

Date: December 28, 2011

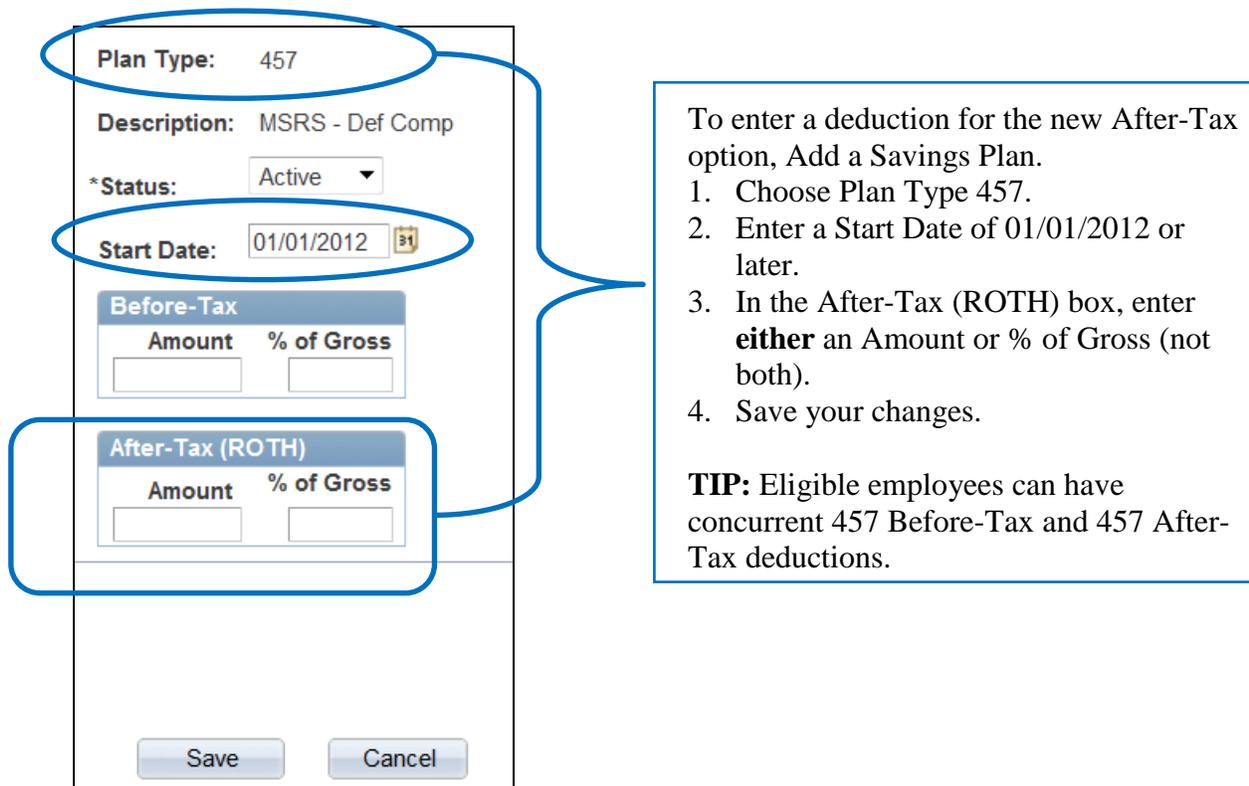
To: Agency Payroll, HR and Accounting Staff

From: Mary Muellner, Director
Statewide Payroll Services

Subject: Deferred Compensation After-Tax (ROTH) Option Available in Self Service

Effective January 1, 2012, eligible employees will have the option to contribute to a Minnesota Deferred Compensation Plan (MNDCP) account on an after-tax basis through MNDCP Roth 457(b). An announcement has been posted on the Self Service Announcements page notifying employees that this option is now available in Self Service. Employees should refer to www.mndcplan.com for information about this new MNDCP option.

Eligible employees may choose to enter before-tax, after-tax, or some combination of both types of deductions in Self Service. For instructions on adding or updating a deferred compensation plan deduction in Self Service, employees should refer to <http://www.mmb.state.mn.us/doc/sema4/forms/savingsplan.pdf>. The image below shows the new MNDCP Roth 457(b) option in Self Service.



Plan Type: 457

Description: MSRS - Def Comp

***Status:** Active

Start Date: 01/01/2012

Before-Tax	
Amount	% of Gross
<input type="text"/>	<input type="text"/>

After-Tax (ROTH)	
Amount	% of Gross
<input type="text"/>	<input type="text"/>

Save Cancel

To enter a deduction for the new After-Tax option, Add a Savings Plan.

1. Choose Plan Type 457.
2. Enter a Start Date of 01/01/2012 or later.
3. In the After-Tax (ROTH) box, enter **either** an Amount or % of Gross (not both).
4. Save your changes.

TIP: Eligible employees can have concurrent 457 Before-Tax and 457 After-Tax deductions.

December 28, 2011

Page 2

NOTE: According to IRS regulations, all 457 **deferred compensation matches** must occur on a Before-Tax basis. When determining the amount available for the match, **both** Before-Tax and After-Tax (Roth) employee deductions are considered.

Questions

If agency Payroll, Human Resources or Accounting staff have questions about:

- processing deferred compensation options, contact Lynda Hanly, MMB, Statewide Payroll Services, 651-201-8074 or lynda.hanly@state.mn.us
- deferred compensation plans, contact Minnesota State Retirement System, 651-296-2761 or 1-800-657-5757, or <http://www.mndcplan.com>.
- deferred compensation eligibility, contact Chad Thuet, MMB, Human Resource Management, 651-259-3759 or chad.thuet@state.mn.us

PLEASE SHARE THIS INFORMATION WITH APPROPRIATE AGENCY STAFF