

---

# Statewide Payroll Meeting



---

June 19, 2012

2012 Fiscal Year End

Welcome!

---

# Introductions

- Stu Wilbur
- Tracey Cappuccio
- Karen Turner – Somewhere between Vienna & Prague
- Sam Tekien
- Lalita Farr
- Vahn Vo
- Kia Goudy
- Cheryl Wilcox
- Marla Grossman, RASL
- Jennifer Verhelst, System Support & Projects

# Contact Information

- Central Payroll contact list
- Agency Payroll & HR Contacts List
  - We'll be sending the contact information we have on file for your agency
- Send any updates to Central Payroll
  - (602) 364-2215 (fax)
  - [Central.Payroll@azdoa.gov](mailto:Central.Payroll@azdoa.gov)



# Register for Payroll Updates - [www.gao.az.gov](http://www.gao.az.gov)

The screenshot shows the GAO website homepage. At the top left is the GAO logo (General Accounting Office) and the AZ.GOV logo (Arizona's Official Web Site). A search bar is located at the top right. Below the header is a navigation sidebar on the left with the following items: Home, News, Publications, Financials, People Search, Employment, Online Forms, Travel Info, American Recovery & Reinvestment Act (ARRA), Vendor Information, and **Register for Updates** (circled in red). The main content area features a quote from D. Clark Partridge, State Comptroller: "The GAO is committed to providing excellent service to our citizens, clients, vendors, and employees." Below this is a "Quick Links..." section with two columns of links: Arizona Financial Information System (AFIS), Central Payroll, Retiree Accumulated Sick Leave (RASL), Tax Withholding Tables, All Agency Memoranda, State of Arizona Accounting Manual (SAAM), Technical Bulletins (TBs), Financial & Administrative Monitoring Tool, and Risk Assessment Monitoring Tool. To the right is a "News & Updates" section with several news items: ProcureAZ Processing for Fiscal Year 2013 - 6/13/2012, HRIS Availability - June 2012 - 6/8/2012, New Travel Training Available from GAO - 6/8/2012, Control Self-Assessment Being Distributed. - 6/8/2012, Form GAO 65 Authorization for Direct Deposit update - 6/5/2012, and ASRS Employee & Employer Contributions (HB 2264) update - 5/24/2012. At the bottom of the page are logos for the State of Arizona, OSPB, and the State of Arizona seal.

# Recent Accomplishments



- **Employee Time Entry - Update** [Ongoing]
  - 9,427 employees in 93 Agencies onboard
  - 10,153 employees in 7 Agencies in process
- **ZR260 – Payment Detail Listing** [11/2011]
  - Useful for completing requests for payment history for a time period
  - Shows employee earning history from multiple agencies
- **Technical Bulletin: Payroll Recording of Time** [2/21/2012]
  - Provides guidelines for entering time
  - Applies Statewide



- **Absence Management (LP) Conversion** [4/20/2012]
  - Converted almost 12 Million records from TA to LP!
    - That's why we needed to bring system down on Friday 4/20.
    - Programs and validation occurred all weekend long.
  - LP History goes back to April 21, 2012 - **DYNAMIC**
  - TA History shows April 20, 2012 and prior - **STATIC**

# Coming Months



## ■ Legislative Changes [June-Sept]

- ❑ ASRS Changes: 50/50 (now), 3% refunds - completed
- ❑ ASRS ACR (7/1/12)
- ❑ HB2519 (8/2/12) – Must pay termed EEs in 7 working days.
- ❑ HB2571 (9/29/12) – Personnel Reform
- ❑ Retention Bonus for Uncovered Employees as of 9/29/12

## ■ Transit Card Renewal Target Dates [June-Oct]

- ❑ 6/1/12 - Contract being reviewed
- ❑ 7/1/12 - Order due to City of Phoenix to order/print cards
- ❑ 8/1/12 - Cards in GAO hands to begin distribution/assignment to employees/agencies
- ❑ 9/1/12 - Cards in Agency hands to get ready for distribution
- ❑ 10/1/12 - Cards in employee's hands to be ready for use
- ❑ 10/24/12 – New cards effective



# Payment of Wages

**Effective 8-2-12**

- ARS §23-353
  - A. When an employee is **discharged** from the service of an employer, he shall be paid wages due him **within ~~three~~ SEVEN working days** or the end of the next regular pay period, whichever is sooner.
- HB2519 Extends the time to pay discharged employee from 3 working days to 7 working days.
  - Result: If an employee is dismissed on Tuesday, Wednesday, Thursday, or Friday of 2nd week of the pay period, they can now be paid their final pay and leave payouts on the regular payroll.
  - If dismissed on any other day, must be paid by handwrite to meet the timeliness deadline.



# ASRS Refunds

**Effective 5-7-12**  
**emergency clause**

- HB2264 (§38-736,737) – Returns ASRS & ASRS LTD employer and employee's contribution rates back to 50/50.
  - Retirement Rate Shift & Appropriation
    - Retirement Rate Shift: 5/9/12 set to 50/50 split for EE & ER
    - Appropriation: To State agency units for a retirement contribution rate increase due to the change in proportion of rate paid from 47% to 50%...and to reimburse employees for contributions in excess of 50%
      - Agencies received monies back in May 2012 via AFIS transfers
  - Return of Contributions – Retroactivity
    - On/Before 6/30/12: Adjust transactions reported to ASRS
    - On/Before 9/30/12: Return EE contributions in excess of 50%
      - Completed on 5/31/12 for most, 6/14/12 for special circumstances



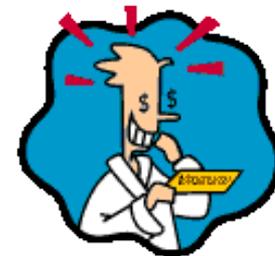
# ASRS Refund Calculation

**Effective 5-7-12**  
**emergency clause**

- **Employee Refund:** Payment Dates beginning 7/20/11 and ending 5/8/12.
  - Deduction Code 7959: Sum of the difference between new FY12 ASRS rate of 10.5% and the originally calculated FY12 rate of 11.13% of the ASRS wages for each payment.
  - Deduction Code 7511: Sum of the difference between new FY12 ASRS rate of .24% and the originally calculated FY12 rate of .26% of the ASRS wages for each payment.
- **Agency Charge:**
  - Deduction Code 7960 & 7510: Inverse of calculation for deduction codes 7959 & 7511.

## Refunds Processed

- 5/31/12: 27,349 refunds processed Statewide
- 6/14/12: 317 refunds processed Statewide.
  - These employees had Special Circumstances such as Retro payments, Settlements, Overpayments, prior pay period ASRS recoveries, or Partial Refunds per ASRS.



# ASRS Refund Agency Notification

**Effective 5-7-12**  
**emergency clause**

- Spreadsheets sent Friday 6/15/12 to applicable agencies showing:
  - Total Refunds and Agency Charges by Employee
  - Partial Refund Employees
  - Ineligible Employees
  - Deceased Employees
    - Beneficiaries are entitled to refund – Agency ACTION is required
      - Resend a GAO36A, B, or C and W-9 if you already have one on file, and the GAO will process the refund.
      - If you do not have the Affidavit and W-9, please request it, if a Beneficiary is known, in order for the Beneficiary to claim and collect the refund.

## Items to Note

- Agency charges will match the employee labor distribution of the refund payment received by the employee.
  - Agency charges do not account for Inter-Agency Transfers or labor distribution changes during the FY.
- Employee Ineligible, Partial Refund – HB2264:
  - “...a return of contributions is not required to an employee who has forfeited or extinguished their right to benefits... or has otherwise received the value of the excess contributions as a distribution...”
  - Information for Ineligible and Partial refunds was provided to GAO by ASRS

# Absence Management Implementation

## Issues Update

### ■ Donated Leave Transactions

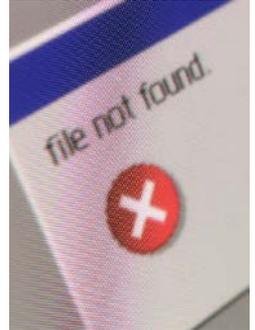
- Issue: Cannot close a batch due to missing transaction history
- Reason: LP did not convert history, only balances.

Also, batches were never returned and closed.

- Please ensure you are closing batches even if balance is zero hours
- Solution: Loaded transaction history into LP for open batches at conversion on 4/20/12.
  - Implemented: June 8th

### ■ Handwrites not granting accruals

- Issue: Time on handwrite not considered for granting an accrual.
  - Handwrites between 4/20/12 – 6/12/12 affected.
  - Emails sent to agencies to review & enter LP70 adjustments if necessary
- Solution: Changed the settings on the job that runs daily to consider handwrites when evaluating accrual
  - Implemented: June 13th



# Absence Management Implementation Issues

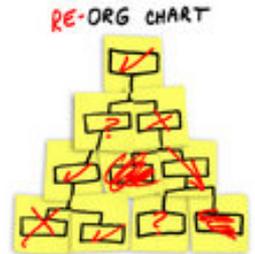
## Update (cont'd)

- Holiday Leave Edits on XR32, XR35 and in ETE
  - Issue: Not able to bank and use in the same pay period
  - Solution: Amend edit to allow for bank and use but not use before banked
    - Estimated Implementation: July 4th Holiday
- Prior Pay Period Adjustments
  - Issue: Leave Balances are not updating properly when processing a prior pay period adjustment for an employee who moved to a new Annual Leave Plan.
  - Why: When the employee changed positions, the old Annual Leave Plan was end dated and a new Annual Leave Plan was opened.
    - Example: Employee transfers from Covered to Uncovered
  - Solution: No fix yet available. Working to develop a long term solution. Must be extra diligent to confirm leave plan balances when processing prior pay period corrections for employees in this situation.



## HB2571 (§ various)

- ❑ Consolidates the current state personnel systems
  - Does not include courts, legislative branches, universities, or DPS
- ❑ Establishes the transition of a majority of the State workforce to uncovered and at-will status
- ❑ Improves management of the workforce
- ❑ Restructures the grievance and appeal process and
- ❑ Updates human resources practices



# Critical Retention Payments

**Effective 9-29-12**

- For all Uncovered Employees as of 9/29/12
- Calculated as 5% of Base Pay
  - Paid each pay period through the end of the fiscal year.
    - Pay period beginning: 9/29/12 (paid 10/18/12)  
Thru
    - Pay period ending: 6/21/13 (paid 6/27/13)
    - Can change as base pay changes during this period
- Retirement Treatment
  - Considered Wages for ASRS
  - Not Considered Wages for PSPRS
- Included in overtime calculation
- Not calculated on leave payouts
  - Is calculated on leave taken



# Benefits Premium Holiday **Effective 8-2-12**

SB1523: §135. State employee health insurance premium holiday. (No payroll deduction, but coverage still provided)

- Applies to Health Insurance Premiums only.
- Date paid, not coverage period, drives eligibility for the holiday.
- Tentatively scheduled:
  - July 26th – 100%
  - August 9th – 100% and
  - August 23rd – %TBD based on funding
  - Handwrites paid July 23rd through August 31st – impact undecided



# ASRS not Mandatory for New Hires 65+

**Effective 8-2-12**

- HB2662 (§38-727) – Permits state employees, over the age of 65, who are not active, inactive or retired members of the Arizona State Retirement System (ASRS) to opt-out of participation.



- HB2745 (§38-843.05) – ER shall pay contributions at an ACR on behalf of a retired member who returns to work...unless the retired member is required to participate in another state retirement system and the retired member returned to work before 7/20/11.
- Identify retirees that returned to work prior to 7/20/11 and are currently contributing to another State Retirement System

# Alternate Contribution Rate – ASRS ACR

- ASRS ACR: Effective July 1, 2012
  - Applies if ASRS retiree returns to work in any capacity in a position ordinarily filled by an employee of the employer.
  - Deduction Code: 7956
  - Rate: 8.64%
  - Wage Amount
    - Gross Wage of Employee
    - Gross Pay X 90% of Independent Contractor Fee
  - Employer only charge
  
- Reporting – Centrally through GAO
  - Requires additional information
    - First Day of Work
    - Termination Date
    - Reporting Template to collect Contract/Leased employee data for payments made via AFIS will be consolidated by GAO



# Alternate Contribution Rate – ASRS ACR

- Applies to Direct Hires, Leased Employees & Contactors

- HRIS Paid

- Direct Hires: Implementing process to charge ACR via payroll
- Reporting
  - Integrated with current payroll process

- AFIS Paid

- Leased Employees: Workers from Temp Agencies
- Contractors: 3rd party payees paid through AFIS
  - Required information may be included in contracts through SPO
  - Vendors that are at the job site
- Reporting
  - Agency must identify, and gather required information and submit records to GAO in accordance with a new Technical Bulletin to be issued
  - Template of required data needs to be completed on a bi-weekly basis



New  
Retirement &  
ERE Rates –  
Effective 7/1/12

Added:  
ASRS ACR

Eliminated :  
AG Pro-rata  
(now paid  
outside payroll)  
Effective 8/2/12

## RETIREMENT PLAN DEDUCTIONS

CODE	RETIREMENT PLAN	EMPLOYEE			EMPLOYER		
		DED	OLD	NEW	DED	OLD	NEW
		CODE	RATE	RATE	CODE	RATE	RATE
1	ASRS PLAN-ASRS	7903	11.13%	10.90%	7904	9.87%	10.90%
2	CORP JUVENILE CORRECTIONS (501)	7905	8.41%	8.41%	7906	9.92%	12.30%
3	EORP ELECTED OFFICIALS & JUDGES (415)	7907	10.00%	11.50%	7908	17.96%	20.87%
4	PSRS PUBLIC SAFETY (007) (ER pays 5% EE share)	7909	3.65%	4.55%	7910	38.30%	48.71%
5	PSRS GAME & FISH (035)	7911	8.65%	9.55%	7912	43.35%	50.54%
6	PSRS AG INVESTIGATORS (151)	7913	8.65%	9.55%	7914	90.08%	136.04%
7	PSRS FIRE FIGHTERS (119)	7915	8.65%	9.55%	7916	17.76%	20.54%
9	N/A NO RETIREMENT						
0	CORP CORRECTIONS (500)	7901	8.41%	8.41%	7902	9.15%	11.14%
B	PSRS LIQUOR CONTROL OFFICER (164)	7923	8.65%	9.55%	7924	38.77%	46.99%
F	PSRS STATE PARKS (204)	7931	8.65%	9.55%	7932	18.50%	25.16%
G	CORP PUBLIC SAFETY DISPATCHERS (563)	7933	7.96%	7.96%	7934	7.50%	7.90%
H	PSRS DEFERRED RET OPTION (DROP)	7957	8.65%	9.55%			
	ASRS LTD ASRS	7509	0.26%	0.240%	7508	0.23%	0.240%
	PSRS LTD PSRS (HARTFORD)				7520	0.25%	0.25%

## OTHER DEDUCTIONS AND EMPLOYER RELATED EXPENSES

	EMPLOYER RELATED EXPENSES	EMPLOYEE			EMPLOYER		
		DED	OLD	NEW	DED	OLD	NEW
		CODE	RATE	RATE	CODE	RATE	RATE
	UNEMPLOYMENT INSURANCE (SUTA)				T202	0.150%	0.150%
	HR PRO RATA				3802	1.070%	1.070%
	ACCUM SICK ERE (RASL)				3804	0.400%	0.400%
	TECHNOLOGY CHARGE (ADOA ASET)				3808	0.200%	0.200%
	COUNSEL SERVICES (AG PRO RATA)				3808	0.675%	0.000%
	HR PRO RATA (PERSONNEL BOARD)				3810	0.030%	0.030%
PSRS	ALT CONTRIBUTION RATE - DPS (007)				7936	10.510%	14.570%
CORP	ALT CONTRIBUTION RATE - DOC (500)				7938	6.000%	6.000%
EORP	ALT CONTRIBUTION RATE - EO&J (415)				7940	14.470%	19.110%
CORP	ALT CONTRIBUTION RATE - DJ (501)				7942	6.000%	6.000%
CORP	ALT CONTRIBUTION RATE - DISP (563)				7944	6.000%	6.000%
PSRS	ALT CONTRIBUTION RATE - G&F (035)				7946	10.510%	14.570%
PSRS	ALT CONTRIBUTION RATE - AGI (151)				7948	10.510%	14.570%
PSRS	ALT CONTRIBUTION RATE - FIRE (119)				7950	10.510%	14.570%
PSRS	ALT CONTRIBUTION RATE - LIQ (164)				7952	10.510%	14.570%
PSRS	ALT CONTRIBUTION RATE - PARK (204)				7954	10.510%	14.570%
ASRS	ALT CONTRIBUTION RATE - ASRS				7956		8.640%

Effective  
8/2/12

# Handwrites thru Fiscal Year End

- Travel & Other Reimbursement handwrites allowed June 27-29, 2012.

- Lowered from \$100 to \$10



- **GAO will be verifying cash and appropriation availability in AFIS**

- July 2, 2012

- **NO HANDWRITES** PLEASE PLAN AHEAD!
  - Agencies with reverting appropriations will need to use Admin Adjustment process in AFIS to charge (AY) 2012.
  - Agencies with continuing appropriations can be keyed with appropriate sub-account (AY)

# AFIS Screens H01, H02, H03

AFIS SCREEN	FUNCTION
H01	adds, changes, or inactivates <b><u>Accounting Unit</u></b> in HRIS 2 character AGY + Index + Grant + Phase
H02	adds, changes, or inactivates <b><u>Activity</u></b> in HRIS 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**

# HRIS Labor Distribution Update

- June 30th – July 2nd – HRIS Unavailable
  - XP02/ZP02 will be updated
    - We will be only changing Sub-account (AY) 2012 to (AY) 2013
    - Errors must be fixed by July 05, 2012 to prevent errors with ETE
      - Focus on Filled Positions
  - XR23.3 will be updated
    - Sub-account will be changed from (AY) 2012 to (AY) 2013
  
- Labor Distribution Elements
  - H01, H02, and H03 are interfaced daily to HRIS, except night of compute
  
  - H01, H02, and H03
    - Agencies need to ensure that H01, H02, or H03 screens **are not inactivated** until after the Position (XP02 or ZP02) labor distribution update is completed and the agency has verified they are no longer being used on any Employee (HR11) or Position (XP02 or ZP02) records. Premature inactivation may cause the inability to enter time records or potential rejection of ETE time records.

June - July 2012

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	
Jun 10	11	12	13	14	15	16		
Jun 10 - 16			COMPUTE		PAYDAY			
Jun 17 - 23	17	18	19	20	21	22	23	
			FYE PAYROLL MEETING			PPE	PPB - TO BE PAID ON 7/12/12	
Jun 24 - 30	25	26	27	28	29	30		
Previous Appointment		COMPUTE		PAYDAY LAST OF FY2012	LABOR DISTRIBUTION FILES ARE DUE BACK		HRIS DOWN XP/ZP02 UPDATED TO AY2013 XR23.3 UPDATED TO AY2013	
			LABOR FOR MANUALS WILL DEFAULT TO AY2012 OK					
			DO NOT ENTER COMPUTE TIMEREORDS					
1	2	3	4	5	6	7		
HRIS DOWN XP/ZP02 UPDATED TO AY2013 XR23.3 UPDATED TO AY2013	NO HANDWRITES		4 <sup>TH</sup> of July HOLIDAY		PPE		PPB - TO BE PAID ON 7/26/12	
AGENCY: MUST FIX XP02/ZP02 UPDATE ERRORS - COMPLETE BY 7/6/12								
LABOR FOR MANUALS WILL DEFAULT TO AY2013 - OK								
LABOR FOR COMPUTE TIMEREORDS WILL DEFAULT TO AY2013 - OK								
8	9	10	11	12	13	14		
Jul 8 - 14		COMPUTE		PAYDAY FIRST OF FY2013				