

DATE: May 20, 2016

SUBJ: Deferred Compensation Conversion and Match

You *may* be eligible for deferred compensation (savings plan) benefits.

- Deferred Compensation Match – Eligible employees may receive a state-paid employer match on their deferred compensation (savings plan) contributions on a dollar-for-dollar basis. The amount of the state match is specified in their bargaining agreement or compensation plan.
- Conversion – Eligible employees may convert unused vacation and/or compensatory hours to their deferred compensation (savings plan). The number of hours they may convert is specified in their bargaining agreement or compensation plan.

What am I eligible for, and what are the deadlines?

The table below summarizes the options available and contract-specified deadlines. For more specific information about your bargaining agreement or plan, refer to the [Labor Contracts & Pay Plans](#) on the MMB website.

	Automatic Deferred Compensation State Match	Optional Deferred Compensation State Match	Vacation Leave Conversion	Compensatory Time Conversion
AFSCME	Yes	No	No	Yes
Commissioner's Plan	No	Yes Deadline: June 5	Yes Deadline: June 5	Yes
Managerial Plan	No	Yes Deadline: June 5	Yes Deadline: June 5	No
MAPE	Yes	No	No	Yes
Medical Specialists	No	Yes Deadline: June 5	Yes Deadline: June 5	Yes
MGEC	Yes	No	No	Yes
MLEA	Yes	No	No	No
MMA	No	Yes	Yes Deadline: June 7	Yes
MNA	Yes	No	No	Yes
SRSEA	Yes	No	No	No

Additional Deadlines for Fiscal Year (FY) 2016:

If no deadline was listed in the table above, review your contract/plan for eligibility and submission deadlines.

If no deadline is specified in your contract/plan, use these deadlines:

- Optional deferred compensation match: The last day to enter in Self Service for FY 2016 is 6/14/2016.
- Vacation leave conversion: The last day to enter in Self Service for FY 2016 is 6/28/2016.
- Compensatory time conversion: The last day to enter in Self Service for FY 2016 is 6/30/2016.

When Can I Make a Selection for Fiscal Year 2017?

- **Optional deferred compensation match:** The first day to enter in Self Service is 6/15/2016.
Note: Automatic deferred compensation matches don't need to be selected.
- **Vacation conversion:** The first day to enter in Self Service is 7/13/2016.
- **Compensatory time conversion:** The first day to enter in Self Service is 7/1/2016.

Will this affect my paycheck?

Yes. For most employees,

- A conversion generally increases the amount subject to FICA, Medicare and retirement. (Retirement deductions are only taken on the first 40 hours of vacation and/or comp time converted in a fiscal year.)
- An employer match generally increases the amount subject to FICA and Medicare.

What do I need to do?

Tip! Make your selection no later than the pay period end date to be processed in that pay period. The optional state match will occur as soon as possible if you have a deferred compensation (savings plan) deduction in place.

For an Automatic Deferred Compensation State Match:

	Automatic Match
1. Do I Need a Deduction?	Yes. You MUST have a deferred compensation (savings plan) deduction set up first.
a) How?	<ul style="list-style-type: none"> • In Self Service, use the Savings Plans page. OR <ul style="list-style-type: none"> • Submit an enrollment form to MSRS.
b) Where to find Instructions?	<p>For Self Service: Self Service Savings Plans instructions</p> <p>For MSRS: Plan information and enrollment form are at https://www.msrs.state.mn.us/mndcp.</p>
2. Must I Select Each Year?	No. State match is automatic every year when you have a savings plan deduction set up.

For an Optional Deferred Compensation State Match or Vacation Leave Conversion:

	Optional Deferred Compensation State Match <u>OR</u> Vacation Leave Conversion
1. Do I Need a Deduction?	<p>For State Match: Yes. You MUST have a deferred compensation (savings plan) deduction set up first.</p> <p>For Vacation Leave Conversion: No. You're not required to have a deferred compensation deduction set up. Your conversion will be processed and invested in the Target Retirement Income Fund.</p>
a) How?	<p>For State Match:</p> <ul style="list-style-type: none"> • In Self Service, use the Savings Plans page. OR <ul style="list-style-type: none"> • Submit an enrollment form to MSRS. <p>For Vacation Leave Conversion: To change the default investment, go to https://www.msrs.state.mn.us/mndcp, establish an account, and choose an investment option.</p>
b) Where to find Instructions?	<p>For Self Service: Self Service Savings Plans instructions</p> <p>For MSRS: Plan information and enrollment form are at https://www.msrs.state.mn.us/mndcp.</p>
2. Must I Select Each Year?	Yes. You can select once each fiscal year.
a) What Can I Select?	You can select either the optional state match OR vacation leave conversion, but not both.
b) How?	<ul style="list-style-type: none"> • In Self Service, use the Deferred Comp Conv/Mtch Option page. OR <ul style="list-style-type: none"> • Submit the Selection of Deferred Compensation Option form to your agency payroll office. Tip: To print the form from Self Service, click Other Payroll, and then Payroll Forms.
c) Where to find Instructions?	Self Service Deferred Compensation Conversion/Match Option instructions.

For a Compensatory Time Conversion:

Compensatory Time Conversion	
1. Do I Need a Deduction?	No. You're not required to have a deferred compensation deduction set up. Your conversion will be processed and invested in the Target Retirement Income Fund.
a) How?	To change the default investment, go to https://www.msrs.state.mn.us/mndcp , establish an account, and choose an investment option.
b) Where to find Instructions?	Go to https://www.msrs.state.mn.us/mndcp .
2. Must I Select Each Year?	Yes. You can select once each fiscal year.
a) What Can I Select?	You can select a compensatory time conversion in addition to a state match OR vacation leave conversion.
b) How?	<ul style="list-style-type: none"> • In Self Service, use the Deferred Comp Conv/Mtch Option page. OR • Submit the Selection of Deferred Compensation Option form to your agency payroll office. <p style="margin-left: 20px;">Tip: To print the form from Self Service, click Other Payroll, and then Payroll Forms.</p>
c) Where to find Instructions?	Self Service Deferred Compensation Conversion/Match Option instructions.

What if I have questions?

Contact your HR/Payroll office. You can obtain contact information from within Self Service: under **Need Assistance**, select **Employee Contacts**.