MANAGEMENT AND BUDGET

Memo

Date: November 17, 2025 [Revised on 1/9/2026; revision in ==*intense emphasis*== style.]

To: Agency Payroll, Human Resources, and Accounting Staff

From: Katie Karow, Director, Statewide Payroll Services

RE: SEMA4 Schedules Page Set-up for Exception Time Reporting

Agency staff responsible for employee Schedules page set-up in SEMA4 are encouraged to perform a review of employee information to ensure they are set up with the correct Self Service Time Entry Type. Employees who are exempt under the Fair Labor Standards Act (FLSA) should **not** be set up as *Time Only* reporters or enter hours worked on their timesheets. These employees should be correctly identified as **Exception** time entry reporters. Incorrect status identification can create unnecessary work for both employees and payroll staff and increase the risk of payroll errors.

Agency Actions
- **Review and update,** if needed, exempt employee schedules from *Time Only* to *Exception* reporters for a future pay period to ensure there are no issues with the employee being paid correctly.
- **Remind** exempt employees **not** to enter REG hours worked on their timesheets. Their *Exception* time reporter status automatically processes regular pay from their established Schedules page. Exempt employees should only enter hours when reporting exceptions—such as vacation (VAC) or sick leave (SIK).
- ==**Run** SEMA4 On-Demand **Report FIHU0623** which will provide a list of exempt employees who are set up as Time Only reporters on the SEMA4 schedule page.==

Employee Schedules Page Review
SEMA4 Path: SEMA4 > Payroll > Time Entry/Labor Distribution > Schedules.

After the search parameters have been entered and an employee page is displayed, agency staff should ensure the exempt employee's Self Service Time Entry Type is set to *Exception*.

> **Note**: When recording information on the Schedules page, agency staff must enter hours the exempt employee will be paid for.

Phased Approach

These encouraged changes are being implemented in a phased approach.

- The initial focus is on *Time Only* reporters. This will enable employees who are exempt under FLSA, and do not allocate their time worked to different labor codes, to enter only time away from work hours. Employees and time sheet approvers should find this time entry and approval easier and less time consuming each pay period, while also reducing the risk of entering and approving incorrect timecodes.

- The next phase will focus on employees who are exempt under FLSA and do allocate their time worked to different labor codes. This will take more planning and configuration to ensure the labor distribution is correct before being implemented. Exempt *Time and Labor* reporting guidance will remain the same until further guidance is provided.

- The final phase will involve Minnesota Management and Budget creating and sharing revised statewide payroll operating policies and procedures detailing requirements of agencies for the use of each type of page set up for employees.

Questions?

Agency Payroll, Human Resources, and Accounting staff should contact Halley Bui in Statewide Payroll Services at 651-201-8021 or reversals.mmb@state.mn.us if there are questions.

PLEASE SHARE THIS INFORMATION WITH APPROPRIATE AGENCY STAFF