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# Statewide Payroll Meeting



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2010 Fiscal Year End  
May 24, 2010

Welcome!

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# Introductions

- Stu Wilbur
  - Tracey Cappuccio
  - Karen Turner
  - Stephanie Neves
  - Lalita Silva
  - Vahn Vo
  - Yesenia Mejia, AFIS
  - Jennifer Verhelst, Projects
- 
- Sam Tekien
  - Marla Grossman, RASL

# Contact Information

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



# Register for Payroll Updates

<http://www.gao.az.gov>



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- [State of Arizona Accounting Manual](#)
- [All Agency Memoranda](#)
- [Arizona Financial Information System \(AFIS\)](#)
- [Central Payroll Information](#)
- [Central Services Bureau \(CSR\) Services](#)
- [Tax Withholding Tables](#)
- [RASL Information](#)
- [Vendor Payment Search](#)
- [Cash Flow Analysis-FY09](#)
- [Financial and Administrative Monitoring Tool](#)
- [Risk Assessment Monitoring Tool](#)
- [Arizona Revised Statutes](#)
- [Arizona State Treasurer's Office](#)
- [ADOA Human Resources Division](#)
- [Arizona Department of Administration \(ADOA\)](#)
- [Human Resources Information System](#)
- [Arizona Government University](#)
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- [Arizona Unclaimed Property](#)
- [Travel Frequently Asked Questions](#)
- [FY09 Monthly Expenditure](#)
- [American Recovery & Reinvestment Act Presentation](#)

## News & Updates...

- [Recovery Act Risk Assessment and Subrecipient Monitoring - 5/27/2009](#)
- [Modifications to the Vendor Profile Screen, Screen S034 in AFIS - 5/27/2009](#)
- [Appropriation Load Cancelled for May 22, 2009 - 5/21/2009](#)
- [May CFO Meeting Agenda 5/19/2009](#)
- [Fiscal Year End 2008-2009 \(FYE09\) Closing Instructions Correction to Divestment Deadline - 5/18/2009](#)
- [2009 Fiscal Year End Payroll Meeting to be held June 8, 2009 - 5/15/2009](#)

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# Recent Accomplishments



- B of A CashPay Card Option Implemented

- Updated GAO-65

[12/ 2/09]

- LSF 9.0 Application Upgrade

- Have processed 9 successful payrolls

[ 1/15/10]

- W-2s online via the YES website!

- 2006, 2007, 2008 and 2009

[ 2/ 1/10]

- Can also consent to receive future W-2's electronically instead of by mail

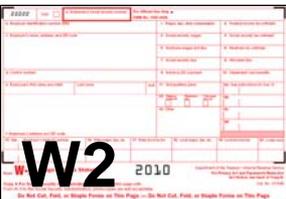
- W2-C's back to 2006 also posted

[ 4/ 1/10]

- YES access for separated State employees

- 4 years to view payment & W-2 info after separation (was 18 months)

[ 2/ 2/10]



# Next 12+ Months

- Electronic A-4 soon available on YES website

|                       |  |
|-----------------------|--|
| July 2 <sup>nd</sup>  | - New State Tax Withholding Rates  |
| July 16 <sup>th</sup> | - Elimination of Performance Pay<br>- New Retirement Rates                         |
| July 30 <sup>th</sup> | - 1 <sup>st</sup> paycheck with a State Mandated Furlough (July 23 <sup>rd</sup> ) |

- **LAWSON™** Employee Time Entry
  - Planned for August timeframe to small groups within ADOA
  - Reviewing Status Codes, Pay Codes, Attendance Codes in preparation for ETE

# A-4 Tax Withholding Deadlines

|             | Sunday  | Monday   | Tuesday  | Wednesday                      | Thursday                              | Friday                    | Saturday      |
|-------------|---|--|--|--------------------------------|---------------------------------------|---------------------------|---------------|
| <b>MAY</b>  | 23<br>Template available for Agencies to key A-4s | 24<br>Statewide Payroll Mtg  | 25   | 26                             | 27                                    | 28                        | 29            |
|             | 30  | 31   | 1 <b>CT</b>  | 2                              | 3<br><b>Online A-4 via YES (test)</b> | 4 <b>PD 11</b>            | 5             |
| <b>JUNE</b> | 6   | 7  | 8  | 9                              | 10                                    | 11                        | 12            |
|             | 13  | 14   | 15 <b>CT</b><br>Paper A-4 Deadline to Agency   | 16                             | 17                                    | 18 <b>PD 12</b>           | 19            |
|             |   |  | Starting June 16. Agencies can key A-4s into PR13<br>Handwrites must use ("old") A-4 election! |                                |                                       |                           |               |
|             | 20  | 21   | 22   | 23<br>Template Deadline to GAO | 24                                    | 25<br>Online A-4 Deadline | 26            |
|             |   |  | Agencies can key A-4s into PR13<br>Handwrites must use ("old") A-4 election!                   |                                |                                       |                           |               |
| 27          | 28<br>Templates Load<br>Online A-4 Load           | 29 <b>CT</b>   | 30   | 1<br>New Rates Effective       | 2 <b>PD 13</b>                        | 3                         | First Payroll |
|             |   | Agencies can key A-4s into PR13<br>Handwrites must use ("old") A-4 election! |  |                                |                                       |                           |               |

# HRIS Data Entry Options for A-4s

- Employee turns in signed A-4 to Agency
  - Agency can submit excel file using A-4 upload template to Central Payroll by 6/23/10 at 5PM.
    - Only include AZ Form A-4 elections on template (A-4V, WEC, WECL, WECM must be manual)
  - Agency can input A-4 forms directly into HRIS beginning 6/16/10 thru 6/29/10 at 10AM.
- Employee submits A-4 via YES by 6/25/10

# Employees failing to complete A-4 election will stay in current HRIS Code

| <u>HRIS Formula</u> | <u>OLD RATES</u><br>% of federal withholding<br><u>Jan-Jun 2010</u> | <u>NEW RATES</u><br>% of gross taxable wages<br><u>starting July 2010</u> |
|---------------------|---|---|
| 8                   | 0%  | 0% (*See Note 1)  |
| 7                   | 10.7%   | 1.3% (*See Note 2)  |
| 6                   | 20.3%   | 1.8%  |
| 5                   | 24.5%   | 2.7%  |
| 4                   | 26.7%   | 3.6%  |
| 3                   | 33.1%   | 4.2%  |
| 2                   | 39.5%   | 5.1%  |

**•Note 1:**  
Only available if employee had no tax liability last year and does not expect to have any tax liability this year.

**\* Note 2:**  
Option not available if annual compensation is \$15,000 or more.

**New amount could change from 1/3 to 5 times current amount**

**The same HRIS Formula is not necessarily the closest selection that will equate to the amount they are currently having withheld.**

# Other Acceptable State Tax Forms

- **A-4V** “Voluntary Withholding Request for Arizona Resident Employed Outside Arizona”
  - ❑ Employer must certify
  - ❑ Agency can enter directly on PR13, just like A-4
- **WEC** “Withholding Exemption Certificate” for **Arizona Nonresidents**
  - ❑ For non-residents on temporary duty in AZ
  - ❑ Agency can enter directly on PR13
    - Tax Exempt Flag : “Y”, Cert Code: “1”, Formula: “8”
  - ❑ **Copy must be sent to Central Payroll**
- **WECI** “Withholding Exemption Certificate, **Native Americans** with Instructions”
  - ❑ For employees who **live and work within** an Indian Reservation
  - ❑ Employer must certify
  - ❑ Agency can enter directly on PR13
    - Tax Exempt Flag : “Y”, Cert Code: “1”, Formula: “8”
  - ❑ **Copy must be sent to Central Payroll**
- **WECM** “Withholding Exemption Certificate for **Military Spouses**”
  - ❑ For employees in AZ due to spouse in military
  - ❑ Employer must certify
  - ❑ Must also submit Leave & Earnings Statement (LES)

# Corrections Needed to HRIS Tax Setup

- Not allowed:
  - ❑ Changing W-4 or A-4 for employees over the phone
  - ❑ Tax exempt with an additional withholding amount
  - ❑ HRIS Formula used incorrectly (tax exempt flag should only be used in conjunction with formula 8)
  - ❑ State Additional Amount Field should currently be blank – field will be used beginning July 1
  - ❑ Marital Status of 0,3,6,15 - Should only be 1 for single or 2 for married
- Employees can only claim Tax Exempt by completing a paper W-4 or A-4. Agency payroll should retain these elections for audit purposes.
- 1<sup>st</sup> step in correcting errors is to review the W-4 or A-4.

# New Retirement Rates

- Effective 7/1/10
  - Payday 7/16/10
  
- New Tax Table will be posted to GAO website

| RETIREMENT PLAN DEDUCTIONS |                                  |          |          |          |          |
|----------------------------|----------------------------------|----------|----------|----------|----------|
| CODE                       | RETIREMENT PLAN                  | EMPLOYEE | EE - OLD | EMPLOYER | ER - OLD |
| 1                          | PLAN-ASRS                        | 9.60%    | 9.00%    | 9.60%    | 9.00%    |
| 2                          | JUVENILE CORRECTIONS (501)       | 8.41%    | 8.41%    | 7.46%    | 8.41%    |
| 3                          | ELECTED OFFICIALS & JUDGES (415) | 7.00%    | 7.00%    | 17.42%   | 14.25%   |
| 4                          | PUBLIC SAFETY (007)              | 2.65%    | 2.65%    | 33.82%   | 31.95%   |
| 5                          | GAME & FISH (035)                | 7.65%    | 7.65%    | 40.63%   | 37.09%   |
| 6                          | AG INVESTIGATORS (151)           | 7.65%    | 7.65%    | 81.75%   | 46.39%   |
| 7                          | FIRE FIGHTERS (119)              | 7.65%    | 7.65%    | 16.92%   | 16.46%   |
| 8                          | T.I.A.A./VALIC                   | 7.00%    | 7.00%    | 7.00%    | 7.00%    |
| 9                          | NO RETIREMENT                    | 0%       | 0.00%    | 0%       | 0.00%    |
| 0                          | CORRECTIONS (500)                | 8.41%    | 8.41%    | 8.37%    | 9.19%    |
| A                          | CAPITOL POLICE (160)             | 7.65%    | 7.65%    | 12.86%   | 11.00%   |
| B                          | LIQUOR CONTROL OFFICER (164)     | 7.65%    | 7.65%    | 31.03%   | 19.02%   |
| C                          | SYSTEM-ASRS                      | 7.00%    | 7.00%    | 7.66%    | 7.66%    |
| D                          | EMPLOYER'S ANNUITY               | N/A      | N/A      | 5.00%    | 5.00%    |
| E                          | DEFINED CONTRIBUTION             | 2.66%    | 2.66%    | 2.66%    | 2.66%    |
| F                          | STATE PARKS (204)                | 7.65%    | 7.65%    | 14.66%   | 17.51%   |
| G                          | PUBLIC SAFETY DISPATCHERS (563)  | 7.96%    | 7.96%    | 6.51%    | 6.51%    |
| 7508                       | LTD A.S.R.S.                     |          |          | 0.250%   | 0.400%   |
| 7509                       | LTD A.S.R.S.                     | 0.250%   | 0.400%   |          |          |

# RASL Legislation Update 9/30/09

- Retirement deadline extended (per ADOA's request to legislature)
  - A.R.S. § 38-615 now provides 31 days between termination and effective retirement date (ADOA policy used to be 14 days)
- No change to current payment policy
  - Although ADOA now has authority under A.R.S. § 38-615 to make lump sum payments, we are continuing to pay the RASL benefit over 3 years.
- New retirement option not eligible for RASL
  - Although A.R.S. § 38-764 (I) allows certain ASRS members to retire and receive a pension without termination of employment, the RASL Program requires a termination with retirement.
- Updated forms on GAO website at [gao.az.gov/rasl](http://gao.az.gov/rasl)
  - Updated checklist for documentation to send to RASL
    - Only 5 screenshots are necessary!
  - Submit with new A-4 Form

# HB 2003 – Performance Pay Reduction and Mandatory Furlough

- Elimination of Performance Pay – pay day of 7/16/2010.
- Mandatory Furlough – 6 days in FY2011

|                    |                   |
|--------------------|-------------------|
| July 23, 2010      | November 26, 2010 |
| August 20, 2010    | December 23, 2010 |
| September 17, 2010 | June 10, 2011     |

- Agencies are expected to furlough employees and close offices on State Designated Mandatory Furlough Days unless exemption is approved by ADOA and JLBC.
  - Exemptions for essential Functions/Services will be made by EIN
- Questions can be directed to ADOA – HR:  
[humanresources@azdoa.gov](mailto:humanresources@azdoa.gov)

# State Mandatory Furlough

- Employees are limited to 32 paid hours to realize savings
  - FLSA Exempt as well as Excluded employees are treated as hourly in week of furlough
  - Employees cannot work any portion of furlough day unless exempt by legislation or approved exception by ADOA HR
  - Leave cannot be paid on a furlough day
    - Except when 8 hrs LWOP furlough is coded in addition to 1 or 2 hrs of annual leave due to a normal 9 or 10 hour schedule
- Key time records to proper furlough program:
  - State Mandatory Furlough: Pay code 640 (LWOP), Att. code “**FM**”
    - Also use “FM” for ADOA approved alternate mandatory furlough days
  - Agency Directed Furlough: Pay code 640 (LWOP), Att. code “**FR**”
- Standard time accrual rules apply
- Employees on Friday 9/80 schedules must split Friday furloughs into two separate pay periods (4 hrs / 4 hrs)
- For more information on furloughs, review ADOA’s Q&A at: [www.hr.state.az.us/HR\\_Professional/HRP\\_PQA\\_Furlough\\_Program.asp](http://www.hr.state.az.us/HR_Professional/HRP_PQA_Furlough_Program.asp)

# 9/80's – Handout Review

- The REAL issue with 9/80's is dealing with **Alternate Work Weeks**.
- **HRIS not the system of record, paper time sheet is:**
  - Actual time worked is not always recorded in HRIS on day worked
- **Changes to a schedule:** (Holidays, Furlough, etc)
  - On-the-fly changes can't be made by looking at just that week, must look to see if there are held-over or forecast forward hours.
  - Challenge: Adjusting start and end work times on the 8 hour split day can create overtime situations.
- **Holding and Forecasting Hours:**
  - Friday 9/80 schedules require hours worked after noon on Friday to be held to the next pay period.
  - All other 9/80 schedules require forecasting work hours past the standard HRIS pay period end date.
- **Transitions:**
  - Moving from the standard work week to an alternate work week necessitates a one-time short or long “starter” week that must be scheduled carefully.
  - Going back to a standard work week can also be difficult.

■ **Solution: Move to schedules that don't require Alternate Work Weeks.**

# Common Handwrite Errors

| Reason                          | Preparer  | Approver   |
|---------------------------------|---|--|
| No GAO-99A                      | <ul style="list-style-type: none"> <li>■ Don't enter handwrites just for calculations</li> <li>■ Contact approver to ensure they know to send 99A.</li> </ul>   | <ul style="list-style-type: none"> <li>■ cc: Preparer when sending 99A to handwrite e-mail box</li> <li>■ Call (602) 542-6084 if Auto-Reply not received within 10 mins</li> </ul> |
| Perf Pay – Missing or Incorrect | <ul style="list-style-type: none"> <li>■ Use calculators attached to GAO-99A</li> <li>■ Have co-worker validate math</li> </ul>   | <ul style="list-style-type: none"> <li>■ Ensure performance pay is included</li> </ul>   |
| Future Dated Time Records       | <ul style="list-style-type: none"> <li>■ Don't key time past term date (such as 640-LWOP)</li> <li>■ Verify dates of time records</li> </ul>  | <ul style="list-style-type: none"> <li>■ Double-check dates of time records</li> </ul>   |
| Other                           | <ul style="list-style-type: none"> <li>■ Double-check Pay Codes</li> <li>■ Double-check for missing deductions or OTDs</li> <li>■ Ensure proper Cycle is used</li> <li>■ Don't lump hours together</li> </ul> | <ul style="list-style-type: none"> <li>■ Double-check Pay Codes</li> <li>■ Ensure other income such as stipends included, if applicable</li> </ul>                                 |

# Handwrites thru Fiscal Year End

- Travel will be allowed for handwrites June 16-30th.
- After Labor Distribution update on June 19-20th - Labor will default to AY2011
  - Change to AY2010 and Set PD Indicator to “N”
- After June 30th
  - Agencies with reverting appropriations will need to use Admin Adjustment process in AFIS to charge AY2010.
  - Agencies with continuing appropriations can be keyed with appropriate sub-account (AY)
- **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

June 2010

| Sunday   | Monday                            | Tuesday       | Wednesday | Thursday | Friday                       | Saturday  |
|--|-----------------------------------|---------------|-----------|----------|------------------------------|---|
| 30   | 31                                | 1<br>COMPUTE  | 2         | 3        | 4<br>PAY DATE                | 5   |
| 6  | 7                                 | 8             | 9         | 10       | 11                           | 12  |
| 13   | 14                                | 15<br>COMPUTE | 16        | 17       | 18<br>LAST PAY OF FY 2010    | 19<br>HRIS DOWN<br>LABOR DIST UPDATED TO AY2011 |
| 20<br>HRIS DOWN<br>LABOR DIST UPDATED TO AY2011                                    | 21<br>FIX XP02/ZP02 UPDATE ERRORS | 22            | 23        | 24       | 25                           | 26  |
| LABOR FOR MANUALS WILL DEFAULT TO AY2011, CHANGE TO <u>AY2010</u> AND SET PD IND=N |                                   |               |           |          |                              |   |
| LABOR FOR COMPUTE TIMEREORDS WILL DEFAULT TO AY2011 - OK                           |                                   |               |           |          |                              |   |
| 27   | 28<br>XR23.3<br>LABOR<br>UPDATE   | 29<br>COMPUTE | 30        | 1        | 2<br>FIRST PAY OF<br>FY 2011 | 3   |
| LABOR ON MANUALS WILL DEFAULT TO AY2011, CHANGE TO <u>AY2010</u> AND SET PD IND=N  |                                   |               |           |          |                              |   |
| LABOR FOR COMPUTE TIMEREORDS WILL DEFAULT TO AY2011 - OK                           |                                   |               |           |          |                              |   |

# HRIS Labor Distribution Update

- June 19-20th – HRIS Unavailable
  - XP02/ZP02 will be updated
    - Sub-account will be changed from (AY) 2010 to (AY) 2011
  
- June 21st
  - Sub-account (AY)2011 available
    - Agencies can now key time records for the July 2<sup>nd</sup> Payday
    - Manuals thru June 30, change AY2010, PD Indicator =“N”
  
- June 28th
  - XR23.3 will be updated
    - Sub-account will be changed from (AY) 2010 to (AY) 2011

# AFIS Screens H01, H02, H03

| AFIS SCREEN | FUNCTION   |
|-------------|--|
| H01         | adds, changes, or inactivates <b><u>accounting unit</u></b> in HRIS<br>2 character AGY + Index + Grant + Phase |
| H02         | adds, changes, or inactivates <b><u>activity</u></b> in HRIS<br>2 character AGY + PCA + Project + Phase        |
| H03         | adds, changes, or inactivates <b><u>account category</u></b> 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 or contact Labor Distribution specialist**

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# We're Done!

Any questions?

Next Meeting:

2010 Calendar Year End

Statewide Payroll Meeting

Monday, November 22, 2010

ADOA Conference Room 300