Memo

Date: November 17, 2026

To: Agency Payroll, Human Resources, and Accounting Staff

From: Katie Karow, Director, Statewide Payroll Services

RE: Year-End Deadline to Reduce Vacation Balances

Some employees in the Guardian ad Litem, Legislative Coordinating Commission, Senate, and Office of the Legislative Auditor plans must reduce their vacation balances to the required minimum by **12/31/2026**. If they do not, their vacation balances will be automatically adjusted after year-end.

Vacation Donation and Conversion Options

Employees may reduce their vacation balance either by **donating or converting vacation leave to deferred compensation.**

> **Note:** Legislative Branch employees may donate leave **only within the Legislative Branch**.

Vacation conversions do **not** require an existing deferred compensation deduction; converted funds are automatically invested in the Minnesota Target Retirement Fund unless the employee updates their choices through MSRS (Minnesota State Retirement System), which now uses single login for pensions, HCSP, and deferred compensation plans.

How to Identify Affected Employees

Report FIHR6510 – Report of Employees Who Have Not Reached the Required Vacation Minimum (Standard Report Viewer/InfoPac ID HP6510). This report lists all employees who still need to take action.

Additional information can be found in the memo Vacation Minimum/Floating Holiday Reports, dated 10/23/2026.

Must be entered by 12/31/2026

Vacation Donation

- **Agency staff** enters donations on the Leave Donation page with a Donation Date of 12/31/2026 or earlier.
- Donations entered in Self Service.

Vacation Conversion

- **Agency staff** enters conversion on Deferred Comp Conv/Mtch Option page with an Option Date of 12/31/2026 or earlier.
- Vacation conversions entered in Self Service.

Employees Updating Their Investment Options

1. After logging into MSRS, employees should navigate to the ***Go to Savings Plans*** link.
2. Choose the ***MNDCP*** link at the top of the screen.
3. Select ***Go to Savings Plans***.
4. If given the option, select the radio button for **"Account activity that occurred July 1, 2026, or after"**, and press **Continue**.
5. Employees can change their investments by **selecting the account to redistribute funding**, and selecting ***Contributions & Savings,*** then ***Manage Contributions***.

Questions?

- **Deferred compensation enrollment:** Contact the MSRS Employer/Payroll Support Team at 651-284-7729.
- **Leave balance reduction:** Agency Payroll and Human Resources staff should contact Jody Dahl at 651-201-8206 or email.

Have a Payroll Question About Something Else?

Agency Payroll, Human Resources, and Accounting Staff may email their questions to Statewide Payroll Services. Use the Agency Payroll Contacts list to find your payroll subject and where to email.

PLEASE SHARE THIS INFORMATION WITH APPROPRIATE AGENCY STAFF