Welcome!

2009 Fiscal Year End Payroll Meeting
June 8, 2009

Contact Information

- Complete the Agency contact form
    - Leave it here
    - Fax it to Central Payroll
        - (602) 364-2215

- New Central Payroll contact list

Register for Payroll Updates

http://www.gao.az.gov

Recent Accomplishments

- **Direct Deposit Advices online**
  - Stopped distribution (est $700K yearly savings)   [8/15/08]
  - Stopped printing (est $95K yearly savings)   [12/19/08]
- **YES access for separated State employees**
  - Additional 18 months to view pay info   [2/10/09]
- **LSF 9.0 Environment Upgrade**
  - Have processed 8 successful payrolls   [2/16/09]
  - Challenges:
    - Password resets
    - Agency readiness issues (Internet Explorer 7)

Next 12+ Months

- Migrating STARS to HRIS
    - Planned for July 13th time frame
    - Configure system, develop reports, move data, train users
- BofA CashPay Debit/Credit Cards:
    - Help increase Direct Deposit usage
    - Stronger Security, convenient usage at ATMs
    - Give employees another option to receive pay
    - Warrants will still be offered as a payment option
- MHC (Payment Print and YES display application)
    - Reduce reliance on aging printer
    - W-2 online capability
    - Opportunity for easier to read pay descriptions
    - Leave balances on paystubs again

Next 12+ Months

- Applications Upgrade (8.0.3 to 9.0)
  - Current version no longer supported effective May 31st
  - Eliminate need for some customized programs
  - Save over $200K in maintenance fees over next 3 years
  - Project plan being developed
- Employee Time Entry
  - Time & Expense placed on hold due to budget
  - HRIS's internal Time Entry Program being reviewed as an option (will not do all that we want/need, but it will provide some efficiencies over current process.)
  - Project plan being developed

Payment of Wages

- ARS §23-353
  - A. When an employee is **discharged** from the service of an employer, he shall be paid wages due him **within three working days** or the end of the next regular pay period, whichever is sooner.
  - B. When an employee **quits** the service of an employer he shall be paid in the usual manner all wages due him no later than the regular payday for the pay period during which the termination occurred. If requested by the employee, such wages shall be paid by mail.
- ARS §23-355
  - A. […] if an employer, in violation of this chapter, fails to pay wages due any employee, the employee may recover in a civil action against an employer or former employer an amount that is **treble [three times]** the amount of the unpaid wages.

RIF, Layoff, Furlough, Salary Reduction, VSP

Type	Covered	Uncovered
RIF or Layoff (Involuntary) Pay within 3 working days	**Reduction in Force (RIF)** per R2-5-902 (with ADOA Approval)	**Layoff**
Furlough (Reduced Hours) – (Voluntary furlough not recommended by ADOA due to possible coercion)	Laws 2009 49th Leg 1st Spec Session Ch. 3 (SB 1003). Expires 6/12/2009 **Furlough not authorized yet for FY10.** Furlough hours should not count against an employee in terms of benefits, holiday pay or time accruals. Retirement benefits could be impacted if close to retirement. Social Security wages that are reported will be impacted. Excluded employees may become hourly subject to FLSA. Excluded employees can't work on any part of furlough day.	
Salary Reduction (Reduced Rate of Pay)	Perf Pay change requires legislative action. Base pay may not be reduced except as provided by Personnel Rules	Perf Pay change requires legislative action. Base changes can occur. Salary must align with pay grade
Voluntary Separation Program (VSP) Agencies may offer 1 week of pay for each year of service depending on agency fund availability.	Per ARS 41-763.03 and R2-5-904 and with ADOA approval. Benefits continue (up to 6 months or end of fiscal year whichever is sooner) with employee paying their insurance portion directly to HITF. Package may provide compensation.	Not available

Furlough Time Entry

- ## Time Entry for Furloughed Employees
  - Key time records using pay code 640-LWOP with attendance code "FR"
  - Employees should submit leave requests for furlough days so supervisors can approve and coordinate coverage
  - Cannot key furlough hours and work hours on same day for uncovered employees
  - Furloughs shall not negatively impact time accruals
  - Further HR guidance may be needed to coordinate combination of furlough and flex schedules
  - If you have questions, get clarification from HR

Voluntary Separation Program

- Proposal must be have been submitted with RIF proposal and requires ADOA approval
- Different options of separation agreement:
  - Continuing Health Insurance Benefits up to 6 months or until end of fiscal year, whichever is sooner
  - Possible Severance Compensation
- A VSP may disqualify an employee for
    - RASL program (requires employee to retire within 14 days of last day of work)
- VSP Employees
  - Key any severance payout to:
    - 401-Additional Lump Sum (with retirement)
    - 401A-Additional Lump Sum (without retirement)
    - Use Attendance code "VS"
- Be clear about the VSP agreement
  - If you have questions, get clarification from HR

New Retirement Rates

- Effective July 1, 2009
  - Payday July 17, 2009
    - ASRS is increasing, LTD decreasing
    - PSPRS rates have changed

  - EREs may be changing
    - New Tax Table will be posted to GAO website

RETIREMENT PLAN DEDUCTIONS

CODE	RETIREMENT PLAN	EE	ER
1	PLAN-ASRS	9.00%	9.00%
2	JUVENILE CORRECTIONS (501)	8.41%	8.41%
3	ELECTED OFFICIALS & JUDGES (415)	7.00%	14.25%
4	PUBLIC SAFETY (007)	2.65%	31.95%
5	GAME & FISH (035)	7.65%	37.09%
6	AG INVESTIGATORS (151)	7.65%	46.39%
7	FIRE FIGHTERS (119)	7.65%	16.46%
8	T.I.A.A./VALIC	7.00%	7.00%
9	NO RETIREMENT	0%	0%
0	CORRECTIONS (500)	8.41%	9.19%
A	CAPITOL POLICE (160)	7.65%	11.00%
B	LIQUOR CONTROL OFFICER (164)	7.65%	19.02%
C	SYSTEM-ASRS	7.00%	7.66%
D	EMPLOYER'S ANNUITY	N/A	5.00%
E	DEFINED CONTRIBUTION	2.66%	2.66%
F	STATE PARKS (204)	7.65%	17.51%

New Web Based Transit Card System

- **Training to be held at 11 am and 3 pm today**

- **Overview of Platinum Pass Program**
  - ❑ Issuing cards
  - ❑ Monthly billing
  - ❑ Canceling cards
  - ❑ Requesting final billing
  - ❑ Reporting

Deceased Employee Payments

- Any payment after the date of death has specific tax treatment
  - Death on Monday, Tuesday, Wednesday of compute week
    - Payment is 1099 reportable to Beneficiary
    - If paid through compute, payment should be canceled/reversed
- Pay through HRIS using handwrite system
  - Use the correct cycle
  - Select any pending One Time Deductions
  - Only key time records through the date of death
  - Disable and end date taxes
  - Submit correct documentation: GAO-36 (A, B or C) & W-9
    - A – Up to $5,000 to spouse, Death Certificate not required
    - B – Pay to successor after 30 days or amount over $5,000 to spouse after 30 days
    - C – Paid to the Estate of Decedent, must have Letter of Representative

LWOP Time Records Create EREs

- **Total ERE charges to Agency budget**
  - The analysis indicated over $ 1 million

- **Time records should not be keyed after term date, this drives unnecessary ERE charges**
  - $500K of the $1 million associated with these records

- **Employees having 40 or more hours of LWOP do not qualify for benefits**
  - They must work at least ½ their FTE to be eligible
  - $500K of the $1 million associated with these records

July 4ᵗʰ Holiday

Tuesday, June 30th	Compute
Wednesday, July 1st	Warrant Distribution from GAO
Thursday, July 2nd	B of A will release ACH file to banks
Friday, July 3rd	If Holiday is observed on 3rd by some banks, it may cause posting delay to employee bank accounts

Military Leave Rules

- **The Federal Fiscal Year for Military Leave**
  - October 1 to September 30
- **Federal Limit**
  - 240 hours within any two consecutive fiscal years
- **Sources**
  - HR Policies & Procedures: R2-5-407
  - ARS §26-168 Paragraph C

Military Leave Roll Agency Responsibility

❑ Verifying eligibility

❑ Adding the original 240 hours

❑ Removing a balance for ineligible employees

❑ Using clear, concise descriptions in TA70

❑ Retaining valid documentation for all Military Leave transactions

❑ Validate leave roll results

❑ Make necessary adjustments to TA70

Military Leave Roll Timeline 2009

- **09/30/09** Agency
  - Have all 380 time records entered into HRIS by COB.
  - Have all TA70 adjustments that relate to 10/01/08 to 9/18/09 completed by COB.
- **10/01/09** Central Payroll
  - Process the Leave Roll
- **10/02/09** Agency
  - Review the documentation sent from Central Payroll
  - Process necessary adjustments relating to current pay period
  - E-mail Central.Payroll@azdoa.gov with questions regarding the new balance.
  - GAO to monitor ME adjustments for inappropriate transactions

Military Leave Roll Calculation

- **Calculation for 10/01/09 available balance**
  - Was Military Leave used during the prior fiscal year?

    - No = 240 hours

    - Yes = 240 hours less prior Federal fiscal year usage

Military Differential Payments

- Military differential payments are considered Federal & State taxable
  - W-2 reportable
  - Not FICA or Medicare taxable
- Pay through HRIS as a lump sum amount using pay code 385
  - Pay code 383 will no longer be used
- GAO Forms 42 & 43 are for calculating the differential payment amounts
  - http://www.gao.az.gov/onlineforms/default.asp

June 2009

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
31	1	2 **COMPUTE**	3	4	5 **PAY DATE**	6
7	8	9	10	11	12	13
14	15	16 **COMPUTE**	17	18	19 **PAY DATE**	20 **LABOR UPDATE HRIS DOWN**
21 **LABOR UPDATE HRIS DOWN**	22	23	24	25	26	27
28	29	30 **COMPUTE**	1	2 **PAY DATE**	3 **HOLIDAY**	4

LABOR ON MANUALS DEFAULTING TO AY2009 IS OK --- ***ENTER COMPUTE TIMERECORDS AFTER LABOR UPDATE

LABOR ON MANUALS DEFAULTING TO AY2010 MUST BE CHANGED TO AY2009

LABOR FOR COMPUTE TIMERECORDS DEFAULTING TO AY2010 IS OK

LABOR ON MANUALS DEFAULTING TO AY2010 MUST BE CHANGED TO AY2009

LABOR FOR COMPUTE TIMERECORDS DEFAULTING TO AY2010 IS OK

Travel Reimbursements to be Included June 19th Payroll

- Deadline for keying time records: June 16th, 2 pm

  - Must be keyed by deadline to be paid on June 19th and to be charged to sub-account (AY) 2009

  - Time record must be dated prior to June 12th

Travel Payments After June 16th

- Travel payments that did not get keyed for pay day June 19th that an Agency would like charged to sub-account (AY) 2009:

- 2 Options:
  1. Can be keyed as a manual from June 17th - June 30th
     - Use caution to ensure AY2009 is selected and PD Ind is "N"
     - GAO will be verifying cash and appropriation availability in AFIS
  2. Process the payment on the July 2nd payday, charging sub-account (AY) 2010. Then, utilize the administrative adjustment process to charge (AY) 2009

HRIS Labor Distribution Update

- Update will be done June 20th & June 21st
  - HRIS will be unavailable
  - Change sub-account 2009 to 2010 only
  - AY2010 will not be available until June 22
- Compute time records keyed prior to June 22nd with sub-account (AY) 2009 will need to be changed to sub-account (AY) 2010

  After the labor update, use caution when entering manuals and compute time records

- Questions, contact: Yesenia Mejia (602) 542-3972
  yesenia.mejia@azdoa.gov

HRIS Manuals

- Manuals keyed on June 22nd through June 30th should have the sub-account of AY2009.
  - Fiscal Years 2009 & 2010 will be available from June 22nd through June 30th, use caution when entering manuals to ensure the proper AY year is selected
  - PD Indicator must be "N"
- GAO will be verifying cash and appropriation availability in AFIS
- Manuals keyed on July 2nd will be available for pickup at GAO on July 6th

AFIS Screens H01, H02, H03

AFIS SCREEN	FUNCTION
H01	adds, changes, or inactivates ***accounting units*** in HRIS
H02	adds, changes, or inactivates ***activities*** in HRIS
H03	adds, changes, or inactivates ***account categories*** in HRIS

Before inactivating elements, be sure employees do not have any of the elements to be inactivated in their labor distribution

Check HRIS XP02 and XR23.3

RASL: Critical Eligibility Deadline

- Watch out for RIF/Layoff employees who might be eligible for RASL benefits:

  - 500+ hours of unused sick leave

  - In order to qualify, separated employees must retire immediately from ASRS/CORP/PSPRS/ORP.
    - For ASRS, immediately means **14 days**

  - However, retirees have **180 days** to apply for RASL.

RASL: Key Issues

- ## Please validate all RASL Checklist items are done **before** applications are sent.
  - Agency PR:
    - LEAVE BALANCES: Pay/Zero them out before notifying agency HR to change employee status.
  - Agency HR:
    - STATUS: Ensure the employee is in R2, T2 or U2 status.
      - If returning to work, please terminate first then rehire so that there is a specific termination date recorded in HRIS.
    - VOLUNTARY DEDUCTIONS: Email request to turn off to BeneIssues@azdoa.gov
    - TERM DATE: Ensure that the term date in HRIS is the employee's actual last day of employment.
    - ORIGINAL FORM: Submit the original RASL Form GAO-SL-50.

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