



Memo

Date: March 13, 2026

To: Agency Payroll, Human Resources, and Accounting Staff

From: Katie Karow, 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) 2026 (For example, a deferred compensation match entered on 6/17/2026 in Self Service or SEMA4 will be for FY 2027).

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
6/16/2026	Last pay period to process a deferred compensation match for FY 2026.
6/30/2026	Last pay period to process vacation conversion for FY 2026.
6/17/2026	First day to select a deferred compensation match for FY 2027 .
7/1/2026	First day to select a vacation conversion for FY 2027

Note: Beginning 7/1/2026, Middle Management Association (MMA), Nonrepresented Plan, Managerial Plan, and the Medical Specialists' Addendum will change to an automatic match. A selection of the match will not be required.

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.

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 may be found in Self Service under Need Assistance? Select Employee Contacts.

PLEASE SHARE THIS INFORMATION WITH APPROPRIATE AGENCY STAFF