



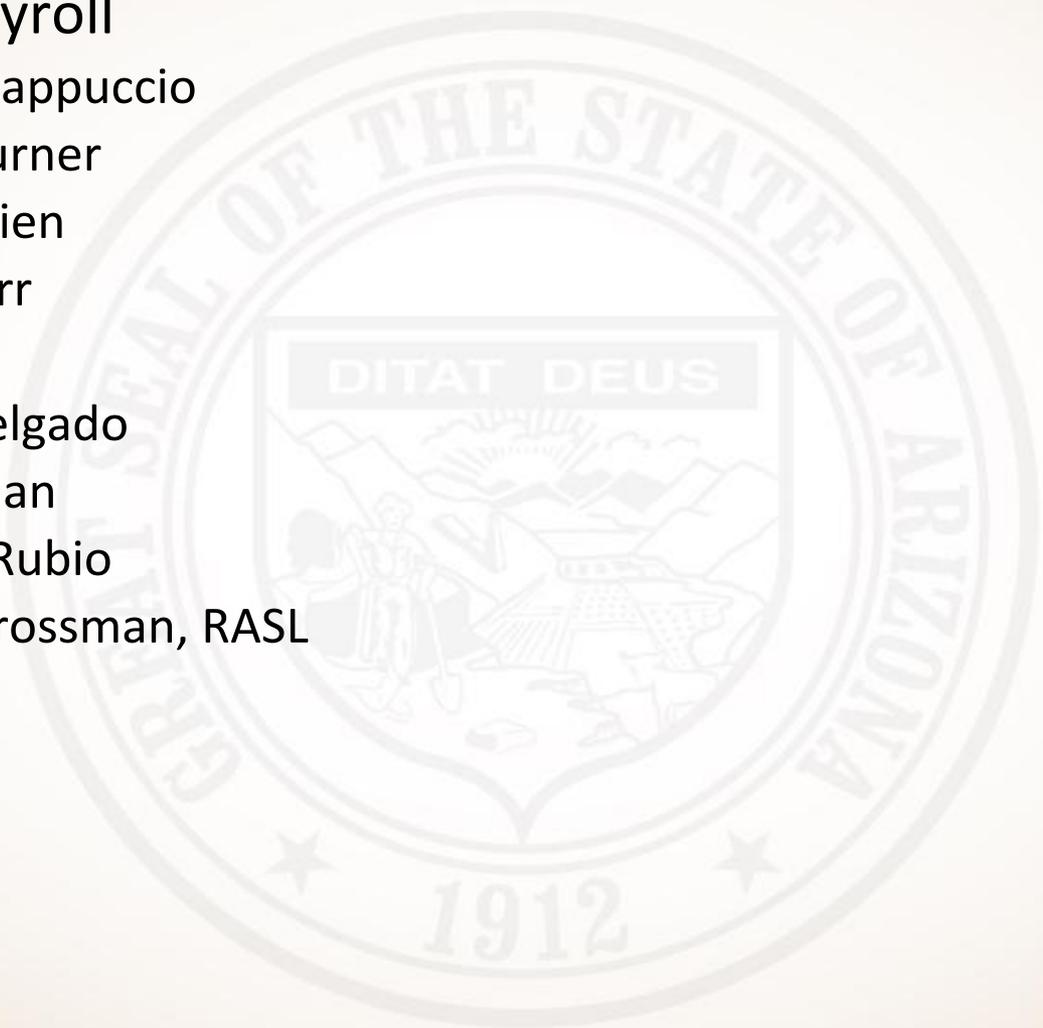
STATEWIDE PAYROLL MEETING CALENDAR YEAR END

NOVEMBER 26, 2018



Introductions

- Central Payroll
 - Tracey Cappuccio
 - Karen Turner
 - Sam Tekien
 - Lalita Farr
 - Vahn Vo
 - Misty Delgado
 - Travy Phan
 - Everett Rubio
 - Marla Grossman, RASL



Contact Information

- Agency Payroll Resource Contact List
- Employee Resource Contact List
- Agency Contact List
 - Accounting
 - Payroll
 - Human Resources
 - Ideally, we'd like at least two people to ensure coverage in case the primary contact is out of the office
- Please send any updates to Central Payroll electronically
 - (602) 364-2215 (fax)
 - Central.Payroll@azdoa.gov



Website Registration

<https://gao.az.gov/register-updates>

Register for Updates

Email Address *

First Name

Last Name

Agency

Title

Work Phone Number Extension

E-Newsletter *

- Arizona Financial Information System (AFIS)
- CFO Meetings & Communications
- GAO Financial Reporting & infoAdvantage
- GAO Policy & Procedure
- GAO Training & CPE Events
- Statewide Payroll & Related Information
- Travel Policies & Procedures



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**IMPORTANT
ANNOUNCEMENT**

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ANNOUNCEMENT**

Recent Accomplishments

- CORP Defined Contribution Plan [July 2018]
 - For any CORP members hired on/after 7/1/2018
- Move to I/O Data Center [Sept 2018]
 - State Data Center closing 12/31/2018
 - All hardware supporting HRIS needed to be moved
 - No interruption of connectivity
- Military Leave Roll [Oct 2018]
 - Processed 10/10/2018
 - Emails sent to agencies
 - Questions: email Central.Payroll@azdoa.gov
- Electronic Payments for Benefit Premium Billing [Nov 2018]
 - New website where employees can pay their premium bills online
 - \$3 convenience fee

Coming Months

- Health Impact Program Payments (HIP)
 - Processed in conjunction with ADOA-Benefit Services Division (BSD)
 - Plan is to combine on the employee's regular, bi-weekly paycheck at the end of first quarter 2019
 - Questions can be directed to: 602.542.5008
- Deferred Compensation Elections
 - Currently, only flat dollar elections
 - New option will include percentages

State of Arizona Accounting Manual Policy Updates

- Section 05 Internal Controls
 - [0540](#) Limitation of Security Roles in Certain Systems [Oct 2018]
- Section 50 Travel
 - [5015](#) Travel by Individually Operated Motor Vehicle [Oct 2018]
 - [5045](#) Travel Requests and Authorizations [July 2018]
 - [5095](#) Travel Reimbursement Rates Eff. October 1, 2018 [Oct 2018]
- Section 55 Payroll and Personnel
 - [5545](#) Alternate Retirement Contributions for Re-employed and Contracted Retirees [Nov 2018]
 - [5558](#) Accepting Gifts [June 2018]
- Section 90 Special Topics
 - [9050](#) [9051](#) [9052](#) Contactor, Temporary Workers [Aug 2018]

<https://gao.az.gov/publications/saam>

Tax Cuts and Jobs Act (TCJA)

***The State, as an employer, cannot recommend or advise employees regarding their tax withholding elections. The information provided here is informational and should be cascaded to all employees to have them consult their personal tax advisors to determine if they should make any changes.

- The IRS has initiated the “Paycheck Check-up” campaign encouraging taxpayers to review their personal withholding tax situation by using the IRS Withholding Calculator
 - <https://www.irs.gov/individuals/irs-withholding-calculator>
- Publication 5307: Tax Reform - Basics for Individuals and Families published by the IRS, covers some of the provisions of the TCJA
 - <https://www.irs.gov/pub/irs-pdf/p5307.pdf>
- Employees can view and update their tax elections by visiting the Y.E.S. website
 - <http://www.yes.az.gov/>

Deferred Compensation

- Final Paycheck Deferral Form

- Employee must obtain the Form from Nationwide and work with Nationwide on selecting an appropriate deferral amount within the IRS time requirements
- Agency Payroll Office can assist in directing employee to YES to obtain last paycheck stub and to the Agency Payroll Guide: Paycheck Estimator

- Nationwide Retirement Solutions

- *Coming Soon*: New option to elect a percentage for both Pre-tax 457(b) and Roth After-Tax 457(b)

- IRS Deferral Limits increase in 2019

- Standard Deferral \$19,000
- Age 50+ Catch-up \$ 6,000
- Special 457(b) Catch-up \$38,000

- Contact <https://www.arizonadc.com>

1-800-796-9753

FINAL PAYCHECK DEFERRAL ELECTION

Last Date of State Service: _____

Final Paycheck Date: _____

Gross Amount of Final Paycheck: \$ _____
(Regular, Vacation, Holiday, Comp, etc.)

Dollar Amount to defer from final paycheck:

- 457(b) Pre-Tax: \$ _____
- 457(b) Roth After-Tax: \$ _____
- 401(a) Supplemental Defined Contribution Plan

MANDATORY DEDUCTIONS TO CONSIDER IN CALCULATING DEFERRAL AMOUNT:

- ✓ Social Security & Medicare Taxes
- ✓ Federal & Arizona Taxes as elected including additional flat dollar amounts
- ✓ Retirement, Long Term Disability
- ✓ Medical, Dental, Vision, Other Insurances, Flex Spending
- ✓ Retirement Service Purchase Agreement
- ✓ 401A (Irrevocable) as previously elected
- ✓ Support Order, Garnishment, Student Loan, Tax Levy

HELPFUL TOOLS TO CALCULATE DEFERRAL AMOUNT:

- ✓ Paycheck Estimator: Section III Q <https://gao.az.gov/payroll-rasl/payroll-guide>
- ✓ Paycheck Stub: <http://yes.az.gov/>

Workers Compensation

- Personnel Rule - Industrial Leave (R2-5A-D602)

- A.3: An employee shall use leave in an amount necessary to receive total payments (leave payments plus Workers' Compensation payments) that do not exceed the gross salary of the employee
- F. Accrual of leave. An employee shall continue to receive full leave accrual as long as the employee uses two or more hours of paid leave each day
 - If eligible for leave accruals, add hours on LP70.1
 - Enter the pay period ending date as the 'Tran Date'
 - Enter "Industrial Leave" as the 'Description'

- "ADOA Industrial & Leave Usage Calculator"

- Use 630/630F to record hours equivalent to Workers' Comp payment
- Maximum Leave hours to record Sick, Annual, Holiday, Comp, LWOP

- Contact Risk Management to receive payment details

- Workers.Comp@azdoa.gov

ADOA Industrial & Leave Usage Calculator						Enter Data		
Employee Name:					Agency:			
Employee ID Number (EIN)								
Employee Current Pay Rate		\$10.0000						
Typical Scheduled Hours per Day		8.0						
Enter Typical 1st Day Off (ie Sat)					First Day paid by			
Enter Typical 2nd Day Off (ie Sun)					Last Day paid by			
Enter Typical 3rd Day Off (if any)					Total Days covered by Workers			
					Regular working days covered by Workers			
WORKERS' COMPENSATION SUMMARY			Service From	Service To	Amount Paid	Date Paid		
Workers' Compensation Payment #1			11/3/2018	11/9/2018	\$375.00			
Workers' Compensation Payment #2								
TOTAL PAID by Workers' Compensation:					\$375.00			
DAILY ADOA WORKERS' COMP CALCULATION								
Date	Day	REGULAR HOURS typically would have worked	BASE PAY typically would have earned	WORKERS COMP PAYMENTS PAID DURING SAME TIME	HOURS ENTRY			How Pa
					Industrial Hours to Record 630/630F	Maximum Leave Hours to Record	Maximum Wage Amount	
11/3/2018	Sat	8.0	\$ 80.00	\$ 53.57	5.36	2.64	\$ 26.40	
11/4/2018	Sun	8.0	\$ 80.00	\$ 53.57	5.36	2.64	\$ 26.40	
11/5/2018	Mon	8.0	\$ 80.00	\$ 53.57	5.36	2.64	\$ 26.40	
11/6/2018	Tue	8.0	\$ 80.00	\$ 53.57	5.36	2.64	\$ 26.40	
11/7/2018	Wed	8.0	\$ 80.00	\$ 53.57	5.36	2.64	\$ 26.40	
11/8/2018	Thu	8.0	\$ 80.00	\$ 53.57	5.36	2.64	\$ 26.40	
11/9/2018	Fri	8.0	\$ 80.00	\$ 53.57	5.36	2.64	\$ 26.40	

Retirement Systems

- PSPRS, CORP, EORP plans
 - Check membership status of new hires/rehires to determine appropriate plan and contribution rate <http://www.psprs.com/>
 - Demographic Data & Employment Status Changes
 - New GAO-ACR-PSPRS Form for Leased/Contracted retirees paid via AFIS
- Corrections Officer Retirement Plan
 - CORP eligible employees hired on or after 7/1/2018, are enrolled in the Defined Contribution Plan
 - Employees elect contribution rate from 5% - IRS Maximum %
- Arizona State Retirement System 20/20 Tracking
 - Use “ASRS Eligibility Review (code 9) Report” in the Data Warehouse
 - Employee has worked at least 20 weeks of 20 or more hours in each week in a fiscal year, they may be eligible for ASRS membership
 - Notify agency human resources if employee has met 20/20
 - Review pay history for missed contributions

Benefit Premium - OTD

- **Benefit Premium Policy** <http://benefitoptions.az.gov/benefit-premium>
 - Employees who receive payment for under 30 hours in a pay period, may be responsible for paying the employer premium
 - Qualified Life Event (QLE) includes change in employment status or work schedule (Leave Without Pay). Contact agency benefit liaison for more information
- **Benefit Premium Billing**
 - Unpaid Benefit Premium Collection Process, now accepts Credit Cards
 - Central Billing utilized by 99% of Agencies
- **GAO-73B Adjustment of premiums through a one-time deduction when an employee owes the employer premium**
 - Submit before payroll compute (Tuesday @ noon) if known to be needed
 - Post-compute adjustments must be submitted by noon on Friday
 - After tax deduction codes for employee to be charged the employer premium:

Deduction Code	Description	Deduction Code	Description
M181	MEDICAL-AETNA-ER PORTION	D181	DENTAL DELTA-ER PORTION
M183	MEDICAL-BCBS-ER PORTION	D185	DENTAL-CIGNA-ER PORTION
M185	MEDICAL-CIGNA-ER PORTION		
M187	MEDICAL-UHC-ER PORTION		

Platinum Pass Detail

- Employees are encouraged to sign up for the Commuter Club through Capitol Rideshare at <https://capitolrideshare.az.gov/commuter-club>
 - Commuter Club members are able to obtain detail for their usage of the Platinum Pass
- Payroll deductions are for the prior calendar month ride charges

Platinum Pass

[Redacted]

- Profile
- Carpooling
- Vanpooling
- Telecommuting
- Platinum Pass**
- Emergency Rides

 Security

- Change Password

Platinum Pass

The state offers a transit subsidy to employees who sign up for the [Platinum Pass](#); there is no fee to apply for the pass. The current subsidy rate is 50 percent of the fare, up to half the cost of a monthly pass. Charges are capped once that monthly pass rate is reached. The remainder of the cost (the employee's share) is automatically paid through a payroll deduction the second pay period of each month. Capitol Rideshare will upload card usage data to employees registered with Commuter Club following the payroll deduction. This will allow you to check your Platinum Pass usage each month.

Submission completed successfully.

Bus Card Number	Bus Type	Route	City	Date ↓	Time ↓	Cost
1387712688	EXPEXP	520		8/30/2018	6:20:08	3.25
1387712688	EXPEXP	520		8/30/2018	17:14:30	3.25
1387712688	EXPEXP	520		8/29/2018	6:17:00	3.25
1387712688	EXPEXP	520		8/29/2018	16:12:08	3.25
1387712688	EXPEXP	520		8/26/2018	6:15:29	3.25
1387712688	EXPEXP	520		8/26/2018	16:11:03	3.25
1387712688	EXPEXP	520		8/23/2018	6:17:01	3.25
1387712688	EXPEXP	520		8/22/2018	6:17:01	3.25

HRIS Adjustments

- HRIS will delete employee time records when the following occur:
 - The sum of compensation **and** hours for all of the employee's time records is zero
 - Agencies can add pay code 950 for one hour to allow time records to process
 - Pay code 950 does not pay, but the added hour will prevent the records from being deleted
 - The sum of compensation is negative
 - Adjustments using different increments of hours might cause a compensation rounding difference

<u>Hours</u>	<u>Rate</u>	<u>Amount</u>	<u>Accounting Unit</u>
-4	15.6667	-62.67	XX10000
2	15.6667	31.33	XX20000
<u>2</u>	<u>15.6667</u>	<u>31.33</u>	<u>XX30000</u>
0		-.01	HRIS will delete

<u>Hours</u>	<u>Rate</u>	<u>Amount</u>	<u>Accounting Unit</u>
-2	15.6667	-31.33	XX10000
-2	15.6667	-31.33	XX10000
2	15.6667	31.33	XX20000
<u>2</u>	<u>15.6667</u>	<u>31.33</u>	<u>XX30000</u>
0		.00	HRIS will process if a one hour pay code 950 is added

ETE Time Card Consolidation

- Agency Account Template: HRIS Form ZS04
 - Agency Account Templates can be made available to the whole Agency, a specific Process Level or further restricted to a Department
- The same accounting information can be used for multiple templates
- The Account Template name must be unique

Agency Account Template (ZS04.1) zs04

+ Add Change ? Inquire Inquire

Company

Agency

Process Level

Department

FC	Account Template	Description	Function (Acct Unit)	BFY	Activity (Program)	Acct Cat (PPC/Actv)
<input type="checkbox"/>	<input type="text"/>					
<input type="checkbox"/>	<input type="text"/>					
<input type="checkbox"/>	<input type="text"/>					

Incentive Strategies

- Please coordinate with Agency Leadership as soon as possible to ensure bonuses can be paid as intended
 - Contact GAO Central Payroll to coordinate timing
- No bonuses should be scheduled for December 20, 2018 payroll
 - If any errors occur, there is little time to correct in 2018
 - Central Payroll recommends any bonuses approved, to be paid before the end of the calendar year, be scheduled no later than the December 6th payroll



Leave Roll Back



- For the payday of January 17, 2019, an employee's annual leave balance will be adjusted to show the following:
 - **Deduct**: Annual leave used during the 12/29/2018 to 1/11/2019 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 12/29/2018 to 1/11/2019 pay period
- Last day to use Excess Leave before roll: 1/11/2019
- 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 1/1/2019

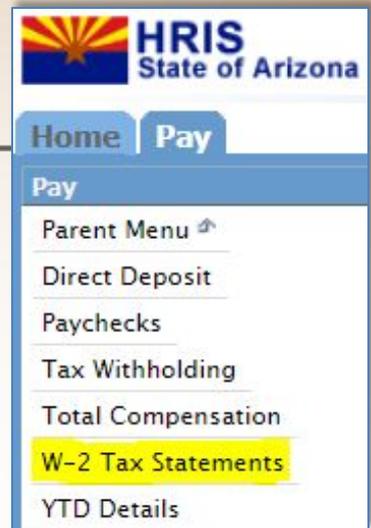


Year End Payments



- December 20, 2018 Last regular pay date in 2018
- Handwrites (Manual Warrants)
 - Issued December 26th – 27th will be mailed directly to employee from the GAO to ensure constructive receipt for W-2 purposes
 - Final Day for Handwrites – December 27th, 2018 at Noon
 - Handwrites will not be processed on December 28th – January 1st
- DEADLINES for Payment Reversals
 - December 21, 2018 - Deadline to submit GAO-70A Overpayments and GAO-60 Warrants to be canceled with Federal/State tax credits
 - December 24, 2018 and after - Any GAO-70A Overpayments cannot adjust Federal or State tax since they have already been remitted to tax authorities

W-2s for 2018



- Schedule for Availability of 2018 W-2s
 - Dec 31st – Deadline for updating mailing address in Y.E.S.
 - Jan 4th – Target online availability to those who consent
 - Jan 14th – Consent deadline to be removed from mailing
 - Jan 30th – Target mail date for those not consenting
 - Jan 31st – Available online to everyone
 - Feb 1st – Requests open for additional paper copies
- Encourage employees to consent to receive W-2 electronically
 - Visit <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”
 - If you are not already authorized, click “Authorize Electronic W-2”, then click “Agree”
- Obtain W-2s and any needed duplicates from Y.E.S.
 - Central Payroll will still provide duplicate paper W-2s, but will not accept duplicate requests until February 1st, 2019
 - 2006 – 2017 W-2s will continue to be available online
 - Complete GAO – W2 Form and email to Central.Payroll@azdoa.gov

Social Security and Medicare Deductions

- Social Security:

- Effective January 1, 2019, the maximum amount of earnings subject to Social Security will increase to \$132,900
- Both employee and employer tax scheduled to remain at 6.2%



- Medicare:

- Still effective since 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
- Medicare Tax on wages up to \$200,000.00 will be 1.45%
- Medicare Tax on wages in excess of \$200,000.00 will be 2.35%

A-4s and W-4s

- Employees can change non-exempt A-4 and W-4 elections anytime thru Y.E.S.
 - Filing “exempt” for Federal and State withholding must be done with **paper**
 - Employees that file “Exempt” cannot also ask to have an additional amount deducted. This form would be invalid
- The 2018 DOR Form A-4 which indicated an employee is “Exempt” from paying State income taxes expires on **December 31, 2018**
 - Employees **must** file a new 2018 DOR Form A-4 to claim exempt status for the 2018 calendar year
 - If the employee does not provide a new Form A-4 by 12/31/18, agencies must change the tax status on PR14 to withhold tax at the default 2.7% (Formula 13)
 - Forms will be posted to www.azdor.gov
- The 2018 IRS Form W-4 which indicated an employee is “Exempt” from paying Federal income taxes expires on **February 15, 2019**. Employees wishing to claim Federal exempt, **must** file a new 2019 IRS Form W-4 to claim exempt status for the 2019 calendar year
 - If the employee who previously claimed exempt does not provide a 2019 Form W-4 by 2/15/19, agencies must change the tax status on PR13 to Single with Zero withholding allowances on 2/15/19
 - Forms will be posted to www.irs.gov

Data Warehouse Tax Reports

- **Invalid Tax Election PR13: Exempt with Additional Amount**
 - Invalid tax election combination
 - **Requires immediate action**
- **Invalid Tax Setup: Code B**
 - The PR13 Tax Exempt flag currently has an invalid value of “B”
Requires immediate action
- **Invalid Tax Election PR14: Exempt with Additional Amount**
 - Invalid tax election combination
 - **Requires immediate action**
- **Federal Tax Exempt**
 - Listing of all employees with PR13 Tax Exm Flag indicated “Y”
 - **Requires action annually**
- **State Tax Exempt**
 - Listing of all employees with PR14 Arizona Formula 8
 - **Requires action annually**

HRIS Critical Dates - November - December 2018

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
18 NOVEMBER	19	20 COMPUTE	21	22 PAYDAY 24 THANKSGIVING HOLIDAY	23 WARRANTS MAILED FROM GAO	24
25	26	27	28	29	30 PAY PERIOD END	1 PAY PERIOD BEGIN DECEMBER
2	3	4 COMPUTE	5	6 PAYDAY 25	7	8
9	10 Recommend Agency run Data Warehouse Reports of 2018 Tax Exempt EEs.	11	12	13	14 PAY PERIOD END	15 PAY PERIOD BEGIN
16	17	18 COMPUTE	19	20 PAYDAY 26	21 Deadline to submit Overpays with adjustments to Federal/State tax	22
23	24	25	26	27	28	29 PAY PERIOD BEGIN
Overpays for years 2018 and prior cannot refund Federal/State withholding taxes						
		CHRISTMAS HOLIDAY		Last chance to pay in 2018 Noon deadline for handwrites	PAY PERIOD END	
		NO HANDWRITES	HANDWRITES MAILED	HANDWRITES MAILED	NO HANDWRITES	NO HANDWRITES
30	31	1 JANUARY	2	3 PAYDAY 1	4	5
Overpays for years 2018 and prior cannot refund Federal/State withholding taxes						
	If an EE who was State tax exempt in 2018 didn't file A-4 for 2019 by 12/31/18, set to 2.7% Default	NEW YEARS HOLIDAY COMPUTE Deadline for V2 address changes via YES HRIS SECURITY ON FOR ALL Family Sick Leave Reset				
NO HANDWRITES	NO HANDWRITES	NO HANDWRITES				

HRIS Critical Dates - January - February 2019

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
30	31 DECEMBER If an EE who was State tax exempt in 2018 didn't file A-4 for 2019 by 12/31/18, set to 2.7% Default	1 JANUARY HOLIDAY NEW YEAR COMPUTE Deadline for W2 address changes via YES HRIS SECURITY ON FOR ALL Family Sick Leave Reset	2	3 PAYDAY 1	4 Target Date: 2018 W-2's Online for those who consent. Notification e-mails will be sent as required by IRS	5
NO HANDWRITES	NO HANDWRITES	NO HANDWRITES				
6	7	8	9 Prior Year Adjustments	10	11 Last day to use Excess Annual Leave before Roll PAY PERIOD END	12 PAY PERIOD BEGIN
13	14 Last day to consent to <u>not</u> receive W-2 by mail	15 COMPUTE ANNUAL LEAVE ROLL	16	17 PAYDAY 2	18	19
20	21 HOLIDAY MARTIN LUTHER KING JR.	22	23	24	25 PAY PERIOD END	26 PAY PERIOD BEGIN
27	28	29 COMPUTE	30 Target Date: W-2s mailed to address as of 1 / 1 / 19	31 PAYDAY 3 W-2s online for ALL Employees wanting duplicate W-2s should be directed to YES	1 FEBRUARY Form GAO - W-2 for requesting paper duplicates accepted	2
3	4	5	6	7	8 PAY PERIOD END	9 PAY PERIOD BEGIN
10	11	12 COMPUTE	13	14 PAYDAY 4	15 If an EE who was Federal Tax exempt in 2018 didn't file W-4 for 2019 by 2 / 15 / 19, set to Single/Zero	16

The End

any questions



Next Meeting:

Fiscal Year End
Statewide Payroll Meeting
Monday, May 13, 2019
ADOA Conference Room 300

