

Memo

Date: December 10, 2025

To: Agency Payroll and Human Resources Staff

From: Katie Karow, Director, Statewide Payroll Services

RE: Deadlines for Reducing Vacation Balances by Calendar Year End

Under bargaining agreements and compensation plans, employees who have not reduced their vacation balances to the required minimum by the end of the calendar year will see their balances adjusted accordingly.

This deadline applies to a limited number of employees covered by:

- Legislative Coordinating Commission Legislative Plan
- Senate Legislative Plan

To identify employees who may be affected, refer to **Report FIHR6510 – Report of Employees Who Have Not Reached the Required Vacation Minimum** (Standard Report Viewer/InfoPac ID HP6510). Additional information can be found in the memo titled [Vacation Minimum/Floating Holiday Reports](#), dated **10/28/2025**.

Employees may choose to reduce their vacation balances through **leave donation**.

Reminder: Legislative Branch employees may **only** donate accrued leave to other employees within the Legislative Branch.

Deadlines

For employees donating vacation or converting vacation to deferred compensation to reduce their vacation balances, the deadlines are:

Vacation Donation

- December 31, 2025 – Donations entered in Self Service.
- December 31, 2025 – Donations entered by agency staff on the Leave Donation page, using a Donation Date no later than 12/31/2025.

Vacation Conversion

- December 31, 2025 – Conversions entered in Self Service or by agency staff on Deferred Comp Conv/Mtch Option page using an Option Date no later than 12/31/2025.

Employees are not required to have a deferred compensation deduction set up to receive a vacation conversion. Their conversion will be processed and invested in the Minnesota Target Retirement Fund until/unless they have directed otherwise by accessing [MSRS \(Minnesota State Retirement System\)](#) and

establishing an account Username and Password. Employees now have one login account for pension plans, health care savings plans, and deferred compensation plans.

TIP: After logging in, select the *Go to Savings Plans* link. Choose the *MND CP* link at the top of the screen. Select *Go to Savings Plans*. If given the option, select the radio button for “Account activity that occurred July 1, 2025, or after”, and press Continue. Employees can change their investments by selecting the account to redistribute funding, selecting *Contributions & Savings*, then *Manage Contributions*.

Questions?

- For questions about deferred compensation enrollment, contact the MSRS Employer/Payroll Support Team at 651-284-7729.
- Agency Payroll and Human Resources staff should contact Jody Dahl at 651-201-8206 or earncode.leave.mmb@state.mn.us if there are questions about reducing leave balances.

PLEASE SHARE THIS INFORMATION WITH APPROPRIATE AGENCY STAFF