

Office Memorandum

Date: November 19, 2018
To: Agency Payroll, HR, and Accounting Staff
From: Mary Muellner, Director, Statewide Payroll Services
Subject: **New Telecommuting Payroll Processing Procedure**

Beginning with pay period ending 12/25/2018, employees working in a state that is not their permanent work state may begin recording this information in Self Service Time Entry. In most instances, paper telecommuting timesheets are no longer necessary. Special earnings codes will be used by employees in Self Service Time Entry, or payroll administrators in Mass Time to indicate the days the employee worked in the additional work state. The special earnings code will begin with a \$ symbol followed by the two digit state code. For example, the earnings code to designate working in Wisconsin would be \$WI. This change allows SEMA4 to calculate the taxable gross and taxes for the additional work state when wages are paid.

- **Hourly employees:** This new procedure will apply to hourly employees **only**. It will apply to hourly employees who either telecommute from a different state or who temporarily work in a different state.
- **Salaried employees:** May **not** use this new procedure. Agency staff who have salaried employees who perform work in a different state, other than their primary work state, must contact Jennifer Goossen in Statewide Payroll Services.

What does the agency need to do?

Agency staff will need the following steps completed by 12/11/2018:

(1) Communicate the new procedure to the affected employees

(2) Update employee's Schedule page in SEMA4

Starting on 11/20/2018, agency staff must identify employees who are telecommuting or temporarily working out of state, and add the additional work state on the employee's Schedule page. This step needs to be completed by 12/11/2018, or the employee will be unable to enter the additional work state earnings code in Self Service Time Entry.

1. Select Payroll > Schedules > Schedules > Enter in the Department ID number > Choose the employee's name you wish to edit.
2. If the state is not listed at the bottom of the page, insert a new row to add the state. Enter \$ symbol and the two-digit state code.
3. In the 'From' field, enter a valid pay period begin date.
4. Set the Status to Active. Save the page.

Note: Multiple states can be active at the same time.

State Of Minnesota

Department: _____ Empl ID: _____ Empl Record: 0

Schedule Type: 2 Weeks 4 Weeks 6 Weeks

*Begin With PPE Date: 06/14/2016

	WED	THU	FRI	SAT	SUN	MON	TUE	TOTAL	
W1:	8.00	8.00	8.00			8.00	8.00	40.00	
W2:	8.00	8.00	8.00			8.00	8.00	40.00	BiWkly 1: 80.00
W3:									
W4:									BiWkly 2:
W5:									
W6:									BiWkly 3:

Schd Shift: *Diff Err Cd: REG Self-Service Time Entry Type: Exception

Default Work State: MN Description: Minnesota

Additional Work States: Find | View All First 1 of 1 Last

State	Description	Updated by	at
IA	Iowa		10/05/2018 9:33:12.000000AM

Buttons: Save, Return to Search, Previous in List, Next in List, Notify, Refresh

(3) Employee's State Tax Data page in SEMA4

Ensure the employee who is telecommuting or temporarily working out of state has an additional State Tax Data row for the additional work state. If the state is not on State Tax Date; then a validation error will occur in Time Entry.

What does the employee need to do?

Employees using Self Service will be able to enter the additional work state earnings code **only** if the agency has identified the additional work state on the Schedule page.

On their Self Service timesheet, employees add a row with the **new earnings code** \$ symbol and two letter state abbreviation; then place a 1 under each day worked outside of their permanent work location. This row is **in addition** to the earnings code row for reporting hours worked (e.g. REG) and is used only to indicate the days that should be taxed by the additional work state and not the employee's normal work state.

Note:

- Employees may not 'split' a day between two states. If anything other than a 1 is entered, then a validation error will occur.
- Employees must **not** report a telecommuting day for non-worked hours, such as a holiday or vacation.

What do you need to do in Mass Time Entry?

For employees entering their time in Self Service Time Entry, review the employee's timesheet to ensure the additional work state earnings code has been entered on an appropriate day.

For employees who do not enter their time in Self Service Time Entry and are working in a state that is not their permanent work state, agency payroll staff must identify which days worked apply to the additional state. Then add the **earnings code** of \$ symbol and two letter state abbreviation, placing a 1 for a specific day worked outside of permanent work state in Mass Time Entry.

The screenshot shows the 'Mass Time Entry' interface for the State of Minnesota. The breadcrumb trail is: Favorites > Main Menu > Payroll > Time Entry > Mass Time Entry. The page title is 'State Of Minnesota'. There is a search bar with 'All' selected and a search input field. Below the search bar are 'Advanced Search' and 'Last Search Results' links.

The 'Mass Time Entry' section contains the following information:

- Dept Data:** Dept Total: 881.00, Complete? . A 'Validate Dept' button is present.
- Pay End Dt:** 09/04/2018
- Empl Data:** Empl Total: 82.00, Timesheet?

Below this is an 'Error Messages' section with a 'Find | View All' link and pagination controls showing '1 of 1'.

The main data table is titled '1st Week' and '2nd Week'. It has columns for 'Earn Code', 'Earnings Total', 'Copy Reg?', and dates from 2018-08-22 to 2018-08-28. The rows are:

*Earn Code	Earnings Total	Copy Reg?	2018-08-22 (WED)	2018-08-23 (THU)	2018-08-24 (FRI)	2018-08-25 (SAT)	2018-08-26 (SUN)	2018-08-27 (MON)	2018-08-28 (TUE)
REG	72.00	<input type="checkbox"/>	8.00	8.00	8.00			8.00	8.00
HOL	8.00	<input type="checkbox"/>							
\$WI	2.00	<input type="checkbox"/>	1.00	1.00					

At the bottom, there is a link 'To view employee data click: HR Data' and a row of buttons: Save, Return to Search, Previous in List, Next in List, Notify, and Refresh.

Note: A day may not be 'split' a day between two states. Any value other than a 1, it will cause a validation error.

What about processing Prior Period Adjustments?

Agencies will be able to add days to the additional work state if the first day of the pay period being adjusted falls in the current calendar year. Agencies will not be able to reduce the days charged to an additional work state. If you need to reduce the amount of days recorded as worked in a telecommuting state, contact Statewide Payroll Services for additional information.

What about reciprocity states and states with no state income tax?

States which have reciprocity agreements or states without state income tax, will not be set up. No entry is needed in Self Service or Mass Time Entry.

Questions?

- Contact Jennifer Goossen at 651-201-8072 or jennifer.goossen@state.mn.us with tax withholding questions.
- Contact Lynda Hanly at 651-201-8074 or lynda.hanly@state.mn.us for time entry and Prior Period Adjustments questions.

PLEASE SHARE THIS INFORMATION WITH APPROPRIATE AGENCY STAFF