

Deferred Compensation Conversion and Match

The MMA collective bargaining agreement provides options for employer-paid deferred compensation benefits on a fiscal year basis. If you have not elected an option for Fiscal Year '17, your time is running out. Please refer to the information below about each of the options, how to apply, and deadlines.

OPTIONS

No Automatic Deferred Compensation Match for MMA supervisors!

The MMA contract has more than one option for an employer-paid deferred compensation match and therefore cannot be done automatically and must be 'selected' each year.

Are you in an unclassified position?

Different provisions apply to unclassified MMA supervisors. Pursuant to Minnesota statute you receive a mandatory supplemental retirement contribution made automatically once you are eligible. Contact your HR department if you have questions.

Vacation Time Conversion or Deferred Compensation Match – Require Employee to Select Option**

The MMA bargaining agreement offers the option of deferred compensation match or converting vacation leave to deferred compensation. **NOTE:** The option to convert vacation leave is only available to supervisors who are at the maximum of their salary range or who will attain the maximum rate of their range no later than June 30 of the fiscal year.

Compensatory Time Conversion

In the MMA plan, you may choose to convert compensatory time to deferred compensation once each fiscal year.

PROCESSING STEPS

You must indicate your option(s) on the Deferred Comp Conv/Mtch Option page in Employee Self Service or by submitting the Selection of Deferred Compensation Option form to your payroll clerk. This must be done no later than the pay period end date in order to be processed in the pay period. The optional match will occur as soon as possible provided you have a deferred compensation deduction in place.

If you are covered under MMA, you may select the deferred compensation match option in self-service; but if you want to select the vacation conversion option, you must submit the Selection of Deferred Compensation Option form to your payroll clerk no later than Monday, June 26, 2017.

To receive a vacation leave or compensatory time conversion, you are not required to have a deferred compensation deduction set up. Your conversion will be processed and invested in the Target Retirement Index Fund until you have directed otherwise by accessing

<https://www.msrs.state.mn.us/about-mndcp> and establishing an account, and choosing investment options.

DEADLINES

Date	DEADLINE
6/13/2017	Last pay period to process deferred compensation match for FY 2017.
6/14/2017	First day to select a deferred compensation match for FY 2018.
6/27/2017	Last pay period to process a vacation conversion or compensatory time conversion for FY 2017.
7/11/2017	This is a split pay period. <ul style="list-style-type: none">• Vacation leave conversion cannot be processed on the split pay period of any year.• Compensatory time conversion may be processed on the split pay period. Compensatory time conversions with effective dates of June 28-30 will apply to FY 2017, and those with effective dates of July 1-11 will apply to FY 2018. (In Self Service, the effective date is the date of entry.)
7/12/2017	First day to select a vacation conversion and/or compensatory time conversion for FY 2018.

FORMS

The Selection of Deferred Compensation Option form is available on the:

- Payroll Forms page in Employee Self Service (Other Payroll > Payroll Forms) at www.state.mn.us/employee.

If you need to enroll in the Minnesota State Deferred Compensation Plan, you can find plan information and an enrollment form at <https://www.msrs.state.mn.us/about-mndcp>.

TAXES

Most employees are subject to FICA, Medicare and retirement on a leave conversion and FICA and Medicare on an employee match.

- A leave 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.

QUESTIONS

If you have questions, please contact your payroll clerk.