

STATEWIDE PAYROLL MEETING FISCAL YEAR END

MAY 14, 2018



Introductions

- Central Payroll
 - Stu Wilbur
 - Tracey Cappuccio
 - Sam Tekien
 - Karen Turner
 - Lalita Farr
 - Vahn Vo
 - Misty Delgado
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 - Marla Grossman, RASL
- Systems Integration
 - Joanna Greenaway
 - Somer Phegley


Contact Information


- **Agency Payroll Resource Contact List**
- **Employee Resource Contact List**
- **Agency Contact List**
 - Human Resources
 - Payroll
 - Accounting
- **Send any updates to Central Payroll electronically**
 - (602) 364-2215 (fax)
 - Central.Payroll@azdoa.gov



Website Registration

<https://gao.az.gov/register-updates>

 **ADOA-GAO**
General Accounting Office

 PUBLICATIONS AFIS PAYROLL / RASL FINANCIALS
PROJECTS

Register for Updates

Already have an account? Login here to change preferences:
<https://enewsletter.az.gov/Members.aspx?SID=e51d6dbe-b2b3-47fd-a3a9-163da25961c4>

Join our mailing list

First Name:

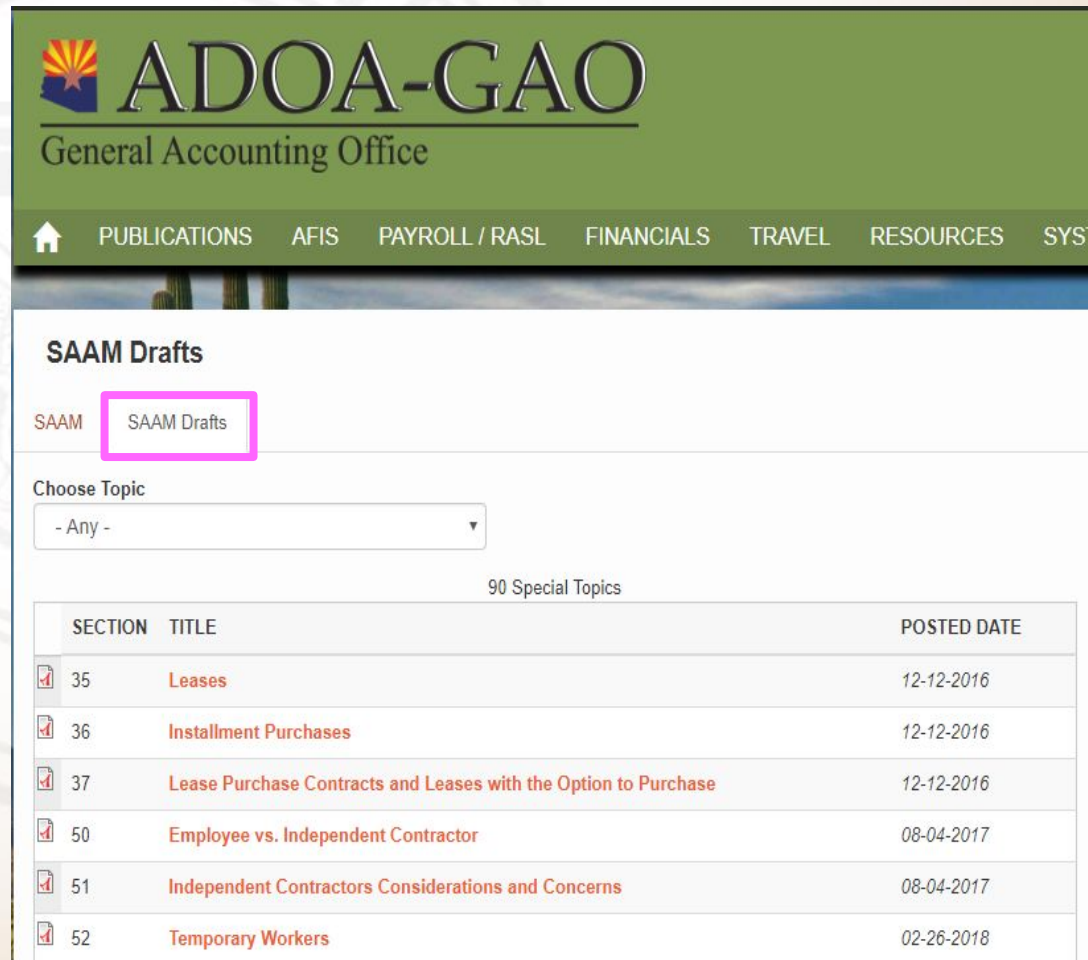
Last Name:

Email Address:

Re-Enter Email Address:

GAO Policy Updates

- Statewide GAO Policies published as drafts
 - Comments are being accepted
 - <https://gao.az.gov/publications/saam/saam-draft>
- Publications
 - State of Arizona Accounting Manual (SAAM)
 - SAAM Drafts
 - Topic – 50 Travel
 - Topic – 55 Payroll
 - Topic – 90 Special Topics



The screenshot shows the ADOA-GAO General Accounting Office website. The header includes the ADOA-GAO logo and the text "General Accounting Office". Below the header is a navigation menu with links for PUBLICATIONS, AFIS, PAYROLL / RASL, FINANCIALS, TRAVEL, RESOURCES, and SYS. The main content area is titled "SAAM Drafts" and features a dropdown menu for "SAAM" with "SAAM Drafts" selected. Below this is a "Choose Topic" dropdown menu set to "- Any -". A table titled "90 Special Topics" lists various sections and titles, including "Leases", "Installment Purchases", "Lease Purchase Contracts and Leases with the Option to Purchase", "Employee vs. Independent Contractor", "Independent Contractors Considerations and Concerns", and "Temporary Workers".

SECTION	TITLE	POSTED DATE
35	Leases	12-12-2016
36	Installment Purchases	12-12-2016
37	Lease Purchase Contracts and Leases with the Option to Purchase	12-12-2016
50	Employee vs. Independent Contractor	08-04-2017
51	Independent Contractors Considerations and Concerns	08-04-2017
52	Temporary Workers	02-26-2018

Policy Updates

- SAAM Sections that have been posted as drafts:
 - 9550: Employee vs. Independent Contractor
 - 9551: Independent Contractors - Considerations and Concerns
 - 9552: Temporary Workers
- SAAM Sections that have been posted:
 - 5025: Meals and Incidentals [04/30/18]
 - 5040: Conferences, Conventions and Meetings [04/09/18]
 - 5055: Travel Claims [04/30/18]
 - 5557: Employee Recognition Activities [04/09/18]
 - 5558: Accepting Gifts [12/26/17]

Legislative Update - Bills Passed

2018 – Fifty-third Legislature – Second Regular Session

- SB1524*: §41-708 requires ADOA to collect all State employees' salaries grouped by retirement system, tier, and funding source from all budget units and submit a report to JLBC, OSPB and the Governor's Office
- HB2502*: Traumatic Event Counseling
 - State Agencies are exempt from the reporting because of the ADOA Benefits Division Employee Assistance Program (EAP)
- HB2545: Cost of Living Adjustment for EORP; conditional enactment by voters in next general election
- ***HB2004*: ASRS Waiting Period Repeal has been transmitted to the Governor but no action as of this date

*Effective on the General Effective Date (90 days sine die, 8/3/18)

New CORP Defined Contribution Retirement Plan

- SB1442 (2017) Creates 401(a) Defined Contribution (DC) Plan in the Corrections Officer Retirement Plan (CORP)
 - Mandatory membership for any new CORP employee hired on or after 7/1/2018
 - Employee & Employer will contribute to retirement disability plan
 - Contributions begin upon hire into a CORP eligible position
 - Plan does not allow for Industrial after-tax contributions
- Default Contribution rate 7% Employee & 5% Employer
 - Employee can make a one-time irrevocable election to contribute:
 - More than 7% up to the IRC limit or
 - Less than 7%; minimum of 5%
- Contributions are payable to Nationwide
- Disability and Legacy (Unfunded Liability) are payable to PSPRS

ASRS Fiscal Year Intent Review

- State law requires participation in the ASRS when all membership criteria are met. A.R.S. § 38-711.23(b) defines members as
 - “... all employees of an employer who are eligible for membership pursuant to section 38-727 and who are engaged to work at least twenty weeks in each fiscal year and at least twenty hours each week.”
- At the beginning of each fiscal year, a review of these types of employees needs to be done to determine and document the employer’s intent regarding ASRS 20/20 criteria
 - Intent of employment at the beginning of the new fiscal year or when a job change occurs
- Monitor employees for 20/20 criteria
 - Use “ASRS Eligibility Review (code 9) Report” in the Data Warehouse

ASRS 20/20

- Should be completed each fiscal year
 - Intent can change
- Filed in the employee's file
- Signed off on by someone "in the know" of the Intent
 - HR/Supervisor

INSTRUCTIONS

State law requires participation in the ASRS when all membership criteria are met. A.R.S. § 38-711.23(b) defines members as "... all employees of an employer who are eligible for membership pursuant to section 38-727 and who are engaged to work at least twenty weeks in each fiscal year and at least twenty hours each week."

In order to determine if a particular employee is "engaged to work 20/20", we need to understand if you intend that the employee will work 20/20 in the current fiscal year based on the terms of employment and intended duration. Consider any changes that are believed to occur in the current fiscal year. If no substantial changes to their current work hours are expected to occur, consider the employee's actual work history in the prior fiscal year as an indicator of what they may likely work in the current fiscal year.

Once completed, send this form to your Agency Human Resources or Personnel Office for processing.

Agency H.R.: Ensure the employee's HR11 Retirement Code is appropriate given the intent indicated below. If you have any questions, please contact GAO Central Payroll at Central.Payroll@azdoa.gov.

The terms of employment and intended duration, as of: [redacted] have been reviewed for:

EIN	Employee Name	Position	FTE	Work Schedule
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Individuals with personal knowledge of the employer's intent should indicate the agency's intent below.

The agency **ANTICIPATES** that **FOR THE CURRENT FISCAL YEAR**, the employee listed above:

WILL WORK at least twenty weeks for at least twenty hours each week

[Provide any information about FTE, position, work schedule, work projects, expected employment duration, etc, that is known as this time. You can attach additional information if needed.]

[Check Only One]

WILL NOT WORK at least twenty weeks for at least twenty hours each week.

[Provide any information about FTE, position, work schedule, work projects, expected employment duration, etc, that is known as this time. You can attach additional information if needed.]

I am authorized on behalf of my agency to make this certification.

[redacted] [redacted] [redacted]
EIN Authorized Signature Date Agency ID / Name

Benefit Arrears

- Benefit Premium Billing Overview
 - HRIS creates Benefit arrears deductions if paycheck has insufficient funds
 - Deductions appear on the Unpaid Benefit Premium Report in data warehouse
 - Agency must review the Unpaid Benefit Premium Report each pay period to determine if an employee owes the employer premium.
 - Submit GAO-73B to Central.Payroll@azdoa.gov
 - Benefit Premium Billing Statement sent to employee Monday following compute.
- Benefit Arrears Policy Change - draft
 - Employees with less than 30 hours paid in pay period may be responsible for employer premium. The 30 hour requirement now includes all leave payouts
 - Over/Under Premium Payments to HITF
 - HRIS One-Time Deductions updated to show partial payment
 - Underpayment: Do not change due date – if premium is not paid in full, benefit plan(s) will be retro-terminated to the last fully paid pay period. Any underpayment received will be refunded within 30 days
 - Overpayment: Refund will be issued within 30 days
 - Deceased Employee
 - Invoices should be mailed to the employee's address of record each pay period, due dates DO NOT change
 - If benefit premium is not paid in full, the supplemental and/or dependent life claims can be denied
- Benefit Premium Policy & Procedures: www.benefitoptions.az.gov

Benefit Arrears – Handwrites

- Employee had a \$0 payment with pay code 950
 - Process ZR80 Manual Payment using cycle 1, 2, or 3
 - Complete the GAO-70B to request a reversal of the zero dollar payment
 - Submit GAO-70B with GAO-99A
 - Can only key for the current pay period on or after payday Thursday
- Employee received partial pay on compute, still has wages due
 - Select all pending one-time deductions
 - If there are low wages, select the earliest dated OTD first
 - Process ZR80 Manual Payment using cycle 5
- Employee is paid less than 30 hours in the pay period and is responsible for paying the employer premium
 - Review the Benefit Premium Policy at <http://benefitoptions.az.gov>
 - Submit a GAO-73B to request one-time deductions before the Handwrite is added

Overtime Impacts of Bonuses (U.S. Dept of Labor)

- Non-Discretionary (most bonuses)
 - Must be allocated for overtime and retirement purposes
 - Announced to employees to encourage them to work more steadily, rapidly or efficiently and bonuses designed to encourage them to remain with the facility
 - Attendance bonuses (Retention Incentive), individual or group production bonuses (Goal Based Incentive), bonuses for quality and accuracy of work (Merit Based Incentive), bonuses contingent upon the employee's continuing employment until the time the payment is to be made (Retention Incentive). They must be included in the regular rate of pay
- Discretionary (surprise bonus to the employee)
 - §778.211: "Sums paid in recognition of services performed during a given period if *** (a) both the fact the payment and the amount of the payment are determined at the sole discretion of the employer at or near the end of the period not pursuant to a contract, agreement or promise causing the employee to expect such payment regularly ***"
 - Discretionary in one year may not mean it is discretionary in subsequent years
 - Not announced in advance. Fully earned when announced, such as a SPOT award
 - Few bonuses are discretionary under FLSA

Compensation Strategies – in June

- Deadline: bonuses should not be scheduled for the June 21st payroll
 - If any errors occur, there is no time left to correct in FY18
 - GAO recommends any bonuses approved to be paid out of FY18 funds should be scheduled no later than the June 7th payroll
 - No Handwrites issued for bonus payments
- Please coordinate with Agency Leadership as soon as possible to ensure bonuses can be paid as intended
 - Contact GAO Central Payroll to coordinate timing

ASRS Pensionable Compensation

- ASRS administrative rule (A.A.C. R2-8-902) became effective January 1, 2018 regarding eligible compensation for ASRS members
- Two pay types are no longer considered compensable for ASRS purposes:
 - Non-accountable allowances which means payments for the employee for costs incurred by the employee incidental to the performance of his or her duties for which the employee is not required to provide receipts (e.g. a phone allowance or car allowance)
 - Mandatory amounts paid under a plan that would reduce the member's accrued annual, sick, or general leave balance to a prescribed maximum if not paid because of a member's resignation or retirement (e.g. annual vacation payout)
- ASRS emergency rule (A.A.C. R2-8-902) effective March 2, 2018 stipulates the rule **applies only to ASRS members on or after January 1, 2018**
- The amount of Compensatory Leave is included in the administrative rule and should not be withheld for employees who became ASRS members on or after January 1, 2018

EXPIRED BY ASRS

Handwrites through Fiscal Year End

- Should be kept to a minimum to avoid PEDF1 document rejects on the Document Catalog
- Travel & Other Reimbursement handwrites allowed June 20-28, 2018
 - Minimum handwrite threshold lowered from \$100 to \$10
- GAO will be verifying cash and appropriation availability in AFIS



HRIS Statewide ETE Items

- June 13th – 6:00 PM
 - ETE Templates requiring mass upload (100+) are due to GAO
 - Email: Central.Payroll@azdoa.gov
- June 16th – 6:00 PM
 - ETE Cutoff for all agencies
- June 17th – 7:00 AM
 - ETE Interface scheduled for Sunday with AY18 labor
- June 18th - morning
 - Updating Sub-Account (BFY) 2018 to (BFY) 2019
- June 28th or 30th by 6:00 PM
 - HRIS is view only on June 29th
 - Templates must be updated by the ETE deadline

HRIS Labor Distribution

- Starting April 23rd, any new AFIS accounting elements to be used for HRIS labor distribution on the first pay cycle must be entered as FY19
- FY18 Chart of Accounts (COA) elements will be transmitted to HRIS (during the nightly batch processing) through June 20th
- Beginning June 21st, only FY19 AFIS profiles will be interfaced to HRIS; FY18 elements will no longer be included on the nightly interface
- The Systems Integration team will download all FY19 AFIS COA elements (associated with HRIS labor distribution) on June 14th, for a one-time manual upload to HRIS on June 15th
 - Therefore, FY19 AFIS COA elements for HRIS labor distribution should be set-up no later than June 13th
 - The manual upload will ensure FY19 labor distribution elements are established in HRIS prior to the updating of ETE Account Templates on Monday, June 18th

HRIS Statewide Position Update

- June 23rd – 24th
 - XP02/ZP02 Update
 - Updating Sub-Account (BFY) 2018 to (BFY) 2019
 - Update Position labor distribution elements based on Agency requests/submittals
 - Send requests/custom uploads to Somer Phegley no later than June 18, 2018
 - Errors must be fixed by June 28th, 2018
- June 29th – HRIS View Only, No Handwrites
 - Perform time entry activities a day early if possible
 - XR23.3 Update
 - Updating Sub-Account (BFY) 2018 to (BFY) 2019
 - Update Multiple Labor Distribution elements based on Agency requests/submittals
 - Send requests/custom uploads to Somer Phegley no later than June 25, 2018
 - Errors must be fixed by July 3rd, 2018 (2:00 PM)

Payroll Corrections - AFIS PEDF1 documents

- All AFIS PEDF1 documents in rejected status, must be finalized by July 6, 2018.
- GAO will be monitoring PEDF1 records to ensure they are being posted in a timely manner.
- Please contact your GAO AFIS Liaison for assistance, or to discuss any compliance issues.

HRIS Critical Dates - June - July 2018

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27	28	29	30	31	1 JUNE	2 PAY PERIOD BEGIN
					PAY PERIOD END	
3	4	5 COMPUTE	6	7 PAYDAY 12	8	9
ETE INTERFACE						
10	11	12	13	14	15	16 PAY PERIOD BEGIN
			ETE Template Updates due to Central Payroll AY19 Templates due to GAO Systems Support			ETE CUTOFF 6PM
					PAY PERIOD END	
17	18	19 COMPUTE	20	21 PAYDAY 13	22	23 HRIS VIEW ONLY
ETE INTERFACE 7 AM	ETE AY19 Templates loaded Agency: Check ZR530/ZS535 ETE EXTRACT error reports					XP/ZP02 UPDATED TO AY19 AFIS COA ELEMENTS
ETE UNAVAILABLE						
24 HRIS VIEW ONLY	25	26	27	28	29	30 PAY PERIOD BEGIN
XP/ZP02 UPDATED TO AY19 AFIS COA ELEMENTS	AGENCY: FIX XP02/ZP02 UPDATE ERRORS & RETURN TO GAO IMMEDIATELY		HRIS VIEW ONLY UNTIL 10 AM GAO prior year adjustments	LAST CHANCE TO PAY IN FY2018 NOON DEADLINE	NO HANDWRITES XR23.3 UPDATED TO AY19 AFIS COA Statewide Updates: New Retirement Plans & Rates	Last Day to Update ETE Templates before Interface
LABOR WILL DEFAULT TO AY2019 MUST FIX FOR HANDWRITES					Last Day to Update AFIS Labor for ETE for 7/3/18 compute	Last Day to Update AFIS Labor for HRIS for 7/3/18 compute
					PAY PERIOD END	
1 JULY	2	3 COMPUTE	4	5 PAYDAY 14	6	7
ETE INTERFACE 7 AM	Agency: Check ZR530/ZS535 ETE EXTRACT error reports		4TH OF JULY HRIS VIEW ONLY			
		HRIS COMPUTE 2PM				

HRIS Upgrade

- Phase I - HR moving to Global HR (GHR) [scheduled 12/31/2018]
 - Moving from on premise internally supported solution to a cloud-based vendor supported solution, this will provide the state:
 - Greater reliability and security
 - Advanced functionality
 - New look and feel
 - HR is moving to Global HR (GHR) a Landmark platform
 - Looks visually similar to Talent Acquisition and MAP
 - GHR will become the system of record
 - Source of truth for all HR related data
 - Payroll, Benefits & Absence Management (LP) is staying on the S3 platform
 - Looks visually similar to HRIS today
 - Security is being upgraded
 - Moving to more standardized model across all agencies
- Phase II – Benefits and LP moving to GHR [scheduled 3Q 2019]
 - Change Management is being led by ADOA HR
 - This transition is a pivotal step forward to enable the State's workforce to operate at the speed of business

The End

any questions



Next Meeting:

Calendar Year End
Statewide Payroll Meeting
Monday, November 26, 2018
ADOA Conference Room 300

