

RICHARD H. MOORE
STATE TREASURER



MICHAEL WILLIAMSON
DEPUTY TREASURER

July 31, 2007

MEMORANDUM

TO: Employers of Participants in the
Disability Income Plan of North Carolina

FROM: Michael Williamson, Director

SUBJECT: Post-Disability Benefit Increases Effective July 1, 2007

The Department of State Treasurer and the Board of Trustees of the Teachers' and State Employees' Retirement System have increased the compensation upon which short and long-term benefits are payable from the Disability Income Plan by 4.0% effective July 1, 2007. This action is (i) allowed under the provisions of G.S. 135-108, (ii) based on the 4.0% compensation increase granted by the General Assembly to employees of the State effective July 1, 2007 and (iii) in keeping with the purpose of the Plan to provide replacement income for disabled participants.

Employers who are paying short-term benefits to disabled beneficiaries under the Plan's provisions on June 30, 2007 shall, effective on and after July 1, 2007, increase the compensation upon which benefits are calculated by 4.0%. This 4.0% increase in compensation for purposes of benefits under the Plan applies uniformly to all employers, including local boards of education and educational institutions where employees may receive a different percentage compensation increase. Please remember that short-term benefits are limited to a monthly maximum of \$3,000.

Shortly, under separate cover, we will inform you of other legislation enacted.

Questions about this action affecting the Disability Income Plan should be addressed to the Member Services Section of this Division.

MW/lnh

Please Route To: Chief Administrative Officer
Chief Financial Officer

DEPARTMENT OF STATE TREASURER RETIREMENT SYSTEMS DIVISION
325 NORTH SALISBURY STREET • RALEIGH, NORTH CAROLINA 27603-1385
Retirees call: (919) 733-4191 or (877) 733-4191 toll free
Working employees call: (919) 807-3050 or (877) 627-3287 toll free
Fax (919) 508-5350
Web Page www.myncretirement.com
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