



Memo

Date: March 14, 2025

To: Agency Payroll, HR, and Accounting Staff

From: Mary Muellner, Director, Statewide Payroll Services

RE: Deferred Compensation Conversion and Optional Match Deadlines Reminder

Employees that may be eligible for benefits related to their deferred compensation plans should be aware of the following approaching deadlines. This information is also posted for employees on the Employee Announcements tile of the Self Service Portal.

Vacation conversions or optional deferred compensation matches **must be entered** in Self Service or SEMA4 **no later** than the dates listed below for Fiscal Year (FY) 2025 (For example, a deferred compensation match entered on 6/18/2025 in Self Service or SEMA4 will be for FY 2026).

NOTE: Some contracts or plans have an automatic deferred compensation match, where the match occurs on a dollar-for-dollar basis as deductions are taken. While other contracts or plans require the employee to select the deferred compensation match when other options exist.

DATE	DEADLINE
6/17/2025	Last pay period to process a deferred compensation match for FY 2025.
6/17/2025	Last pay period to process vacation conversion for FY 2025.
6/18/2025	First day to select a deferred compensation match for FY 2026 .
7/1/2025	This is the 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 18-30 will apply to FY 2025, and those with effective dates of July 1 and later will apply to FY 2026 (In Self Service, the effective date is the date of entry).
7/2/2025	First day to select a vacation conversion for FY 2026 .

Taxes:

Most employees are subject to Social Security, Medicare, and retirement on a leave conversion, and Social Security and Medicare on an employer match.

- A leave conversion generally increases the amount subject to Social Security, 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 Social Security and Medicare.

For additional information, please refer to the bulletin dated May 20, 2024, [Deferred Compensation and Match](#).

If employees have questions:

- About how a conversion or match will affect their paycheck, the Net Pay Calculator allows “what if” calculations and can assist in answering employee questions. To find the Net Pay Calculator, go to [Calculators](#).
- Employees should contact their HR/Payroll office. Contact information in Self Service is found under **Need Assistance?** Select **Employee Contacts**.

PLEASE SHARE THIS INFORMATION WITH APPROPRIATE AGENCY STAFF