Statewide Payroll Meeting

2010 Fiscal Year End
May 24, 2010

Welcome!
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
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!
  - 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

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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</thead>
<tbody>
<tr>
<td>July 2nd</td>
<td>- New State Tax Withholding Rates</td>
</tr>
<tr>
<td>July 16th</td>
<td>- Elimination of Performance Pay&lt;br&gt;- New Retirement Rates</td>
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<tr>
<td>July 30th</td>
<td>- 1st paycheck with a State Mandated Furlough (July 23rd)</td>
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</table>

**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

Starting June 16, Agencies can key A-4s into PR13
Handwrites must use (“old”) A-4 election!

Agencies can key A-4s into PR13
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, WECI, 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

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

*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.

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
  - **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
  - **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.

- 1st 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

<table>
<thead>
<tr>
<th>CODE</th>
<th>RETIREMENT PLAN</th>
<th>EMPLOYEE</th>
<th>EE - OLD</th>
<th>EMPLOYER</th>
<th>ER - OLD</th>
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<td>1</td>
<td>PLAN-ASRS</td>
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<td>9.00%</td>
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<td>9.00%</td>
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<tr>
<td>2</td>
<td>JUVENILE CORRECTIONS (501)</td>
<td>8.41%</td>
<td>8.41%</td>
<td>7.46%</td>
<td>6.41%</td>
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<tr>
<td>3</td>
<td>ELECTED OFFICIALS &amp; JUDGES (415)</td>
<td>7.00%</td>
<td>7.00%</td>
<td>17.42%</td>
<td>14.25%</td>
</tr>
<tr>
<td>4</td>
<td>PUBLIC SAFETY (007)</td>
<td>2.65%</td>
<td>2.65%</td>
<td>33.82%</td>
<td>31.95%</td>
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<tr>
<td>5</td>
<td>GAME &amp; FISH (035)</td>
<td>7.65%</td>
<td>7.85%</td>
<td>40.63%</td>
<td>37.09%</td>
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<tr>
<td>6</td>
<td>AG INVESTIGATORS (151)</td>
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<td>7.85%</td>
<td>81.75%</td>
<td>48.39%</td>
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<td>7</td>
<td>FIRE FIGHTERS (119)</td>
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<td>7.85%</td>
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<td>18.46%</td>
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<td>8</td>
<td>T.I.A.A/VALIC</td>
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<td>7.00%</td>
<td>7.00%</td>
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<tr>
<td>9</td>
<td>NO RETIREMENT</td>
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<td>0.00%</td>
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<td>0</td>
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<td>A</td>
<td>CAPITOL POLICE (160)</td>
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<td>12.86%</td>
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<td>LIQUOR CONTROL OFFICER (164)</td>
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<td>7.85%</td>
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<td>19.02%</td>
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<tr>
<td>C</td>
<td>SYSTEM-ASRS</td>
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<td>7.00%</td>
<td>7.86%</td>
<td>7.66%</td>
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<tr>
<td>D</td>
<td>EMPLOYER'S ANNUITY</td>
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<td>5.00%</td>
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<td>DEFINED CONTRIBUTION</td>
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<td>2.66%</td>
<td>2.66%</td>
<td>2.66%</td>
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<td>F</td>
<td>STATE PARKS (204)</td>
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<td>7.65%</td>
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<td>G</td>
<td>PUBLIC SAFETY DISPATCHERS (563)</td>
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<td>6.51%</td>
<td>6.51%</td>
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<th>CODE</th>
<th>LTD A.S.R.S.</th>
<th>LTD A.S.R.S.</th>
<th>LTD A.S.R.S.</th>
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<td>7508</td>
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<td>0.400%</td>
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<tr>
<td>7509</td>
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<td>0.400%</td>
<td>0.250%</td>
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</table>
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
  - 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

<table>
<thead>
<tr>
<th>Date</th>
<th>Date</th>
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<tbody>
<tr>
<td>July 23, 2010</td>
<td>November 26, 2010</td>
</tr>
<tr>
<td>August 20, 2010</td>
<td>December 23, 2010</td>
</tr>
<tr>
<td>September 17, 2010</td>
<td>June 10, 2011</td>
</tr>
</tbody>
</table>

- 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
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

<table>
<thead>
<tr>
<th>Reason</th>
<th>Preparer</th>
<th>Approver</th>
</tr>
</thead>
<tbody>
<tr>
<td>No GAO-99A</td>
<td>Don’t enter handwrites just for calculations</td>
<td>cc: Preparer when sending 99A to handwrite e-mail box</td>
</tr>
<tr>
<td></td>
<td>Contact approver to ensure they know to send 99A.</td>
<td>Call (602) 542-6084 if Auto-Reply not received within 10 mins</td>
</tr>
<tr>
<td>Perf Pay – Missing or</td>
<td>Use calculators attached to GAO-99A</td>
<td>Ensure performance pay is included</td>
</tr>
<tr>
<td>Incorrect</td>
<td>Have co-worker validate math</td>
<td></td>
</tr>
<tr>
<td>Future Dated Time</td>
<td>Don’t key time past term date (such as 640-LWOP)</td>
<td>Double-check dates of time records</td>
</tr>
<tr>
<td>Records</td>
<td>Verify dates of time records</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>Double-check Pay Codes</td>
<td>Double-check Pay Codes</td>
</tr>
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<td></td>
<td>Double-check for missing deductions or OTDs</td>
<td>Ensure other income such as stipends included, if applicable</td>
</tr>
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<td></td>
<td>Ensure proper Cycle is used</td>
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<tr>
<td></td>
<td>Don’t lump hours together</td>
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</table>
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
<table>
<thead>
<tr>
<th>Sunday</th>
<th>Monday</th>
<th>Tuesday</th>
<th>Wednesday</th>
<th>Thursday</th>
<th>Friday</th>
<th>Saturday</th>
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</tbody>
</table>

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**COMPUTE**

**PAY DATE**

**LAST PAY OF FY 2010**

**FIRST PAY OF FY 2011**

**FIX XP02/ZP02 UPDATE ERRORS**

**XR23.3 LABOR UPDATE**

**COMPUTE**

**LABOR FOR MANUALS WILL DEFAULT TO AY2010**

**LABOR FOR COMPUTE TIMERECORDS WILL DEFAULT TO AY2011 - OK**

**LABOR ON MANUALS WILL DEFAULT TO AY2011, CHANGE TO AY2010 AND SET PD IND=N**

**LABOR FOR COMPUTE TIMERECORDS WILL DEFAULT TO AY2011 - OK**

**LABOR FOR MANUALS WILL DEFAULT TO AY2011, CHANGE TO AY2010 AND SET PD IND=N**

**LABOR FOR COMPUTE TIMERECORDS WILL DEFAULT TO AY2011 - OK**

**LABOR FOR COMPUTE TIMERECORDS 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\textsuperscript{nd} 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

<table>
<thead>
<tr>
<th>AFIS SCREEN</th>
<th>FUNCTION</th>
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<tr>
<td>H01</td>
<td>adds, changes, or inactivates <strong>accounting unit</strong> in HRIS 2 character AGY + Index + Grant + Phase</td>
</tr>
<tr>
<td>H02</td>
<td>adds, changes, or inactivates <strong>activity</strong> in HRIS 2 character AGY + PCA + Project + Phase</td>
</tr>
<tr>
<td>H03</td>
<td>adds, changes, or inactivates <strong>account category</strong> in HRIS</td>
</tr>
</tbody>
</table>

**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
We’re Done!

Any questions?

Next Meeting:
2010 Calendar Year End
Statewide Payroll Meeting
Monday, November 22, 2010
ADOA Conference Room 300