

Memo

Date: December 23, 2025

To: Agency Payroll, Human Resources, and Accounting Staff

From: Katie Karow, Director, Statewide Payroll Services

RE: SEMA4 State Tax Data Additional Fields

This memo provides guidance for agency staff regarding employees who telework more than 50% outside Minnesota or who do not use the Self Service Teleworker module.

Starting January 1, 2026, the Minnesota Paid Leave program will take effect, providing job-protected leave and partial pay during qualifying events such as a serious medical condition or the arrival of a new child. The program is funded by a premium shared by eligible employees and their employer. Premium deductions will begin with the January 9, 2026, paychecks and will display additional information on paystubs.

Taxes				
Description	Resident	Taxable Gross	Amount	YTD Amount
Fed OASDI/EE		4,770.81	295.79	295.79
Fed MED/EE		4,770.81	69.18	69.18
Fed Withholding		4,481.67	738.43	738.43
MN Withholding	Y	4,481.67	290.80	290.80
MN PML/EE		4,819.00	14.70	14.70
MN PFL/EE		4,819.00	6.51	6.51
Total:			1,415.41	1,415.41

Before-Tax Deductions			After-Tax Deductions			Employer Paid Benefits (* = Taxable)		
Description	Amount	YTD Amt	Description	Amount	YTD Amt	Description	Amount	YTD Amt
MSRS Grnt						Fed OASDI/ER	295.79	295.79
Employee Rmt Plan	289.14	289.14				Fed MED/ER	69.18	69.18
Hlth Care Svng Plan - EE	48.19	48.19				MN PML/ER	14.70	14.70
						MN PFL/ER	6.51	6.51
						MSRS Grnt Employee Rmt Plan	301.19	301.19
Total:	337.33	337.33	Total:	0.00	0.00	Total:	687.37	687.37

Employees qualify only if they work at least half of their time from a Minnesota location, whether in person or by teleworking. To implement Minnesota Paid Leave program, each eligible employee's tax data record has been updated with a January 2026 effective date.

Note: Employees who make tax data changes in Employee Self Service between December 22 and December 31 will receive a warning indicating that a future-dated W-4 already exists. In this case, employees should either submit a paper W-4 to their payroll office or update their Self Service W-4 again on January 2.

If an employee teleworks from outside Minnesota more than 50% of the time, they are not eligible, and the premium should not be deducted. Agencies may need to take action to update information on the Employee State Tax Data page.

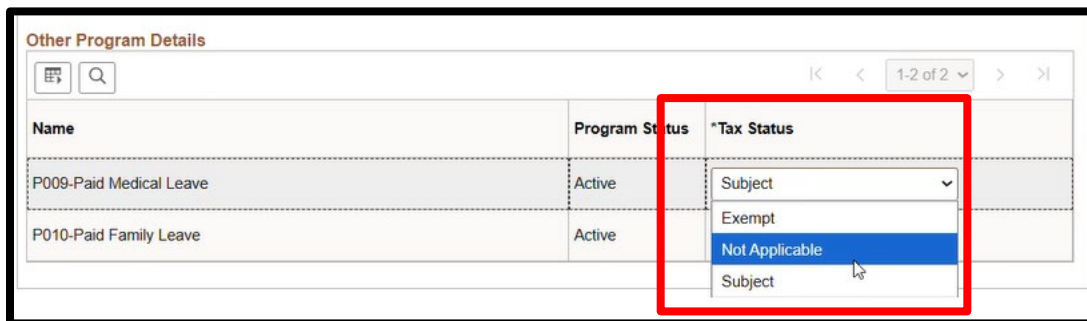
Note: Statewide Payroll Services updated tax record information for employees who telework more than 50% of the time from another state and have completed their new telework agreement in Self Service by December 15, 2025. Additional agency action is **only required** for corrections or for those employees who did not have a new Telework agreement information approved by December 15, 2025, or do not use the Self Service Teleworker module.

Updating Employee Tax Data

Agency staff will notice additional section on the Employee State Tax Data page, *Other Program*. SEMA4 users with the security role *Payroll Data Update/Correct* will be able to update the *Other Program Details* information. Users with the security role *Payroll Data View* may view the data.

Agency staff must update the *Tax Status dropdown option to: *Not Applicable* for employees who are not eligible for Minnesota Paid Leave so the tax is not deducted. This applies to employees who meet both of the following criteria:

- Works over 50% of the time outside of Minnesota
- Does not use the Self Service Teleworker module to update their telework agreement information



The screenshot shows a web form titled "Other Program Details". It contains a table with three columns: "Name", "Program Status", and "*Tax Status". The table has two rows: "P009-Paid Medical Leave" and "P010-Paid Family Leave", both with "Active" status. The "*Tax Status" column for the second row is highlighted with a red box, and a dropdown menu is open, showing options: "Subject", "Exempt", "Not Applicable" (which is selected and highlighted in blue), and "Subject".

Name	Program Status	*Tax Status
P009-Paid Medical Leave	Active	Subject
P010-Paid Family Leave	Active	Not Applicable

Questions?

Agency Payroll and Human Resources staff should contact Statewide Payroll Services by email at: spsops.employeeew4.mmb@state.mn.us or by phone: Jennifer Goossen at 651-201- 8072 or Halley Bui at 651-201-8021 if there are questions.

PLEASE SHARE THIS INFORMATION WITH APPROPRIATE AGENCY STAFF