

## Office Memorandum

**Date:** May 4, 2018  
**To:** Agency Payroll, HR, and Accounting Staff  
**From:** Mary Muellner, Director, Statewide Payroll Services  
**Subject:** **MGEC Changes to Vacation Conversion for Fiscal Year 2018 Only**

For agencies with employees in the Minnesota Government Engineering Council (MGEC) bargaining unit, this memo describes changes to vacation conversion for fiscal year 2018 only, due to a Memo of Understanding (MOU).

### What has changed?

The 2017 – 2019 MGEC agreement contains a new pilot program allowing employees who supervise and who are at the maximum of their salary range or who attain the maximum rate of their range no later than June 30 of the fiscal year to convert up to forty (40) hours of vacation leave to deferred compensation. Employees electing to convert vacation leave must have used three (3) hours of vacation in the previous fiscal year for each hour of vacation converted up to forty (40) hours. Eligible employees electing the vacation conversion shall not receive the State-paid matching contributions.

However, because of circumstances beyond the parties control, most employees who supervise and who are at the maximum of their salary range or who attain the maximum rate of their range no later than June 30 of the fiscal year have already automatically received the State-paid matching contribution.

**Therefore, for fiscal year 2018 only, eligible employees may convert no more than thirty-three (33) hours of vacation leave to deferred compensation and may also receive the State-paid matching contribution.**

### What do I need to do?

Agencies should take appropriate action to ensure employees are compensated accordingly.

1. Review the [MGEC contract](#) for employee vacation conversion eligibility conditions.
2. Notify eligible employees of this one-time change to vacation conversion.
  - **For 2018 only**, eligible employees, who supervise and are at the maximum of the salary range no later than June 30, will retain the State-paid matching contribution they have received and may also choose to convert up to 33 hours of vacation.
  - Eligible employees must fill out the [Selection of Deferred Compensation Option paper form](#) and submit the form to their agency payroll staff no later than **June 7, 2018**. Employees cannot submit this vacation conversion request through Self Service.
3. Enter employee vacation conversion requests on the [Deferred Comp Conv/Mtch Option page](#) in SEMA4 no later than June 26, 2018.

### Questions?

Agency Payroll, HR, or Accounting staff should contact Lynda Hanly at 651-201-8074 or [lynda.hanly@state.mn.us](mailto:lynda.hanly@state.mn.us) if there are questions.

**PLEASE SHARE THIS INFORMATION WITH APPROPRIATE AGENCY STAFF**