



Memo

Date: October 23, 2025
To: Agency Payroll and Human Resources Staff
From: Katie Karow, Director, Statewide Payroll Services

RE: Payroll-Related Changes for 2025-2027 for Middle Management Association Agreement

For agencies with employees in the Middle Management Association (MMA) this memo includes payroll changes in the 2025-2027 agreement. The [2025-2027 agreement and summary](#) will be available on MMB's website.

Agencies must take appropriate action to compensate employees accordingly. MMB plans on implementing Salary Adjustments during the weekend of November 8th. Additional communications will be coming soon with instructions for HR and Payroll agency staff.

PLEASE SHARE THIS INFORMATION WITH APPROPRIATE AGENCY STAFF

MMA Payroll Changes

The following payroll changes are effective **October 22, 2025**: All salary ranges and rates shall be increased by 1.5% effective July 1, 2025, and by 1.75% effective July 1, 2026.

- Progression increases now occur on an employee's anniversary date.
- All employees will accrue sick leave beginning at ¼ hour worked.
- The language for vacation length of service credit has changed.
- Employee Health Care Savings Plans (HCSP) contributions will increase to 2.0% effective **7/1/2026**.
- The state-paid deferred compensation match has increased from \$400 to \$500. Employees who have contributed more than \$400 and chosen the option for the match will begin receiving the additional match on the 11/14/2025 paycheck.
- Effective **7/1/2026**, employees will automatically receive the \$500 match as they contribute to deferred compensation. In addition, they may choose to convert up to 50 hours of vacation each fiscal year.
- Designating alternative holidays for Veterans' Day, Day After Thanksgiving, and President's Day is no longer allowed.
- The Opt-In Pilots for Recruiting Incentive and Employee Referral Incentive are extended through the end of the contract.
- The Equity Adjustment (Pilot) has expired.

- Individual achievement awards may now be paid in amounts from \$1,600 up to \$3,000 using earnings code **ACH**.
- The Appointing Authority, at their discretion, may provide a team award up to \$2000 (increase from \$1000) to any employee who has demonstrated outstanding performance as part of a team. The award will be paid using earnings code **ACT**.
- Bilingual/Multilingual/Sign Language Differential – At the Appointing Authority's discretion, the employee may be compensated on a recurring or specific basis.
 - Use earnings code **L10** to pay \$1.00 per hour. Employees will report all eligible hours with the earnings code (e.g., L10 2.00 to be paid for two hours).
 - Use earnings code **L50** to pay \$50.00 per pay period. Employees will report the earnings code with the number one (1.00) to receive the fifty dollars for the pay period (e.g., L50 1.00).

Questions?

Agency Payroll, HR or Accounting staff should contact Jody Dahl with Statewide Payroll Services at 651-201- 8206 or [by email](#) if there are questions.