



MINNESOTA STATE COLLEGES AND UNIVERSITIES PERSONNEL PLAN FOR ADMINISTRATORS

7/1/2025 – 6/30/2027

As approved by the Board of Trustees on February 18, 2026



Minnesota State is an affirmative action, equal opportunity employer and educator.

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1.00 APPLICATION

This Plan applies to all unclassified administrators of the Minnesota State Colleges and Universities as defined in Section 1.02 of this Plan, who are not covered under the terms of a collective bargaining agreement.

1.01 NON-DISCRIMINATION

The provisions of this Plan shall be applied equally without discrimination as to race, sex, creed, religion, color, national origin, age, disability, marital status, status with regard to public assistance, sexual orientation, gender identity, gender expression, or membership or activity in a local commission as defined by law. The Board is committed in accordance with its policies to ensuring an employment environment free of harassment and violence.



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1.02 DEFINITIONS

Subd. 1 Minnesota State Colleges and Universities Administrators

"Administrators" are those unclassified employees in positions which are defined as managerial by the Board of Trustee, as provided in Minnesota Statute §179A.10, Subd. 1. Administrators are staff who create or formulate, influence, or manage policy or direct the college/university system. Administrators make high level operating decisions in the college/university system or delegate such decisions to others.

Administrators include the chancellor, presidents, vice presidents/deans, vice chancellors, associate vice chancellors, directors in the system office, associate/assistant vice presidents/deans, deans/directors (academic/instructional programs), associate/assistant deans/directors (academic/instructional programs) and other titles where the position has the same responsibilities. Additionally, administrators may include employees who:

- (a) report directly to the chancellor, or a president, vice president, vice chancellor, associate vice chancellor or director in the system office and who meet the test for "managerial employee;" or
- (b) meet the test for a "managerial employee," and are responsible for academic research, academic public service responsibilities including institutional relations, alumni and foundation activities; academic program administration or academic program outreach, including curriculum development and implementation, instruction, or direction of a program having direct contact with students about financial aid, admissions and registration, placement, campus student life and development, or related educational programs and services.

For purposes of this Plan, administrator positions are those assigned to salary ranges 1 to 16 as well as the presidents, vice chancellors and chancellor. Assignment of positions to salary ranges shall be based upon assigned duties and responsibilities.

Subd. 2 Types of Appointments

- Continuing - employed in a position without a specified end date.
- Interim - assigned to temporarily fill a position due to a vacancy in the position or unavailability of the incumbent. Interim appointments are normally made in anticipation of a search to fill the position, reorganization of all or part of the college/university or system office, or under similar circumstances.

- Contractual - an appointment pursuant to Section 1.03 Subd. 1 (g) or Subd. 2 (g). These appointments have certain terms and conditions specified in the contract and are subject to renewal by the Board of Trustees. Employment pursuant to a contract provides no basis for an expectation of employment after the expiration of the current employment contract. For the limited purpose of eligibility for and enjoyment of benefits described in this Plan, not including continued employment, contractual appointments are to be construed as continuing appointments.

Subd. 3 Supervisory Authority

For purposes of this Plan, supervisory authority for administrators in the system office and college/university presidents resides with the chancellor. Supervisory authority for campus administrators resides with the president. When used in this Plan, the phrase "chancellor/president" shall mean the chancellor for administrators in the system office and presidents, and the president for campus administrators.

1.03 APPOINTMENTS/TERMS OF APPOINTMENTS

Subd. 1 Chancellor

- (a) The chancellor is selected by and serves at the pleasure of the Board, which sets the terms and conditions of employment. No provision of this Plan, Board policy, or contract shall be construed to alter the at-will nature of the chancellor's employment.
- (b) The Board sets the annual salary for the chancellor within the approved range established in Section 1.13, Subd. 3 of this Plan upon initial appointment. As provided in Section 1.13, Subd. 6, the Board may annually adjust the chancellor's salary. The chancellor's salary must be within the range set forth in Section 1.13, Subd. 3 of this Plan.
- (c) The chancellor may hold academic rank and may retain faculty tenure or unlimited faculty status in a Minnesota State university or college, if applicable and approved by the Board, consistent with the provisions and procedures of the university or college and the applicable collective bargaining agreement governing faculty terms and conditions of employment.
- (d) Upon completion of service as chancellor, the Board may appoint the chancellor as a "Distinguished Senior Fellow for Academic Affairs." The Board shall determine the chancellor's specific duties as a Distinguished Senior Fellow and shall set the salary pursuant to Section 1.13, Subd. 3 of this Plan.
- (e) The Board may, at any time and without notice, terminate the chancellor's employment as follows:
 - 1) The Board may end the chancellor's employment immediately, without cause. In such circumstances, the chancellor will be paid a lump-sum separation payment equal to four months' salary, excluding the cost of benefits. Additionally, the chancellor will receive severance pay as provided in Section 1.08, Subd. 1, to the extent the chancellor otherwise meets the eligibility criteria for severance pay;
 - 2) The Board may end the chancellor's employment prospectively and without cause by providing not less than four months' notice that the chancellor's employment will end on a date certain. In such circumstances, the chancellor will not receive the separation pay described in Section 1.03, Subd. 1(e)(1), but will receive severance pay as provided in Section 1.08, Subd. 1, to the extent the chancellor otherwise meets the eligibility criteria for severance pay; or



- 3) The Board may end the chancellor's employment immediately for cause. In such circumstances, the chancellor will not be eligible for any separation, severance or contract termination payments, however denominated, provided, or allowed in this Plan.

At its sole discretion, the Board may reassign the chancellor to alternative duties in a different administrative position for up to twelve (12) months. At the end of the reassignment period, the reassigned chancellor's employment will end. In the event of reassignment, the chancellor must perform the assigned duties until the date of separation from the Minnesota State Colleges and Universities. The reassigned chancellor will not receive the separation pay described in Section 1.03, Subd. 1(e)(1), but will receive severance pay as provided in Section 1.08, Subd. 1, to the extent the reassigned chancellor otherwise meets the eligibility criteria for severance pay.

The Board may choose to appoint a chancellor utilizing a continuing, interim or contractual appointment.

- (f) A contractual appointment must include:

- 1) Established term lengths not to exceed five (5) years.
- 2) An annual salary and provision for Board approved salary increases as described in Subd. 1(b) of this Section. The salary must be within the range specified in Section 1.13, Subd. 3, of this Plan.
- 3) Explicit recognition of the chancellor's at-will employment that is:
 - i. subject to Subd. 1(e) of this Section; and
 - ii. a plain statement that employment pursuant to the contract neither creates nor implies any expectation for employment after the expiration date of the contract.

Any such contract, modification to an existing contract, or changes in salary or additional remuneration, must be approved by a majority vote of a quorum of the Board.

- 4) The contract may contain additional terms that establish the amount of any payments to the chancellor based on the unilateral action to end the employment relationship by either party, as follows:
- (g) payment of a separation stipend if the chancellor provides not less than 12-months' notice of the chancellor's intention to separate from employment as described in Section 1.13, Subd. 13 of this Plan. In the case of the chancellor, this separation stipend shall be not more than 25% of the chancellor's base salary;



The chancellor is not eligible for payment under both sub-paragraph i above and for a payment under (e) 1 of this subdivision.

- 5) If the Board so chooses, the contract may include:
 - i. Non-economic provisions.
 - ii. Additional remuneration not covered elsewhere in this Plan, which shall not exceed 30% of the base salary established under Section 1.13, Subd. 3 of this Plan. Additional remuneration may include an allowance for housing, travel, communications, or other comparable items for which remuneration is typically provided for similar positions in the public higher education market. This may include compensation above the maximum salary limits established in Section 1.13, Subd. 3. Additional remuneration shall not include any payments for the quality of work performed or for ending of the employment relationship.
- 6) Contracts with the chancellor executed prior to legislative approval of this Plan shall remain in effect to the extent that they are consistent with the terms of the Plan under which the contract was executed. Contracts executed after legislative approval of the Plan shall be consistent with the terms of this Plan.

Subd. 2 Vice Chancellors and Presidents

- (a) Vice chancellors and presidents shall be appointed and terminated according to policies established by the Board. Vice chancellors and presidents serve at the pleasure of the Board and no provision of this Plan or Board policy shall be construed to alter the at-will nature of such an administrator's employment.
- (b) Upon initial appointment, annual salaries shall be set within the applicable range established in Section 1.13, Subd. 4 of this Plan and in accordance with any process established in Board policy. After consultation with the Board Chair and the Chair of the Workforce and Organizational Effectiveness (WOE) committee, the chancellor may adjust a vice chancellor's or president's salary annually, as provided in Section 1.13, Subd. 6. The adjusted salary must be within the range set forth in Section 1.13, Subd. 4 of this Plan.
- (c) A vice chancellor or president may hold academic rank and may retain faculty tenure or unlimited faculty status in a Minnesota State university or college, if applicable and approved by the chancellor and Board, consistent with the provisions and procedures of the university or college and the applicable collective bargaining agreement governing faculty terms and conditions of employment.

- (d) Upon completion of service as vice chancellor for academic affairs or president, the Board may appoint the individual as a “Distinguished Senior Fellow for Academic Affairs.” The chancellor shall determine the specific duties and shall set the salary pursuant to Section 1.13, Subds. 4 or 5 of this Plan.
- (e) After consultation with the Board Chair and the Chair of the WOE committee, the chancellor may, at any time and without notice, terminate a vice chancellor’s or president’s employment as follows:
- 1) end the individual’s employment immediately, without cause. In such circumstances, the individual will be paid a lump-sum separation payment equal to four months’ salary, excluding the cost of benefits. Additionally, the vice chancellor or president will receive severance pay as provided in Section 1.08, Subd. 1, to the extent the individual otherwise meets the eligibility criteria for severance pay;
 - 2) end the individual’s employment prospectively and without cause by providing not less than four months’ notice that the individual’s employment will end on a date certain. In such circumstances, the individual will not receive the separation pay described in Section 1.03, Subd. 2(e)(1) but will receive severance pay as provided in Section 1.08, Subd. 1, to the extent the individual otherwise meets the eligibility criteria for severance pay; or
 - 3) end the individual’s employment immediately for cause. In such circumstances, the individual will not be eligible for any separation, severance or contract termination payments, however denominated, provided, or allowed in this Plan.

After consultation with the Board Chair and the Chair of the (WOE) committee, the chancellor may reassign a vice chancellor or president to alternative duties in a different administrative position for up to twelve (12) months. At the end of the reassignment period, the reassigned individual’s employment will end. In the event of reassignment, the individual must perform the assigned duties until the date of separation from the Minnesota State Colleges and Universities. The affected vice chancellor or president will not receive the separation pay described in Section 1.03, Subd. 2(e)(1) but will receive severance pay as provided in Section 1.08, Subd. 1, to the extent the individual otherwise meets the eligibility criteria for severance pay.

The Board, upon the recommendation of the chancellor, may choose to appoint a vice chancellor or president utilizing a continuing, interim or contractual appointment.

(f) A contractual appointment must include:

- 1) Established term lengths not to exceed five (5) years; however, an initial contract with a vice chancellor or president may not exceed three (3) years.
- 2) An annual salary and provision for approved salary increases as described in Subd. 2(b) of this Section. The salary must be within the range specified in Section 1.13, Subd. 4, of this Plan.
- 3) Explicit recognition of the vice chancellor's or president's at-will employment that is:
 - i. subject to Subd. 2(e) of this Section; and
 - ii. a plain statement that employment pursuant to the contract neither creates nor implies any expectation for employment after the expiration date of the contract.
- 4) The contract may contain additional terms that establish the amount of any payments to a vice chancellor or president based on the unilateral action to end the employment relationship by either party, as follows:
 - i. payment of a separation stipend if the vice chancellor or president provides not less than nine-months' notice of their intention to separate from employment as described in Section 1.13, Subd. 13 of this Plan. This separation stipend shall be not more than 25% of the individual's base salary;

Vice chancellors and presidents are not eligible for payment under both sub-paragraph i above and for a payment under Subd. 2(e) 1 of this plan.

- 5) If the Board so chooses, the contract may include:
 - i. Non-economic provisions.
 - ii. Additional remuneration not covered elsewhere in this Plan, which shall not exceed 30% of the base salary established under Section 1.13, Subd. 4 of this Plan. Additional remuneration may include an allowance for housing, travel, communications, or other comparable items for which remuneration is typically provided for similar positions in the public higher education market. This may include compensation above the maximum salary limits established in Section 1.13, Subd. 4. Additional remuneration shall not include any payments for the quality of work performed or for ending of the employment relationship.
- 6) Contracts with a vice chancellor or president executed prior to legislative approval of this Plan shall remain in effect to the extent that they are consistent with the terms of the Plan under which the contract was executed. Contracts executed after legislative approval of the Plan shall be consistent with the terms of this Plan.



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Subd. 3 All Other Administrators in Continuing and Interim Appointments

As used in this Subdivision, the term “administrator” refers to all administrators other than the chancellor, vice chancellors and presidents.

- (a) **Employment At Will.** Administrators serve at the pleasure of the chancellor/president and no provision of this Plan shall be construed to alter the at-will nature of an administrator’s employment.

Administrators in interim appointments may be terminated without advance notice at any time, with or without cause.

- (b) **Initial Continuing Appointments.** The chancellor/president may choose to provide written assurance of an initial period of continuing appointment of up to 18 months for an administrator not previously employed within the system. Such initial appointments may be terminated for just cause.

- (c) **Notice Requirements For Involuntary Termination Of Continuing Appointments Due To Shortage of Funds, Reorganization or Other Reasons Not Reflecting On the Administrator.**

Administrators in continuing appointments shall receive a minimum of three (3) months written notice of the effective date of their termination.

The chancellor/designee may develop written procedures that permit longer minimum notice periods for individual administrators in continuing appointments, not to exceed nine (9) months. The chancellor’s/designee’s procedure on minimum notices and all associated commitments expire at the end of the chancellor’s appointment. In the event a chancellor leaves office, all continuing appointments that were under his/her control shall be subject to the three (3) month minimum notice requirement. The new chancellor may adopt new procedures pursuant to this clause.

Interim chancellors may not establish procedures regarding minimum notice periods or individual commitments. The vice chancellor for human resources may establish minimum notice procedures and/or individual notice commitments in such circumstances.

The chancellor/vice chancellor for human resources has the authority to grant a continuing administrator up to twelve (12) weeks of transition leave on or after the date the notice of involuntary termination has been issued.

- (d) **Termination for cause.** The involuntary termination of an administrator's continuing appointment for cause is not subject to the minimum notice requirements of this Plan.
- (e) **Academic Rank and Faculty Tenure or Unlimited Faculty Status.** Consistent with the provisions and procedures of the university/college for making decisions relative to these matters, as well as the terms and conditions of the applicable collective bargaining agreement, administrators otherwise qualified may hold academic rank and may retain faculty tenure or unlimited faculty status in the college/university, if applicable and approved by the chancellor or president(s).

Subd. 4 Assignment and Reassignment of Duties

The chancellor/president shall define and may redefine the duties of administrators under his/her supervision. The chancellor/president may at any time reassign an administrator to another position within the college/university or system office. Where a reassignment between a college/university and the system office is concerned, the chancellor and the president of the college/university shall consult with each other and the individual prior to such reassignment. Reassignment between colleges/universities must be approved by the presidents of the affected institutions and must be consistent with personnel policies and contractual provisions. Such reassignment does not constitute a vacancy.

Subd. 5 Discipline

In addition to the option of terminating an administrator's appointment, the chancellor/president has the authority to take any other disciplinary actions the chancellor/president deems appropriate, including but not limited to a reprimand or suspension with or without pay. As an alternative to a suspension without pay, the chancellor/president may impose a working suspension with pay and reduce the administrator's vacation leave balance by up to ten days.

Subd. 6 Outside Employment – Conflicts of Interest

Administrators are subject to System Procedure 1C.0.1 Employee Code of Conduct and PER0005 Managing Conflicts of Interest for Administrators. An administrator may accept concurrent employment, including self-employment, outside the Minnesota State Colleges and Universities only with the prior written approval of their immediate supervisor. For purposes of this section, self-employment includes working as an independent contractor, freelancer, consultant, or as the owner/partner of a business entity. This applies regardless of whether the activity is part-time, project-based, or irregular. An administrator may not engage in any activity that is in competition with the services provided by Minnesota State.



1.04 EVALUATION

Subd. 1 Chancellor

- (a) The chancellor shall be evaluated each year.
- (b) Any evaluation report prepared by or for the Board shall be deemed private and made available only to the chancellor and the members of the Board.

Subd. 2 All Other Administrators

All other administrators shall be evaluated each fiscal year and a copy of the evaluation documentation shall be retained in the administrator's personnel file.

1.05 HOLIDAYS

Subd. 1 Observed Holidays

The following days shall be designated as holidays when they occur during an administrator's appointment:

Independence Day
Labor Day
Veteran's Day
Thanksgiving Day
Day after Thanksgiving*
Christmas Day
New Year's Day
Martin Luther King Day
Presidents' Day
Memorial Day
Juneteenth

* The chancellor/president may designate an alternate day for the observance of the Day after Thanksgiving.

When any of the above holidays falls on a Saturday, the preceding day shall be observed as a holiday. When any of the above holidays falls on a Sunday, the following Monday shall be observed as a holiday.

In order to receive a paid holiday, an eligible administrator must be in payroll status during the week in which the holiday or the observed holiday falls. Part-time administrators shall be paid for the amount s/he would have been paid in the regular course of business had there been no holiday.

Subd. 2 Religious Holidays

When a religious holiday not observed as one of those holidays listed above falls on an administrator's regularly scheduled work day, upon request the administrator shall be entitled to that day off to observe the religious holiday on the terms specified in this subdivision.

Time to observe a religious holiday shall be taken without pay unless the administrator uses accumulated annual leave or, by mutual consent with the college/university/system office, is able to work an equivalent amount of time at some other time during the fiscal year to compensate for the time lost. An administrator shall notify his/her supervisor of his/her intention to observe a religious holiday in advance of the holiday.

1.06 LEAVES OF ABSENCE WITH PAY

Subd. 1 Annual Leave

(a) Eligibility, Rates of Accrual, Advance.

- 1) **Basic Eligibility.** All full-time twelve (12) month administrators shall accrue annual leave with pay at the rates as set forth in Appendix A.

Administrators who are employed less than full-time (normally 10 days per payroll period) shall have their annual leave accrual rate prorated according to the portion of time worked.

- 2) **Rate of Accrual.** For purposes of this section and Appendix A, continuous service shall include all continuous state service. Continuous service is broken by any separation from state employment that results in an individual not being employed by any Minnesota State college or university, or state agency, for at least one full pay period. For administrators moving between administrative and faculty positions, traditional academic breaks do not constitute a break in continuous service. At the discretion of the chancellor/president, a new administrator may be granted length of service credit for any prior employment the chancellor/president determines to be related to employment in the Minnesota State Colleges and Universities. A current administrator may make a written request for such credit for prior related employment at any time, however, the change in accrual rate shall take effect with the first full pay period in the fiscal year the request is approved. The vice chancellor for human resources may develop written guidance to govern the administration of requests for prior service credit.

In lieu of accruing leave according to Appendix A, administrators employed in an appointment status other than continuing for less than twelve months shall be credited with one day of annual leave at the end of each full pay period worked during the appointment, not to exceed 23 days of leave accrual for the appointment.

- 3) **Advance.** When employment in an administrator position in the Minnesota State Colleges and Universities is the initial employment in state service, re-employment after a break in service, or a move from a faculty position, non-temporary, full-time administrators shall be credited with ten (10) days of annual leave. Such credit shall be reduced proportionately by i) any annual leave balance that is available to the administrator based on prior work, and ii) the regular accrual of annual leave as provided in this Plan. Regular accruals will not be added to the administrator's leave balance until



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the credit is fully offset. Administrators, who separate from their administrative position and who have used more of the ten (10) days than they would have accrued as provided in Appendix A, shall have their last paycheck reduced by the number of days of annual leave taken in excess of that earned.

Administrators employed in an interim appointment status for less than twelve months, will not receive the initial credit of annual leave as described in this paragraph.

An administrator who commences employment under this Plan without a break in employment of at least one full pay period between positions in the classified and/or unclassified services, whether within the system or between the system and other state agencies, shall have his/her accumulated leave and length of service transferred. This provision shall also apply to administrators/managers who move from positions in the legislative or judicial branches.

- (b) **Limits on Accrual.** Annual leave may be accumulated to any amount provided that once every twelve months following the end of the last full pay period in September each administrator's accumulation must be reduced to less than 34.5 days. If this is not accomplished prior to the end of the last full pay period in September each year, the administrator's accumulation shall automatically be reduced to 34 days as of that date, and the amount of accumulation over 34 days will transfer to the administrator's sick leave balance [see Subd. 2(b)] below. Saturdays, Sundays and legal holidays will not be counted as days of leave. Whenever the administrator's accumulated balance cannot be reduced to less than 34.5 days due to assigned job requirements, the chancellor/president may extend the deadline for up to a maximum of six (6) months. If the less than 34.5-day threshold is not met during the extension period, the accumulation shall be reduced and the excess transferred to administrator's sick leave balance; the amount of the reduction shall be the smallest number of days by which the accumulated leave balance exceeded the less than 34.5-day threshold during the extension period.
- (c) **Use of Annual Leave.**
- (1) Beyond the ten (10) days credited pursuant to Subd. 1(a) above, administrators may not take annual leave until they have earned the number of days to be taken.
 - (2) Annual leave may only be taken in full day or one-half (1/2) day increments.
 - (3) The administrator must obtain the prior approval of the chancellor/president or their designees for the use of annual leave, unless the administrator is using annual leave to observe a religious holiday. The chancellor and presidents may determine periods of annual leave for themselves at times best suited to their workload.



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- (d) **Payment Upon Separation.** Upon separation from state service, or if a change in employment results in the administrator being ineligible to accrue further annual leave, an administrator shall be paid for his/her accrued but unused balance of annual leave not to exceed 34 days.
- (e) **Conversion of Accumulated Annual Leave to a Minnesota State Colleges and Universities Approved 403(b) Account or to the Deferred Compensation (457) Plan Operated by the State Retirement System.** Once in each fiscal year an administrator may convert a portion of his/her accumulated annual leave to a 403(b) account approved by the system or the 457 Plan operated by MSRS. Each administrator may convert up to one (1) day of annual leave for each three (3) days of annual leave used in the previous fiscal year, provided that the administrator shall not convert more than seven (7) days per fiscal year. Administrators who are concurrently on leave from a non-vacation eligible position shall be deemed eligible to convert up to seven (7) days of annual leave once in their initial year of service as an administrator. All leave conversion under this paragraph is subject to the approval of the chancellor/president and based on the availability of funds.

This provision shall not be used in the pay period which includes the first of July. Contributions to the administrator's 403(b) or 457 account made through the conversion of annual leave days are subject to all of the rules and regulations of the respective program and IRS regulations. The Vice Chancellor for Human Resources may impose reasonable procedures and deadlines for the administration of this provision.

Subd. 2 Sick Leave

All sick leave will accrue on a per pay period basis as follows:

- (a) **Accrual**
- (1) Except as noted in (2) below, 15 days of sick leave shall be credited to all new full-time administrators at the time of their employment to cover possible disability during the first 30 pay periods of employment. Once the 15-day credit is fully offset by the regular accrual of sick leave, each administrator shall be credited with one-half (1/2) additional day of sick leave for each succeeding pay period of employment completed. Administrators who separate from their administrative position before having fully offset the 15-day sick leave credit and who have used more sick leave days than they would have accrued at the rate of one-half (1/2) day for each pay period, shall have their last paycheck reduced by the number of days of sick leave taken in excess of that earned. Administrators who have leave reinstated under Subd. 2(c) below shall, if necessary, have additional sick leave credited to bring the administrator's sick leave balance to 15 days at the time of reappointment.



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- (2) Employees accepting an administrator position in the Minnesota State Colleges and Universities under the provisions of Subd. 2 (a)(5) below shall not be credited with days as defined in Subd. 2 (a)(1) above but shall be given a sick leave balance as described in Subd.2(a)(5). If the transfer of an accumulated sick leave balance as described in Subd.2(a)(5) is defeated by operation of the administrator's preceding compensation plan or bargaining agreement, Subd. 2(a)(1) shall apply.
 - (3) Administrators commencing employment on less than a full-time basis shall be given a pro-rata portion of the 15-day sick leave credit as described in Subd. 2 (a)(1) above. Once the pro-rated sick-leave credit is fully offset by the regular pro-rated accrual of sick leave, each part-time administrator will be credited with one-half (1/2) day of sick leave pro-rated by the fraction of time employed for each succeeding pay period of employment.
 - (4) Administrators specifically employed for a limited period of service not to exceed 15 months shall be credited with one-half (1/2) day of sick leave for each pay period of anticipated service rather than 15 days as described above. The amount of sick leave credited for part-time administrators so employed shall be pro-rated by the fraction of time employed.
 - (5) An administrator who commences employment under this Plan without a break in employment of at least one full pay period between positions in the classified and/or unclassified services, whether within a system or between agencies, shall have his/her accumulated leave transferred. This provision shall also apply to employees who move to administrative positions from administrative or non-administrative positions covered by other plans or collective bargaining agreements or from positions in the legislative or judicial branches.
- (b) **Use of Sick Leave.** Sick leave may only be taken in one-half (1/2) day increments. The use of sick leave shall be approved, when appropriate, by the chancellor/president or his/her designee. Administrators may use up to ten (10) days of sick leave for the birth or adoption of the administrator's child. Sick leave shall be granted for absences made necessary; 1) by reason of illness, or disability, including temporary disabilities caused or contributed to by pregnancy, miscarriage, abortion, childbirth, and recovery there from; 2) by exposure to contagious disease which may endanger the individual or the public health; or 3) by illness in the immediate family making it necessary that the administrator be absent from his or her duties.

In the case of childbirth, birth mothers may use sick leave to the extent the birth mother's sick leave balance permits to cover the period of disability related to the birth of a child, but shall not be required to use more than five (5) days of sick leave due to such disability. In the case of absence for illness of members of the immediate family, the term "immediate family" shall be defined to include the spouse, brothers and sisters living in the administrator's household, or children, wards, parent or parents of the spouse. The chancellor/president may extend these provisions to include other residents of the household. Leave taken under the Family Medical Leave Act shall be charged to sick leave as appropriate.

Effective January 1, 2024, the use of sick leave shall also be approved for situations pursuant to M.S. 181.9447, Subdivision 1.

- (c) **Reinstatement.** An administrator who is eligible to accrue sick leave, who is reappointed to a position within the Minnesota State Colleges and Universities within four (4) years from the date of separation in good standing, shall have his or her sick leave balance and bank, if any, restored. However, any administrator being reappointed after receiving severance pay shall have his or her leave restored proportionately by deducting the days or fractions of days which were used in the calculation of the severance payment. This provision shall also apply to administrators who are appointed to an unclassified position in the Minnesota State Colleges and Universities following separation in good standing from positions covered by other plans or collective bargaining agreements or from positions in the legislative or judicial branches, unless the previous accrual rates and maximum accumulations were greater than those provided in this Plan, in which case leave balances and banks shall be restored in amounts equal to what they would have accumulated under this regulation.

Subd. 3 Bereavement Leave

The use of a reasonable period of bereavement leave (not deducted from sick leave), up to five (5) days per occurrence, shall be granted in case of a death in the administrator's immediate family. The term "immediate family" shall include the spouse, parents, parents of the spouse, children, grandchildren, brothers, sisters, grandparents, or wards of the administrator.

The use of sick leave for bereavement purposes shall be granted in case of the death of the following individuals who are not members of the administrator's immediate family: a regular member of the administrator's household, sister-in-law or brother-in-law, a spouse of the administrator's child, and the following relatives of the spouse: children, grandchildren, grandparents or wards.



Subd. 4 Paid Parental Leave

- (a) Length of Leave. Paid parental leaves of absence of up to six (6) consecutive weeks shall be granted to eligible administrators who request such leave following the birth or adoption of a child.
- (b) Eligibility. Employees are eligible if they meet eligibility criteria for Family and Medical Leave Act (“FMLA”) leave, which generally means the employee has been employed by the Employer for twelve (12) months and has worked at least 1,250 hours during the year immediately preceding the leave.
- (c) Qualifying Event. Paid parental leave (“PPL”) is available to employees who experience the following qualifying events:
 - (1) an employee or the employee’s spouse/partner gives birth to the employee’s child;
 - (2) a child is placed in the employee’s home for adoption; or
 - (3) a child is placed in the employee’s home to adjudicate parentage in cases of surrogacy when the employee is the intended parent.
- (d) Use. Eligible employees must complete use of PPL within six (6) months of the qualifying event. At the chancellor/president’s discretion, employees may be allowed intermittent or reduced schedule use of leave, which must be completed within twelve (12) months of the qualifying event. PPL not used within the required timeframe shall not be carried over or cashed out.
- (e) Interaction with Other Leaves. Paid parental leave will run concurrently with any unpaid leave(s) that the administrator may be entitled to under other provisions of this Plan or provided by law. Administrators are not eligible to receive other types of paid leave provided by this Agreement for time in which they are receiving PPL.

Subd. 5 Military Leave of Absence

An administrator of the Minnesota State Colleges and Universities who is a member of the state or federal armed services is entitled to leave of absence with pay as defined in Minnesota Statute §192.26.

Subd. 6 Court-Related Leaves of Absence

An administrator in the Minnesota State Colleges and Universities shall be granted a leave of absence with pay for:

- (a) appearance before a court, legislative committee, or other judicial or quasi-judicial body in response to a subpoena or other direction by proper authority for purposes related to the administrator's Minnesota State Colleges and Universities position.
- (b) attendance in court in connection with an administrator's official duty, such attendance including the time required in going to the court and returning to the administrator's place of work.
- (c) appearance before a court, legislative committee, or other judicial or quasi-judicial body in response to a subpoena or other direction by proper authority for purposes related to the administrator's prior employment with the State of Minnesota or with a Minnesota local government entity.

Subd. 7 Jury Duty Leave

Jury duty leave for time to serve on a jury, provided that when not impaneled for actual service but only on call for service, the administrator shall report to work.

Subd. 8 Voting Time Leave

Voting time leave, in accordance with Minnesota Statute §204C.04 for administrators eligible to vote in any statewide general election or any election to fill a vacancy in the United States Congress, or in the office of state senator or representative, provided that the leave is for a period of time long enough to appear at the administrator's polling place, cast a ballot return to work on the day of the election.

Subd. 9 Emergency Leave

Emergency leave, in the event of a natural or man-made emergency, shall be granted pursuant to Minnesota State Colleges and Universities Board Policy 4.4, Weather/Emergency Closings.

Subd. 10 Leave for Bone Marrow and Organ Donation

An administrator undergoing a medical procedure to donate bone marrow, an organ or a partial organ to another person shall be granted paid leave not to exceed 5 days. If there is a medical determination that the administrator does not qualify as a donor, any paid leave of absence granted to the administrator prior to the medical determination is not forfeited.

Subd. 11 Investigatory Leave

The chancellor/president/vice chancellor for human resources may place an administrator who is the subject of a disciplinary investigation on an investigatory leave with pay.

1.07 LEAVES OF ABSENCE WITHOUT PAY

Subd. 1 Personal Leaves of Absence

The chancellor/president may approve leaves of absence without pay and without employer paid benefits when deemed to be in the best interest of the college/university or system. No regular leave without pay shall extend for a period greater than one (1) year. No administrator shall have more than two (2) consecutive year-long leaves without pay without the consent of the chancellor. While on unpaid leave, an administrator shall have the right to continue insurance benefits, to the extent permitted by law at his/her own expense.

Subd. 2 Parental Leaves of Absence

Leave of absence shall be granted to a natural or adoptive parent for a period of up to six months when requested in conjunction with the birth or adoption of the administrator's child. The leave shall commence on the date requested by the administrator but no later than six weeks after the birth or adoption or exhaustion of any paid leave that may be available for the birth or adoption event, whichever comes later; except that, in the case where the child must remain in the hospital longer than the mother, the leave may begin up to six weeks after the child leaves the hospital. Sick leave used with a medical practitioner's statement prior to the birth of the child will not reduce the duration of the leave of absence. Upon request, the chancellor/president may grant extensions of the leave of absence, but in no case shall the leave of absence exceed one year.

Subd. 3 Unpaid Medical Leave

- (a) Upon exhaustion of entitlement to sick leave, an administrator may be granted up to one year of unpaid medical leave to for a documented illness or injury that prevents the administrator's return to work.
- (b) An administrator may be granted up to one year of unpaid medical leave to provide documented, medically necessary care to an immediate family member as defined in Section 1.06, Subd 2 (b), or an individual, with respect to whom the administrator stood or stands in loco parentis.
- (c) An administrator granted unpaid medical leave will have that leave run concurrently with any other form of unpaid leave available to the administrator.
- (d) An administrator may request additional unpaid medical leave beyond one year. Such additional leave may be granted by the chancellor/designee.



Subd. 4 Salary Savings Leave of Absence

Upon the request of an administrator, the chancellor/president may approve an unpaid leave of absence for the purpose of reducing salary expenditures. Approved leaves shall be taken in half-day or full day increments. An Administrator taking a leave under this subdivision shall continue to accrue annual leave and sick leave and be eligible for paid holidays and insurance benefits as if actually working during the time of leave. If a leave is more than one full pay period or longer in duration and a holiday occurs during the leave, holiday pay shall be paid following the leave of absence.

Subd. 5 Employment within the System

The chancellor/president may approve an unpaid leave of absence up to one year in duration to facilitate an administrator's acceptance of a different position within the system. Upon written approval of the chancellor/vice chancellor for human resources, such leave may be extended up to one additional year.

Subd. 6 Minnesota Paid Leave

The paid annual leave and sick leave benefits afforded under the terms of this Plan, may be used to supplement salary replacement benefits under Chapter 268B of Minnesota Statutes, Minnesota Paid Leave (MPL). Paid parental leave may be used to supplement MPL salary replacement benefits consistent with Section 1.06, Subd. 4. The use of paid leave benefits under this Plan to supplement MPL salary replacement benefits is subject to reduction or truncation by the Employer as needed to ensure compliance with the provisions of the MPL statute. This subdivision does not address benefits, including any form of salary replacement benefits, available through the State Employee Group Insurance Program.

Subd. 7 Construction with Other Provisions in the Plan

Nothing in Section 1.07 will be construed to limit the Employer's authority to end an administrator's employment as provided in Section 1.03.

1.08 SEVERANCE

Subd. 1 Severance Pay

Administrators shall receive severance pay upon separation from employment with the System for one of the following reasons:

- (a) retirement at or after age 65;
- (b) death;
- (c) separation following: (1) five (5) years of continuous state employment as a bargaining unit 220 manager/administrator, and/or as an administrator in the Minnesota State Colleges and Universities, or (2) 20 years of continuous state employment;
- (d) retirement following ten (10) years of continuous state employment with immediate entitlement at the time of retirement to receive a retirement benefit under a state retirement program;
- (e) involuntary separation from employment with the System and the State of Minnesota because of a reduction in personnel;
- (f) upon voluntary termination of employment pursuant to the receipt of an incentive provided by law.

Notwithstanding any other provision, severance pay shall not be made to an administrator under this Plan who is involuntarily terminated with cause pursuant to Section 1.03, subd. 3 (a) or (d).

Subd. 2 Limits on Severance Pay

The following limits shall apply to the payment of severance under this section.

- (a) An administrator is not eligible for severance pay under Section if the administrator has received a sick-leave based severance payment for any other employment in State service, unless the administrator has a minimum of five years of continuous service as an employee of Minnesota State immediately preceding separation from employment and otherwise satisfies the eligibility criteria set forth above.
- (b) An interim administrator who, at the time of separation, holds a different non-administrator position with Minnesota State is not eligible for severance under this section if the interim administrator is eligible for a severance payment under the terms of the applicable bargaining agreement or compensation plan governing such other position. An employee may not elect or otherwise choose severance eligibility under this section in lieu of or in addition to such other severance eligibility. The Vice Chancellor for Human Resources may grant relief from this paragraph if needed to avoid the forfeiture of a severance benefit under this section and such other severance eligibility for an otherwise eligible employee.



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Subd. 3 Calculation of Severance Pay

Except as otherwise provided in this subdivision severance pay shall be a sum equal to 40% of the administrator's total accumulated but unused sick leave at the time of separation paid at the administrator's final rate of pay, provided that the severance payment calculated pursuant to this paragraph shall not exceed the lesser of i) 50% of the annual base salary of the administrator at the time of his/her separation, or ii) 50% of the maximum base salary payable under Section 1.13, Subd. 5 c, range 14.

Administrators employed by the state universities on June 30, 1995, who elected to retain severance pay at 50% of his/her accumulated but unused sick leave balance, not to exceed 125 days times the regular daily rate of pay at the time of separation, shall continue to be eligible for this severance pay provision.

Severance payments shall be paid in cash if the severance payment is being made because of the death of the administrator, or if the gross amount of a severance payment to be paid under this subdivision is less than \$5,000.00. All other severance payments shall be transferred to a Health Care Savings Account established under Minnesota Statutes 352.98.

In the event an administrator who has received severance pay is subsequently reappointed within the Minnesota State Colleges and Universities, future severance pay for that individual shall be computed upon the unused sick leave balance accumulated since the time of reappointment.

Subd. 4 Severance Payments Per Employment Contracts

In addition to severance pay benefits available under Subdivision 1 of this section, the terms of a contractual appointment may include severance pay as described in Section 1.03, Subdivisions 1 and 2.

Subd. 5 Re-employment of Early Retirees

Subject to the limits of Board Policy, administrators who have received an early separation incentive from the Minnesota State Colleges and Universities or one of its predecessor systems/institutions may be re-employed by the Minnesota State Colleges and Universities on an interim appointment, with prior written approval of the chancellor/vice chancellor for human resources/president.

1.09 INSURANCE

Except as otherwise provided below, the insurance benefits provided in the State Managerial Plan are applicable to administrators. A copy of the State Managerial Plan insurance article is attached as Appendix B.

Subd. 1 Eligibility for Participation in the State Employee Group Insurance Program

An administrator employed at least 50% time during a nine (9) month or longer appointment may elect to be covered by the benefits provided for in this Plan.

Subd. 2 Eligibility for State-Paid Benefits

To be eligible for the full employer contribution toward the premiums for health, dental and basic life insurance benefits, an administrator must be employed for at least 75% time during a nine (9) month or longer appointment. To be eligible for a partial employer contribution toward the premiums for health, dental and basic life insurance benefits, an administrator must be employed at least 50% time and less than 75% time during an appointment of nine (9) months or longer.

Subd. 3 Maintaining Eligibility for Employer Contribution During Leaves

An administrator eligible for basic coverage paid by the employer shall have such coverage maintained during the period of a sabbatical leave or leave without pay for educational or other purposes judged by the chancellor to be of benefit to the Minnesota State Colleges and Universities.

Subd. 4 Amount of Employer Contribution

- (a) **Full Employer Contribution for Administrator Insurance Premiums.** For Plan years 2026 and 2027, the employer shall contribute an amount equal to 95% of the employee-only premium of the Minnesota Advantage Health Plan. When the employee elects dependent coverage, the employer shall contribute an amount equal to 85% of the dependent contribution.

- (b) **Full Contribution for Dependent Dental Insurance.** For employee dental coverage, the employer contributes seventy percent (70%) of the employee premium of the dental plan. For dependent dental coverage, the employer contributes fifty percent (50%) of the dependent premium of the Dental Plan.
- (c) **Partial Employer Contributions for Health, Dental and Basic Life Insurance.** Administrators who qualify for a partial employer contribution for health and dental insurance coverage, and who elect such coverage, shall, receive 75% of the full employer contribution for both employee-only and dependent coverage. These administrators who qualify for and elect insurance coverage shall receive the full employer contribution for basic life insurance coverage.
- (d) **Basic Life Insurance.** Administrators who qualify for and elect insurance coverage also qualify for manager basic life coverage and accidental death and dismemberment coverage. The employer contributes one hundred percent (100%) of the cost of this coverage.
- (e) **Contribution for Administrators Involuntarily Terminated Due to Abolition of Position or Reorganization.** An administrator with an employer contribution and who has been employed for at least three (3) years of continuous service shall remain eligible for an employer contribution for up to six (6) months from the date of separation if the position s/he occupies is abolished because of a reduction in force. In no event shall the employer contribution continue beyond the date at which the administrator reaches the age of 65.

1.10 EXPENSE REIMBURSEMENT

Subd. 1 Reimbursement of Expenses Incurred While in Travel Status and Other Business Related Expenses

Except as otherwise provided below, the expense reimbursements for all administrators covered under this Plan are the same as those provided in the State Managerial Plan. A copy of the State Managerial Plan expense reimbursement language is attached as Appendix C.

The State Managerial Plan provides for higher meal reimbursement rates for selected metropolitan areas. These higher rates shall also apply to reimbursable meals obtained within Hennepin and Ramsey counties.

An administrator using their personal motorcycle for business purposes shall be reimbursed at one-half the Federal IRS mileage reimbursement rate for use of a personal automobile, rounded to the nearest cent per mile.

Where anticipated reimbursable travel expenses exceed \$150, the chancellor/president shall advance the administrator the amount of the anticipated expenses upon the administrator's request made a reasonable period of time prior to the travel date. Smaller advances may be made at the discretion of the chancellor/president. If the amount of the advance exceeds the actual expenses, the administrator shall return the excess within two weeks of return from travel. The chancellor/president may issue the administrator an employer-owned credit card in lieu of a travel advance.

Subd. 2 Extended Travel Status in Special Circumstances

An administrator appointed to a position more than 35 miles from the administrator's primary residence may be considered in travel status for up to one year. One or more extensions of up to an additional six (6) months may be granted by the chancellor to administrators in interim positions. Reimbursable expenses for an administrator in extended travel status may include reasonable hotel or motel accommodation, and airfare, if approved in writing by the chancellor or president. The chancellor or the president authorizing extended travel status may establish lower limits on travel expenses than those contained in the State Managerial Plan for the duration of the interim appointment.

Subd. 3 Reimbursement of Expenses for Candidates for Employment

The chancellor/president may reimburse travel expenses for candidates invited to participate in employment interviews. The chancellor/president may also reimburse one additional person accompanying a candidate to the employment interview. In determining to reimburse travel expenses, the chancellor/president shall consider the availability of qualified candidates, the needs of the system or institution, and the availability of funds. Any expenses paid are subject to the provisions of this Plan regarding types and maximum amounts of reimbursement.

1.11 RELOCATION EXPENSES

Subd. 1 Eligibility, Limits and Conditions

- (a) **Availability, Approval and Limits.** Administrators may be reimbursed for relocation expenses as indicated below. An administrator must have written approval from the approving authority, as indicated below, on or before the date of hire and prior to incurring any relocation expenses. The approving authority shall establish an overall limit on total relocation reimbursement in writing contemporaneously with the formal offer of employment. Once established, the limit shall not be lowered, provided it is consistent with this Plan. This limit shall not exceed \$50,000 or twenty (20) percent of the initial base salary, whichever is greater. The type of expenses that are reimbursable under this Plan and the total amount of reimbursement may be further limited by the approving authority. The approving authorities are as follows:
- (1) The Board of Trustees for the chancellor
 - (2) The chancellor or vice chancellor for human resources for administrators in the system office and presidents
 - (3) The president or vice chancellor for human resources for campus administrators.
- (b) **Eligibility.** The chancellor/vice chancellor for human resources/president may authorize reimbursement of relocation expenses in the following circumstances:
- (1) the individual being hired is beginning their initial employment as an administrator at a particular college, university or the system office.
 - (2) The individual is being rehired at a college, university or the system office after a break in service with the Minnesota State system of at least one year.
- (c) **Pre-employment Expenses.** After commencing a qualifying appointment and consistent with the prior authorization described in subdivision 1 (a) of this section, administrators may be reimbursed for expenses incurred prior to their first day of employment.

Reimbursement for relocation expenses will be allowed only for expenses incurred prior to and within one (1) year after the date of appointment.

- (d) **No Representation as to Tax Consequences.** Neither the employer nor the approving authority make any representation as to the tax consequences of any expense reimbursement provided under this section. Some of the payments under these provisions may be considered wages by the Internal Revenue Service and as such are subject to income tax withholding.

Subd. 2 Covered Expenses

Reimbursable expenses may include, but are not limited to, the following:

- (a) **Travel Status.** For up to six (6) months, an administrator eligible for relocation expense reimbursement may be considered in travel status and receive expense reimbursement consistent with 1.10 of this Plan and Appendix C.
- (b) **Travel to New Work Location.** Four (4) round trips by the administrator's spouse or other adult living with the administrator and two (2) round trips by the administrator's dependents to the new work location.

Reimbursement for the cost of travel of the administrator's spouse and dependents when moving to the new work location must be otherwise consistent with the State Managerial Plan (Appendix C).

- (c) **Moving Expenses.** The actual cost of moving and packing household goods may be reimbursed. Approval shall be obtained from the president for college/university administrators and the chancellor for administrators in the system office and presidents, prior to making any commitment to a mover to either pack or ship the administrator's household goods. Payment shall be made for moving a house trailer if the trailer is the administrator's domicile.
- (d) **Miscellaneous Expenses.** Documented miscellaneous expenses directly related to the move may be reimbursed to the administrator. These expenses may include, but are not limited to, such items as: fees involved in the purchase of a house in the new location, disconnecting and connecting appliances and/or utilities, the cost of insurance for property damage during the move, the cost of moving vehicles, payment of loan origination fees not to exceed one percent (1%) of mortgage, or other similar direct costs associated with rental or purchase of another residence. An administrator shall not be reimbursed for improvements to a house or property being sold or purchased, or for ongoing expenses related to the occupation of a house or property, e.g., monthly utilities.

Neither the State of Minnesota nor the Minnesota State Colleges and Universities shall be responsible for the loss or damage to any administrator's household goods or personal effects.



Subd. 3 Realtor's Fees

The cost of the realtor's fees on the sale or purchase of the administrator's principal residence, but not both, or fees required to break a lease on an administrator's rented domicile may be reimbursed up to six percent (6%) of the selling/purchase price of the principal residence. A signed copy of the settlement statement showing that the employee paid the realtor's fees or other documentation of the amount of realtor's fees must accompany the request for reimbursement.



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1.12 CAREER DEVELOPMENT AND TUITION WAIVER

Subd. 1 Courses, Tuition and Fees

- (a) Administrators employed on at least a 75% basis shall be entitled to enroll in courses offered by a college/university in the Minnesota State Colleges and Universities without payment of tuition or fees, except laboratory and special course fees. Such enrollment shall not exceed a total of 27 semester credit hours per fiscal year for any administrator.
- (b) To the extent that the administrator does not exercise the rights above, the administrator's spouse or dependents shall be eligible to take credits in an institution type which is similar to that in which the employee is employed (i.e., if employed in a community, technical or consolidated college, is entitled to tuition waiver in any community, technical or consolidated college; if employed in a state university, is entitled to tuition waiver in any state university), within the limits above, with waiver of tuition only.

The tuition waiver benefit shall not be used for courses that are part of an applied doctorate program.

- (c) **Discretionary Use.** An administrator employed at a college and their spouse, domestic partner, or dependent children may be authorized to share up to eighteen (18) credits per year of the tuition waiver benefit for use at a Minnesota State university, to the extent the president of the college determines funds are available for this use. An administrator employed at a university and their spouse, domestic partner, or dependent children may be authorized to share up to eighteen (18) credits per year of the tuition waiver benefit for use at a Minnesota State college, to the extent the president of the university determines funds are available for this use. The use of the discretionary tuition waiver benefit shall include taking applied doctorate courses. The president's exercise of discretion under this paragraph is not subject to appeal. Administrators employed by the system office may be permitted similar access to the discretionary tuition waiver benefit described in this paragraph, to the extent that the chancellor/designee determines funds are available for this use.

Subd. 2 Professional Development

The chancellor/president may fund professional development for administrators. This may include attendance at professional meetings, seminars, visits to post-secondary institutions or other relevant activities that will enhance professional knowledge and performance.



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Subd. 3 Sabbatical Leave

An administrator is eligible for a sabbatical leave to secure additional education, training, or experience which will better prepare him/her to carry out his/her management responsibilities. A sabbatical leave may be granted for any period up to one (1) year at no pay, partial pay, or full pay. Administrators are not eligible for holiday pay or to accrue or use annual leave and sick leave while on sabbatical leave. Granting of a sabbatical leave is at the discretion of the chancellor. The administrator shall be eligible to retain state-paid insurance benefits for which s/he is otherwise eligible while on sabbatical leave. A sabbatical leave may be granted if all of the following criteria are met:

- (a) the administrator has at least six (6) years of service in a sabbatical eligible position in the Minnesota State Colleges and Universities;
- (b) the administrator has submitted a plan to the president or appropriate vice chancellor or chancellor showing how the leave will serve the purpose described above;
- (c) the president or vice chancellor has recommended approval of the plan to the chancellor;
- (d) the chancellor has granted prior approval of the plan;
- (e) the organization's functions and goals can be carried out during the administrator's absence;
- (f) funds are available for this purpose;
- (g) the administrator agrees, in writing, to return to employment in the system following completion of a paid sabbatical leave for the amount of time specified by the chancellor at the time the leave was approved and agrees to repay the amount of sabbatical compensation if s/he does not return for the agreed upon time; and
- (h) the administrator agrees to prepare and deliver a written report at the end of the sabbatical, which shall be shared with other administrators.

Subd. 4 Student Loan Repayment Stipend

The chancellor/president/vice chancellor for human resources may authorize payment to an administrator of up to \$5000 per year as a stipend to assist the administrator in defraying student loan payments. The student loan repayment stipend shall not exceed the total amount of student loan payments made by the administrator for the time period for which the stipend is sought. Student loan repayment stipends shall be made at or immediately following the end of the fiscal year for student loan payments made in the preceding 12 months, and then only to the extent that campus or system office budgets permit.

To be eligible for this stipend, student loan payments must be made with respect to a student loan incurred by the administrator to finance the administrator's own education. Some of the payments under this subdivision may be considered wages by the Internal Revenue Service and as such are subject to income tax withholding.



1.13 SALARY ADMINISTRATION

Subd. 1 Purpose

The purpose of this policy is to establish salary ranges and to define other salary policies that affect administrators.

Subd. 2 Annual Base Salary

These salary ranges, and annual base salaries set within these ranges, are for the full fiscal year (July 1 - June 30) and shall not be added to or subtracted from to reflect fluctuations in the number of work days (260, 261 or 262) in a given year.

Subd. 3 Chancellor

The Board shall set and may adjust the salary of the chancellor within the range listed below, as described in Section 1.13, Subd. 6 of this Plan. The salary range shall be subject to legislative approval pursuant to Minnesota Statute §15A.081, Subd. 7c. The chancellor shall not be eligible for lump-sum performance incentives.

<i>Fiscal Year</i>	<i>Effective Date</i>	<i>Minimum</i>	<i>Maximum</i>
FY 2026	July 1, 2025	\$337,323	\$486,492
FY 2027	July 1, 2026	\$345,756	\$498,654

Subd. 4 Presidents & Vice Chancellors

- (a) The chancellor shall determine the salary of a president or vice chancellor upon their appointment, and any subsequent salary adjustments pursuant to this section must be within the salary ranges provided in this subdivision. Presidents and vice chancellors shall not be eligible for lump-sum performance incentives.
- (b) Presidents and vice chancellors in the first year of their current contract are ineligible for a general salary increase as provided under Section 1.13, Subd. 6 of this Plan.

(c) Salary Ranges for Presidents in FY 2026 and 2027

Effective July 1, 2025 (FY 2026)		
	<i>Minimum</i>	<i>Maximum</i>
VI	\$276,866	\$409,647
V	\$200,586	\$397,217
IV	\$196,066	\$385,917
III	\$172,900	\$249,744
II	\$161,599	\$226,012
I	\$144,648	\$213,582

Effective July 1, 2026 (FY 2027)		
	<i>Minimum</i>	<i>Maximum</i>
VI	\$283,787	\$419,888
V	\$205,601	\$407,147
IV	\$200,968	\$395,565
III	\$177,223	\$255,988
II	\$165,639	\$231,662
I	\$148,264	\$218,922

(d) Salary Range for Vice Chancellors in FY 2026 and 2027

<i>Fiscal Year</i>	<i>Effective Date</i>	<i>Minimum</i>	<i>Maximum</i>
FY 2026	July 1, 2025	\$161,599	\$397,217
FY 2027	July 1, 2026	\$165,639	\$407,147

Subd. 5 All Other Administrators

Entry Appointment. The chancellor/designee shall set salaries for entry appointments of administrators employed in the system office within the appropriate salary range. Presidents may make entry appointments at salaries up to and including the designated delegation limit for the salary range. Entry appointments beyond the delegation limit for the salary range must have the prior approval of the chancellor's designee, unless delegation of authority has been granted to the president by the chancellor/designee. Athletic directors and/or assistant athletic directors with assignments that include, among other things, head coaching responsibility for an NCAA Division I sport will have their position assigned to the appropriate salary range and may be paid a salary up to one-third greater than the top of such range.

The appropriate salary range for all administrative positions under this subdivision shall be established by the Vice Chancellor for Human Resources/designee.

Change to Continuing Status. An administrator serving in an interim appointment who is awarded the same position on a continuing basis may have their salary adjusted as authorized by the Vice Chancellor for Human Resources/designee. The Vice Chancellor will develop procedures for evaluating and setting salaries in these and other circumstances. The procedure will be based on job-related factors including the scope of responsibilities, demonstrated performance, qualifications, relevant experience, and current labor market. Prior or current salary history shall not be requested, considered, or used in adjusting salaries in these circumstances.

Promotion. An individual promoted to a position assigned to a higher salary range shall have their salary set within the new range based on procedure and job-related factors described above.

When a promotion results in a salary placement that is below the minimum of the assigned range, an adjustment may be made to bring the salary within the new range.

Salary Ranges for Fiscal Years 2026 and 2027

<i>Effective July 1, 2025</i>					
<i>Range</i>	<i>Minimum</i>	<i>Midpoint</i>	<i>Delegation Limit</i>	<i>Q3</i>	<i>Maximum</i>
16	\$198,326	\$257,089	\$276,866	\$286,471	\$316,982
15	\$184,201	\$239,008	\$257,654	\$267,260	\$294,381
14	\$171,205	\$222,623	\$239,573	\$248,614	\$274,040
13	\$159,339	\$207,367	\$223,188	\$231,098	\$254,829
12	\$148,039	\$192,675	\$207,367	\$214,712	\$236,748
11	\$137,868	\$179,115	\$192,675	\$200,022	\$220,927
10	\$128,262	\$166,684	\$179,680	\$185,895	\$205,107
9	\$119,222	\$155,384	\$166,684	\$172,900	\$190,415
8	\$111,311	\$144,083	\$155,384	\$161,034	\$177,420
7	\$102,836	\$134,478	\$144,083	\$149,168	\$164,989
6	\$96,056	\$124,307	\$134,478	\$138,998	\$153,689
5	\$89,275	\$115,831	\$124,872	\$129,958	\$142,953
4	\$83,060	\$107,921	\$116,397	\$120,351	\$133,347
3	\$76,844	\$100,010	\$108,486	\$111,877	\$123,177
2	\$71,759	\$93,230	\$100,576	\$103,966	\$115,266
1	\$66,674	\$87,015	\$93,796	\$96,621	\$107,356



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<i>Effective July 1, 2026</i>					
<i>Range</i>	<i>Minimum</i>	<i>Midpoint</i>	<i>Delegation Limit</i>	<i>Q3</i>	<i>Maximum</i>
16	\$203,284	\$263,516	\$283,788	\$293,633	\$324,907
15	\$188,806	\$244,983	\$264,095	\$273,942	\$301,741
14	\$175,485	\$228,189	\$245,562	\$254,829	\$280,891
13	\$163,322	\$212,551	\$228,768	\$236,875	\$261,200
12	\$151,740	\$197,492	\$212,551	\$220,080	\$242,667
11	\$141,315	\$183,593	\$197,492	\$205,023	\$226,450
10	\$131,469	\$170,851	\$184,172	\$190,542	\$210,235
9	\$122,203	\$159,269	\$170,851	\$177,222	\$195,175
8	\$114,094	\$147,685	\$159,269	\$165,060	\$181,855
7	\$105,407	\$137,840	\$147,685	\$152,897	\$169,114
6	\$98,457	\$127,415	\$137,840	\$142,473	\$157,531
5	\$91,507	\$118,727	\$127,994	\$133,207	\$146,527
4	\$85,136	\$110,619	\$119,307	\$123,360	\$136,681
3	\$78,765	\$102,510	\$111,198	\$114,674	\$126,256
2	\$73,553	\$95,561	\$103,090	\$106,565	\$118,148
1	\$68,341	\$89,190	\$96,141	\$99,037	\$110,040

Subd. 6 Salary Increases for Other Administrators

The provisions of this subdivision apply to all administrators including the chancellor, and vice chancellors and presidents exclusive of Subd. 4 (b) above.

(a) Fiscal Year 2026 and 2027 - General Salary Increases.

Administrators shall receive a general salary increase of 2.25%, effective July 1, 2025, if the chancellor/president determines that the administrator has achieved satisfactory performance standards or objectives. This general salary increase shall not result in a salary above the new maximum of the salary range to which the administrator's position is assigned.

Effective July 1, 2026, administrators shall receive a general salary increase of 2.25%, if the chancellor/president determines that the administrator has achieved satisfactory performance standards or objectives. This general salary increase shall not result in a salary above the new maximum of the salary range to which the administrator's position is assigned.

To be eligible to receive a general salary increase, an administrator must be either i) in active payroll status in an administrative position as of the last work day of the preceding Fiscal Year, or ii) on an approved leave from an administrative position that encompasses the last work day of the preceding Fiscal Year.

The Board may elect to forgo a general increase with respect to the Chancellor. After consultation with the Board, the Chancellor may elect to forgo a general increase with respect to administrators employed pursuant to a contract.

Subd. 7 General Salary Administration Policies

- (a) **Lateral Transfer.** An administrator who transfers to another position in the same salary range at the same college/university or within the system office will normally retain their existing salary placement within the current range, unless an adjustment is authorized in writing by the Vice Chancellor for Human Resources/designee.

An administrator who permanently transfers to a different position in the same salary range at a different college/university or at the system office may have their salary reviewed and set within the current range by the Vice Chancellor for Human Resources/designee based on the procedure and job-related factors identified in Subdivision 5 of this Section.

- (b) **Movement to a lower salary range.** When an administrator voluntarily moves or is reassigned to a position in a lower salary range will have their salary reviewed and set within the new range by the Vice Chancellor for Human Resources/designee based on procedure and job-related factors identified in Subdivision 5 of this Section. If the resulting salary placement exceeds the maximum of the lower range, the salary will normally be adjusted to fall within the new range.

The Vice Chancellor for Human Resources/designee has the discretion to determine salary placement within the lower range or, in limited circumstances, authorize retention of pay above the maximum when warranted by the aforementioned review and organizational or operational needs.

- (c) **Counters to External Offers of Employment.** The chancellor may adjust the salary of any administrator who presents to him/her written evidence of an employment offer at a higher salary from an employer outside the system.

(d) **Review of Salary Range/Positions.**

- (1) Position Descriptions. Position descriptions shall be reviewed by the administrator and his/her supervisor on a regular basis to determine if changes have occurred in the position or in the organizational structure. Revised or new position descriptions shall be approved by the chancellor/president or designee, as appropriate.
- (2) Review of Present Salary Range/Positions. The chancellor or designee will assign positions to appropriate salary ranges. A request for position re-evaluation or salary range assignment review may be initiated at any time by an administrator or his/her supervisor. The procedure for handling requests for reviews shall be as set forth by the chancellor or designee.

(e) **Additional Compensation Not Provided – Exception for Special Circumstances.** Administrators covered by this Plan are exempt employees under the Fair Labor Standards Act and are not compensated for overtime. Except as provided in this Plan, administrators are not awarded additional compensation for work performed above and beyond the minimum expectations of the position held by the administrator.

Administrators who teach courses for credit may receive additional compensation for such work, as described in this paragraph, if it is beyond the normal, expected duties of the administrator.

- (1) An administrator who teaches a credit-generating course at another college/university within the system may be compensated at the rate paid for adjunct faculty for the number of credits taught under the appropriate collective bargaining agreement.
- (2) Administrators who teach one or more credit-generating courses at their home college/university may, with the president's written authorization, receive additional compensation above and beyond their administrative salary at the rate paid for adjunct faculty for the number of credits taught under the appropriate collective bargaining agreement.
- (3) Absent written approval of the chancellor/vice chancellor for human resources/president, additional compensation for teaching shall be limited to six credit hours per Fiscal Year.

- (4) As approved by the president or chancellor/designee, administrators may receive additional compensation for incidental work which is outside of their normal duties, e.g., officiating at athletic contests, musical performances, non-credit teaching, but not including other instruction-related activities such as counseling, etc. In no case may the pay for such additional work exceed \$2000 per fiscal year.
- (5) Additional compensation paid to administrators shall be paid to the administrator in their administrative capacity. Administrators shall not be assigned to a represented bargaining unit for purposes of payment.

Exceptional Performance Awards. The chancellor may adopt a program that provides lump-sum payments to those administrators who have demonstrated exceptional performance. Expenditures for the program are subject to the availability of funds. In each fiscal year, the total expenditure for this program is limited to no more than one (1) percent of the aggregate base salaries of Administrators actively employed or on leave of absence on the first day of the fiscal year.

Subd. 8 Salary Review and Adjustment

The chancellor shall have the right to review and adjust administrator salaries based on recognized job market surveys or system office initiated job market analysis and/or where evidence is found of salary inequity based on gender, race, or other equity claims.

Subd. 9 Health/Dental Premium and Expense Accounts

Insurance eligible administrators will have an option to pay for their portion of health and dental premiums on a pretax basis as permitted by law or regulation. The Board agrees to allow eligible administrators to participate in a medical and dental expense reimbursement program to cover allowable expenses on a pre-tax basis as permitted by law or regulation and to the extent this program is offered by and within the parameters set by Minnesota Management and Budget, including the minimum and maximum amount of salary reduction contributions.

Subd. 10 Health Reimbursement Accounts

- (a) The Employer will make an annual lump-sum contribution of \$600 to a Health Reimbursement Arrangement (HRA) Account for administrators who are employed and eligible for an employer contribution to the State Health insurance plan on January 1 each year. Beginning January 1, 2015, the annual lump-sum contribution to the HRA account shall be \$800. An administrator's eligibility to receive an HRA contribution and the HRA



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account will be subject to the rules of the Minnesota State Colleges and Universities approved HRA Plan document. Upon written notice to the Chief Human Resources Officer of the college/university/system office at which the administrator is employed, or to the System Director for Employee Benefits and Compensation, an administrator eligible to receive an HRA may elect not to receive the benefit.

- (b) Effective January 1, 2027, the Employer shall make a lump-sum contribution of \$1,000 to a Health Reimbursement Arrangement (HRA) account at the beginning of each calendar year on behalf of each administrator eligible to participate in the HRA Plan as provided in the written HRA Plan document. Upon written notice to the Director of Human Resources of the appointing authority by whom the administrator is employed, or to the Vice Chancellor for Human Resources, an administrator eligible to receive an HRA may elect not to receive the benefit.
- (c) Subd. 3. Effective January 1, 2027, at the beginning of January each year, the Employer will make a \$1,000 contribution to a post-employment Health Care Savings Plan (HCSP) on behalf of each administrator who is a) employed as an administrator at the relevant time and b) is receiving a full or partial Employer contribution toward the State Employee Group Insurance Program. Administrators who received or elect not to receive an HRA contribution as described in paragraph (b) of this subdivision, are not be eligible for the HCSP contribution in the same calendar year. Administrators who are on an FMLA or USERRA qualifying leave at the beginning of January but who would otherwise satisfy the eligibility criteria will be deemed eligible for the Employer contribution to an HCSP.

Subd. 11 Dependent Care Expense Account

Insurance eligible administrators will have an option to participate in a dependent care reimbursement program for work-related dependent care expenses on a pretax basis as permitted by law or regulation.

Subd. 12 Supplemental Retirement

As allowed by Minnesota Statutes §§ 354C.11, 354C.12 and 356.24, the Employer will make a matching contribution up to a maximum of \$2,700 per fiscal year to each eligible administrator's supplemental retirement account.

Subd. 13 Early Notice of Separation Incentive

Administrators in continuing appointments and having at least five (5) years of continuous service in positions covered by this plan who provide at least nine (9) months written notice of their intent to separate from employment shall receive a lump-sum payment equal to five (5.0) percent of their final annual base salary upon separation at the conclusion of the nine-month period, except as otherwise provided in this subdivision. After the notice of intent to separate is submitted, and after approval by the Vice Chancellor for Human Resources, the chancellor/president and the administrator may mutually agree to an alternative date of separation, which may be prior to the completion of the nine-month period. The notice of intent to separate from employment must contain a specific date or brief time period for separation. The Administrator must simultaneously separate from employment with the System and from a position covered by this Plan in order to receive this payment. Administrators who extend their employment at the request of the chancellor/president beyond the original date established for separation shall not lose the benefit of this provision. This provision does not apply to Administrators with individual employment contracts or Administrators in interim appointments with no continuing employment status under the terms of this Plan. Administrators may not receive this payment more than once.

Subd. 14 Employee Contributions to Health Care Savings Plan Accounts

The chancellor may establish a program of mandatory employee contributions to individual Health Care Savings Plan accounts administered by the Minnesota State Retirement System. The chancellor shall determine eligibility criteria, contribution amounts and other benefit features consistent with state and federal law.

APPENDIX A - ANNUAL LEAVE ACCRUAL SCHEDULE FOR ADMINISTRATORS

Subd. 1 Chancellor, Presidents, Vice Chancellor for Academic Affairs

Eight (8) days at the end of the first full pay period of the fiscal year, and one (1) day at the end of each of the remaining pay periods worked during each fiscal year of employment.

Subd. 2 Other Full-time Administrators

Shall be credited with annual leave on the following basis:

Effective Date of Accrual Changes	Accrual Rate (Includes former floating Holiday)
From date of employment until the beginning of the fiscal year in which the administrator is anticipated to complete 6 years of credited service.	One (1) day at the end of each of the first 23 full pay periods worked during each fiscal year of employment.
Effective with the beginning of the fiscal year in which the administrator is anticipated to complete 6 years of credited service.	Two (2) days at the end of the first full pay period of the fiscal year and thereafter one (1) day at the end of each remaining pay period worked during each fiscal year of employment.
Effective with the beginning of the fiscal year in which the administrator is anticipated to complete 13 years of credited service	Five (5) days at the end of the first full pay period of the fiscal year and thereafter one (1) day at the end of each remaining pay period worked during each fiscal year of employment.
Effective with the beginning of the fiscal year in which the administrator is anticipated to complete 21 years of credited service.	Eight (8) days at the end of the first full pay period of the fiscal year and thereafter one (1) day at the end of each remaining pay period worked during each fiscal year of employment.

Changes in annual leave accrual rates take effect in the first full pay period of the fiscal year in following the administrator's satisfaction of the continuous service requirement.

Administrators employed for less than full-time or employed for less than a full pay period at the beginning or end of their appointment shall have the annual leave pro-rated for the applicable pay periods.

The chancellor/designee may establish a procedure for crediting annual leave accruals in equal increments throughout the fiscal year as an alternative to the schedule set forth above.

APPENDIX B – INSURANCE CHAPTER INCORPORATED FROM STATE MANAGERIAL PLAN

Chapter 13 – Insurance

Section 1. Manager Group Insurance Program (SEGIP).

Minnesota Management and Budget shall provide a Group Insurance Program that includes health, dental, vision, life, and disability coverages equivalent to existing coverages, subject to the insurance eligibility, employer contribution, and insurance benefit provisions of this Chapter. This Chapter is effective January 1, 2026. After December 31, 2027, except for the requirement to offer a high deductible health plan and the Income Protection Plan, the provisions of this Chapter are superseded and replaced by insurance benefits as collectively bargained between the State and participating labor unions and ratified for at least one 2027-2029 collective bargaining agreement.

All insurance eligible managers will be provided access to an electronic summary of benefits (SOB) or certificate of coverage (COC) for each insurance product. These documents shall be provided no less than biennially and prior to the beginning of the insurance year.

Section 2. Eligibility for Group Participation.

This section describes eligibility to participate in the Group Insurance Program.

- A. **Managers - Basic Eligibility.** Managers may participate in the Group Insurance Program if they are scheduled to work at least one thousand forty-four (1044) hours in any twelve (12) consecutive months, except for: emergency, or temporary classified, or intermittent managers.
- B. **Managers - Special Eligibility.** The following managers are also eligible to participate in the Group Insurance Program:
 1. **Managers with a Work-related Injury/Disability.** A manager who was off the State payroll due to a work-related injury or a work-related disability may continue to participate in the Group Insurance Program as long as such a manager receives workers' compensation payments or while the workers' compensation claim is pending.
 2. **Totally Disabled Managers.** Consistent with M.S. 62A.148, certain totally disabled managers may continue to participate in the Group Insurance Program.



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3. **Separated Managers Under M.S. 43A.27.** Pursuant to M.S. 43A.27, Subdivision 3(a)(1), a manager who separates or retires from State service and who, at the time of separation has five (5) or more years of allowable pension service and is entitled to immediately receive an annuity under a State retirement program and, who is not eligible for regular (non-disability) Medicare coverage, may continue to participate in the health and dental coverages offered through the Group Insurance Program.

Consistent with M.S. 43A.27, subdivision 3(a)(2), a manager who separates from State service and who, at the time of separation is at least fifty (50) years of age and at least fifteen (15) years of State service may continue to participate in the health and dental coverages offered through the Group Insurance Program. Retiree coverage must be coordinated with Medicare.

C. **Dependents.** Eligible dependents for the purposes of this Chapter are as follows:

1. **Spouse.** The spouse of an eligible manager (if legally married under Minnesota law). For the purpose of health insurance coverage, if that spouse works full-time for an organization employing more than one hundred (100) people and:

(a) elects to receive either credits or cash in place of health insurance or health coverage or towards some other benefit in place of health insurance, then they are not eligible for the complete coverage or insurance under this Chapter, or

(b) is enrolled in a high deductible medical insurance plan (as defined by the IRS) that includes a contribution to a health savings account (HSA) through their employing organization, then they are not eligible for medical coverage under this Chapter. When both spouses work for the State or another organization participating in the State Employee Group Insurance Program, a spouse may be covered as a dependent by the other, but when covered as a dependent they may not carry their own coverage (members may only be covered once).

If both spouses work for the State or another organization participating in the State's Group Insurance Program, a spouse may be covered as a dependent by the other.

2. **Children.**

- a. **Health and Dental Coverage:** A dependent child is an eligible manager's child to age twenty-six (26).

- b. **Dependent Child:** A “dependent child” includes an employee’s (1) biological child, (2) child legally adopted by or placed for adoption with the employee, (3) step-child, (4) foster child, (5) child by legal guardianship, and (6) child by placement to employee, who is a relative of the child, as established by court judgment, order or decree. For a step-child to be considered a dependent child, the employee must be legally married to the child’s legal parent or legal guardian. For a foster child to be considered a dependent child under this plan, the foster child must be placed with the employee or the employee’s spouse by an authorized placement agency or by judgement, decree or other court order. For a child by legal guardianship or placement to be considered a dependent child under this plan, the child’s legal relationship with the employee must be established by a court judgement, decree, or other court order. A dependent child is generally eligible to age 26, unless the child’s status as a dependent child ceases at an earlier date, such as the expiration of a court order or decree.
- c. **Coverage Under Only One Plan:** For purposes of (a) and (b) above, if the manager’s adult child (age 18 to 26) works for the State or another organization participating in the State’s Group Insurance Program, the child may not be covered as a dependent by the manager unless the child is not eligible for a full Employer Contribution as defined in Section 3A.

For purposes of (a) and (b) above, if the manager’s adult child (age 18 to 26) works for the State or another organization participating in the State’s Group Insurance Program, the child may be covered as a dependent by the manager.

3. **Grandchildren.** A grandchild of a manager, up to age twenty-five (25) is an eligible dependent grandchild who:
- a. is financially dependent upon the manager for principal support and maintenance and has resided with the manager continuously from birth.
 - b. A grandchild of a manager is also an eligible dependent if the grandchild is claimed as a tax dependent on the employee’s tax return.

If a grandchild is legally adopted or placed in the legal custody of the grandparent, they are covered as a dependent child under Section 2C (2) or (4).

4. **Child with a Disability**. A dependent child with a disability is an eligible manager's child or grandchild regardless of marital status, who was covered and then disabled prior to the limiting age or any other limiting term required for dependent coverage and who continues to be incapable of self-sustaining employment by reason of developmental disability, mental illness or disorder, or physical disability, and is chiefly dependent upon the manager for support and maintenance, provided proof of such incapacity and dependency must be furnished to the health carrier by the manager or enrollee within thirty one (31) days of the child's attainment of the limiting age or any other limiting term required for dependent coverage. The dependent with a disability is eligible to continue coverage as long as they continue to be disabled and dependent, unless coverage terminates under the contract.
 5. **Qualified Medical Child Support Order**. A child who would otherwise meet the eligibility requirements and is required to be covered by a Qualified Medical Child Support Order (QMCSO) is considered an eligible dependent.
 6. **Child Coverage Limited to Coverage Under One Manager**. If both spouses work for the State or another organization participating in the State's Group Insurance Program, either spouse, but not both, may cover the eligible dependent children or grandchildren. This restriction also applies to two divorced, legally separated, or unmarried managers who share legal responsibility for their eligible dependent children or grandchildren. A member in the State's Group Insurance benefits may only be covered once, by one parent or guardian.
- D. **Continuation Coverage**. Consistent with state and federal laws, certain managers, former managers, dependents, and former dependents may continue group health, dental, and/or life coverage at their own expense for a fixed length of time if the group coverage would otherwise terminate due to:
- a. Termination of employment (except for gross misconduct);
 - b. Layoff;
 - c. Reduction of hours to an ineligible status;
 - d. Dependent child becoming ineligible due to change in age, student status, marital status, or financial support (in the case of a foster child or stepchild);
 - e. Death of manager;
 - f. Divorce or legal separation; or



- g. A covered manager's enrollment in Medicare.

Section 3. Eligibility for Employer Contribution.

This section describes eligibility for an Employer Contribution toward the cost of coverage.

- A. **Full Employer Contribution – Basic Eligibility.** Managers covered by this Plan who are scheduled to work at least seventy-five (75) percent of the time are eligible for the full Employer Contribution. This means:
 - 1. Managers who are scheduled to work at least eighty (80) hours per pay period for a period of nine (9) months or more in any twelve (12) consecutive months.
 - 2. Managers who are scheduled to work at least sixty (60) hours per pay period for twelve (12) consecutive months, but excluding part-time or seasonal managers serving on less than a seventy-five percent (75%) basis.
- B. **Partial Employer Contribution – Basic Eligibility.** The following managers covered by this Plan receive the full Employer Contribution for basic life coverage, and at the manager's option, a partial Employer Contribution for health and dental coverages if they are scheduled to work at least fifty (50) percent but less than seventy-five (75) percent of the time. This means:
 - 1. Managers who hold part-time appointments and who are scheduled to work at least forty (40) hours but less than sixty (60) hours per pay period for twelve (12) consecutive months.
 - 2. Managers who hold part-time or seasonal appointments and who are scheduled to work at least one thousand forty-four (1044) hours over a period of any twelve (12) consecutive months.

The partial Employer Contribution for health and dental coverages is seventy-five percent (75%) of the full Employer Contribution for both employee only and dependent coverage.
- C. **Special Eligibility.** The following managers also receive an Employer Contribution:
 - 1. **Managers on Layoff.** A classified manager who receives an Employer Contribution, who has three (3) or more years of continuous service, and who has been permanently or seasonally laid off, remains eligible for an Employer Contribution and all other benefits provided under this Chapter for an extended benefit eligibility period of six (6) months from the date of layoff. In no event shall the Employer Contribution continue beyond the date at which the manager reaches the age of sixty-five (65).

- a. **Seasonal Layoff**. The calculation in determining the six (6) months duration of eligibility for an Employer Contribution begins on the date the manager is seasonally laid off.
- b. **Permanent Layoff**. The calculation in determining the six (6) month duration of eligibility for an Employer Contribution begins on the date the manager is permanently laid off or accepts an appointment in lieu of layoff without a break in service with a lesser employer-paid insurance contribution than the manager was receiving in the appointment from which the layoff occurred and is no longer actively employed in the appointment from which the layoff occurred.

In the event the manager, while on permanent or seasonal layoff, is rehired to any state job classification with a lesser employer-paid insurance contribution than the manager is receiving under the six (6) months of insurance continuation, the manager shall continue to receive the Employer Contribution toward the employer-paid insurance for the duration of the six (6) months.

However, notwithstanding the paragraph above, in the event the manager successfully claims another state job in any agency and classification which is insurance eligible without a break in service, and is subsequently non-certified or involuntarily separated, the six (6) month duration for the Employer Contribution toward insurance benefits will begin at the time the manager is non-certified or otherwise involuntarily separated and is no longer actively employed by the Employer.

In no event shall an extended benefit eligibility period be longer than a total of six (6) months. Further, a manager must be receiving an Employer Contribution under Section 3 (A) or (B) at the time of layoff in order to be eligible for the six (6) months continuation of insurance.

2. **Work-related Injury/Disability**. A manager who receives an Employer Contribution and who is off the State payroll due to a work-related injury or a work-related disability remains eligible for an Employer Contribution as long as such a manager receives workers' compensation payments. If such manager ceases to receive workers' compensation payments for the injury or disability and is granted a medical leave under Chapter 6, they shall be eligible for an Employer Contribution during that leave.

D. Maintaining Eligibility for Employer Contribution.

1. **General.** A manager who receives a full or partial Employer Contribution maintains that eligibility as long as the manager meets the Employer Contribution eligibility requirements, and appears on a State payroll for at least one (1) full working day during each payroll period. This requirement does not apply to managers who receive an Employer Contribution while on layoff as described in Section 3C1, or while eligible for workers' compensation payments as described in Section 3C2.
2. **Unpaid Leave of Absence.** If a manager is on an unpaid leave of absence, then vacation leave, compensatory time, or sick leave cannot be used for the purpose of maintaining eligibility for an Employer Contribution by keeping the manager on a State payroll for one (1) working day per pay period.
3. **School Year Employment.** If a manager is employed on the basis of a school year and such employment contemplates absences from the State payroll during the summer months or vacation periods scheduled by the Appointing Authority which occur during the regular school year, the manager shall nonetheless remain eligible for an Employer Contribution, provided that the manager appears on the regular payroll for at least one working day in the payroll period immediately preceding such absences.
4. **Special Leaves.** A manager who is on an approved FMLA leave or on a salary savings leave as provided elsewhere in this plan maintains eligibility for an Employer Contribution.

Section 1. Amount of Employer Contribution. The Employer Contribution amounts and rules in effect on June 30, 2025 will continue through December 31, 2025.

A. Contribution Formula - Health Coverage.

1. *Employee Coverage.* For employee health coverage for the 2026 and 2027 plan years, the Employer contributes an amount equal to ninety-five percent (95%) of the employee-only premium of the Minnesota Advantage Health Plan (Advantage).
2. *Dependent Coverage.* For dependent health coverage for the 2026 and 2027 plan years, the Employer contributes an amount equal to eighty-five percent (85%) of the dependent premium of Advantage.

B. Contribution Formula - Dental Coverage.

1. *Employee Coverage.* For employee dental coverage, the Employer contributes seventy percent (70%) of the employee premium of the dental plan.



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2. *Dependent Coverage.* For dependent dental coverage, the Employer contributes fifty percent (50%) of the dependent premium of the dental plan.

C. **Contribution Formula - Basic Life Coverage.** For employee basic life coverage and accidental death and dismemberment coverage, the Employer contributes one-hundred percent (100%) of the cost.

Section 2. Coverage Changes and Effective Dates.

A. When Coverage May Be Chosen.

1. *Newly Hired Employees.* All employees hired to an insurance eligible position must make their benefit elections by their initial effective date of coverage as defined in this Insurance Addendum, Section 2C. Insurance eligible employees will automatically be enrolled in basic life coverage. If employees eligible for a full Employer Contribution do not choose a health plan administrator and a primary care clinic by their initial effective date, and do not waive medical coverage, they will be enrolled in a Benefit Level Two clinic (or Level One, if available) that meets established access standards in the health plan with the largest number of Benefit Level One and Two clinics in the county of the employee's residence at the beginning of the insurance year. If an employee does not choose a health plan administrator and primary care clinic by their initial effective date, but was previously covered as a dependent immediately prior to their initial effective date, they will be defaulted to the plan administrator and primary care clinic in which they were previously enrolled.
2. *Eligibility Changes.* Employees who become eligible for a full Employer Contribution must make their benefit elections within thirty (30) calendar days of becoming eligible. If employees do not choose a health plan administrator and a primary care clinic and do not waive coverage within this thirty (30) day timeframe, they will be enrolled in a Benefit Level Two clinic (or Level One, if available) that meets established access standards in the health plan with the largest number of Benefit Level One and Two clinics in the county of the employee's residence at the beginning of the insurance year. If employees who become eligible for a partial Employer Contribution choose to enroll in insurance, they must do so within thirty (30) days of becoming eligible or during open enrollment.



An employee may change their health or dental plan if the employee changes to a new permanent work or residence location and the employee's current plan is no longer available. If the employee has family coverage and if the new residence location is outside of the current plan's service area, the employee shall be permitted to switch to a new plan administrator and new Benefit Level within thirty (30) days of the residence location change. The election change must be due to and correspond with the change in status. An employee who receives notification of a work location change between the end of an open enrollment period and the beginning of the next insurance year, may change their health or dental plan within thirty (30) days of the date of the relocation under the same provisions accorded during the last open enrollment period. An employee or retiree may also change health or dental plans in any other situation in which the Employer is required by the applicable federal or state law to allow a plan change.

3. *Waiving Medical Coverage.* Employees may choose to waive medical coverage. If an employee is eligible for the full employer contribution and desires to waive medical coverage, the employee must submit a Waiver of Medical Coverage form and provide proof of other coverage by the end of the employee's enrollment period. If an employee does not submit the form and proof by the end of the employee's enrollment period, the employee will be enrolled in medical coverage, with the next opportunity to waive coverage during Open Enrollment or upon a permitted Qualified Life Event. If an employee waives medical coverage, the employee can elect it again during the next Open Enrollment or midyear upon a permitted Qualified Life Event.

B. When Coverage May be Changed or Cancelled.

1. *Changes Due to a Life Event.* After the initial enrollment period and outside of any open enrollment period, an employee may elect to change health or dental coverage (including adding or canceling coverage) and any applicable employee contributions in the following situations (as long as allowed under the applicable provisions, regulations, and rules of the federal and state law in effect at the beginning of the plan year).

The request to change coverage must be consistent with a change in status that qualifies as a life event, and does not include changing health or dental plans, which may only be done under the terms of Section 2A above. Any election to add coverage must be made within thirty (30) days following the event, and any election to cancel coverage must be made within sixty (60) days following the event. (An employee and a retired employee may add dependent health or dental coverage following the birth of a



child or dependent grandchild, or following the adoption of a child, without regard to the thirty (30) day limit.) These life events (for both employees and retirees) are:

- a. A change in legal marital status, including marriage, death of a spouse, divorce, legal separation and annulment.
- b. A change in number of dependents, including birth, death, adoption, and placement for adoption.
- c. A change in employment status of the employee, or the employee's or retiree's spouse or dependent, including termination or commencement of employment, a strike or lockout, a commencement of or return from an unpaid leave of absence, a change in worksite, and a change in working conditions (including changing between part-time and full-time or hourly and salary) of the employee, the employee's or retiree's spouse or dependent which results in a change in the benefits they receive under a cafeteria plan or a health or dental plan.
- d. A dependent ceasing to satisfy eligibility requirements for coverage due to attainment of age or otherwise no longer meets the eligibility requirements under Section 2C of the Insurance Article (IFO and MSUAASF: Section B3; MSCF: Section 2, subd. 3).
- e. A change in the place of residence of the employee, retiree or their spouse or dependent that is not in the health plan service administrator's service area.
- f. Significant cost or coverage changes (including coverage curtailment and the addition of a benefit package).
- g. Family Medical Leave Act (FMLA) leave.
- h. Judgments, decrees or orders.
- i. A change in coverage of a spouse or dependent under another Employer's plan.
- j. Open enrollment under the plan of another Employer.
- k. Health Insurance Portability and Accountability Act (HIPAA) special enrollment rights for new dependents and in the case of loss of other insurance coverage.
- l. A COBRA-qualifying event.
- m. Loss of coverage under the group health plan of a governmental or educational institution (a State's children's health insurance program, medical care program of an Indian tribal government, State health benefits risk pool, or foreign government group health plan).



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- n. Entitlement to Medicare or Medicaid.
 - o. Any other situations in which the group health or dental plan is required by the applicable federal or state law to allow a change in coverage.
2. *Canceling Dependent Coverage During Open Enrollment.* In addition to the above situations, dependent health or dependent dental coverage may also be cancelled for any reason during the open enrollment period that applies to each type of plan (as long as allowed under the applicable provisions, regulations and rules of the federal and state law in effect at the beginning of the plan year).
 3. *Canceling Employee Coverage.* A part-time employee may also cancel employee coverage within sixty (60) days of when one of the life events set forth above occurs.
 4. *Effective Date of Benefit Termination.* Medical, dental and life coverage termination will take effect on the first of the month following the loss of eligible employee or dependent status. Disability benefit coverage terminations will take effect on the day following loss of eligible employee status.

C. **Effective Date of Coverage.**

1. *Initial Effective Date.* The initial effective date of coverage under the Group Insurance Program is the thirtieth (30th) day following the employee's first day of employment, re-hire, or reinstatement with the State. The initial effective date of coverage for an employee whose eligibility has changed is the date of the change. An employee must be actively at work on the initial effective date of coverage, except that an employee who is on paid leave on the date State-paid life insurance benefits increase is also entitled to the increased life insurance coverage. In no event shall an employee's dependent's coverage become effective before the employee's coverage.

If an employee is not actively at work due to employee or dependent health status or medical disability, medical and dental coverage will still take effect. (Life and disability coverage will be delayed until the employee returns to work.)

2. *Delays in Coverage Effective Date.*
 - a. **Basic Life.** If an employee is not actively at work on the initial effective date of coverage, coverage will be effective on the first day of the employee's return to work. The effective date of a change in coverage is not delayed in the event that, on the date the coverage change would be effective, an employee is on an unpaid leave of absence or layoff.



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- b. **Medical and Dental.** If an employee is not actively at work on the initial effective date of coverage due to a reason other than hospitalization or medical disability of the employee or dependent, medical and dental coverage will be effective on the first day of the employee's return to work.

The effective date of a change in coverage is not delayed in the event that, on the date the coverage change would be effective, an employee is on an unpaid leave of absence or layoff.

- c. **Optional Life and Disability Coverages.** In order for coverage to become effective, the employee must be in active payroll status and not using sick leave on the first day following approval by the insurance company. If it is an open enrollment period, coverage may be applied for but will not become effective until the first day of the employee's return to work.

D. Open Enrollment.

1. *Frequency and Duration.* There shall be an open enrollment period for health and dental coverage in 2025 and 2026. Open enrollment periods shall last a minimum of fourteen (14) calendar days. Open enrollment changes become effective on January 1 in 2026 and 2027. Subject to a timely contract settlement, the Employer shall make open enrollment materials available to employees at least fourteen (14) days prior to the start of the open enrollment period.
2. *Eligibility to Participate.* An employee eligible to participate in the State Employee Group Insurance Program, as described in Sections 2A and 2B of the Insurance Article (IFO and MSUAASF: Section B1 and B2; MSCF: Section 2, subd. 1 and Section 2, subd. 2), may participate in open enrollment. In addition, a person in the following categories may, as allowed in section 2D1 of the Insurance Addendum above, make certain changes: (1) a former employee or dependent on continuation coverage, as described in Section 2D of the Insurance Article (IFO and MSUAASF: Section B4; MSCF: Section 2, subd. 4), may change plans or add coverage for health and/or dental plans on the same basis as active employees; and (2) an early retiree, prior to becoming eligible for Medicare, may change health and/or dental plans as agreed to for active employees, but may not add dependent coverage.
3. *Materials for Employee Choice.* Each year prior to open enrollment, the Appointing Authority will give eligible employees the information necessary to make open enrollment selections. Employees will be provided a statement of their current coverage each year of the contract.



- E. **Coverage Selection Prior to Retirement.** An employee who retires and is eligible to continue insurance coverage as a retiree may change their health or dental plan during the sixty (60) calendar day period immediately preceding the date of retirement. The employee may not add dependent coverage during this period. The change takes effect on the first day of the month following the date of retirement.

Section 3. Basic Coverages.

A. Employee and Family Health Coverage.

1. *Minnesota Advantage Health Plan (Advantage).* The health coverage portion of the State Employee Group Insurance Program is provided through the Minnesota Advantage Health Plan (Advantage), a self-insured health plan offering four (4) Benefit Level options. Provider networks and claim administration are provided by multiple plan administrators. Coverage offered through Advantage is determined by Section 3A2 of the Insurance Addendum.
2. *Coverage Under the Minnesota Advantage Health Plan.* From July 1, 2025 through December 31, 2025, health coverage under the SEGIP will continue at the level in effect on June 30, 2025. Effective January 1, 2026, Advantage will cover eligible services subject to the copayments, deductibles and coinsurance coverage limits stated. Services provided through Advantage are subject to the managed care procedures and principles, including standards of medical necessity and appropriate practice, of the plan administrators. Coverage details are provided in the Advantage Summary of Benefits.
 - a. **Benefit Options.** Employees must elect a plan administrator and primary care clinic. Those elections will determine the Benefit Level through Advantage. Enrolled dependents must elect a primary care clinic that is available through the plan administrator chosen by the employee.
 - 1) **Plan Administrator.** Employees must elect a plan administrator during their initial enrollment in Advantage and may change their plan administrator election only during the annual open enrollment and when permitted under Section 2 of the Insurance Addendum. Dependents must be enrolled through the same plan administrator as the employee.
 - 2) **Benefit Level.** The primary care clinics available through each plan administrator are assigned a Benefit Level. The Benefit Levels are outlined in the benefit chart below. Primary care clinics may be in different Benefit Levels for different plan administrators. Family members may be enrolled in clinics that are in different



Benefits Levels. Employees and their dependents may change to clinics in different Benefit Levels during the annual open enrollment. Employees and their dependents may also elect to move to a clinic in a different Benefit Level within the same plan administrator by calling their plan administrator, with changes typically effective the following day. Unless the individual has a referral from their primary care clinic, there are no benefits for services received from providers in Benefit Levels that are different from that of the primary care clinic in which the individual has enrolled.

- 3) **Primary Care Clinic.** Employees and each of their covered dependents must individually elect a primary care clinic within the network of providers offered by the plan administrator chosen by the employee. Employees and their dependents may elect to change clinics within their clinic's Benefit Level as often as the plan administrator permits and as outlined above.
- 4) **Advantage Benefit Chart for Services Incurred During Plan Years 2026 and 2027.**

2026 and 2027 Benefit Provision	Benefit Level 1 Member pays:	Benefit Level 2 Member pays:	Benefit Level 3 Member pays:	Benefit Level 4 Member pays:
MEDICAL SERVICES				
Deductible <i>Single/Family</i>	\$250/\$500	\$400/\$800	\$750/\$1,500	\$1,500/\$3,000
Copays for office visit and urgent care <i>No cost-sharing for preventive services</i>	\$35	\$40	\$70	\$90
Copays for mental health office visits <i>Deductible does not apply for levels 1 and 2</i>	\$0	\$0	\$40	\$60
Convenience clinics and online care <i>Deductible does not apply</i>	\$0	\$0	\$0	\$0
Copays for emergency room visit <i>Deductible does not apply</i>	\$100	\$125	\$150	\$350
Inpatient admission <i>Deductible applies first</i> <i>Costs waived for admission to Center of Excellence</i>	\$100 copay	\$200 copay	\$500 copay	25% coinsurance
Outpatient surgery <i>Deductible applies first</i>	\$60 copay	\$120 copay	\$250 copay	25% coinsurance
Coinsurance for MRI/CT scan services <i>Deductible applies first</i>	10%	15%	25%	30%
Coinsurance for services <u>NOT</u> subject to copays <i>Deductible applies first</i>	5%	5%	20%	25%



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2026 and 2027 Benefit Provision	Benefit Level 1 Member pays:	Benefit Level 2 Member pays:	Benefit Level 3 Member pays:	Benefit Level 4 Member pays:
Coinsurance for lab, pathology and X-ray not included as part of preventive care and not subject to office visit or facility copayments <i>Deductible applies first</i>	10%	10%	20%	25%
Coinsurance for durable medical equipment <i>Deductible applies first</i>	20%	20%	20%	25%
Maximum <u>non-Rx</u> out-of-pocket limit <i>Single/Family</i>	\$1,700/\$3,400	\$1,700/\$3,400	\$2,400/\$4,800	\$3,600/\$7,200
PRESCRIPTION DRUGS (Rx)				
Copays for Rx <i>No deductible</i>	Tier 1: \$18 Tier 2: \$30 Tier 3: \$55	Tier 1: \$18 Tier 2: \$30 Tier 3: \$55	Tier 1: \$18 Tier 2: \$30 Tier 3: \$55	Tier 1: \$18 Tier 2: \$30 Tier 3: \$55
Maximum Rx out-of-pocket limit <i>Single/Family</i>	\$1,050/\$2,100	\$1,050/\$2,100	\$1,050/\$2,100	\$1,050/\$2,100

- b. **Service Area.** The Minnesota Advantage Health Plan service area shall be comprised of all Minnesota counties as well as border communities, with the specific boundaries initially established by MMB and any changes thereafter mutually agreed to by the JLM.
- c. **Services Received From, or Authorized By, a Primary Care Physician within the Primary Care Clinic.** Under Advantage, the health care services outlined in the benefits charts above shall be received from, or authorized by a primary care physician within the primary care clinic. Preventive care, as outlined in the Summary of Benefits, is covered at one hundred (100) percent for services received from or authorized by the primary care clinic. The primary care clinic shall be selected from approved clinics in accordance with the Advantage administrative procedures. Unless otherwise specified in 3A2 of the Insurance Addendum, services not received from, or authorized by, a primary care physician within the primary care clinic may not be covered. Unless the individual has a referral from their primary care clinic, there are no benefits for services received from providers in Benefit Levels that are different from that of the primary care clinic in which the individual has enrolled.



d. **In-Area Services Not Requiring Referral from a Primary Care Physician Within the Primary Care Clinic.**

- 1) **Routine Eye Exams.** Limited to one (1) routine examination per year for which no copay applies. Eye injury or illness at an in-network provider will be covered as an office visit based on the benefit level in which the individual is enrolled.
- 2) **Emergency Services and Urgent Care.** The emergency room copay applies to all outpatient emergency visits that do not result in hospital admission within twenty-four (24) hours.
- 3) **Obstetrics and Gynecological Care.** The deductible and coinsurance for services not subject to copays applies.
- 4) **Mental Health Care and Substance Use Disorder Treatment.**
- 5) **Chiropractic Care.**

For all services listed above apart from urgent care and emergency care, a provider must be in-network with the member's plan administrator for the service to be covered.

e. **Prescription Drugs.**

1) **Copayments and Annual Out-of-Pocket Maximums.**

For the first and second year of the contract:

Tier 1 Copayment: Eighteen dollar (\$18) copayment per prescription or refill for a Tier 1 drug dispensed in a thirty (30) day supply.

Tier 2 Copayment: Thirty dollar (\$30) copayment per prescription or refill for a Tier 2 drug dispensed in a thirty (30) day supply.

Tier 3 Copayment: Fifty-five dollar (\$55) copayment per prescription or refill for a Tier 3 drug dispensed in a thirty (30) day supply.

Out of Pocket Maximum: There is an annual maximum eligible out-of-pocket expense limit for prescription drugs of one thousand and fifty dollars (\$1,050) per person or two thousand one hundred dollars (\$2,100) per family.

- 2) **Insulin.** Insulin will be treated as a prescription drug subject to a separate copay for each type prescribed.



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- 3) **Brand Name Drugs.** If the subscriber chooses a brand name drug when a bioequivalent generic drug is available, the subscriber is required to pay the standard copayment plus the difference between the cost of the brand name drug and the generic. Amounts above the copay that an individual elects to pay for a brand name instead of a generic drug will not be credited toward the out-of-pocket maximum.
- f. **Special Service Networks.** The following services must be received from special service network providers in order to be covered. All terms and conditions outlined in the Summary of Benefits apply.
- 1) Mental health services – inpatient or outpatient.
 - 2) Chemical dependency services – inpatient and outpatient.
 - 3) Chiropractic services.
 - 4) Transplant coverage.
 - 5) Cardiac services.
 - 6) Home infusion therapy.
 - 7) Hospice.
 - 8) Fertility services.
- g. **Individuals whose permanent residence and principal work location are outside the State of Minnesota and outside of the Advantage Plan’s service area.** If these individuals use a provider within the plan administrator’s national network, services will be covered at Benefit Level Two. If a national network provider is not available in their area, services will be covered at Benefit Level Two through any other provider available in their area. If a national network provider is available but not used, benefits will be covered at Benefit Level Three. All terms and conditions outlined in the Summary of Benefits will apply.
- h. **Health Care Services Received Outside the Minnesota Advantage Health Plan’s Service Area.** For covered services received by employees, former employees, and dependents outside of the Advantage service area, all care that is received within the national network of the member’s plan administrator will be covered at Benefit Level Three, with a separate out-of-area deductible. Urgent care and emergency care will be covered at Benefit Level Three whether or not the providers are within

the member's plan administrator's national network. All other out-of-area care must be received within the given plan administrator's national network to be covered by the plan. Referrals are not required for care received outside of the Advantage Plan's service area.

- i. **Lifetime maximums and non-prescription out-of-pocket maximums.** Coverage under Advantage is not subject to a per person lifetime maximum.

In the first and second years of the contract, coverage under Advantage is subject to a plan year, non-prescription drug, out-of-pocket maximum of one thousand seven hundred dollars (\$1,700) per person or three thousand four hundred dollars (\$3,400) per family for members whose primary care clinic is in Cost Level 1 or Cost Level 2; two thousand four hundred dollars (\$2,400) per person or four thousand eight hundred dollars (\$4,800) per family for members whose primary care clinic is in Cost Level 3; and three thousand six hundred dollars (\$3,600) per person or seven thousand two hundred dollars (\$7,200) per family for members whose primary care clinic is in Cost Level 4.

- j. **In-Network Convenience Clinics and Online Care.** Services received at in-network convenience clinics and online care are not subject to a copayment in each year of the Agreement. First dollar deductibles are waived for convenience clinic and online care visits. (Note that prescriptions received as a result of a visit are subject to the drug copayment and out-of-pocket maximums described above at 3A2e of the Insurance Addendum.)

- 3. ***Benefit Level Two Health Care Network Determination.*** Issues regarding the health care networks for the 2026 insurance year shall be negotiated in accordance with the following procedures:

- a. At least twelve (12) weeks prior to the open enrollment period for the 2026 insurance year the Employer shall meet and confer with the Joint Labor/Management Committee on Health Plans in an attempt to reach agreement on the Benefit Level Two health care networks.
- b. If no agreement is reached within five (5) working days, the Employer and the Joint Labor/Management Committee on behalf of all of the exclusive representatives shall submit a list of providers/provider groups in dispute to a mutually agreed upon neutral expert in health care delivery systems for final and binding resolution. The only providers/provider groups that may be submitted



for resolution by this process are those for which, since the list for the 2025 insurance year was established, Benefit Level Two access has changed, or those that are intended to address specific problems caused by a reduction in Benefit Level Two access.

Absent agreement on a neutral expert, the parties shall select an arbitrator from a list of five (5) arbitrators supplied by the Bureau of Mediation Services. The parties shall flip a coin to determine who strikes first. One-half (1/2) of the fees and expenses of the neutral shall be paid by the Employer and one-half (1/2) by the Exclusive Representatives. The parties shall select a neutral within five (5) working days after no agreement is reached, and a hearing shall be held within fourteen (14) working days of the selection of the neutral.

- c. The decision of the neutral shall be issued within two (2) working days after the hearing.
4. *Coordination with Workers' Compensation.* When an employee has incurred an on-the-job injury or an on-the-job disability and has filed a claim for workers' compensation, medical costs connected with the injury or disability shall be paid by the employee's health plan, pursuant to M.S. 176.191, Subdivision 3.
5. *Health Promotion and Health Education.* Both parties to this Agreement recognize the value and importance of health promotion and health education programs. Such programs can assist employees and their dependents to maintain and enhance their health, and to make appropriate use of the health care system. To work toward these goals:
 - a. **Develop Programs.**
 - 1) **Policy.** The Employer will develop and implement health promotion, health education programs, and other programs mutually agreed upon with the Joint Labor Management Committee on Health Plans, subject to the availability of resources. Each Appointing Authority will develop a health promotion and health education program consistent with the Minnesota Management and Budget policy. Upon request of any exclusive representative in an agency, the Appointing Authority shall jointly meet and confer with the exclusive representative(s) and may include other interested exclusive representatives. Agenda items shall include but are not limited to smoking cessation, weight loss, stress management, health education/self-care, and education on related benefits provided through the health plan administrators serving state employees.



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- 2) **Pilot Programs**. The Employer may develop voluntary pilot programs to test the acceptability of various risk management programs, programs that seek to control costs, programs that streamline the delivery of services, or that enhance services to members. Incentives for participation in such programs may include improvements to the benefits outlined in the Insurance Article and/or Insurance Addendum. Implementation of such pilot programs is subject to the review and approval of the Joint Labor-Management Committee on Health Plans.
- b. **Health Plan Specification**. The Employer will require health plans participating in the Group Insurance Program to develop and implement health promotion and health education programs for State employees and their dependents.
- c. **Employee Participation**. The Employer will assist employees' participation in health promotion and health education programs. Health promotion and health education programs that have been endorsed by the Employer (Minnesota Management and Budget) will be considered to be non-assigned job-related training pursuant to Administrative Procedure 21. Approval for this training is at the discretion of the Appointing Authority and is contingent upon meeting staffing needs in the employee's absence and the availability of funds. Employees are eligible for release time, tuition reimbursement, or a pro rata combination of both. Employees may be reimbursed for up to one hundred (100) percent of tuition or registration costs upon successful completion of the program. Employees may be granted release time, including the travel time, in lieu of reimbursement.
6. *Post Retirement Health Care Benefit*. Employees who separate from State service and who, at the time of separation are insurance eligible and entitled to immediately receive an annuity under a State retirement program, shall be entitled to a contribution of two hundred fifty dollars (\$250) to the Minnesota State Retirement System's (MSRS) Health Care Savings Plan. Employees who have a HCSP waiver on file shall receive a two hundred fifty dollars (\$250) cash payment. If the employee separates due to death, the two hundred fifty dollars (\$250) is paid in cash, not to the HCSP. An employee who becomes totally and permanently disabled on or after January 1, 2008, who receives a State disability benefit, and is eligible for a deferred annuity under a State retirement program is also eligible for the two hundred fifty dollar (\$250) contribution to the MSRS Health Care Savings Plan. Employees are eligible for this benefit only once.



7. *Temporary plan changes due to a state or national emergency.*

SEGIP and the unions recognize that certain natural disasters and other major emergencies may disrupt or seriously threaten to disrupt the State of Minnesota at a time when employees are especially needed to provide services. If the State or a federal government agency declares a state of emergency or otherwise invokes emergency authority by declaration, rules, regulations or similar official statements, the terms of the programs administered by SEGIP may be changed for the period of the declared emergency and for up to a 30 day run-out period.

These changes may include changes to programs administered by SEGIP including but not limited to, benefit design, enrollment and eligibility, billing, and administration as well as waiver of out-of-network restrictions, changes to out of pocket costs, extension of time frames for enrollment and billing, and other protocols reasonably required to provide Members with access to benefits.

These changes must be agreed to by both SEGIP and the Joint Labor Management Committee. Nothing in this provision prohibits SEGIP from making changes authorized or required under another authority including but not limited to a state or federal law, regulation, order, or rule without union agreement.

B. **Employee Life Coverage.**

1. **Basic Life and Accidental Death and Dismemberment Coverage.** The Employer agrees to provide and pay for the following term life coverage and accidental death and dismemberment coverage for all employees eligible for an Employer Contribution, as described in Section 3 of the Insurance Article (IFO, MSUAASF, and MSCF: Section C). Any premium paid by the State in excess of fifty thousand dollars (\$50,000) coverage is subject to a tax liability in accord with Internal Revenue Service regulations. An employee may decline coverage in excess of fifty thousand dollars (\$50,000) by filing a waiver in accord with Minnesota Management and Budget procedures. The basic life insurance policy will include an accelerated benefits agreement providing for payment of benefits prior to death if the insured has a terminal condition.

Employee's Annual Base Salary	Group Life Insurance Coverage	Accidental Death and Dismemberment Principal Sum
\$0 - \$20,000	\$30,000	\$30,000
\$20,001 - \$30,000	\$40,000	\$40,000
\$30,001 - \$40,000	\$50,000	\$50,000
\$40,001 - \$50,000	\$60,000	\$60,000
\$50,001 - \$60,000	\$70,000	\$70,000
\$60,001 - \$70,000	\$80,000	\$80,000
\$70,001 - \$80,000	\$90,000	\$90,000
\$80,001 - \$90,000	\$100,000	\$100,000
\$90,001 - \$100,000	\$110,000	\$110,000
\$100,001 - \$110,000	\$120,000	\$120,000
\$110,001 - \$120,000	\$130,000	\$130,000
\$120,001 - \$130,000	\$140,000	\$140,000
\$130,001 - \$140,000	\$150,000	\$150,000
\$140,001 - \$150,000	\$160,000	\$160,000
\$150,001 - \$160,000	\$170,000	\$170,000
\$160,001 - \$170,000	\$180,000	\$180,000
\$170,001 - \$180,000	\$190,000	\$190,000
Over \$180,000	\$200,000	\$200,000

2. **Extended Benefits.** An employee who becomes totally disabled before age 70 shall be eligible for the extended benefit provisions of the life insurance policy until age 70. Employees who were disabled prior to July 1, 1983 and who have continuously received benefits shall continue to receive such benefits under the terms of the policy in effect prior to July 1, 1983.

Section 4. Optional Coverages.

A. Employee and Family Dental Coverage.

1. *Coverage Under the State Dental Plan.* The State Dental Plan will provide the following coverage:

- a. **Copayments.** The State Dental Plan will cover allowable charges for the following services subject to the copayments and coverage limits stated. Higher out-of-pocket costs may apply to services obtained from dental care providers not in the State Dental Plan network. Services provided are subject to the dental plan administrators' managed care procedures and principles, including standards of dental necessity and appropriate practice. The plan shall cover general cleaning two (2) times per plan year and special cleanings (root or deep cleaning) as prescribed by the dentist. National Network benefits apply for members who see a dental provider outside of Minnesota that is in their dental plan administrator's national network but not the State Dental Plan network.

Service	State Dental Plan Network	National Network	Out-of-Network
Diagnostic/Preventive	100%	100%	50% after deductible
Fillings	80% after deductible	60% after deductible	50% after deductible
Endodontics	80% after deductible	60% after deductible	50% after deductible
Periodontics	80% after deductible	60% after deductible	50% after deductible
Oral Surgery	80% after deductible	60% after deductible	50% after deductible
Crowns	80% after deductible	60% after deductible	50% after deductible
Implants	80% after deductible	60% after deductible	50% after deductible
Prosthetics	80% after deductible	60% after deductible	50% after deductible
Prosthetic Repairs	80% after deductible	60% after deductible	50% after deductible
Orthodontics	80% after deductible	60% after deductible	50% after deductible

- b. **Deductible**. An annual deductible of fifty dollars (\$50) per person and one hundred fifty dollars (\$150) per family applies to State Dental Plan non-preventive services received from in-network providers. An annual deductible of one hundred dollars (\$100) per person and three hundred (\$300) per family applies to National Network non-preventive services received from national network providers outside the State Dental Plan network. An annual deductible of one hundred twenty-five dollars (\$125) per person applies to State Dental Plan services received from out of network providers. The deductible must be satisfied before coverage begins.
- c. **Annual Maximums**. State Dental Plan coverage is subject to a two thousand and two hundred dollar (\$2200) annual maximum benefit payable (excluding orthodontia and preventive services) per person. "Annual" means per insurance year.
- D. **Orthodontia Lifetime Maximum**. Orthodontia benefits are subject to a three thousand two hundred dollar (\$3,200) lifetime maximum benefit. If an employee elects dental benefits on their own policy, dollars spent when the employee was a dependent of another policyholder shall not be applied toward the new policy's lifetime maximum.

APPENDIX C – EXPENSE REIMBURSEMENT (INCORPORATED FROM STATE MANAGERIAL PLAN)

Chapter 15 - Expense Reimbursement

General.

The Appointing Authority may authorize payment of travel and other expenses and reimbursement of special expenses for managers in accord with the provisions of this Chapter, Chapter 8, and Administrative Procedure 4.4 for the effective conduct of the State's business. Such authorization must be granted prior to incurring the actual expenses. Administrative Procedure 4.4 Section E provides an exception which allows an agency to submit a request for approval after special expenses have occurred.

Privately-Owned Vehicles and Aircraft.

A manager shall be reimbursed for the use of privately-owned vehicles and aircraft under the situations and at the rates specified below. In all cases, mileage must be on the most direct route according to Department of Transportation records.

Situation	Rate Per Mile
Use of personal automobile when a State-owned vehicle is not available.	Federal IRS mileage reimbursement rate
Use of personal automobile when a State-owned vehicle is available and declined by the manager.	Federal IRS mileage reimbursement rate less \$0.07
Use of personal van or van-type vehicle specially equipped with a ramp, lift, or other level-changing device designed to provide wheelchair access.	Federal IRS mileage reimbursement rate plus \$0.09
Use of personal aircraft provided that the manager can demonstrate adequate liability coverage under the requirements of M.S. 360.59, subdivision 10, and the Appointing Authority has granted approval for the use of the aircraft.	Federal IRS mileage reimbursement rate

In addition to mileage, actual parking fees and toll charges shall be reimbursed. At the sole discretion of the Appointing Authority, managers who normally are not required to travel on state business may be reimbursed for parking at their work location on an incidental basis when they are required to use their personal or a state vehicle for state business and no free parking is provided.



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Managers shall not receive mileage reimbursement for commuting between a permanent work location and their home. For each position, the Appointing Authority may designate no more than two (2) permanent work locations, which must be within thirty-five (35) miles of each other. For purposes of expense reimbursement for trips to temporary work locations, the Appointing Authority shall designate one (1) of the two (2) permanent work locations as the primary location. The Appointing Authority must provide advance written notice of the two (2) locations and the primary location to anyone being appointed to such a position.

When a manager does not report to the permanent work location during the day or travels to other work locations before or after reporting to the permanent work location, the allowable mileage is: (1) the lesser of the mileage from the manager's residence to the first stop or from their permanent work location to the first stop, (2) all mileage between points visited on State business during the day, and (3) the lesser of the mileage from the last stop to the manager's residence or from the last stop to their permanent work location.

Managers accepting interchange assignments, as defined in Administrative Procedure 1.1, are not eligible for mileage reimbursement for the trip between their home and the interchange assignment unless agreed upon between the agencies or entities that are party to the interchange assignment.

Other Travel Expenses.

Upon approval of the Appointing Authority, managers in travel status may be reimbursed for expenses described below in the amounts actually incurred not to exceed any maximum amounts specified below.

Where anticipated expenses total at least fifty dollars (\$50.00), the Appointing Authority shall advance the manager the amount of the anticipated expenses upon the manager's request made a reasonable period of time prior to the travel date. If the amount advanced exceeds the actual expenses, the manager shall return the excess within two (2) weeks of return from travel. The Appointing Authority may issue the manager a state-owned credit card in lieu of a travel advance.

Reimbursable expenses may include, but are not limited to, the following:

- Commercial or ride-share transportation (air, taxi, rental car, etc.) provided that no air transportation shall be by first class unless authorized by an Appointing Authority; and that reimbursement for travel which includes more than one destination visited for State purposes and non-State purposes be in an amount equal to the cost of the air fare only to those destinations visited for State purposes.
- Meals including tax and a reasonable gratuity. Managers shall be reimbursed for meals under the following conditions:

1. **Breakfast.** Breakfast reimbursements may be claimed if the manager leaves their temporary or permanent work location before 6:00 a.m. or is away from home overnight.
2. **Lunch.** Eligibility for lunch meal reimbursement shall be based upon the employee being on assignment, over thirty-five (35) miles from their temporary or permanent work station, with the work assignment extending over the normal lunch period.
3. **Dinner.** Dinner reimbursements may be claimed only if the manager is away from their temporary or permanent work location after 7:00 p.m. or is away from home overnight.
4. **Reimbursement Amount.** Except for high cost localities as identified by the Internal Revenue Service (IRS), the maximum reimbursement for meals including tax and gratuity shall be:
 - Breakfast: \$11.00
 - Lunch: \$13.00
 - Dinner: \$19.00

For high cost localities as identified by the IRS (specifically excluding any cities within Minnesota), the maximum reimbursement shall be:

- Breakfast: \$12.00
- Lunch: \$15.00
- Dinner: \$23.00

The higher meal reimbursement rates also include any location outside the forty-eight (48) contiguous United States.

Managers who are in travel status for two (2) or more consecutive meals shall be reimbursed for the actual costs of the meals including tax and a reasonable gratuity, up to the combined maximum amount for the reimbursable meals.

- Hotel and motel accommodations provided that managers exercise good judgment in incurring lodging costs and that charges are reasonable and consistent with the facilities available.
- Reasonable costs of dry cleaning and laundry services, not to exceed sixteen dollars (\$16.00) each week after the first week a manager is in continued travel status.
- Parking fees and toll charges.

Receipts.

The Appointing Authority may require receipts for any reimbursement requested by a manager under the provisions of this or any other chapter in this Plan.

Permanently Closed Work Location.

Where an Appointing Authority permanently closes a work location and assigns the employee to a new permanent work location outside thirty-five (35) miles, and the employee is approved to telework, the employee shall be eligible for mileage reimbursement when the employee is required by the Appointing Authority to report in-person to the new permanent work location or any required Appointing Authority work location (e.g., field assignment). The allowable mileage shall be as follows:

- A. Mileage from the Appointing Authority's permanently closed work location or employee's approved telework location to the new permanent work location, whichever is lesser, or;
- B. Mileage from the Appointing Authority's permanently closed work location or employee's approved telework location to any required Appoint Authority approved work location (e.g., field assignment), whichever is lesser.

The employee shall no longer be eligible for mileage under this provision upon leaving the position which the employee occupied at the time the Appointing Authority permanently closed the work location, for the periods of time the Appointing Authority determines the employee is not approved to telework, or where the Appointing Authority cancels the employee's telecommuting plan.

Where the Appointing Authority cancels the employee's telecommuting plan and the employee must report in-person to the new permanent work location, the employee shall have the option to either report in-person to the new permanent work location, or to be laid off. If the employee chooses to be laid off, the layoff and recall provisions of this Plan shall apply.

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