

ADOA – General Accounting Office

**AGENCY PAYROLL GUIDE:**

**DECEASED EMPLOYEE COMPENSATION**



# DECEASED EMPLOYEE COMPENSATION

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## Overview

The objective of this quick reference guide is to provide general information on the process of processing the final paycheck of a deceased employee in HRIS as it relates to the Agency Payroll Specialist. The guide is not intended to be all-inclusive and may not offer step-by-step instructions.

## Agency Payroll Functions

1. Ensure GAO Affidavit and IRS Form W-9 are complete and valid
2. Complete the Checklist for Processing Deceased Employee Compensation (below)
3. Process and Review manual payment

## Deadlines

ZR80.1 - All payments must be added before 12:00 pm (Noon)

GAO-99A and any required supporting documentation must be received by GAO by 12:00 pm (Noon)

If no beneficiary claims the wages, payment should be made after 180 days or the first day of the next calendar year, whichever is later

## Helpful Resources and Documents

### Policies

Arizona Revised Statute §

A.R.S. [§ 14-3971](#) –Collection of personal property by affidavit; ownership of vehicles; affidavit of succession to real property

SAAM

SAAM [5511](#) Manual Payroll Warrants (Handwrites)

### Step by Step Training

HRIS Training - [Manual Payments](#)

ADOA Human Resources [Deceased Employee Guide](#)

### Forms

1. [GAO-36A](#) Affidavit of Spouse for Collection of Compensation Due Decedent
2. [GAO-36B](#) Affidavit of Successor for Collection of Compensation Due Decedent
3. [GAO-36C](#) Affidavit of Personal Representative for Collection of Compensation Due Decedent
4. [GAO-99A](#) Request to Review and Process Manual Payroll Warrants
5. [IRS Form W-9](#) Request for Taxpayer Identification Number and Certification

### Contacts

AZ Department of Revenue's Unclaimed Property Division website <https://azdor.gov/unclaimed-property>

## Processing Deceased Employee Compensation

Upon notification of an employee’s death, all wages are immediately frozen. Any wages due the decedent must be paid through the manual payment system in the HRIS in compliance with SAAM 5511. Payments will be made upon receipt of Form GAO-36 (either A, B or C) and IRS Form W-9. If no beneficiary claims the wages, payment should be made after 180 days or the first day of the next calendar year, whichever is later, and will be submitted to the Arizona Department of Revenue Unclaimed Property Division.

### Agency Payroll Checklist

1.  Notify Agency Human Resources to
  - Change status to **U1** – Deceased Pending
  - Change ETE Flag to **No**
2.  Notify Agency Payroll:
  - Do not key Leave Without Pay after the day of death
  - Delete any pending time records
  - Coordinate with Agency Human Resources to reverse any payments made after the date of death using GAO-70 or GAO-70B forms
3.  End date all direct deposit accounts on XR12.1
4.  End date any Standard Time Records on ZR30
5.  Cancel bus card and request final billing using the reason **Dismissed** on AZ10.1
6.  End date voluntary deductions on PR14.1 (SECC, Union Dues, Rent, etc.) use death date
7.  Disable Tax Deductions on PR13.7 and End Date Tax Deductions on PR14.1 – use death date:

	Federal & State Tax	Social Security & Medicare	Deduction Codes to Disable
Wages paid <b>IN SAME</b> calendar year as employee’s death.	Exempt	Taxable	T101 and T201 or Applicable State Withholding Code (e.g., T307 California, T309 Colorado, etc.)
Wages paid <b>AFTER</b> calendar year of employee's death.	Exempt	Exempt	T101, T102, T103, T104, T105 and T201 or Applicable State Withholding Code (e.g., T307 California, T309 Colorado, etc.)
			MQGE EE: T101, T106, T107 and T201 or Applicable State Withholding Code (e.g., T307 California, T309 Colorado, etc.)

8.  Notify Agency Human Resources to mail
  - Survivor Memo
 

Memo should include a description of enclosures. Explain that one (1) of the GAO 36 forms AND Form W-9 must be completed. Provide an address for return of completed forms. Provide contact information of someone they can call with questions.

- All three GAO-36 forms **State cannot advise which form to use**
- IRS Form W-9

The following deductions may be taken from the payment:

- Social Security and Medicare taxes if payment made in same year as death
- Garnishments, Levies, Child Support as required by law. Contact GAO Central Payroll Garnishments at (602) 542-6082 if you have questions
- Retirement and LTD Deductions
- One-Time Deductions (final bus card charges, benefits arrears, computer purchase etc.)

## Required Documents

Submit the following documents with the GAO-99A:

1. AFFIDAVIT **GAO-36A** or **GAO-36B** or **GAO-36C** and **Letters of Appointment of Personal Representative**
2. **IRS FORM W-9**: Name and signature must match affidavit

## Affidavits & Required Documents

Affidavit	Payable To*	\$ Limits	Timing	Required Documents*
<b>GAO-36A</b>	<u>Surviving Spouse</u> or <u>Person acting on behalf of Surviving Spouse</u>	Payment of compensation due <b>cannot exceed \$5,000</b> in gross	No waiting period	W-9 with spouse SSN or W-9 with SSN of Person acting on behalf of spouse
<b>GAO-36B</b>	<u>Successor</u> or <u>Person acting on behalf of Successor</u>	Value of all the personal property in the decedent's estate <b>does not exceed \$75,000</b>	GAO-36B notary date must be <b>at least 31 days</b> after date of death	W-9 with Successor SSN or W-9 with SSN of Person acting on behalf of successor
<b>GAO-36C</b>	<u>Personal Representative</u> or <u>Estate of Decedent</u>	Any amount due, regardless of the total value of the estate	GAO-36C date must be <b>within 60 days</b> after the Letters of Appointment of Personal Representative certification date.	Letters of Personal Representation certified by the clerk of any Superior Court <b>and</b> W-9 with Personal Rep SSN or W-9 with Estate TIN

**\*The W-9 Tax ID provided (SSN or TIN) must be the proper Tax ID for the "Payable To" name.**

Upon receipt of valid and completed required documents:

1.  Contact Agency Human Resources to change only the employee's name to match recipient's name **DO NOT CHANGE THE SOCIAL SECURITY NUMBER**
2.  Process payment through the manual payment system in the HRIS in compliance with SAAM 5511. Submit W-9, Affidavit and any additional documents with the GAO-99A. Death Certificate is not required by GAO Central Payroll to process the payment.

3.  After payment processes, ensure all leave balances are zero, except for Sick leave balances  $\geq$  500 hours. Agency should contact the Retiree Accumulated Sick Leave (RASL) Program if Sick leave balance is  $\geq$  500 hours to determine RASL eligibility
4.  Contact Agency Human Resources to change name back to employee's name and change the status to **U2**

## Unclaimed Wages

In the event a beneficiary fails to submit required documents or no beneficiary exists, wages are turned over to the Arizona Department of Revenue's Unclaimed Property Division 180 days after death or the next calendar year, whichever is later. Payment is made in the name of the decedent and immediately expired.

1. Complete items 1-7 on the **Agency Payroll Checklist** for Processing Deceased Employee Compensation
2. After the 180-day or end of calendar year waiting period, process payment through the manual payment system in the HRIS in compliance with SAAM 5511.
3. In the GAO-99A comments section, include the date of death and "Abandoned Wages – send to Unclaimed Property". Death certificate, Affidavit and W-9 are not required
4. GAO will send Agency payroll a copy of the warrant to be placed in the employee's file
5. GAO will submit the warrant to Arizona Warrant Reconciliation (AWR) for accelerated expiration.
  - AWR will expire the warrant and report the wages to unclaimed property on the 1st of the following month
6. Refer any future inquiries to AZ Department of Revenue's Unclaimed Property Division website <http://www.azunclaimed.gov>
7. After the handwrite processes:
  - Ensure all leave balances are zero. Sick leave hours  $\geq$  500 should remain as they may be eligible for payment by the Retiree Accumulated Sick Leave Program
  - Contact Agency Human Resources to change the status to U2

## Manual Payment Deceased Checklist - Printable

Item	Preparer	Initials	Approver	Initials
<b>Employee Name</b>	Beneficiary Name displays		Validate Beneficiary name matches Affidavit	
<b>Time Records in a batch</b>	Delete any time records entered in a batch		Validate time records are deleted	
<b>ETE Time Records</b>	Delete time records pending in ETE		Validate ETE has been deleted	
<b>Standard Time Records (STR)</b>	End date ZR30.1 Standard Time Records		Validate ZR30.1 Standard Time Records are ended	
<b>Travel Claims</b>	Contact Travel Specialist to obtain final claims to enter		Validate Travel time records	
<b>Reimbursements</b>	Obtain final reimbursements including Tuition		Validate Reimbursement time records	
<b>Leave Payout</b>	Enter final annual leave accrual if employee worked at least half their FTE		Validate leave balances and final accrual rate	
<b>Time Record Date</b>	Do not let date default. No dates after date of death. Leave payout = death date		Review time record dates	
<b>Direct Deposit</b>	End Date direct deposit(s)		Validate no active direct deposits	
<b>Voluntary Deductions</b>	End Date voluntary deductions on PR14.1		Validate deductions are ended	
<b>Tax Deductions</b>	Disable Taxes on PR13.7, End Date on PR14.1		Validate correct taxes are disabled/ended based on year of death	
<b>Deduction Cycle</b>	Use Deduction Cycle 5		Validate deduction cycle	
<b>One-Time Deduction</b>	Select in all One-Time Deductions		Validate one-time deductions are selected	
<b>GAO-99A</b>	Send to approver timely. Include Affidavit & W-9		Review all items listed above. Send GAO-99A, Affidavit and W-9 by 12pm to <a href="mailto:HRIS.Manual.Warrant@azdoa.gov">HRIS.Manual.Warrant@azdoa.gov</a>	

### Need Assistance?

View the Central Payroll Directory [click here](#)