement System are entitled to have continued employer contributions made on their behalf to the Retirement Plan, as set forth in the Retirement Plan and summarized herein. The period of time during which such continued employer contributions will be made was changed by legislative action effective July 1, 2005, to comply with the requirements of the Internal Revenue Code. Certain participants in the Retirement Plan are entitled to transition relief in the form of after-tax long-term disability payments ("Transition LTD Benefits") pursuant to the terms set forth herein.

This document describes the long-term disability benefits available to eligible participants in the Retirement Plan, effective as of July 1, 2005.

Defined Terms

Terms that are capitalized herein have the following defined meaning:

"*Compensation*" means the Participant's compensation rate from his or her Employer at the time he or she became Disabled.

"*Employer*" means Emporia State University, Fort Hays State University, Kansas State University, Pittsburg State University, University of Kansas, University of Kansas Medical Center, Wichita State University, and the Kansas Board of Regents Office.

"*Disability Employer Contributions*" means the contributions made to the Retirement Plan by an Employer on behalf of a Participant who becomes Disabled, as required by K.S.A. 74-4927a(4), as amended.

"*Disabled*" means that the Participant is disabled within the meaning of the KPERS LTD Program and is receiving benefits under such program.

"*Eligible Employee*" means any common law employee of an Employer set forth in K.S.A. 74-4925(1)(a), as amended. Eligible Employee also includes an Eligible Employee who is a Participant in the Plan who becomes Disabled, but only for the five year period commencing with the date that the Participant becomes Disabled.

"*KPERS LTD Program*" means long-term disability program sponsored and maintained by the Kansas Public Employees Retirement System, as set forth in K.S.A. 74-4927, as amended.

"Mandatory Participant Contributions" mean the contributions required of Participants to the Retirement Plan under K.S.A. 74-4925(1)(b), as amended.

"Participant" means an Eligible Employee who has an account balance under the Retirement Plan.

Continued Contributions to Kansas Board of Regents Mandatory Retirement Plan

If a Participant in the Retirement Plan becomes Disabled, the Participant will not be required nor permitted to make Mandatory Participant Contributions to the Retirement Plan, and the Employer of the Participant will make a Disability Employer Contribution to the Retirement Plan on the Participant's behalf in an amount equal to 14% of his or her Compensation. Disability Employer Contributions on behalf of a Participant will cease at the earliest of (i) the date that the Participant is no longer Disabled, (ii) the date that the Participant dies, or (iii) five years after the date that the Participant became Disabled.

If a Participant has been receiving Disability Employer Contributions under the Retirement Plan for a period of more than five years on July 1, 2005, then such Disability Employer Contributions will cease on July 1, 2005, and the Participant will be entitled to only the Transition LTD Benefits set forth in the next section.

Notwithstanding anything to the contrary in this section, Disability Employer Contributions will be made only in accordance with the Retirement Plan document and the requirements of Section 403(b)(3) of the Internal Revenue Code. To the extent that there is any inconsistency between this document and the Retirement Plan document, as amended from time to time, the Retirement Plan document will control.

Transition Long-Term Disability Benefits

Only Participants in the Retirement Plan who meet the following criteria are entitled to Transition LTD Benefits:

- (1) A Participant in the Retirement Plan on July 1, 2005, who:
 - (i) has been a Participant in the Retirement Plan for less than 10 years as of July 1, 2005;
 - (ii) is a Participant in the Retirement Plan to which Mandatory Participant Contributions have been made continuously from July 1, 2005, until the date he or she becomes Disabled; and
 - (iii) becomes disabled within the meaning of the KPERS LTD program prior to July 1, 2010.
- (2) A Participant in the Retirement Plan on July 1, 2005, who:
 - (i) has been a Participant in the Retirement Plan for 10 or more years as of July 1, 2005;
 - (ii) is a Participant in the Retirement Plan to which Mandatory Participant Contributions have been made continuously from July 1, 2005, until the date he or she becomes Disabled; and

(iii) becomes disabled within the meaning of the KPERS LTD program at any time.

(3) A Participant who is Disabled on July 1, 2005.

(4) A Participant who is disabled within the meaning of the KPERS LTD program on July 1, 2005, except that he or she is still in the waiting period, if any, before long-term disability benefits under the KPERS LTD Program begin.

No other Participants are entitled to Transition LTD Benefits.

A Disabled Participant entitled to Transition LTD Benefits will receive an after-tax long-term disability payment each month, which--before taxes--equals the Disability Employer Contribution to which the Participant was entitled under the Retirement Plan each month. Transition LTD Benefits commence when a Disabled Participant is no longer entitled to Disability Employer Contributions under the Retirement Plan. Transition LTD Benefits cease when the Disabled Participant is no longer entitled to receive long-term disability benefits under the KPERS LTD Program. All applicable taxes will be withheld from the monthly Transition LTD Benefits.

General Information

Neither Disability Employer Contributions to the Retirement Plan nor Transition LTD Benefits reduce the long-term disability benefits available under the KPERS LTD Program, nor do they delay commencement of those benefits.

The Retirement Plan and the Transition LTD Benefits are administered by the Kansas Board of Regents which has the sole and absolute discretion to interpret their respective terms.