

November 13, 2007

In March, the Department of Employee Relations conducted a survey of state agency employees seeking input on possible benefit changes to the Commissioner's Plan for July 1, 2007 through June 30, 2009. The results to the follow-up survey concluded a majority were in favor of the establishment of the employee-initiated Health Care Savings Plan. A change in the severance formula calculation from the current benefit to a flat 35% was not substantial enough to support the change.

In response to the above, on Friday, November 2, 2007, the Commissioner's Plan was submitted to the Executive Director of the Legislative Coordinating Commission's Subcommittee on Employee Relations. The Commissioner's Plan will include the establishment of the 1% employee-initiated Health Care Savings Plan effective July 9, 2008. Assuming Subcommittee approval for the Commissioner's Plan, the 1% employee contribution to the Health Care Savings Plan administered by the Minnesota State Retirement System (MSRS) will become effective July 9, 2008. The Minnesota State Retirement System website provides information on Health Care Savings Plans. This site can be accessed at: <http://www.msrs.state.mn.us/hcsp/index.html>. As the July 9, 2008 date nears, we will be providing you with more information about the transition of the 1% employee contribution to the Health Care Savings Plan.

In addition to the above, the Commissioner's Plan employees will receive an across-the-board increase of 3.25% effective July 1, 2007 and July 1, 2008. Further, Commissioner's Plan employees, who are not at the top of their salary range, may also be eligible for additional performance increases after December 26, 2007 and after January 9, 2009.

Thank you for your responses to our survey request and more importantly, thank you for the contributions you have made to State service.

Sincerely,



Patricia Anderson  
Commissioner

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*Minnesota Department of Employee Relations*