
Statewide Payroll Meeting



May 23, 2011

2011 Fiscal Year End

Welcome!

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>



GAO
General Accounting Office



Google™ Custom Search

You Are Here: Home >

"The GAO is committed to providing excellent service to our citizens, clients, vendors, and employees." - D. Clark Partridge, State Comptroller

Quick Links...

- [Technical Bulletins](#)
- [State of Arizona Accounting Manual](#)
- [All Agency Memoranda](#)
- [Arizona Financial Information System \(AFIS\)](#)
- [Central Payroll Information](#)
- [Tax Withholding Tables](#)
- [RASL Information](#)
- [Vendor Payment Search](#)
- [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 Attorney General's Office](#)
- [Arizona Unclaimed Property](#)
- [Travel Frequently Asked Questions](#)
- [GF Expenditures Report](#)
- [Cash Flow Analysis](#)

News & Updates

Improving Controls to
Improve Program
Performance an AG
Training Audio Confer-
- 5/9/2011

GAO Issues New O
State Travel Policy
5/6/2011

2011 Fiscal Year En
Statewide Payroll M
to be held May 23,
5/5/2011

Updated GAO-32 E
Time Entry (ETE) M
Time Sheet Form -
4/25/2011

April CFO Meeting A
4/19/2011

March 2011 CFO Me
Minutes - 4/15/201

- Home
- News
- Publications
- Financials
- People Search
- Employment
- Online Forms
- Travel Info
- American Recovery & Reinvestment Act (ARRA)
- Register for Updates**
- RASL Information



**ARIZONA
OPENBOOKS**
OpenBooks.az.gov
Arizona's Official Transparency Website



HUMAN RESOURCES INFORMATION SOLUTION

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]
 - Creditor Garnishments, Child/Spousal Support & Arrears, Student Loans, Federal and State Tax Levies.
 - Plan to be paperless by fiscal year end

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)
 - FY2012 (July 23, Aug 19, Sep 16, Nov 25, Dec 23, Jun 15, 2012)
 - 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.

SB1614 & HB2024 Implementation Proposal

- 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

| CODE | RETIREMENT PLAN | EMPLOYEE | | EMPLOYER | |
|------|----------------------------------|-------------------|-----------------|-------------------|-----------------|
| | | NEW | OLD | NEW | OLD |
| 1 | PLAN-ASRS | 10.50% 11.13%* | 9.60% 10.50% | 10.50% 9.87%* | 9.60% 10.50% |
| 2 | JUVENILE CORRECTIONS (501) | 8.41% | 8.41% | 9.92% | 7.46% |
| 3 | ELECTED OFFICIALS & JUDGES (415) | 10.00% | 7.00% | 17.96% | 17.42% |
| 4 | PUBLIC SAFETY (007) | 3.65% | 2.65% | 38.30% | 33.82% |
| 5 | GAME & FISH (035) | 8.65% | 7.65% | 43.35% | 40.63% |
| 6 | AG INVESTIGATORS (151) | 8.65% | 7.65% | 90.08% | 81.75% |
| 7 | FIRE FIGHTERS (119) | 8.65% | 7.65% | 17.76% | 16.92% |
| 8 | T.I.A.A./VALIC | 7.00% | 7.00% | 7.00% | 7.00% |
| 9 | NO RETIREMENT | 0% | 0% | 0% | 0% |
| 0 | CORRECTIONS (500) | 8.41% | 8.41% | 9.15% | 8.37% |
| A | CAPITOL POLICE (160) | 8.65% | 7.65% | 12.93% | 12.86% |
| B | LIQUOR CONTROL OFFICER (164) | 8.65% | 7.65% | 38.77% | 31.03% |
| C | SYSTEM-ASRS | 7.00% | 7.00% | 7.63% | 7.59% |
| 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) | 8.65% | 7.65% | 18.50% | 14.66% |
| G | PUBLIC SAFETY DISPATCHERS (563) | 7.96% | 7.96% | 7.50% | 6.51% |
| 7508 | LTD A.S.R.S. | | | 0.23%* | 0.250% |
| 7508 | LTD A.S.R.S. | 0.26%* | 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



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

INSTRUCTIONS:

To Employee:

- 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 Supervisor:

Submit this completed form to your personnel coordinator or agency payroll office by your payroll deadline.

Employee Name

EIN

Process Level

Department

Pay Period End

| Pay Code | Sat | Sun | Mon | Tue | Fri | Total Hours | Atten Code | Shift | Account |
|----------|-----|-----|-----|-----|-----|-------------|------------|-------|---------|
| | / | / | / | | / | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

SELECT
 MOST RECENT >>>
 5/13/2011
 OTHER >>>
 1/7/2011
 1/21/2011
 2/4/2011



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)

| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|--|---|---------|--|----------|---|--|
| May 29 | 30 | 31 | Jun 1 | 2 | 3 | 4 |
| | | COMPUTE | | | PAY DATE | |
| 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| | | | | | | PPB - TO BE PAID ON 7/1/11 |
| | 13 | 14 | 15 | 16 | 17 | 18 |
| | | COMPUTE | | | LAST PAY OF FY 2011 | HRIS DOWN XP/ZP02 UPDATED TO AY2012 |
| | | | LABOR FOR MANUALS WILL DEFAULT TO AY2011 | | | |
| | | | DO NOT ENTER COMPUTE TIMEREORDS | | | |
| | 20 | 21 | 22 | 23 | 24 | 25 |
| HRIS DOWN XP/ZP02 UPDATED TO AY2012 | AGENCY: MUST FIX XP02/ZP02 UPDATE ERRORS - COMPLETED BY 6/24/11 | | | | | |
| | LABOR FOR MANUALS WILL DEFAULT TO AY2012, CHANGE TO AY2011 | | | | | |
| | LABOR FOR COMPUTE TIMEREORDS WILL DEFAULT TO AY2012 - OK | | | | | |
| 26 | 27 | 28 | 29 | 30 | Jul 1 | 2 |
| | AGENCY: REVIEW ETE REPORTS | | | | FIRST PAY OF FY 2012 - Warrants Mailed from GAO | |
| XR23.3 UPDATED TO AY2012 | LABOR ON MANUALS WILL DEFAULT TO AY2012, CHANGE TO AY2011 AND SET PD IND=N | | | | | |
| | LABOR FOR COMPUTE TIMEREORDS WILL DEFAULT TO AY2012 - OK | | | | 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

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

