

Posting Date: June 18, 2025 [Revised on 6/23/2025; revision in **intense emphasis** style.]

Upcoming Changes in Net Pay

Employees may notice one or more changes affecting your net pay beginning on the pay periods below:

Pay Period Ending 6/17/2025 (Payday 6/27/2025)

- For employees in bargaining units whose contracts allow them to choose the option of converting vacation leave to deferred compensation or receiving an optional deferred compensation employer-matching amount, this is the last pay period in which a vacation conversion or an optional match could be processed for FY 2025. Federal and state taxes are deferred on the conversion or optional match. However, Social Security and Medicare taxes are collected on the conversion or optional match, which results in a slight change in net pay.
- The **last date to enter** a vacation conversion or optional match is **June 17**.
- Compensatory time conversions with effective dates of June 18-30 will apply to FY 2025 and those with effective dates of July 1 will apply to FY 2026. In Self Service, the effective date is the date of entry. Federal and state taxes are deferred on the conversion. However, Social Security and Medicare taxes are collected on the conversion, which could result in a slight change in net pay.

Pay Period Ending 7/1/2025 (Payday 7/11/2025)

For employees in the following retirement plans, this is the first check reflecting the increase in the employee/employer retirement contribution amounts.

Retirement Plan	Retirement Plan Description	Contributor	Previous % Rate	% Rate effective on 7/11/2025 Paycheck
AD	Teachers Retirement Association (TRA)	Employee	7.75	8.00
		Employer	8.75	9.81
BB, BF, BG, CB, CF, BQ, CQ	Individual Retirement Account Plans (IRAP)	Employee	7.75	8.00
		Employer	8.75	8.75 (no change)
BI	St. Paul Teachers Retirement Fund Association - Coord	Employee	7.50	8.75
		Employer	12.84	13.59

- Employees in bargaining units whose contracts entitle them to an **“automatic” deferred compensation employer-matching amount** for state fiscal year (FY) 2026 will see the first employer contributions on this check. Federal and state taxes are deferred on the employer match. However, Social Security and Medicare taxes are collected on the match, which could result in a slight change in net pay.

- For employees in bargaining units whose contracts allow them to **choose the option of receiving a deferred compensation employer-matching amount** for FY 2026, this will be the first pay period in which an optional match transaction can be processed. Federal and state taxes are deferred on the employer match. However, Social Security and Medicare taxes are collected on the match, which could result in a slight change in net pay.

Pay Period Ending 7/15/2025 (Payday 7/25/2025)

For employees in the following MSRS retirement plans, this is the first check reflecting the increase in employee and/or employer retirement contribution amounts.

Retirement Plan	Retirement Plan Description	Contributor	Previous % Rate	% Rate effective on 7/25/2025 Paycheck
AA	MSRS General Employee Retirement Plan	Employee	5.50	6.00
		Employer	6.25	6.25 (no change)
AP	MSRS Military Affairs and Transportation Pilots Retirement Plan	Employee	7.10	7.60
		Employer	7.85	7.85 (no change)
AQ/AR/AS	MSRS Unclassified Employees Retirement Plan	Employee	5.50	6.00
		Employer	6.25	6.25 (no change)
BR	MSRS State Fire Marshall Plan	Employee	8.28	8.78
		Employer	10.45	10.45 (no change)

- For employees in bargaining units whose contracts allow them to **choose the option of converting vacation leave to deferred compensation or receiving an optional deferred compensation employer-matching amount**, this is the first pay period in which a **vacation conversion** could be processed for FY 2026. Federal and state taxes are deferred on the conversion. However, Social Security and Medicare taxes are collected on the conversion, which results in a slight change in net pay.

Questions?

If you have questions about this information, contact your Human Resources or Payroll office. You can obtain contact information from within Self Service. Under “Need Assistance?” select “Employee Contacts.”