ADOA

ADOA – General Accounting Office

AGENCY PAYROLL GUIDE:
PSPRS INSURANCE PAYMENT

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Issue PSPRS Insurance Payment (Pay Code 405)

This guide provides the steps to create an employee payment in HRIS under the Public Safety Personnel Retirement System's insurance program established by A.R.S. 38-642.

Take special care when discussing the payment. Do not use the term "cancer" when discussing the payment. Use the term "Insurance Payment" instead.

Program applies to firefighters and peace officers who are members of the PSPRS plans of the following agencies:

- ATTORNEY GENERAL INVESTIGATORS (AG)
- GAME AND FISH DEPARTMENT (GF)
- AZ DPT LIQ LIC & CONTROL INVST (LL)
- DEPARTMENT OF EMER & MILITARY AFFAIRS (MA)
- ARIZONA STATE PARK RANGERS (PR)
- DEPARTMENT OF PUBLIC SAFETY (PS)

Overview

1. Agency pays an annual premium to PSPRS by August 31 of each year for eligible employees as of June 30 that year. Agency submits the annual premium payment to PSPRS through AFIS. Since the premiums are paid by the agency, future payouts on a claim are included in gross income on the W-2.

2. Employee files a claim directly with PSPRS. PSPRS issues a check for approved claims to the agency for the gross amount of the payment. Agency deposits the check.

3. Agency creates an employee payment in HRIS. The payment is subject to FICA tax for employee/employer and Federal/State tax for the employee.

Agency Procedures

Upon approval of the claim, PSPRS sends a letter to the employee notifying them of the amount they are eligible to receive; a copy of the agency letter is also included in the notification to the employee. The agency letter will contain the most recent contact information for the employee, completed W-4 & A-4 and a check for the gross amount ($500, $7,500 or $15,000).
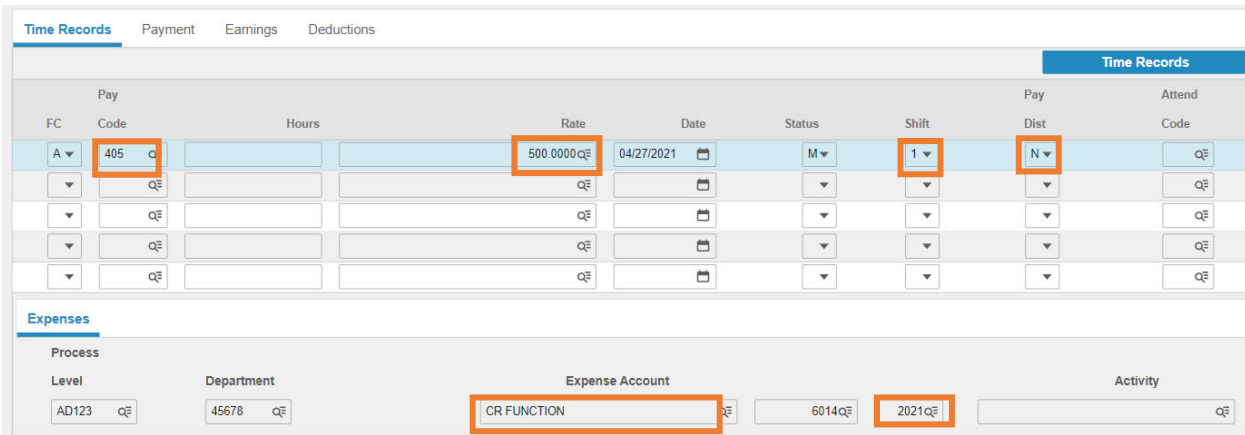
Deposit Check & Update Employee Profile

1. Deposit the check from PSPRS
   - Follow AFIS/Treasurer procedures to create a CR Document in AFIS & deposit check
     a) Event Type: **AR32**

b) Function used must be available in HRIS as it will be used on the time record

2. Contact Agency Human Resources to update the employee profile

   ▪ Status: Employee must be in a **Pay Status**

      a) If terminated, change to **R3** status

         • Change back to terminated after payment is issued

      b) Position/Funding must be active

   ▪ Update **Address**, if necessary

   ▪ Contact Central.Payroll@azdoa.gov if you are cannot locate the employee

3. Enter tax-elections from W-2/A-4 provided by PSPRS

   ▪ Review/Update **Federal tax** on PR13.1

   ▪ Review/Update **State tax** on PR13.1 & PR14.1

Create Payment to Employee

Create payment in HRIS on **Manual Payment Screen ZR80.1**. Detailed instructions on creating a manual payment are located on the HRIS Training Website under Agency Payroll Specialist Lesson: Manual Payments https://hr.az.gov/content/securityrolesandtraining

These instructions highlight the fields required on the 405 Time Record

1. Pay Code: Enter or select **405 PSPRS Insurance**

2. Rate: Enter **Amount of check** received from PSPRS ($500, $7,500 or $15,000)

3. Date: Enter or select **Today's Date**

4. Shift: Select **1** (not eligible for shift differential)

5. PD Flag: Select **N** to override Default Labor Distribution shown on the Employee's XP02/ZP02 or XR23.3 position form by entering new Labor Distribution values:

   ▪ **Expense Account**: Type or select the **Accounting Unit(Function)** used on the AFIS CR

   ▪ **Sub-Account**: Leave blank or type a value to match the AFIS CR. Equates to Budget Fiscal Year (BFY)

- **Activity**: Leave blank or select **Activity** and **Account Category**

  a) If one of these fields is populated, the other is required to be populated

Time Records	**Payment**	Earnings	Deductions

Payment Date 04/27/2021		Period End Date 04/30/2021
Deduction Cycle 5 ▼		**One Time Deduction**
Time Accrual Flag ▼		

6. Deduction Cycle: Select **5**

   - Payment is not subject to garnishments, support orders or retirement

   - Payment is not eligible for deferred compensation

Time Records	Payment	Earnings	**Deductions**			
FC	Deduction		Amount	Taxable	Excess	Type
▼	T101 ⌷	FEDERAL	34.81	500.00		Employee Tax
▼	T103 ⌷	SOC SEC	31.00	500.00		Employee Tax
▼	T105 ⌷	MEDICARE	7.25	500.00		Employee Tax
▼	T201 ⌷	ARIZONA	13.50	500.00		Employee Tax
▼	T102 ⌷	SOC S ER	31.00	500.00		Company
▼	T104 ⌷	MEDI ER	7.25	500.00		Company

7. After the **Calculation** action is performed, only Tax Deductions should display on the Deductions tab

REQ #	EIN	EMPLOYEE FULL NAME	WARRANT NUMBER	REASON	ADDITIONAL INFORMATION	ADDITIONAL INFORMATION REQUIRED
				18. OTHER		<-- ENTER DATE GAO APPROVAL GIVEN & REASON
1	123456	NAME, NAME	290111111		PSPRS Insurance Payment	

8. Complete process to add the payment and obtain the payment number. When completing the GAO-99A, select option **18. Other,** type **PSPRS Insurance Payment** in ADDITIONAL INFORMATION

9. GAO will mail the warrant directly to the employee's Home Address on record.

This completes the process of issuing a PSPRS Insurance Payment. During year-end processing, GAO will create & send the W-2.