Introductions

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

- Complete the Agency contact form
  - Leave it here
  - Fax it to Central Payroll
    - (602) 364-2215
  - Email it
    - Central.Payroll@azdoa.gov

- Central Payroll contact list
Register for Payroll Updates

http://www.gao.az.gov
Recent Accomplishments

- Moved all employee payments to HRIS
  - Created 15 new reimbursement pay codes [1/1/11]

- 46,822 W-2s for 2010 online via YES!
  - 12,508 employees consented (26.7%) [1/11/11]
  - Can still consent to receive future W-2's electronically instead of by mail

- Garnishment Scanning Project (started Nov 2010)
  - Over 10,000 documents scanned [5/5/11]
  - Plan to be paperless by fiscal year end
Coming Months

- Legislative Changes [July]
  - Mandatory Direct Deposit
  - Benefits & Retirement
  - Agency changes/impacts

- Employee Time Entry [August]
  - Currently serving 68 Agencies and 6,500 users
  - Working on Phase II – Labor Distribution

- Lawson Absence Management [2011]

- GAO-60 / GAO-99A Cert Process [TBD]
  - Move paper certification and email authorization requirements online which will improve compliance, streamline processing, and speed up handwrite validation.
Employees Working Outside Arizona

- We may have an obligation to withhold State and local taxes for the location where the work is actually performed.
  - GAO identified employees with HRIS addresses not in AZ
  - Emailed Agencies to identify where employee actually works
    - Asked for additional people agency is aware of
  - Responses from Agencies are being evaluated
    - The GAO will need to follow up with Agencies for additional information
      - Certification of State of Residency

- Please caution Agency HR and/or Leadership before allowing employees to work out of state.
  - Research of reporting requirements and payroll system setup should be established before work begins
    - Other State/local tax withholding, unemployment, disability, etc.
Retiree Accumulated Sick Leave (RASL)

- We are preparing for the summer surge in RASL applications.
  - Last year, the summer surge slowed processing especially for applications/first-time payments that took until Nov/Dec to get caught up.
  - To help alleviate customer service impacts this year, we plan to pay in June any remaining 3rd and final payments planned for this year.
    - This applies only to the group of 2009 retirees already getting their 3rd payment this year.
    - Their 2011 3rd payment will simply be made a bit sooner, so there will be no differential tax impact from the acceleration.
    - We are keeping with our long-time standard of processing payments on a FIFO basis
July 1, 2011 Payday

- Budgeted in Fiscal Year 12 (can’t be paid June 30th)
  - Caution employees if they have automatic deductions setup for Thursdays from their account for mortgages or other bills
  - Warrants will be mailed directly from GAO on Friday, July 1st.

- ADOA Director Smith sent flyer regarding July 1st and mandatory direct deposit to Agency Directors. It is available for you to post for your employees.
HB2151 – Mandatory Direct Deposit

- All employees are required to be signed up for direct deposit or payroll card on July 20, 2011
  - CashPay payroll card account works just like a direct deposit.
  - A Pre-List will be sent the week of July 5th to Agency HR and Payroll contacts to assist employees not yet setup.
  - Non-Compliance lists will be sent for the first payroll in August.

- Warrants will still be needed/allowed for:
  - Handwrites
  - Employee involuntary terms (required to be paid in 3 days)
  - Pre-Note Process (for new hires and bank account changes)
SB1614 – Repeal of Mandatory Furloughs, Changes to Retirement/Benefits

- **Repeal of Mandatory Furloughs (FM)** [Retroactive to April 1, 2011]
  - FY2011 (June 10th)
  - Permits an Agency Director to prescribe agency furloughs (FR)

- **Changes to ASRS**
  - 53% EE / 47% ER allocation change  [Effective July 20, 2011, Retro to July 1, 2011]
    - Requires ER to transfer 3% to General Fund
    - 6 month waiting period  [repealed by HB2024]

- **Changes to Health/Dental Benefits** [Effective July 20, 2011]
  - Any employee hired after July 20, 2011 is not eligible for state employee benefits until the employee has worked regularly for at least 90 days. [repealed by HB2024]

- **Other changes…**
HB2024 – (includes repeal of parts of SB1614)

- Changes to ASRS
  - Any State employee initially hired on or after July 20, 2011, is not eligible to become a member of ASRS before the 27th week of employment. [Effective July 20, 2011]
  - Unless employee is already a member of ASRS
    - For example, the employee could have made ASRS contributions through their former employer and kept funds on account with ASRS.
    - This exception to the wait period will be a new hire checklist item to see if they are a current ASRS member.
  - Makes numerous changes to ASRS relating to LTD, service purchase, transfers, employer collections, more…

- Changes to Health/Dental Benefits [Effective July 20, 2011]
  - Any employee hired on or after July 20, 2011 is not eligible for state employee benefits until the employee has worked regularly for at least 90 days.
Changes to ASRS & ASRS LTD

- New Contribution Rates [July 1, 2011]
  - July 1 for handwrites, July 15 will be first payday

- 53%/47% Allocation Change [July 20, 2011 retro to July 1, 2011]
  - Still waiting for guidance on exactly how/when to implement

- ASRS & ASRS LTD Waiting Period [July 20, 2011]
  - HRIS to calculate as 183 days from “Hire Date”
    - (26 weeks X 7 days + 1 = 183 days)
  - Deduction Start Date = Hire Date + 183 days, Next full pay period

Changes to Benefits [July 20, 2011]

- “Benefits” include Health, Dental, Vision, PSPRS LTD, Life Ins, Dependent Care
- Deduction Start Date = Hire Date + 90 days, Next full pay period
SB1609 – Changes to Retirement Plans

- **ASRS [July 1, 2011]**
  - Changes age plus service requirements for those hired on or after July 1, 2011
    - Age 55 + 30 years of credited service
    - Age 60 + 25 years of credited service
    - Age 62 + 10 years of credited service
    - Age 65

- **CORP/PSPRS [January 1, 2012 and various dates]**
  - Changes to definition of Normal Retirement
    - PSPRS – Age 52.5 + 25 years
    - CORP – Age 52.5 + 25 years or 62 + 10 years
  - Modifies final average salary calculation from highest 3 years to 5 years
  - Changes to COLA / DROP

- **All Plans**
  - Return to Work Retirees – Employer required to make Alternate Contribution Rate
    - PSPRS/CORP/EORP – **July 20, 2011** (July 29, 2011 payday)
    - ASRS - **July 1, 2012** (July 13, 2012 payday)
  - Service Purchase Agreements impacted
  - Felony Forfeiture

- **Other changes…**
### New Retirement Rates

#### Retirement Rates
- Effective 7/1/11
- Payday 7/15/11

#### *ASRS Rate Allocation*
- Effective 7/20/11
- Retro to 7/1/11

#### Employer Alternate Contribution Rates for Retirees Returned to Work:
- EORP 14.47% 7/20/11
- CORP 6.00% 7/20/11
- PSPRS 10.51% 7/20/11
- ASRS TBD 7/1/12

#### New Tax Table will be posted to GAO website soon

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<tr>
<th>CODE</th>
<th>RETIREMENT PLAN</th>
<th>EMPLOYEE NEW</th>
<th>EMPLOYEE OLD</th>
<th>EMPLOYER NEW</th>
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<td>11.13%*</td>
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<td>9.15%</td>
<td>8.37%</td>
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| A    | CAPITOL POLICE (160) | 8.65%  | 7.65%       | 12.63%       | 12.96%       |
| B    | LIQUOR CONTROL OFFICER (154) | 8.65%  | 7.65% | 30.77%       | 31.03%       |
| C    | SYSTEM-ASRS         | 7.00%        | 7.00%        | 7.63%        | 7.99%        |
| 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 (234)   | 8.65%        | 7.65%        | 18.50%       | 14.66%       |
| G    | PUBLIC SAFETY DISPATCHERS (563) | 7.90%  | 7.90% | 7.50%        | 6.51%        |
| 7508 | LTD A.S.R.S.        | 0.23%*       | 0.250%       | 0.23%*       | 0.250%       |
Agency Changes

- **Administration**
  - - Capitol Police to Public Safety
  - + GITA merging with ADOA
  - + Commerce Office of Employment Population Statistics moving to ADOA

- **Agriculture**
  - - Cotton Research Council to become separate agency
  - + Structural Pest Control Board to Agriculture

- **Commerce** transferring to new entity outside of the State

- **Governor’s Office**
  - + Commerce Energy Council to Governor’s Office

- **Health Services**
  - + Biomedical Research Commission to Health Services

- **Mines & Mineral Resources** elimination

- **Occupational Therapy Board**
  - - Board of Athletic Training (already separate agency) 7/1/11 will be funded separate

- **Secretary of State**
  - + Library & Archives (Already moved in HRIS, will be moved in AFIS on 7/1/11)
Elimination of ERE Insurance Sweeps

- Effective July 1, 2011 ERE sweeps for general fund agencies will no longer occur
  - Agency ERE charges will be “pay as you go” based on payroll actuals
  - AFIS will now match ERE calculated in HRIS

- LWOP Time Records (only key when appropriate)
  - Key:
    - Approved leave status: ER is charged share of Insurances
    - On FMLA: ER is charged share of Insurances
  - Don’t Key:
    - FMLA runs out: Make a Status Code change (L4,L5)
    - After term date
Employee Overpayments

- Wage Repayments (Excerpt from the IRS Publication 15 2011, page 28):
  - If an employee repays you for wages received in error, do not offset the repayments against current-year wages unless the repayments are for amounts received in error in the current year.

- The GAO has identified multiple Agencies offsetting current year wages for prior year overpayments such as
  - Incorrect Shift Differential
  - Negative Retros

- Working on process to standardize, where possible, collections from employees
Employee Overpayments (continued)

- Required Steps
  - Complete a GAO 70A – Overpayment Worksheet for each pay period affected
  - Sum the Net Pay of all worksheets for total Net Pay to recover
  - Compose a Memo to the employee to repay the amount overpaid
    - Should include a signature line where they can acknowledge they have been overpaid and have been informed of the total.
    - If they cannot repay in a lump sum, we may be able to work out a repayment schedule
      - Subject to the GAO and Attorney General’s approval
      - If agreed, complete the GAO 73 – Authorization for Payroll Deduction and forward to GAO for processing
Employee Recoveries

- For State Property or Pursuant to Other Agreements
  - Laptops
  - Badges
  - Tuition Reimbursement

- Employee Agreement Signed
  - If they cannot repay in a lump sum, we may be able to develop a repayment schedule
  - Subject to the GAO and Attorney General’s approval
  - If agreed, complete the GAO 73 – Authorization for Payroll Deduction and forward to GAO for processing

- Statements to Include:
  - That they authorize it to be deducted from wages.
  - If they leave, they agree that any remaining balance owed can be deducted from final pay.
**ETE Manual Entry Form**

**INSTRUCTIONS:**
- Complete this form if any of the following apply:
  - This is the first pay period you are hired
  - You haven’t completed ETE training
  - You are transferring from an agency that uses ETE to an agency that does not (or vice versa)
  - Your time was not approved by the 5PM Friday ETE deadline
  - You are involuntarily separating
  - There is a situation where an ETE override is necessary due to a system issue

**To Employee:**
Submit this completed form to your personnel coordinator or agency payroll office by your payroll deadline.

---

**STATE OF ARIZONA**
**EMPLOYEE TIME ENTRY (ETE)**
**MANUAL ENTRY FORM**

**Employee Name**

**EIN**

**Process Level**

**Department**

**Pay Period End**

**SELECT**

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<th>Sat</th>
<th>Sun</th>
<th>Mon</th>
<th>Tue</th>
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**Other >>>**
- 1/7/2011
- 1/21/2011
- 2/4/2011

**Fri**

**Total Hours**

**Attend Code**

**Shift**

**Account**
Handwrites thru Fiscal Year End

- Travel & Other Reimbursement handwrites allowed June 15–30, 2011.
  - Minimum of $10

- GAO will be verifying cash and appropriation availability in AFIS

July 1, 2011

- **NO HANDWRITES** AVAILABLE ON JULY 1, 2011. PLEASE PLAN AHEAD!
- Agencies with reverting appropriations will need to use Admin Adjustment process in AFIS to charge (AY) 2011.
- Agencies with continuing appropriations can be keyed with appropriate sub-account (AY)
**May 23, 2011 Statewide Payroll Meeting Page 23**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
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<tr>
<td>May 29</td>
<td><strong>COMPUTE</strong> R23.3 LABOR UPDATE HRIS DOWN XP/ZP02 UPDATED TO AY2012</td>
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<td>Jun 17</td>
<td><strong>LAST PAY OF FY 2011</strong></td>
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<tr>
<td>Jun 18</td>
<td><strong>HRIS DOWN XP/ZP02 UPDATED TO AY2012</strong></td>
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<td>Jul 2</td>
<td><strong>COMPUTE</strong> R23.3 LABOR FOR COMPUTE TIMEREcords will default to AY2012 - OK</td>
</tr>
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</table>

**Agency:**
- Must fix XP02/ZP02 update errors – completed by 6/24/11
- Review ETE reports
- First pay of FY 2012 – Warrants mailed from GAO
- No handwrites
HRIS Labor Distribution Update

- **June 18-19th – HRIS Unavailable**
  - XP02/ZP02 will be updated
    - We will not be end dating and adding new positions, only changing
      - Sub-account will be changed from (AY) 2011 to (AY) 2012
    - Errors must be fixed by June 24, 2011 to prevent errors with ETE
      - Focus on Active, Filled Positions

- **June 20th**
  - Sub-account (AY) 2012 available
    - Agencies can now key time records for the July 1st Payday
    - On Handwrites thru June 30th: Change (AY) to 2011

- **June 27th**
  - XR23.3 will be updated
    - Sub-account will be changed from (AY) 2011 to (AY) 2012
    - On Handwrites thru June 30th: Change PD Indicator = “N”

- **July 1st**
  - **NO HANDWRITES AVAILABLE ON JULY 1, 2011. PLEASE PLAN AHEAD!**
  - HRIS Files Interfaced Into AFIS
    - Occurs the night of 7/1, charges will reflect in AFIS on 7/5
# AFIS Screens H01, H02, H03

<table>
<thead>
<tr>
<th>AFIS SCREEN</th>
<th>FUNCTION</th>
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</table>
| H01         | adds, changes, or inactivates **accounting unit** in HRIS  
2 character AGY + Index + Grant + Phase |
| H02         | adds, changes, or inactivates **activity** in HRIS  
2 character AGY + PCA + Project + Phase |
| H03         | adds, changes, or inactivates **account category** 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.
Absence Management Overview

- Absence Management is an enhanced module that will replace the Time Accrual System
  - Planned for later this year

- Testing is currently underway which may enable:
  - Automation of balance transfers
  - Adjustment processing
  - Ability to pay out from an end-dated plan
  - Better LWOP and FMLA tracking

- What can Agencies do now?
  - Ensure time accrual data is clean
  - Be prepared for training and further instructions
We’re Done!

any questions?

Next Meeting:
2011 Calendar Year End
Statewide Payroll Meeting
Monday, November 21, 2011
ADOA Conference Room 300