

November 13, 2007

In March, the Department of Employee Relations conducted a survey of state agency managers seeking input on possible benefit changes to the Managerial Plan for July 1, 2007 through June 30, 2009.

Two key areas were identified in the responses which caused the Department to resubmit the survey in order to confirm the wishes of the State Managers. In addition, representatives from the Department of Employment and Economic Development were consulted and assisted us in developing the survey to ensure that the results were reliably measured. The two key responses were the establishment of a Health Care Savings Plan account for each manager by requiring a 1% employee-paid salary contribution; the other was a change to the current severance formula to a flat 35% of all unused sick leave hours.

Again, the results to the follow-up survey concluded strong support for the two benefit changes.

In response to the above, on Friday, November 2, 2007, the Managerial Plan was submitted to the Executive Director of the Legislative Coordinating Commission's Subcommittee on Employee Relations along with the two new benefit changes described above. Assuming Subcommittee approval for the Managerial Plan, the change to the 35% severance formula will become effective January 1, 2008 and 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% manager contribution to the Health Care Savings Plan.

In addition to the above, managers who have met their agency's performance expectations may be eligible for a 3.25% increase effective July 1, 2007 and July 1, 2008. Further, those who are not at the top of their salary range or agency head salary cap 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

Equal Opportunity Employer

Minnesota Department of Employee Relations