
Statewide Payroll Meeting



2011 Calendar Year End

November 21, 2011

Welcome!

Introductions

- Stu Wilbur
- Tracey Cappuccio
- Karen Turner
- Sam Tekien
- Lalita Farr
- Vahn Vo
- Sonya Polee
- Kia Goudy
- Marla Grossman, RASL
- Jennifer Verhelst, Projects

Contact Information

- Central Payroll contact list
- Complete the Agency contact form
 - Leave it here
 - Fax it to Central Payroll
 - (602) 364-2215
 - Scan & e-mail
 - Central.Payroll@azdoa.gov



Register for Payroll Updates

GAO General Accounting Office

AZ.GOV Arizona's Official Web Site

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

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News & Updates

- November CFO Meeting Agenda - 11/15/2011
- 2011 Calendar Year End Payroll Processing Memorandum - 11/14/2011
- 2011 Calendar Year End Statewide Payroll Meeting to be held November 2011 - 11/10/2011
- GAO Issues Policy Deal with Cell Phones and Wireless Devices - 11/2/2011
- Know Your Garnishment: Eliminate Confusion, Ensure Compliance, a Progressive Business Conference. - 11/1/2011
- Major Challenges to the Public Sector Auditing Profession an AGA Trade Audio Conference - 10/31/2011

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Logos: Governor Jan Brewer, ARIZONA OPENBOOKS, HRIS, Procure.AZ.gov, Y.E.S., OSPB, azstatejobs

Recent Accomplishments



■ Employee Time Entry - Update [Ongoing]

- 8,000 employees in 72 Agencies onboard
- 10,400 employees in 26 Agencies in process
- 7 Agencies working labor distribution functionality



■ Cell Phone Usage - 3 Types [11/2/2011]

- State Owned Device
- Employee Owned Device Actual Reimbursement
- Employee Owned Device Standard Reimbursement
 - IRS Released Notice and Interim Guidance allowing that, under certain conditions, reimbursements for employee-owned cell phone usage to be non-taxable
 - HRIS Setup:
 - Use Paycode 650 (same as before)
 - Setup standard time record (\$25 voice, \$25 data, \$50 total per month)
 - Enter weekly amounts on ZR30 and select only cycles 1 and 2
 - Must be monitored and turned off when employment change occurs

Cash Pay Sign-Ups

■ GAO-65 Processing Issues

□ Employee Address

- Bank of America will not allow PO Boxes
 - A physical address must be provided with the application
 - HRIS does not have to be updated with this address
- Work address absolutely should not be used

□ Country of Citizenship / Country of Residence

- Required by the Patriot Act to create an account

□ Amount to Deposit / Times Per Year

- These are required fields

□ Agency Sign Up

- Provide notation on the Employee Signature line, such as “Agency Issued,” to authorize Central Payroll to create an account on employee’s behalf



Cash Pay Sign-Ups

■ Employee Receipt and Usage Issues

□ Mailing

- When sent by Bank of America, it should arrive in 7-10 business days after the account is created
 - Creation date will be the start date on XR12



Address

- HRIS address is used unless provided with the GAO-65
 - Please advise employees to validate that their address is correct.
 - Employees can update their address in real time through the YES website at <http://yes.az.gov>

□ Card Not Received

- Employee should contact Bank of America at 866-213-4074 to resolve

□ Schedule of Fees

- Mailed by GAO to employee's HRIS address of record

Cash Pay Card Implemented	December 2009 - May 2011	452	26.58 per month avg
May 5, 2011 - Director Smith Memo	May 2011 - Current	698	99.71 per month avg
	Total EE with Cash Pay Cards	1,150	

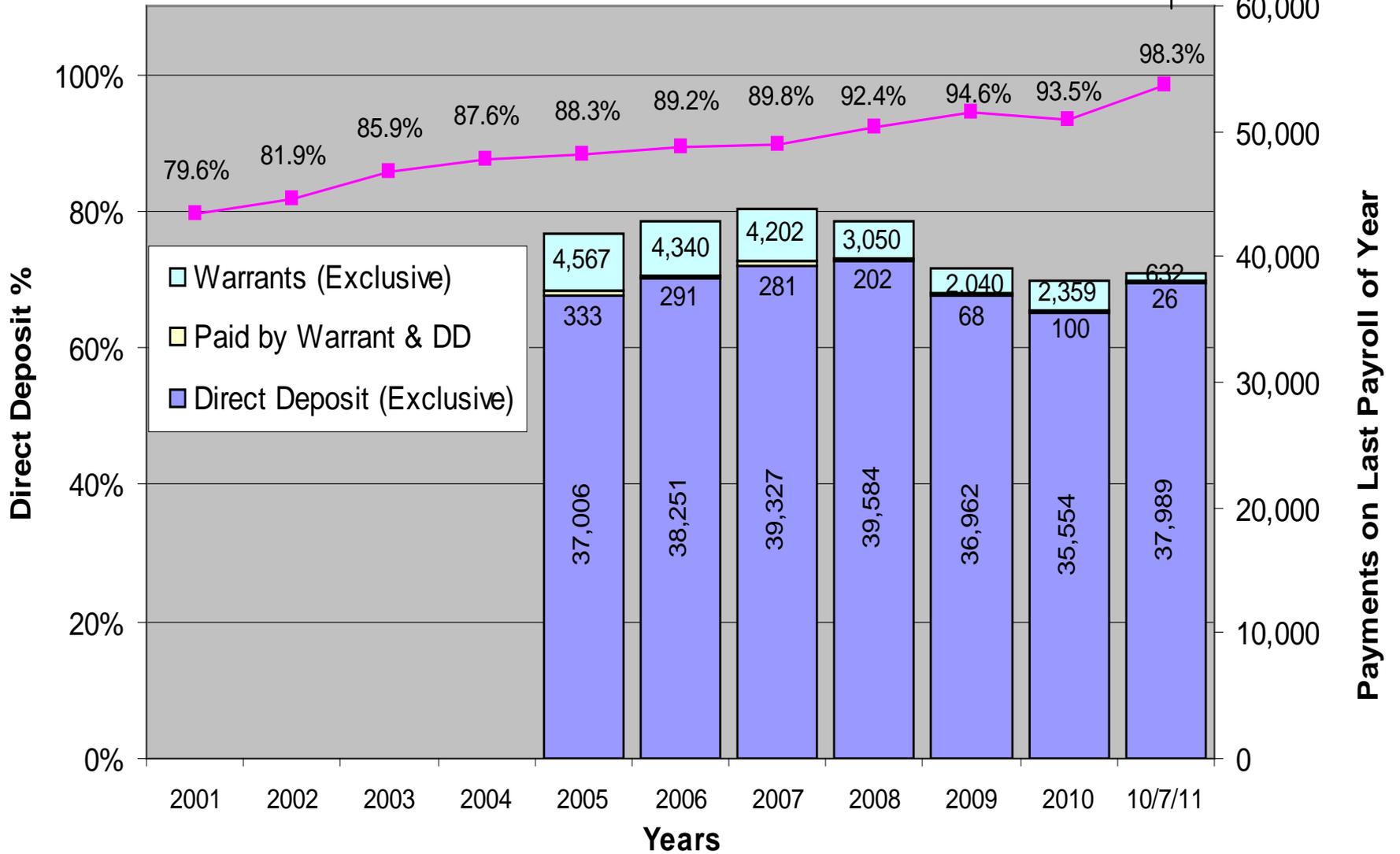
State of Arizona Payroll Payments

12/08 Direct
Deposit Advice
Print Elimination

12/09 CashPay Rollout
12/31/09 Warrants Mailed from GAO

12/30/10 Warrants mailed from GAO

7/20/11 Mandatory DD



Coming Months

- System Pay Date changes to Thursday January 1
 - Does not impact employees
- Mandatory Direct Deposit
 - Reached high of 98.3% Direct Deposit participation
 - Down to under 1,000 warrants per pay period
- HRIS Non-Payroll Week Pre-Note [TBD]
 - Send file to bank on non-payroll week Wednesday to allow accounts needing validation to be Pre-Noted before the next payday. Should help further increase direct deposit %



Coming Months

- Absence Management Replacing Time Accrual [Early 2012]



- Several job roles will be affected by this implementation. These job roles are: Payroll Initiator, Payroll Approver, HR Initiator, and HR Approver.
- Classroom training will be available at ADOA in early 2012. Please ensure that the appropriate staff attends these training sessions.
- HRIS Agency Cleanup Project
 - Leave Balances

Annual Leave Roll Back

- For the pay day of January 12, 2012, an employee's annual leave balance will be adjusted to show the following:
 - **Deduct**: Annual leave used during the 12/24/2011 to 1/6/2012 pay period
 - **Forfeiture**: Annual leave hours in excess of the maximum (240 hours for covered employees, 320 hours for uncovered employees)
 - **Addition**: Annual leave accrued during the 12/24/2011 to 1/6/2012 pay period.
- Holiday leave balances will not be included in the calculation of determining excess leave
- Family Sick leave balances will be reset to 40 hours December 30, 2011

Time Record Adjustments

- Current Calendar Year Time Record Adjustments
 - Recovery of current year overpayments may be offset against current year wages
 - Adjustments for 2011 should be entered by the compute deadline on 12/27/11
 - Prior Fiscal Year Time Record Adjustments
 - If the retirement rates are different, you must submit a OTD request for the rate difference – ASRS requires this
 - Must detail the pay periods that are affected in the comments

- Prior Calendar Year Time Record Adjustments
 - Must be completed on GAO70a and submitted to Central Payroll
 - Be cautious about Tax (reduced SS rate 2011) & Retirement Rates
 - Only processed by GAO Payroll on a quarterly basis

Canceled Warrants & Overpay Deadlines

- December 16, 2011 - Overpays and warrants to be canceled for payments through December 2, 2011 and prior
- December 21, 2011 - Overpays and warrants to be canceled for payments from December 2 through December 21, 2011
- After December 21, 2011 - Any overpays that are submitted will require the employee to return the amounts withheld for Federal and State income taxes in addition to the net pay

Final Payments in 2011

- Direct Deposit file will be released to B of A on 12/28/11 effective 12/29/11 (no change from a normal payroll)

- To ensure employees have constructive receipt of their pay in 2011, warrants for December 30, 2011 will be mailed directly from the GAO to the HRIS address of record
 - Message on warrants 12/2 & 12/16
 - No 12/30 payroll warrant pickup allowed
 - AFIS Vendor Warrants and/or Reports still need to be picked up
 - Please advise employees to validate that their address is correct.
 - Employees can update their address in real time through the YES website at <http://yes.az.gov>

- Handwrites will not be processed on December 30 or 31, 2011

Federal & State Tax Withholding Tables

- We are expecting changes to the Federal and State rates for 2012 and will communicate these when they are available by the IRS and DOR

PAYROLL TAX TABLES AND EMPLOYEE AND EMPLOYER RELATED EXPENSE RATES Updated: August 22, 2011
 Effective: July 1, 2011
 *Items highlighted in yellow have been changed since the last update.

FEDERAL WITHHOLDING 24 PAYS FEDERAL TAXID NUMBER 36-6004791				RETIREMENT PLAN DEDUCTIONS							
(a) SINGLE person (including head of household) - subtracting withholding allowance(s)				EMPLOYEE				EMPLOYER			
Over	Net Over	of excess wages		CODE	RETIREMENT PLAN	OLD	NEW	NEW	OLD	NEW	NEW
\$0	\$0	\$0	\$0	1	ASRS PLAN-ASRS	9.60%	10.50%	11.13%	9.60%	10.50%	9.87%
\$21	\$408	\$408	\$21	2	CORP JUVENILE CORRECTIONS (501)	2.41%	2.41%	7.40%	7.40%	9.92%	
\$408	\$1,408	\$1,408	\$408	3	CORP ELECTED OFFICIALS & JUDGES (415)	7.00%	10.00%	17.42%	17.42%	17.94%	
\$1,408	\$3,296	\$3,296	\$1,408	4	PSRS PUBLIC SAFETY (007)	2.65%	2.65%	33.82%	33.82%	35.30%	
\$3,296	\$7,788	\$7,788	\$3,296	5	PSRS GAME & FISH (035)	7.65%	8.65%	40.63%	40.63%	43.35%	
\$7,788	\$14,887	\$14,887	\$7,788	6	PSRS AG INVESTIGATORS (151)	7.65%	8.65%	31.75%	31.75%	34.00%	
\$14,887	\$23,945.27	\$23,945.27	\$14,887	7	PSRS FIRE FIGHTERS (119)	7.65%	8.65%	16.92%	17.74%		
				9	N/A NO RETIREMENT	0%	0%	0%	0%		
				0	CORP CORRECTIONS (500)	8.41%	8.41%	8.37%	9.15%		
				B	PSRS LIQUOR CONTROL OFFICER (164)	7.65%	8.65%	31.03%	38.77%		
				F	PSRS STATE PARKS (204)	7.65%	8.65%	14.64%	18.50%		
				G	CORP PUBLIC SAFETY DISPATCHERS (562)	7.96%	7.96%	6.51%	7.50%		
				NONEMPLOYEES							
				9	ORP TIAA/FALIC	7.00%		7.00%			
				A	PSRS CAPITOL POLICE (160) - to PS (007)	7.65%	7.65%	12.84%			
				C	ASRS SYSTEM-ASRS	7.00%	7.00%	0.0759	7.63%		
				D	HTWD EMPLOYER'S ANNUITY	N/A		5.00%			
				E	HTWD DEFINED CONTRIBUTION	2.66%		2.66%			
STATE WITHHOLDING STAT FID N BEI 4000				OTHER DEDUCTIONS AND EMPLOYER RELATED EXPENSES							
FORMULA	Yr	Op	Rate	DED CODE	EMPLOYER RELATED EXPENS	OLD	NEW	NEW	OLD	NEW	NEW
10				T202	UNEMPLOYMENT INSURANCE (SUTA)				0.650%	0.650%	0.650%
11				3802	HR PRO RATA				1.070%	1.070%	
12				3804	ACCUM SICKERE (RASL)				0.400%	0.400%	
13				3800	TECHNOLOGY CHARGE (GITA)				0.200%	0.200%	
14				3803	COUNSEL SERVICES (AG PRO RATA)				0.475%	0.475%	
15				3810	HR PRO RATA (PERSONNEL BOARD)				0.030%	0.030%	
16				7503	ASRS LTD ASRS				0.250%	0.250%	0.230%
17				7509	ASRS LTD ASRS	0.250%		0.240%			
18				7936	PSRS ALT CONTRIBUTION RATE - DPS (007)						10.51%
19				7938	CORP ALT CONTRIBUTION RATE - DOC (001)						8.00%
20				7940	CORP ALT CONTRIBUTION RATE - EOP (415)						14.47%
21				7942	CORP ALT CONTRIBUTION RATE - DJ (001)						8.00%
22				7944	CORP ALT CONTRIBUTION RATE - DSP (001)						8.00%
23				7946	PSRS ALT CONTRIBUTION RATE - GFI (001)						10.51%
24				7948	PSRS ALT CONTRIBUTION RATE - AGI (001)						10.51%
25				7950	PSRS ALT CONTRIBUTION RATE - FIRE (111)						10.51%
26				7952	PSRS ALT CONTRIBUTION RATE - LIO (001)						10.51%
27				7954	PSRS ALT CONTRIBUTION RATE - PARK (001)						10.51%
FICA (SOCIAL SECURITY AND MEDICARE) TAXES											
WAGES SUBJECT	EMPLOYEE	EMPLOYER									
SOCIAL SECURITY	Max: \$115,000	4.20%	6.20%								
MEDICARE	All Applicable Wages	1.45%	1.45%								

Not Yet Available

Not Yet Available

A-4s and W-4s

- Employees can change non-exempt A-4 and W-4 elections anytime thru YES
 - Filing “exempt” for Federal and State withholding must be done with **paper**
 - Reports listing the employees who may be impacted by these requirements will be sent electronically in mid-December

- The 2011 DOR Form A-4 which indicated an employee is “Exempt” from paying State income taxes expires on **December 31, 2011**
 - Employees **must** file a new 2012 DOR Form A-4 to claim exempt status for the 2012 calendar year
 - If the employee does not provide a new Form A-4, agencies must change the tax status on PR14 to withhold tax at the default 2.7% (Formula 13)

- The 2011 IRS Form W-4 which indicated an employee is “Exempt” from paying Federal income taxes expires on **February 16, 2012**
 - Employees **must** file a new 2012 IRS Form W-4 to claim exempt status for the 2012 calendar year
 - If the employee does not provide a new Form W-4, agencies must change the tax status on PR13 to Single with Zero withholding allowances

Social Security and Medicare Deductions

■ Social Security:

- Effective January 1, 2012, the maximum amount of earnings subject to Social Security will increase from \$106,800.00 to \$110,100.00
 - The Social Security withholding tax for employees was temporarily lowered from 6.2% to 4.2% just for 2011. President Obama has sent legislation to Congress (American Jobs Act) that would lower the Social Security tax rate for both employers and employees from 6.2% to 3.1% in 2012
 - If the legislation is not enacted, both employee and employer tax will be at the 6.2% rate

■ Medicare Tax:

- Medicare tax is scheduled to remain at 1.45% for both employee and employer for all applicable wages

W-2s for 2011



- Schedule for Availability of 2011 W-2s
 - Jan 13 – Available online to those who consent
 - Jan 30 – Mailed to those not consenting to electronic delivery
 - Feb 1 – Available to everyone
- Please encourage employees to:
 - Consent to receive W-2 electronically
 - Visit <http://yes.az.gov>, click “Log in to YES”
 - Enter the YES username (EIN) and password
 - Click “Pay”
 - Click “W-2 Tax Statements”,
 - Enter the YES username (EIN) and password
 - Click “Authorize Electronic W-2”
 - Then click “Agree”.
 - Obtain W-2s and any needed duplicates from YES
 - Central Payroll will still provide duplicate paper W-2s, but will not accept requests until March 1st, 2012
 - 2006 – 2010 W-2s will continue to be available online

GAO Statewide Payroll Key Dates

December 2011						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27	28	29 COMPUTE	30	1	2 PAYDAY 24	3
4	5	6	7	8	9	10 PAY PERIOD BEGIN
					PAY PERIOD END	
11	12	13 COMPUTE	14	15	16 PAYDAY 25	17
18	19	20	21	22	23	24 PAY PERIOD BEGIN
		GAO to send report of 2011 A-4 Tax Exempt EEs to agencies If EE doesn't file A-4 for 2012 by 1/1/12, set to 2.7% Default	GAO to send report of 2011 W-4 Tax Exempt EEs to agencies If EE doesn't file W-4 for 2012 by 2/16/12, set to Single/Zero	Overpays cannot refund Fed/State withholdings		
					PAY PERIOD END	
25	26 HOLIDAY	27 COMPUTE	28	29	30 PAYDAY 26	31
	CHRISTMAS (OBSERVED)	Overpays cannot refund Fed/State withholdings				
				WARRANTS MAILED FROM GAO	NO HANDWRITES Family Sick Leave Reset	NO HANDWRITES
1	2 HOLIDAY	3	4	5	6	7 PAY PERIOD BEGIN
	NEW YEAR'S (OBSERVED)					
					PAY PERIOD END	

GAO Statewide Payroll Key Dates

January/February 2012

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2 HOLIDAY NEW YEAR'S (OBSERVED)	3 If EE didn't file A-4 for 2012 by 12/31/11, set to default 2.7%	4	5	6 PAY PERIOD END	7 PAY PERIOD BEGIN
8	9	10 COMPUTE ANNUAL LEAVE ROLL 2pm deadline for address updates through YES for mailing on 1/30/12	11	12 PAYDAY 1	13 Target Date: 2011 W-2's Online for those who consent	14
15	16 HOLIDAY MARTIN LUTHER KING JR. DAY	17	18	19	20 PAY PERIOD END	21 PAY PERIOD BEGIN
22 Last day to consent to not receive W-2 by mail	23	24 COMPUTE	25	26 PAYDAY 2	27	28
29	30 Target Date: W-2s Mailed	31	1 2011 W-2's Online for ALL	2	3 PAY PERIOD END	4 PAY PERIOD BEGIN
5	6	7 COMPUTE	8	9 PAYDAY 3	10	11
12	13	14	15	16	17 If EE didn't file W-4 for 2012 by 2/16/12, set to Single/Zero PAY PERIOD END	18 PAY PERIOD BEGIN

Employees wanting duplicate W-2s should be directed to YES.

W-2 paper duplicate requests will not be accepted until March 1.

Retirement Plan Update – PSPRS

Deferred Retirement Option Plan change

- DROP Changes [January 1, 2012]
 - Employee contribution will continue for Retirees entering DROP with < 20 years of service
 - Working on file exchange process to identify DROP Participants

- Once Identified:
 - HR: Update Retirement User Field Value on HR 11 through Personnel Action on XP52
 - New Retirement User Field Value: H
 - Benefits: Establish a new benefit plan
 - PSRS: 8.65%
 - Deduction Code: 7957

ASRS Contributions – No waiting period

- Employees must make ASRS contributions IMMEDIATELY if:
 - Employee's Adjusted Hire Date is before 7/20/11
 - Employees rehired within 2 years of their prior termination date with the State require an Adjusted Hire Date.

OR

- Employee is already an ASRS member
 - Must have monies currently on account with ASRS, such as from contributions through another ASRS employer or a State employee with contributions from years ago.
 - If they withdrew their funds, they are no longer an ASRS member.
 - Use ASRS Member Eligibility Tool at <https://www.azasrs.gov/web/BasicLogin.do>

ASRS Missed Contributions

Agency HR:

- ❑ **Correct the "Current ASRS Member" User Field on HR11 –**
This requires a Personnel Action on XP52 - USERFLDCHG to update the flag "Y". Also, validate that the correct dates are populated for the Hire Date and Adjusted Hire Date fields.
- ❑ **Email Central Benefits** at BenefitsIssues@azdoa.gov to enroll the employee in the ASRS & ASRS LTD Plans effective their most recent date of hire.

Central Benefits:

- ❑ **Enroll the employee** in the ASRS & ASRS LTD Plans effective their most recent date of hire.
- ❑ **Notify Agency HR** when the plans are setup.

Agency HR:

- ❑ **Contact Agency Payroll** to have them review the employee's pay history for arrears.

Agency Payroll:

- ❑ **Review the employee's pay history** for missed contributions.
- ❑ **Submit GAO 73a** (One Time Deduction Request) to Central.Payroll@azdoa.gov before the Tuesday 2:00 PM compute deadline to have additional amounts deducted for both the employee & employer contributions for any pay periods that contributions have been missed.
- ❑ **Notify Agency HR** when completed

Agency HR (or Payroll):

- ❑ **Contact employee** to let them know additional amounts are being deducted.

We're Done!

any questions



Next Meeting:

2012 Fiscal Year End

Statewide Payroll Meeting

Monday, May 21, 2012

ADOA Conference Room 300

