Retirement Plan Committee

Kansas Board of Regents
Tuesday, January 13, 2026 at 1:00 PM CST to 3:00 PM CST
Curtis State Office Building at 1000 SW Jackson, Topeka, Kansas, 66612

Agenda

I. Call to Order
Presenter: Regent Benson, Chair

II. Approve: Minutes from October 14, 2025

III. Plan Document Amendments
Presenter: Gage Rohlf, Associate General Counsel

IV. ACG Reports

A. Fiduciary 101 Training
Presenter: Lisa Holte, Senior Relationship Manager

B. 4Q Performance Snapshot
Presenter: Brad Tollander, Senior Investment Consultant

V. VOYA Reports

A. Behavioral Finance and Participant Engagement
Presenter: Brian Merrick, Vice President Client Relationship Leader

B. KBOR Participant Engagement
Presenters: John M O'Brien, Regional Vice President, Scott Darcy, Sr. Communications Consultant

VI. TIAA Reports

A. KBOR Participant Engagement
Presenter: Blake Earl, Senior Director & Relationship Manager

VII. Good of the Order

VIII. Adjournment

Retirement Plan Committee

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KANSAS BOARD OF REGENTS
Retirement Plan Committee (RPC)
MINUTES
October 14, 2025

Chair Blake Benson called the October 14, 2025, meeting of the Kansas Board of Regents Retirement Plan Committee to order at 1:00 p.m.

Members participating in person:
Regent Blake Benson, Chair
Dipak Ghosh, ESU
Shanna Legleiter, KSU
Ethan Erickson, KSU
Ted Juhl, KU
Becky Pottebaum, KBOR

Members participating by video conference:
President Richard Muma, WSU
Doug Ball, PSU
Emily Breit, FHSU
Adrienne Kordalski, KUMC

APPROVAL OF MINUTES

Ethan Erickson moved to approve the minutes from the March 11, 2025, meeting. Dipak Ghosh seconded the motion. The motion carried.

INTRODUCTIONS

Regent Blake Benson was introduced as the new chair, followed by introductions of committee members and vendor representatives from TIAA, Voya, and Advanced Capital Group (ACG).

FIDUCIARY DUTIES

Gage Rohlf, Associate General Counsel at KBOR, provided an overview of the fiduciary duties held by the Kansas Board of Regents (KBOR) and its Retirement Plan Committee (RPC). With new leadership and members of the committee, the review was a timely reminder of the committee's obligations.

He explained that the Board and RPC are fiduciaries for the 403(b) retirement plans, alongside external advisors such as ACG and the plan administrator. Although these plans do not fall under ERISA regulations, ERISA standards are used as a guiding framework. Fiduciaries must always act solely in the interest of participants and beneficiaries, demonstrating care, skill, and diligence while ensuring plan compliance, cost reasonableness, and investment option diversification.

Key responsibilities of the RPC include hiring expert advisors, conducting due diligence in fund selection, administering plan provisions, and accessing service value. A more in-depth fiduciary training, organized with ACG, is planned for a future meeting.

ADVANCED CAPITAL GROUP REPORT

Brad Tollander, Senior Investment Consultant at Advanced Capital Group, presented the semi-annual report summarizing investment performance through June 30, 2025. He revisited key decisions from the March 2025 meeting, including the removal of the Allspring Growth Fund from both the mandatory and voluntary plans due to sustained underperformance and noncompliance with the investment policy. The Allspring fund was replaced by the Nuveen Large Cap Growth Index Fund, which offered lower fees and stronger performance. Although the Allspring fund experienced a brief rebound before its removal, the Committee's decision was timely and appropriate.

In addition, Mr. Tollander noted that both TIAA and Voya implemented recordkeeping fee reductions following last year's market benchmarking. TIAA dropped their per-participant fee from \$55 to \$48, saving approximately

$209,000 annually. Voya reduced its asset-based fee from 8 to 6 basis points, resulting in about $244,000 savings annually. These cost adjustments were seen as competitive and beneficial to plan participants.

TIAA's mandatory plan transitioned from the RA (Retirement Annuity) to the RC (Retirement Choice) contract, enabling access to the lower-cost R4 share class. As compared to the R3 share class available under the RA contracts, the R4 share class eliminates the annual plan service expense and reduces investment fees by 12–14 basis points. Participant inertia may limit the full impact of the mandatory plan change, as existing RA assets require individual action to convert. The voluntary plan, which uses TIAA's RCP contract, allowed automatic mapping to R4.

No new funds were added to the watch list. While some funds showed short-term underperformance, the Board's investment policy allows for flexibility. ACG placed emphasis on evaluating rolling performance, risk-adjusted returns, and consistency across market cycles instead of relying solely on trailing returns.

Mr. Tollander reported that momentum was the dominant recent market dynamic. Momentum stocks posted a one-year return of 22% as of June 30, 2025, outperforming other factors such as value, size, quality, dividend, and low volatility. He cautioned against chasing momentum and stressed the importance of maintaining diversified portfolios. Funds favoring strong balance sheets and consistent earnings, underperformed in the short term but offer long-term resilience.

A case study of the Amana Growth Fund illustrated how the fund's adherence to Islamic investment principles (such as avoiding financials, speculative investments, and high-debt companies) contributed to the fund's recent underperformance. Despite trailing its benchmark and peer group, the fund's historical performance and consistency counsel against placing the fund on watch.

Mr. Tollander then reviewed the performance of other funds available within the plans. The Nuveen Large Cap Value Fund, previously on watch, showed strong improvement. The JP Morgan Mid-Cap Growth Fund faced challenges due to lack of exposure to high-performing stocks like Palantir and AppLovin but is expected to recover. Other funds, including American Funds EuroPacific Growth and Pear Tree Polaris Foreign Small Cap Value, showed mixed results. Benchmark comparisons were emphasized over peer group rankings, especially in niche categories.

Next, Mr. Tollander discussed the plans' lifecycle fund, explaining that Nuveen's glide path strategy includes aggressive equity exposure to address longevity risk. While the funds' one-year performance lagged due to stock selection, long-term metrics remained solid.

Mr. Tollander then discussed select Voya funds, which experienced underperformance due to quality-focused strategies and sector allocations. For example, the JP Morgan Equity Income and T. Rowe Price All-Cap Equity funds maintained strong rolling performance and disciplined management. Other funds such as American Century Mid Cap Value and Champlain Mid Cap funds, faced headwinds but are expected to recover over time.

Lisa Truscott Holte, Senior Relationship Manager at ACG, concluded with a regulatory update. She highlighted the One Big Beautiful Bill Act, which introduced a temporary $6,000 tax deduction for individuals aged 65 and older and new savings accounts for children born between 2025 and 2028. Nicknamed "Trump baby accounts," these allow up to $5,000 in annual contributions with a $1,000 government match.

Ms. Holte also discussed the emerging role of private equity and cryptocurrency in retirement plans and the related fiduciary challenges they present. As these asset classes gain attention, plans are in place to introduce fiduciary training modules at future meetings to support committee members in adapting to these changes.

REQUIRED ROTH CATCH-UP CONTRIBUTIONS FOR HIGH EARNERS

Associate General Counsel Rohlf provided an overview of the upcoming implementation of Section 603 of the SECURE 2.0 Act. Effective January 1, 2026, employees who earn $145,000 or more in FICA wages (with annual adjustments for inflation) from the same employer in the prior year will be required to make age 50 catch-up contributions on a Roth basis. This requirement applies only to the Board's voluntary 403(b) plan, which already permits Roth contributions.

To streamline compliance, he recommended adopting a "deemed election" provision. Under this approach, eligible catch-up contributions would automatically be treated as Roth, regardless of the employee's original election. This would simplify administration and enable in-plan corrections without triggering tax penalties. Impacted participants will be notified via updated enrollment forms and proactive communication.

Coordination with TIAA and Voya is underway, and both vendors are prepared to implement the change. Plan amendments, which must be adopted by 2029 but will be retroactive to January 1, 2025, are expected to be presented for committee approval in early 2026.

In response to questions, Associate General Counsel Rohlf clarified that the Roth requirement applies only to the age 50 catch-up and does note impact the additional $3,000 catch-up available to employees with 15+ years of service. He also noted that employees may use the state's 457 plan to continue making pre-tax contributions, offering flexibility for those affected by the new rule.

VOYA REPORT—IN-PLAN ROTH CONVERSIONS AND ROLLOVERS

Cindy Delfelder, Strategic Relationship Manager at Voya, presented a proposal to amend the KBOR Voluntary Plan to allow in-plan Roth conversions and rollovers, which would apply to both Voya and TIAA. Currently, the plan document does not permit such transactions, however participant interest has increased, reflected by the 61% rise in Roth elections over the past five years.

Ms. Delfelder outlined two distinct components of the request:

- In-Plan Roth Conversion – This would apply to non-distributable assets, such as those held by actively employed participants who are not yet eligible for distributions. Participants could elect to convert a portion of their pre-tax balance to Roth, triggering a taxable event in the year of conversion. The plan administrator would issue a 1099 form for tax reporting.
- In-Plan Roth Rollover – This would apply to distributable assets. The rollover process would mirror the conversion process.

The Voluntary Plan already permits Roth rollovers from external qualified plans. The proposed amendment would expand this capability to allow internal conversions and rollovers. Ms. Delfelder emphasized that converted assets would be properly segregated and tracked, particularly to distinguish them as K4 assets for compliance and reporting purposes. She shared the proposed change would be especially beneficial for participants nearing retirement who may not have time to build Roth balances through ongoing deferrals.

Ethan Erickson inquired whether TIAA could also support this functionality. Associate General Counsel Rohlf confirmed that both vendors could implement the change, but a formal plan amendment would be required. Unlike the Roth catch-up provision under Secure 2.0, this change cannot be implemented administratively in advance of the amendment. He also indicated that the amendment would be brought forward alongside the required-Roth-catch-up amendments.

Mr. Erickson also asked whether this type of provision is becoming more common nationally. Ms. Delfelder confirmed that many retirement plans are adopting similar features in response to participant demand. Associate General Counsel Rohlf clarified that while the mandatory plan is restricted by statute to pre-tax contributions, the voluntary plan is authorized to accept both pre-tax and Roth contributions, making it eligible for this enhancement.

Emily Breit moved to approve the amendment request. Ethan Erickson seconded. The motion carried.

TIAA REPORT

Kourtney Gibson, CEO of Retirement Solutions at TIAA, highlighted TIAA's commitment to long-term retirement security, innovation, and participant engagement. She emphasized TIAA's 63-year partnership with KBOR and TIAA's mission to provide guaranteed lifetime income to over five million participants across 15,000 institutions and underscored TIAA's financial strength and the TIAA Traditional product's consistent performance.

She stated that TIAA Traditional offers bond-like returns with lower volatility and a guaranteed floor. She noted participants who annuitize receive guaranteed income and also a loyalty bonus, enhancing retirement security. Ms. Gibson stated that TIAA returns 90% of profits to participants, which has amounted to more than $10 billion in value returned over the past decade.

Ms. Gibson also discussed evolving trends in retirement planning, arguing that there is growing demand for guaranteed income. According to TIAA's research, 92% of Americans desire a guaranteed income stream beyond Social Security, and 85% of plan sponsors recognize this need. TIAA has developed custom default solutions that embed lifetime income into target date funds, aligning with participant behavior as she shared that over 85% of participants default into plans' default investment options.

Ms. Gibson detailed TIAA's strategic investments in technology, including AI-driven tools and a zero-trust cybersecurity architecture. These enhancements aim to improve operational efficiency, personalize participant experiences, and safeguard sensitive data. TIAA launched the "Essentials by TIAA" initiative as a rebranded financial education platform designed to support participants through key life events and improve financial literacy. Despite these efforts, engagement remains a challenge, particularly among passive participants. TIAA reported over 17,000 participant engagements in the past year through digital tools, one-on-one consultations, and webinars.

Committee members highlighted to Ms. Gibson the need for more accessible, low-barrier education and outreach, especially for those unfamiliar with retirement planning terminology or options. Ms. Gibson acknowledged these concerns and emphasized the importance of default plan design, auto-enrollment, and auto-escalation features to support participants who may not actively manage their investments. She also introduced TIAA's "mission metric," a data-driven tool used to assess participant retirement readiness across savings, allocation, and protection dimensions. This tool can provide institution-specific insights to guide targeted outreach and education efforts.

Committee requested more personalized communication, particularly through HR channels, to increase participant engagement. Suggestions included leveraging familiar contacts for outreach and simplifying messaging to accommodate varying levels of financial literacy. TIAA committed to collaborating with campuses to tailor communications and expand access to retirement income consultants, especially for pre-retirement participants.

SAVI Program

Blake Earl, Senior Relationship Manager at TIAA, presented the SAVI program, a student loan assistance tool designed to help participants navigate complex loan forgiveness processes. The program's objective is to alleviate debt burdens, thereby enhancing cash flow and fostering increased participation in retirement plans. Dipak Ghosh moved to approve expanding the SAVI program system-wide, including future implementation by Voya. Ethan Erickson seconded. The motion carried.

GOOD OF THE ORDER

Becky Pottebaum, Director of Finance and Administration at KBOR, invited committee members to suggest additional topics or data they would like to see addressed in future sessions. She reiterated the Committee's intention to examine areas such as participant engagement and retirement readiness metrics in collaboration with

TIAA. The addition of a third annual meeting is intended to provide more opportunities for in-depth discussion and data review, and she encouraged members to share ideas that would help ensure the Committee is effectively representing participant needs.

Ethan Erickson emphasized the value of gaining deeper insights into participant behavior, particularly regarding default investment options. He suggested gathering data on how many participants are in default plan options, how long they remain in those defaults, and identifying trends across the participants. He also highlighted the importance of institutional roles in supporting financial education and helping employees make informed retirement decisions.

Director Pottebaum expressed her willingness to receiving further suggestions following the meeting, reinforcing the Committee's commitment to continuous improvement and responsiveness to participant needs.

Lastly, Director Pottebaum reminded everyone that the next meeting is in January.

ADJOURNMENT
Chair Benson adjourned the meeting at 2:50 p.m.

Act on Amendments to Voluntary Plan Document

The attached Amendment Number One to the Kansas Board of Regents Voluntary Retirement Plan formalizes changes discussed at the Retirement Plan Committee's October 14, 2025 meeting:

- changes necessary to comply with Section 603 of the SECURE 2.0 Act (requiring high income earners' age-50 catch-up contributions to be made on a Roth basis); and

- changes implementing the in-plan Roth rollover feature that the Committee adopted at the October 14 meeting.

If adopted by the Committee, the Amendment will be executed by the RPC Chair and Board President and CEO. The Amendment will be effective as of January 1, 2026.

Compliance with Section 603
Beginning January 1, 2026, Section 603 of the SECURE 2.0 Act requires that employees who are eligible to make age 50 catch-up contributions whose prior-year FICA wages exceeded a pre-determined threshold make any elective, age-50 catch-up contributions on a Roth basis. For 2026 contributions, that threshold is 2025 FICA wages exceeding $150,000. The Amendment implements this requirement as follows:

- **Paragraph 2**, amending Voluntary Plan Document Paragraph 4.01(d), provides that age-50 catch-up contributions in excess of the standard elective deferral limit ($24,500 for 2026) are deemed to have been made on a Roth basis. In each plan year, this deemed election may be triggered for a participant either (1) when the participant's <u>total</u> elective deferrals exceed the limit; or (2) when the participant's <u>pre-tax</u> elective deferrals exceed the limit.

- **Paragraph 4**, amending Voluntary Plan Document Paragraph 5.03(b), provides that a high-income earner may not make age-50 catch-up contributions unless they have elected to make the contributions on a Roth basis or are deemed to have made such election.

- **Paragraph 5**, adding new Voluntary Plan Document Paragraph 5.03(c), permits the use of all IRS-authorized correction methods when a deferral should have been, but was not, made on a Roth basis.

In-Plan Roth Rollovers
The Amendment authorizes in-plan Roth rollovers, as approved by the Committee, as follows:

- **Paragraph 1**, amending Voluntary Plan Document Paragraph 4.01(a), requires that a participant's pre-tax and Roth contributions be allocated to the participant's respective Pre-Tax Contribution Account and Roth Contribution Account.

- **Paragraph 3**, adding new Voluntary Plan Document Section 4.06, provides that a participant may transfer any portion of their account to their Roth Contribution Account. Amounts that are not otherwise distributable at the time of the rollover will remain subject to the same distribution restrictions applicable prior to the rollover.

Recommendation
Board staff recommend that the Committee adopt the Amendment.

AMENDMENT NUMBER ONE TO THE
KANSAS BOARD OF REGENTS VOLUNTARY RETIREMENT PLAN

THIS AMENDMENT ONE to the Kansas Board of Regents Voluntary Retirement Plan ("Plan") is hereby adopted by the Kansas Board of Regents ("Board").

WHEREAS, the Plan was amended and restated effective January 1, 2023;

WHEREAS, the Board reserved the right to amend the Plan pursuant to Section 14.01 of the Plan; and

WHEREAS, the Board now desires to amend the Plan to make certain required and discretionary changes.

NOW THEREFORE, the Plan is hereby amended effective January 1, 2026, except as otherwise set forth herein, as follows:

1. Paragraph (a) of Section 4.01 is hereby amended to be and read as follows:

> (a) Subject to the limitations under Article V, an Eligible Employee who has satisfied the participation requirements under Section 3.01 may enter into a written Investment Agreement with the Employer agreeing to contribute each pay period Pre-Tax Contributions and/or Roth Contributions to the Plan. Pre-Tax Contributions shall be allocated to the Pre-Tax Contribution Account of the Participant as of the date of contribution. Roth Contributions shall be allocated to the Roth Contribution Account of the Participant as of the date of contribution.

2. Paragraph (d) of Section 4.01 is hereby amended to be and read as follows:

> (d) If the Participant fails to designate whether Elective Deferrals are Pre-Tax Contributions or Roth Contributions, the Participant will be deemed to have designated his or her Elective Deferrals as Pre-Tax Contributions. Notwithstanding the preceding and regardless of the Participant's actual designation, however, a Participant who is subject to Section 5.03(b) will be deemed to have irrevocably designated his or her Elective Deferrals that are made pursuant to Code Section 414(v)(7) as Roth Contributions at such time that his or her (i) aggregate Elective Deferrals exceed the limit imposed by Code Section 401(a)(30) (increased by the amount provided under Code Section 402(g)(7), if applicable) or (ii) Pre-Tax Contributions exceed the limit imposed by Code Section 401(a)(30) (increased by the amount provided under Code Section 402(g)(7), if applicable), provided that the same method shall apply to all Participants for any Plan Year.

3. A new Section 4.06, related to In-Plan Roth Rollovers, is hereby added to the Plan to be and read as follows:

Section 4.06. In-Plan Roth Rollovers.

(a) Notwithstanding any other provision of the Plan, all or any portion of a Participant's Account (other than a Roth Contribution Account) may be transferred to the Participant's Roth Contribution Account, and the transfer shall be treated as a qualified Rollover Contribution (within the meaning of Code Section 408A(e)) to such Account; provided, however, that any such transfers of amounts that are not otherwise distributable under Article IX must be made as a direct rollover. An in-Plan Roth Rollover Contribution will be subject to the Plan's distribution rules and will be at least as stringent as the distribution rules that applied to the transferred amount.

(b) A Participant's election under this Section 4.06 shall be subject to the applicable Investment Agreement, the reasonable administrative procedures established by the Administrator, Code Section 402A(c)(4) and the regulations thereunder, and subsequent guidance from the Internal Revenue Service.

(c) The taxable portion of the Participant's Account transferred to a Roth Contribution Account under this Section 4.06 shall be included in the Participant's gross income in the tax year in which the transfer occurs.

(d) To the extent required by Code Section 402(f), the Administrator or Vendor shall provide written information regarding in-Plan Roth rollover under this Section 4.06, for amounts that are otherwise distributable under Article IX.

4. Section 5.03, related to Age 50 Catch-Up Elective Deferrals, is hereby amended to be and read as follows:

Section 5.03. Age 50 Catch-Up Elective Deferrals

(a) A Participant who will attain age 50 or more by the end of the calendar year is permitted to elect an additional amount of Elective Deferrals, up to the maximum age 50 catch-up Elective Deferrals for the year as set forth in Code Section 414(v), increased by the Cost of Living Adjustment in effect for such calendar year. Effective January 1, 2025, a Participant who will attain at least age 60 but not age 64 by the end of the calendar year is permitted to elect the adjusted dollar amount under Code Section 414(v)(2)(E), as increased by the Cost of Living Adjustment in effect for such calendar year.

(b) With respect to a Participant whose wages within the meaning of Code Section 3121(a) for the preceding calendar year from the Employer exceed the limitation under Code Section 414(v)(7)(A), paragraph (a) shall apply only if the Participant elects (or is deemed to have elected under Section 4.01(d)) the additional amount of Elective Deferrals to be made as Roth Elective Deferrals. The wage limitation under this paragraph (b) shall be increased for the Cost of Living Adjustment in effect for such calendar year.

5. A new paragraph (c), related to correction methods for catch-up elective deferrals, is hereby added to Section 5.06 of the Plan, to be and read as follows:

> (c) With respect to a Participant who is subject to Code Section 414(v)(7) for any calendar year, if the Elective Deferrals of such Participant that exceed the applicable dollar limit under Code Section 402(g)(1)(B) are not designated Roth Elective Deferrals, then the failure may be corrected in accordance with Treasury Regulation Section 1.414(v)-2(c)(2)(ii) or (iii), or such other guidance issued by the Secretary of the Treasury, provided that the same correction method shall apply to all similarly situated Participants for any Plan Year.

6. In all other respects, the Plan shall be and remain unchanged.

IN WITNESS WHEREOF, the Board has caused this Amendment Number One to the Plan to be executed by its duly authorized representatives as of the date written below, but effective as stated herein.

KANSAS BOARD OF REGENTS

By:______________________________________ Date:________________________
Chair of the Kansas Board of Regents
Retirement Plan Committee

By:______________________________________ Date:________________________
President and Chief Executive Officer of the
Kansas Board of Regents