Statewide Payroll Meeting
Calendar Year End

NOVEMBER 19, 2012

General Accounting Office
Introductions

- Stu Wilbur
- Tracey Cappuccio
- Karen Turner
- Sam Tekien
- Lalita Farr
- Vahn Vo
- Kia Goudy
- Cheryl Wilcox
- Marla Grossman, RASL
- Jennifer Verhelst, System Support & Projects
Contact Information

- Central Payroll Contact List

- Send any updates to Central Payroll
  - (602) 364-2215 (fax)
  - Central.Payroll@azdoa.gov
Recent Accomplishments

- 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 [Aug - Oct]
  - Renewed on 8/24/2012
  - Distributed to Agencies: week ending 9/14/12
  - We would appreciate feedback from Agencies on the process
  - Going forward: Employees requesting a card will be charged $5 for a replacement
    - Check AZ10 to see if they have already been issued a renewal and confirm it has been lost before submitting the application to GAO.

- HRIS Data Purge [Nov 16 -18]
  - 2005 Payroll Data
Coming Months

- **5% Critical Retention Payments**
  - Eligibility - Defined
  - Calculations - Defined
  - Monitoring - ongoing

- **New Statewide Personnel System Rules**
  - Pay Code Review & Update
    - Unused Pay Code Deactivation

- **Statewide GAO Policies under construction**
  - Education
    - Job Related Training (Working Condition Fringe)
    - Non-Job Related Education (Educational Assistance)
      - Up to $5,250 per year excluded from income
**ACR Reporting**

- **Resource:**
  - Technical Bulletin 12-03 - ASRS Alternate Contributions – Reemployed and Contracted Retirees

- **Responsibilities:**

<table>
<thead>
<tr>
<th>Task</th>
<th>ASRS or PSPRS Reemployed Retiree</th>
<th>ASRS Contracted Retiree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identifying</td>
<td>Agency</td>
<td>Agency</td>
</tr>
<tr>
<td>Establishing</td>
<td>Central Payroll</td>
<td>Agency</td>
</tr>
<tr>
<td>Calculating</td>
<td>Central Payroll</td>
<td>Agency</td>
</tr>
<tr>
<td>Transmitting to GAO</td>
<td>N/A</td>
<td>Agency</td>
</tr>
<tr>
<td>Reporting to ASRS or PSPRS</td>
<td>Central Payroll</td>
<td>Central Payroll</td>
</tr>
<tr>
<td>Paying</td>
<td>Agency</td>
<td>Agency</td>
</tr>
<tr>
<td>Remitting to ASRS or PSPRS</td>
<td>Central Payroll</td>
<td>Central Payroll</td>
</tr>
</tbody>
</table>
• Reconciliation
  ○ Employees
    § Check Member Eligibility through ASRS website
      ○ If status is “RETIRED” – establish deduction code 7956 on PR14 if position
        normally contributes to ASRS.
  ○ Contracted Retirees
    § Deadlines:
      ○ GAO-ACR: Submitted to central.payroll@azdoa.gov by PPE date
      ○ Automated Transfer: Must post in AFIS by PPE date

• ACR “Need to Know”:
  ○ GAO-ACR: ASRS will not accept submissions with missing data. The only
    column that can be blank is Retiree Termination Date.
  ○ Corrections: Negative amounts on GAO-ACR to correct submission errors
    can be accepted by ASRS if the original PPE date is used. However
    automated transfer will not accept a negative amount.
Deceased Employee Payments

- **Deceased employee with unclaimed wages & leave balances**
  - Payment when no beneficiary exists or paperwork not completed
    - Waiting Period – Later of 180 days after death or next calendar year
    - Agency creates a handwritten using updated Deceased Employee Procedures on GAO website
      - Affidavit and W-9 not required
      - GAO-99A Comments section: “No Beneficiary – send to Unclaimed Property” & date of death
    - Central Payroll retains warrant & submits to AWR for immediate expiration
    - AWR reports wages to the Arizona Department of Revenue Unclaimed Property on the 1st of the following month.
  - List of deceased employees with leave balances will be sent in
    - January for death dates between Jan-June of prior year
    - July for death dates between July-Dec of prior year
### Tax Treatment of payments made after death

<table>
<thead>
<tr>
<th>Federal &amp; State Tax</th>
<th>Social Security &amp; Medicare Tax</th>
<th>Disable taxes on PR13.7 (Location = PAYROLL) End date deductions on PR14 using date of death</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment made <strong>IN SAME</strong> calendar year as employee’s death</td>
<td>Exempt</td>
<td>T101 &amp; T201</td>
</tr>
<tr>
<td>Payment made <strong>AFTER</strong> calendar year of employee’s death</td>
<td>Exempt</td>
<td>T101, T102, T103, T104, T105 &amp; T201</td>
</tr>
<tr>
<td></td>
<td>Exempt</td>
<td><strong>MQGE EE</strong>: T101, T106, T107 &amp; T201</td>
</tr>
</tbody>
</table>

- **Deduction Cycle – Use Cycle 5 if only paying out leave**
## Deceased Employee Payments

### Affidavit & W-9

<table>
<thead>
<tr>
<th>Affidavit</th>
<th>Payable To</th>
<th>$ Limits</th>
<th>Timing</th>
<th>Required Documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAO-36a</td>
<td>Spouse</td>
<td>Gross payment is (\leq 5,000)</td>
<td>No waiting period</td>
<td>W-9 with spouse SSN</td>
</tr>
<tr>
<td>GAO-36b</td>
<td>Spouse or Successor of Decedent</td>
<td>Value of all the personal property in the decedent’s estate is (\leq 50,000)</td>
<td>GAO-36b date must (&gt;30) days after the date of death</td>
<td>W-9 with spouse SSN or W-9 with successor SSN or W-9 with successor TIN</td>
</tr>
<tr>
<td>GAO-36c</td>
<td>Estate of Decedent Or Personal Representative</td>
<td>Any amount due, regardless of the total value of the estate</td>
<td>GAO-36c must be (\leq 60) days after the Letter of Personal Representation certification date</td>
<td>Letter of Personal Representation certified by the Clerk of the Superior Court and W-9 with Estate TIN or W-9 with Personal Rep SSN</td>
</tr>
</tbody>
</table>
Designated Roth 457 Plan

- Offered by Nationwide Retirement Solutions
  - [www.arizonadc.com](http://www.arizonadc.com)
- After-tax deferred retirement savings option
- Anticipated Implementation: 1/1/2013
- Deduction Code: 7805
- Flat Amount
- Setup by Nationwide Interface
  - Bi-weekly file received each off-compute Wednesday
Absence Management Update

- **New process for EE changing leave structures**
  - Transfer updates the Plan Entry on new plan to 1/1/2010
  - This allows the adjustments on XR35.2 to update in the new plan
  - If adjustments are prior to 1/1/2010, LP70 still required

- **Comp Balances still need manual adjustments**
  - For time record adjustments that are accruals to the Comp Plan (pay code 800), LP70 adjustments may be required.
    - Watch the Accrual From date in the open plan. If the 800 adjustment is earlier than that date, enter LP70 to update the balance.
  - For time record adjustments that are usage, these are reducing the Comp balance, no LP70 adjustment is needed.
Absence Management

- **LP Hints**
- **Watch for End Dates**
  - LP70 will allow your entry, but the record will remain unprocessed.

- **Review LP64.3 for pending balance.**

- **Accrual Start Date**
  - Should equal PPE. If not accrual posting could be delayed.
• LP31 Date Fields
LP60.1 Employee Service Inquiry

- If a Pay Code is used to count toward leave accrual, it will have a corresponding Service Code.
  - History is stored back to 04/02/2011 (PPE 04/15/11)
**LP60.2 Employee Event Inquiry**

- If a Pay Code is used to decrement leave balances, it will have a corresponding Reason Code/Event.
Absence Management

Drill

- Time Accrual History Prior to 4/21/2012
- Employee Event History
- Employee Service History

Date | Event Type | Event Status | Reason | Hours | Day
--- | --- | --- | --- | --- | ---
09/07/2012 | Absence | Closed | 300 | 8.00 | Friday

Event Type: Absence
Plan Balance: Available
Reason: 300
Event Status: Closed
Service Code: 300
Pay Code: 300

Date: 09/07/2012
Day: Friday
Hours: 8.00
Points: 0.00
Occurrence: Yes
Wage Amount: 30.77 USD

Position: AAD002326AHO
Process Level: AD53G
Department: FG030
Job Code: A4N4968

Annual Leave Taken
FMLA Update

- ADOA is ready to deploy FMLA to all State agencies
  - An email was sent to HR Managers with an option to implement in January or March

- Once implemented, when an employee is approved for FMLA, they (or the supervisor) will begin tracking FMLA leave with new pay codes in HRIS Time Entry or ETE. The new FMLA pay codes will decrement from the new FMLA leave plans as well as any other leave that has been taken (i.e. sick or annual leave).
  - Small/Medium Agencies: Jennifer Bowling
  - Large Agencies: John Sheller

- Coordinate with your HR division for implementation plan
Time Record Adjustments

- **Current Calendar Year Time Record Adjustments**
  - Recovery of current year overpayments may be offset against current year wages
  - Adjustments for 2012 should be entered by the compute deadline on 12/24/12

- **Prior Fiscal Year Time Record Adjustments**
  - If the retirement rates are different, you must submit an 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 EE SS rate in 2011 & 2012) & Retirement Rates
  - Only processed by GAO Payroll on a quarterly basis
Canceled Payments & Overpay Deadlines

- **December 3, 2012** - Overpays and payments to be canceled for payments through November 30, 2012

- **December 19, 2012** - Overpays and payments to be canceled for payments through December 19, 2012

- **December 20, 2012 and after** - 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
December 25th Compute

- **SUN:** Monday’s Interface files moved 24 hours prior
  - DES, ADOT, DPS, ASDB, G&F
- **MON:** “Tuesday review”
  - Compute Queries & corrections by Agency
  - If your Personnel will be out, be sure to remind them to update their “Out of Office” email auto-reply with an alternate contact
  - HRIS Security on: 12/24/2012, 6:00 PM

- **TUE:** Christmas Holiday
  - **No HRIS Update on 12/25/2012**

- **WED:** Normal Wednesday after payroll review
  - HRIS Available for update: 12/26/2012, 6:00 AM

- **THUR:** Payday
Final Payments in 2012

- Direct Deposit file will be released to B of A on 12/26/12 effective 12/27/12 (no change from a normal payroll)

- Warrants issued on 12/27 for payroll will be mailed from GAO

- Handwrites issued on 12/27 and 12/28 will be mailed from GAO

- Final Day for Handwrites – December 28, 2012 @ Noon

- Handwrites will not be processed on December 29-31, 2012
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 2012 DOR Form A-4 which indicated an employee is “Exempt” from paying State income taxes expires on December 31, 2012
  - Employees must file a new 2013 DOR Form A-4 to claim exempt status for the 2013 calendar year
  - If the employee does not provide a new Form A-4 by 12/31/12, agencies must change the tax status on PR14 to withhold tax at the default 2.7% (Formula 13)

- The 2012 IRS Form W-4 which indicated an employee is “Exempt” from paying Federal income taxes expires on February 18, 2013
  - Employees must file a new 2013 IRS Form W-4 to claim exempt status for the 2013 calendar year
  - If the employee does not provide a new Form W-4 by 2/18/13, agencies must change the tax status on PR13 to Single with Zero withholding allowances
Social Security and Medicare Deductions

• Social Security:
  o Effective January 1, 2013, the maximum amount of earnings subject to Social Security will increase from $110,100.00 to $113,700.00
  o Both employee and employer tax scheduled to be at the 6.2% rate
    ✗ The Temporary Payroll Tax Cut Continuation Act of 2011 reduced the Social Security payroll tax rate by 2% on the portion of the tax paid by the worker through the end of February 2012. The Middle Class Tax Relief and Job Creation Act of 2012 extended the reduction through the end of 2012. Under current law, this temporary reduction expires at the end of December 2012.

• Medicare:
  o Effective January 1, 2013, The Patient Protection and Affordable Care Act includes a provision that imposes an additional 0.9% Medicare withholding on taxpayers receiving wages from their employer in excess of $200,000.00 per year.
  o Medicare Tax on wages up to $200,000.00 will be 1.45%
  o Medicare Tax on wages in excess of $200,000.00 will be 2.35%
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.
Annual Leave Roll Back

- For the pay day of January 10, 2013, an employee's annual leave balance will be adjusted to show the following:
  - **Deduct**: Annual leave used during the 12/22/2012 to 1/4/2013 pay period
  - **Forfeit**: Annual leave hours in excess of the maximum (240 hours for covered employees, 320 hours for uncovered employees)
  - **Add**: Annual leave accrued during the 12/22/2012 to 1/4/2013 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 automatically by Absence Management 1/1/2013
W-2s for 2012

- **Schedule for Availability of 2012 W-2s**
  - Jan 11th – Target online availability to those who consent
  - Jan 28th – Target mail date for those not consenting
  - Jan 31st – Available online to everyone
  - Mar 1st – Requests open for additional paper copies

- **Please encourage employees to:**
  - Consent to receive W-2 electronically
    - visit [http://yes.az.gov](http://yes.az.gov),
    - click “Log in to YES”, enter YES username (EIN) and password,
    - click “Pay”
    - click “W-2 Tax Statements”, enter the YES username (EIN) and password,
      - If you have already authorized, you will see a green bar on the left menu with “Authorized” above it.
      - If you are not already authorized, 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, 2013
    - 2006 – 2011 W-2s will continue to be available online
Supplemental Industrial Leave – HB2643
Pending Final Approval

- Effective 8/2/2012
  - “...Public Safety employee on a full time basis...who is injured while on duty to the extent they cannot perform the functions of the position....become eligible for the supplemental benefits plan.”
- Qualification: Must be receiving Worker’s Compensation due to a physical injury for 30 days and must apply for this Supplemental Benefit Plan
- Pay: In addition to the benefits being paid by Worker’s Compensation Fund, up to the approximately identical base salary
- Insurance: EE pays their share, ER pays their share
- Retirement: ER pays EE & ER shares
- Leave Accrual: Shall not accrue additional sick or annual
- Leave Usage: Account shall not be decreased
- Disciplinary: Not precluded
- Duration: Initial 6 months, possible 6 month extension; 1 yr max
### Supplemental Industrial Leave – HB2643

**System Requirements**

Pending Final Approval

---

#### Pay Code COBJ Description Decrement Leave Plan Comments

<table>
<thead>
<tr>
<th>Pay Code</th>
<th>COBJ</th>
<th>Description</th>
<th>Decrement Leave Plan</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>630</td>
<td>6099</td>
<td>Industrial Leave - Without Pay</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>631</td>
<td>6099</td>
<td>DPS Industrial Leave - With Pay</td>
<td>DPS - Industrial</td>
<td></td>
</tr>
<tr>
<td>632</td>
<td>6042</td>
<td>Supp Benefit Plan - With Pay</td>
<td>Supplemental Benefits Plan</td>
<td>Is not accrual eligible for Sick or Annual</td>
</tr>
<tr>
<td>632F</td>
<td>6042</td>
<td>Supp Benefit Plan FMLA - With Pay &amp; FMLA</td>
<td>Supplemental Benefit Plan FMLA Plan</td>
<td></td>
</tr>
<tr>
<td>501</td>
<td>6099</td>
<td>Workers Comp Industrial Leave Recorded</td>
<td>None</td>
<td>Non-cash, Non-taxable Record amounts paid by Risk Combine with 632 (automates retirement calc)</td>
</tr>
</tbody>
</table>

---

#### New Retirement Code Description Deduction Code Rate

<table>
<thead>
<tr>
<th>New Retirement Code</th>
<th>Description</th>
<th>Deduction Code</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>S0</td>
<td>SUPP BENE - CORRECTIONS</td>
<td>7964</td>
<td>19.55%</td>
</tr>
<tr>
<td>S2</td>
<td>SUPP BENE – JUVENILE CORRECTIONS</td>
<td>7966</td>
<td>20.71%</td>
</tr>
<tr>
<td>S6</td>
<td>SUPP BENE – PUBLIC SAFETY</td>
<td>7968</td>
<td>15.86%</td>
</tr>
<tr>
<td>S4</td>
<td>SUPP BENE – AG INVESTIGATOR</td>
<td>7970</td>
<td>53.26%</td>
</tr>
<tr>
<td>S5</td>
<td>SUPP BENE – GAME &amp; FISH</td>
<td>7972</td>
<td>60.09%</td>
</tr>
<tr>
<td>S7</td>
<td>SUPP BENE – AG INVESTIGATOR</td>
<td>7974</td>
<td>145.59%</td>
</tr>
<tr>
<td>S8</td>
<td>SUPP BENE – AG INVESTIGATOR</td>
<td>7976</td>
<td>30.09%</td>
</tr>
<tr>
<td>S9</td>
<td>SUPP BENE – LIQUOR CONTROL</td>
<td>7978</td>
<td>56.54%</td>
</tr>
<tr>
<td>SF</td>
<td>SUPP BENE – STATE PARKS</td>
<td>7980</td>
<td>34.71%</td>
</tr>
<tr>
<td>SJ</td>
<td>SUPP BENE – DPS DETENTION OFFICERS</td>
<td>7982</td>
<td>13.41%</td>
</tr>
</tbody>
</table>

---

Statewide Payroll Meeting

November 19, 2012
<table>
<thead>
<tr>
<th>Sunday</th>
<th>Monday</th>
<th>Tuesday</th>
<th>Wednesday</th>
<th>Thursday</th>
<th>Friday</th>
<th>Saturday</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 NOVEMBER</td>
<td>26</td>
<td>27</td>
<td>28</td>
<td>29</td>
<td>30</td>
<td>1 DECEMBER</td>
</tr>
<tr>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8 PAY PERIOD BEGIN</td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>COMPUTE</td>
<td>12</td>
<td>COMPUTE</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>10</td>
<td></td>
<td>15</td>
<td>PAY PERIOD END</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>PAY PERIOD END</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>15</td>
</tr>
<tr>
<td>10</td>
<td>11</td>
<td>COMPUTE</td>
<td>12</td>
<td>13</td>
<td>14</td>
<td>15</td>
</tr>
<tr>
<td>17</td>
<td>17</td>
<td></td>
<td>18</td>
<td>19</td>
<td>20</td>
<td>21</td>
</tr>
<tr>
<td>23</td>
<td>24</td>
<td>25</td>
<td>26</td>
<td>27</td>
<td>28</td>
<td>29</td>
</tr>
<tr>
<td>30</td>
<td>31</td>
<td>1 JANUARY</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5 PAY PERIOD BEGIN</td>
</tr>
</tbody>
</table>

**December 2012**

- **25 NOVEMBER**: Cancel Payment/Overpay Deadline for payments thru 11/30/12.
- **26**:
  - Pay Period Begin
- **27**:
  - Christmas Holiday
  - No Interfaces
  - No HRIS Update
  - No Handwrites
- **28**:
  - Payday
- **29**:
  - Pay Period Begin
  - Overpays cannot refund Fed/State withholdings
- **30**:
  - Pay Period End
  - Last chance to pay in 2012: Noon deadline for handwrites.
- **31**:
  - New Year’s Holiday
  - No Handwrites

**Statewide Payroll Meeting**

November 19, 2012
### GAO Statewide Payroll Critical Dates

#### January/February 2013

<table>
<thead>
<tr>
<th>Sunday</th>
<th>Monday</th>
<th>Tuesday</th>
<th>Wednesday</th>
<th>Thursday</th>
<th>Friday</th>
<th>Saturday</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>JANUARY</td>
<td>NEW YEAR'S</td>
<td></td>
<td></td>
<td>PAY PERIOD BEGIN</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FAMILY SICK LEAVE RESET</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>31</td>
<td>NO HANDWRITES</td>
<td>NO HANDWRITES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>6</td>
<td>7</td>
<td>8 COMPUTE</td>
<td>9</td>
<td>10 PAYDAY 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2PM deadline for</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>W2 address updates</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>ANNUAL LEAVE ROLL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>14</td>
<td>15</td>
<td>16</td>
<td>17</td>
<td>18</td>
<td>PAY PERIOD BEGIN</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>21</td>
<td>22</td>
<td>23</td>
<td>24</td>
<td>25</td>
<td>PAY PERIOD END</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>COMPUTE</td>
<td>PAYDAY 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>26</td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>28</td>
<td>29</td>
<td>30</td>
<td>31</td>
<td>1 FEBRUARY</td>
<td>PAY PERIOD END</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2012 W-2's Online</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>for ALL</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Employees wanting duplicate W-2s should be directed to YES.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>4</td>
<td>5 COMPUTE</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PAYDAY 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>11</td>
<td>12</td>
<td>13</td>
<td>14</td>
<td>15</td>
<td>PAY PERIOD BEGIN</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>18</td>
<td>19 COMPUTE</td>
<td>20</td>
<td>21</td>
<td>22</td>
<td>PAY PERIOD END</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PAYDAY 4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>25</td>
<td>26</td>
<td>27</td>
<td>28</td>
<td>1 MARCH</td>
<td>PAY PERIOD END</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>

- **Target Date:**
  - Family Sick Leave Reset
  - 2PM deadline for W2 address updates
  - ANNUAL LEAVE ROLL
- **NO HANDWRITES**
- **PAY PERIOD BEGIN**
- **PAY PERIOD END**

**Additional Notes:**
- If EE who was State tax exempt in 2012 didn't file A-4 for 2013 by 12/31/12, set to default 2.7%.
- If EE who was Fed tax exempt in 2012 didn't file W-4 for 2013 by 2/18/13, set to Single/Zero.
- W-2 paper duplicate requests will not be accepted until 3/1/13.
B. Subject to available monies, the director of each state agency unit shall award a one-time critical retention payment to an employee who is uncovered as of September 29, 2012.

The payment shall be equal to five percent of the employee's annual salary level, prorated for the remainder of the fiscal year. The amount shall be distributed evenly throughout each remaining pay period in fiscal year 2012–2013.
## Eligibility Criterion

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Value</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Hire Date</td>
<td>On or Before 9/28/12</td>
<td>Employees must be employed on 9/28/12 to be eligible. Employees hired after 9/28/12 are not eligible.</td>
</tr>
<tr>
<td>2 Position User Field</td>
<td>Not “CV” (Covered)</td>
<td>Employee must be uncovered on 9/29/12 and stay uncovered. The following At-Will Status user field values are all considered uncovered:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• AG (Attorneys in the Attorney General’s Office)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• DR (Direct reports to an Elected Official or direct reports to the Head of an Org Unit)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• GV (Governor’s Office)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• HD (Head of an Org Unit or head of a primary component of the office of an Elected Official)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• NV (Investment Positions in ASRS or PSPRS)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• PL (Positions that determine or publicly advocate substantive program policy in offices of Elected Officials)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• UN (Uncovered)</td>
</tr>
</tbody>
</table>
Where to find Eligibility Criterion

1. Hire Date – HR11 – Main Tab

[Image of Employee (HR11.1) form with emphasized Hire Date: 01/28/2012]
Where to find Eligibility Criterion

- 2. Position User Field: At-Will Status – HR11- Assignment Tab
Where to find Eligibility Criterion

2. At-Will Status – Position History
### ZR90 – Employee Eligibility for Critical Retention Payments

**Critical Retention Payment Eligibility (ZR90.1)**

<table>
<thead>
<tr>
<th>Date</th>
<th>Eligible</th>
<th>At Will Status</th>
<th>Agency Participates</th>
<th>Employee Status</th>
<th>Term Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/27/2012</td>
<td>Yes</td>
<td>UN</td>
<td>Yes</td>
<td>C1</td>
<td></td>
</tr>
<tr>
<td>10/28/2012</td>
<td>Yes</td>
<td>UN</td>
<td>Yes</td>
<td>C1</td>
<td></td>
</tr>
<tr>
<td>10/29/2012</td>
<td>Yes</td>
<td>UN</td>
<td>Yes</td>
<td>C1</td>
<td></td>
</tr>
<tr>
<td>10/30/2012</td>
<td>Yes</td>
<td>UN</td>
<td>Yes</td>
<td>C1</td>
<td></td>
</tr>
<tr>
<td>10/31/2012</td>
<td>Yes</td>
<td>UN</td>
<td>Yes</td>
<td>C1</td>
<td></td>
</tr>
<tr>
<td>11/01/2012</td>
<td>Yes</td>
<td>UN</td>
<td>Yes</td>
<td>C1</td>
<td></td>
</tr>
<tr>
<td>11/02/2012</td>
<td>Yes</td>
<td>UN</td>
<td>Yes</td>
<td>C1</td>
<td></td>
</tr>
<tr>
<td>11/03/2012</td>
<td>Yes</td>
<td>UN</td>
<td>Yes</td>
<td>C1</td>
<td></td>
</tr>
<tr>
<td>11/04/2012</td>
<td>Yes</td>
<td>UN</td>
<td>Yes</td>
<td>C1</td>
<td></td>
</tr>
<tr>
<td>11/05/2012</td>
<td>Yes</td>
<td>UN</td>
<td>Yes</td>
<td>C1</td>
<td></td>
</tr>
<tr>
<td>11/06/2012</td>
<td>Yes</td>
<td>UN</td>
<td>Yes</td>
<td>C1</td>
<td></td>
</tr>
<tr>
<td>11/07/2012</td>
<td>Yes</td>
<td>UN</td>
<td>Yes</td>
<td>C1</td>
<td></td>
</tr>
<tr>
<td>11/08/2012</td>
<td>Yes</td>
<td>UN</td>
<td>Yes</td>
<td>C1</td>
<td></td>
</tr>
<tr>
<td>11/09/2012</td>
<td>Yes</td>
<td>UN</td>
<td>Yes</td>
<td>C1</td>
<td></td>
</tr>
</tbody>
</table>
## Ineligibility Criterion

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Value</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 Term Date</td>
<td>After 9/28/12</td>
<td>Once separated, no longer eligible for future retention payments (if they come back again).</td>
</tr>
<tr>
<td>4 Current Status Code</td>
<td>E1, E2</td>
<td>Elected officials are not eligible since their salary is set by statute.</td>
</tr>
<tr>
<td>5 Changes of Status Code to</td>
<td>E1, E2, R1, R2, R3, R4, R5, T1, T2, T3 effective after 9/28/12</td>
<td>If an employee becomes an elected official, they are no longer eligible. Retirees who come back to work after 9/28/12 are not eligible since they technically have separated. Termed employees also become ineligible (if they come back again).</td>
</tr>
<tr>
<td>6 HRIS Employee Group</td>
<td>Employee assigned to group “PRAUTOEO” or “PRAUTJUD” after 9/28/12</td>
<td>Another criterion needed to identify elected officials who are not eligible since their salary is set by statute.</td>
</tr>
<tr>
<td>7 Board &amp; Commission Members whose salary is set by contract or statute</td>
<td>Paid using pay code 106 which is excluded by 5% calculation</td>
<td>Pay is set by contract or statute</td>
</tr>
<tr>
<td>8 Employees whose salary is set by contract or statute</td>
<td>Excluded by Employee Group - RETEXCLUDE</td>
<td>Pay is set by contract or statute</td>
</tr>
</tbody>
</table>
Where to find Ineligibility Criterion

- 3. Termination Date – HR11- Main Tab
Where to find Ineligibility Criterion

4. Status Code – HR11- Main Tab
Where to find Ineligibility Criterion

5. Status Code History – Drill Around

Statewide Payroll Meeting
November 19, 2012
Where to find Ineligibility Criterion

6. Employee Groups – Drill Around

[Image of a software interface showing the drill around feature with highlighted groups and descriptions]
# Critical Retention Payment Eligibility (ZR90.1)

**State of Arizona**

<table>
<thead>
<tr>
<th>Date</th>
<th>Eligible</th>
<th>At Will Status</th>
<th>Agency Participates</th>
<th>Employee Status</th>
<th>Term Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>09/29/2012</td>
<td>No</td>
<td>CV</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>09/30/2012</td>
<td>No</td>
<td>CV</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10/01/2012</td>
<td>No</td>
<td>CV</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10/02/2012</td>
<td>No</td>
<td>CV</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10/03/2012</td>
<td>No</td>
<td>CV</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10/04/2012</td>
<td>No</td>
<td>CV</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10/05/2012</td>
<td>No</td>
<td>CV</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10/06/2012</td>
<td>No</td>
<td>CV</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10/07/2012</td>
<td>No</td>
<td>CV</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10/08/2012</td>
<td>No</td>
<td>CV</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10/09/2012</td>
<td>No</td>
<td>CV</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10/10/2012</td>
<td>No</td>
<td>CV</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10/11/2012</td>
<td>No</td>
<td>CV</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10/12/2012</td>
<td>No</td>
<td>CV</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Employee was in covered position after 9/20/2012.
B. Subject to available monies, the director of each state agency unit shall award a one-time critical retention payment to an employee who is uncovered as of September 29, 2012.

The payment shall be equal to five percent of the employee's annual salary level, prorated for the remainder of the fiscal year. The amount shall be distributed evenly throughout each remaining pay period in fiscal year 2012–2013.
What wages are eligible for 5%?

- **HRIS generated amount**
  - Calculated on base pay and overtime even if the employee is at the maximum for their salary range.

- **Should be paid on:**
  - Hours Worked (including OT hours worked)
  - Paid Leave - Annual, Holiday, Recognition, Administrative
  - Compensatory Leave Payouts
    - Must be keyed manually using pay code 790G or 790K

- **Additional Wages Eligible**
  - Pay code 104 entered as a lump sum
    - Must be keyed manually using pay code 790F
  - Pay code 900
    - Must be keyed manually using pay code 790H for straight portion of overtime only

*Note:* Handwrites and Prior Pay Period Adjustments requiring the 5% will need to be calculated and manually added

- **Shall not be paid on:**
  - Shift
  - Stipends
  - Lump sum payouts of Annual Leave
  - Lump sum payouts of Holiday Leave
### Which Pay Codes will be used in HRIS?

<table>
<thead>
<tr>
<th>PAY CODE</th>
<th>PAY CODE DESCRIPTION</th>
<th>PAY CODE USAGE</th>
<th>INCLUDED IN OT WAGES</th>
<th>WAGE EXPENSE ACCOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>790A</td>
<td>CRITICAL RETENTION PAYMENT</td>
<td>Paid on Hours Worked/Leave Taken – System Calculated</td>
<td>Yes</td>
<td>6058</td>
</tr>
<tr>
<td>790C</td>
<td>CRITICAL RETENTION HRS &gt;40</td>
<td>Paid on Overtime Paid / Comp Taken – System Calculated</td>
<td>Yes</td>
<td>6058</td>
</tr>
<tr>
<td>790F*</td>
<td>CRITICAL RETENTION ADJ</td>
<td>Adjustments to Hours Worked / Leave Taken</td>
<td>Yes</td>
<td>6058</td>
</tr>
<tr>
<td>790H*</td>
<td>CRITICAL RETENTION ADJ HRS &gt;40</td>
<td>Adjustments to Overtime Paid / Comp Taken</td>
<td>Yes</td>
<td>6058</td>
</tr>
<tr>
<td>790G*</td>
<td>CRIT RETEN COMP PAYOUT W/O RET</td>
<td>Used for recording 5% Retention on Comp Leave Payouts without Retirement.</td>
<td>No</td>
<td>6058</td>
</tr>
<tr>
<td>790K*</td>
<td>CRIT RETEN COMP PAYOUT W/ RET</td>
<td>Used for recording 5% Retention on Comp Leave Payouts with Retirement. (For ASRS participants hired before 1/1/84 who elect)</td>
<td>No</td>
<td>6058</td>
</tr>
</tbody>
</table>
5% on Handwrites

• Agencies will have to evaluate Eligibility and Ineligibility criteria for each employee receiving a handwrite
  - Use ZR90 – it’s the best way to determine eligibility
  - Cannot simply look at the prior pay check to make a determination
    - Something could have changed on the employee’s record to make them ineligible
    - Once ineligible, employee can never become eligible again.

• The 5% will have to be keyed manually using the Adjustment pay codes outlined previously
Important Items to Know Regarding 5% Critical Retention Payments

- **Different Retirement Treatment**
  - ASRS will be deducted from the 5%
  - PSPRS will not be deducted from the 5%

- **Importance of Hire Date and Termination Date History**
  - This data is used each and every payroll in the program that determines eligibility.

- **The 5% will follow valid Labor Distribution on the employee’s record**
  - If the Labor is not valid, the employee will not receive 5% on compute, the Agency will have to do manual adjustments to pay
Important Items to Know
State Personnel System Rules

• New Position Numbers
  ○ Every employee in the Arizona State Personnel System

  ○ New Screens & Reports for crosswalk
    ▪ ZP05.1 – Enter Old Position # and New Position # will appear
    ▪ ZP05.2 – Enter New Position # and Old Position # will appear
    ▪ ZP204 – Report to display Old Position # and New Position #
Important Items to Know
State Personnel System Rules

• New Annual Leave Plan
  • For uncovered new hires after 9/29/12 who are not temporary, part time, or political appointees, accruals will be tiered:

<table>
<thead>
<tr>
<th>Credited Service</th>
<th>Hours Bi-weekly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fewer than 3 years</td>
<td>4.00</td>
</tr>
<tr>
<td>3 years but fewer than 9 years</td>
<td>5.54</td>
</tr>
<tr>
<td>9 years or more</td>
<td>6.47</td>
</tr>
</tbody>
</table>

• Annual Leave Plan User Field:

<table>
<thead>
<tr>
<th>Annual Leave Plan Name</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>LPANSPUNC1</td>
<td>1.0 – Full Time</td>
</tr>
<tr>
<td>LPANSPUNC2</td>
<td>.5 – Half Time</td>
</tr>
<tr>
<td>LPANSPUNC3</td>
<td>.75 – Three Quarter Time</td>
</tr>
<tr>
<td>LPANSPUNC4</td>
<td>.25 – Quarter Time</td>
</tr>
</tbody>
</table>
Any employee who has available compensatory leave may still use (or be paid for) the employee’s compensatory leave, even if the employee is no longer eligible to earn compensatory leave.

**YES Updates**
- Click “Personal Information”
- Then, “Current Employment”
  - Ability to view the following:
    - At-Will Status
    - Law Enforcement Status
    - FLSA Status

**ZP02**
- New tabs that feature At-Will Status, Law Enforcement Status, Pay Plan and much more!
The End

Next Meeting:

Fiscal Year End
Statewide Payroll Meeting
Monday, May 20, 2013
ADOA Conference Room 300