

# Statewide Payroll Meeting Fiscal Year End



**MAY 16, 2016**



**ADOA-GAO**

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General Accounting Office

# Introductions

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- **Central Payroll**
  - Stu Wilbur
  - Tracey Cappuccio
  - Sam Tekien
  - Karen Turner
  - Lalita Farr
  - Vahn Vo
  - Misty Delgado
  - Travy Phan
  - Marla Grossman, RASL
- **Systems Integration**
  - Joanna Greenaway
  - Somer Phegley
  - Stephanie Neves

# Contact Information

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- **Agency Payroll Resource Contact List**
- **Employee Resource Contact List**
- **Agency Contact List**
  - Human Resources
  - Payroll
  - Accounting
- **Send any updates to Central Payroll electronically**
  - (602) 364-2215 (fax)
  - [Central.Payroll@azdoa.gov](mailto:Central.Payroll@azdoa.gov)



# Website Registration

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

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 PUBLICATIONS   AFIS   PAYROLL / RASL   FINANCIALS

PROJECTS

## Register for Updates

Already have an account? Login here to change preferences:  
<https://enewsletter.az.gov/Members.aspx?SID=e51d6dbe-b2b3-47fd-a3a9-163da25961c4>

**Join our mailing list**

First Name:

Last Name:

Email Address:

Re-Enter Email Address:

# GAO Policy Updates

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- Statewide GAO Policies published as drafts
  - Comments are being accepted
    - ✦ <https://gao.az.gov/publications/saam/saam-draft>

1. Publications
2. State of Arizona Accounting Manual (SAAM)
3. SAAM Draft
4. Topic – 55 Payroll

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HOME PUBLICATIONS AFIS PAYROLL / RASL FINANCIALS TRAVEL PROJECTS

### SAAM Draft

SAAM SAAM Draft

Choose Topic  
- Any -

50 Travel

TOPIC	SECTION
16	Reporting an Accident Involving an Individually Operated Motor Vehicle

55 Payroll and Personnel

TOPIC	SECTION
09	State Employees Serving as Board Members

# SAAM 5506

## Employee vs. Independent Contractor

- IRS Guidelines
  - Behavioral Control
  - Financial Control
  - Relationship
- Request received from IRS about a misclassified worker
  - Treated as an employee and then as a contractor, performing essentially the same duties
- Consequences
  - Taxes, Retirement, Gross Up, Penalties

Form SS-8 (Rev. 5-2014) Page 4

**Part V For Service Providers or Salespersons.** Complete this part if the worker provided a service directly to the customer or client.

Form SS-8 (Rev. 5-2014) Page 3

**Part III Financial Control** (Provide names and titles of specific individuals, if applicable.)

Form SS-8 (Rev. 5-2014) Page 2

**Part I General Information** (continued)

**Form SS-8** (Rev. May 2014)

Department of the Treasury  
Internal Revenue Service

OMB No. 1545-0004  
For IRS Use Only:  
Case Number:  
Earliest Receipt Date:

**Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding**

► Information about Form SS-8 and its separate instructions is at [www.irs.gov/formss8](http://www.irs.gov/formss8).

Name of firm (or person) for whom the worker performed services: \_\_\_\_\_ Worker's name: \_\_\_\_\_

Firm's mailing address (include street address, apt. or suite no., city, state, and ZIP code): \_\_\_\_\_ Worker's mailing address (include street address, apt. or suite no., city, state, and ZIP code): \_\_\_\_\_

Trade name: \_\_\_\_\_ Firm's email address: \_\_\_\_\_ Worker's daytime telephone number: \_\_\_\_\_ Worker's email address: \_\_\_\_\_

Firm's fax number: \_\_\_\_\_ Firm's website: \_\_\_\_\_ Worker's alternate telephone number: \_\_\_\_\_ Worker's fax number: \_\_\_\_\_

Firm's telephone number (include area code): \_\_\_\_\_ Firm's employer identification number: \_\_\_\_\_ Worker's social security number: \_\_\_\_\_ Worker's employer identification number (if any): \_\_\_\_\_

**Note.** If the worker is paid for these services by a firm other than the one listed on this form, enter the name, address, and employer identification number of the payer. ► \_\_\_\_\_

**Disclosure of Information**

The information provided on Form SS-8 may be disclosed to the firm, worker, or payer named above to assist the IRS in the determination process. For example, if you are a worker, we may disclose the information you provide on Form SS-8 to the firm or payer named above. The information can only be disclosed to assist with the determination process. If you provide incomplete information, we may not be able to process your request. See *Privacy Act and Paperwork Reduction Act Notice* in the separate instructions for more information. **If you do not want this information disclosed to other parties, do not file Form SS-8.**

**Parts I-V.** All filers of Form SS-8 must complete all questions in Parts I-IV. Part V must be completed if the worker provides a service directly to customers or is a salesperson. If you cannot answer a question, enter "Unknown" or "Does not apply." If you need more space for a question, attach another sheet with the part and question number clearly identified. Write your firm's name (or worker's name) and employer identification number (or social security number) at the top of each additional sheet attached to this form.

**Part I General Information**

1 This form is being completed by:  Firm  Worker; for services performed \_\_\_\_\_ (beginning date) to \_\_\_\_\_ (ending date).

2 Explain your reason(s) for filing this form (for example, you received a bill from the IRS, you believe you erroneously received a Form 1099 or Form W-2, you are unable to get workers' compensation benefits, or you were audited or are being audited by the IRS). \_\_\_\_\_

3 Total number of workers who performed or are performing the same or similar services: \_\_\_\_\_.

4 How did the worker obtain the job?  Application  Bid  Employment Agency  Other (specify) \_\_\_\_\_

5 **Attach copies of all supporting documentation (for example, contracts, invoices, memos, Forms W-2 or Forms 1099-MISC issued or received, IRS closing agreements or IRS rulings).** In addition, please inform us of any current or past litigation concerning the worker's status. If no income reporting forms (Form 1099-MISC or W-2) were furnished to the worker, enter the amount of income earned for the year(s) at issue \$ \_\_\_\_\_.  
If both Form W-2 and Form 1099-MISC were issued or received, explain why. \_\_\_\_\_

6 Describe the firm's business. \_\_\_\_\_

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 16106T Form SS-8 (Rev. 5-2014)

## Independent Contractor Considerations and Concerns

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- Department of Labor (USDOL)
  - Newly developed test – “Economic Realities”
    - ✦ 6 factors to be considered to determine if the individual is economically dependent on the entity for which he works
  
- Consequences of misclassification of a worker(s)
  - Taxes
  - Retirement
  - Gross Up Calculation
  - Penalties – by IRS and/or USDOL

# SAAM 5509

## State Employees Serving as Board Members

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- Under SAAM Draft published April 7, 2016
  - Comment period ended May 6, 2016
- Policy will become effective July 1, 2016
- Requires that Agencies paying Board Members know whether the fee is mandatory, discretionary, or prohibited
  - Especially for employees that have dual employment as a board member



# Statewide Policy Update – HRIS Dates

## ADOA HR & GAO SAAM Update

HRIS DATE FIELD	DEFINITION	WHEN DATE NEEDS TO BE CHANGED MANUALLY	EXAMPLES OF USE
<b>ORIGINAL STATE HIRE DATE</b>	The employee's first day of work in any State government entity	This date should never be changed (even if there was a break in service of any length), unless it is to correct an error	For ASRS members, this date is used to determine if the member has a right to elect to make retirement contributions from his annual leave payout upon termination
<b>HIRE DATE</b>	The employee's first day of work upon hire or, if the employee has a break in service, rehire, whichever is later *See Clarifications and Exceptions	Upon rehire after a break in service	Used for: <ul style="list-style-type: none"> <li>• Employment verifications</li> <li>• Eligibility for benefits</li> <li>• Leave plans</li> <li>• ACA reporting</li> <li>• ACR reporting</li> </ul>
<b>ADJUSTED HIRE DATE</b>	The employee's hire date, which has been re-calculated due to additions to or deductions from credited service with the State	<ul style="list-style-type: none"> <li>• Upon rehire of a former State employee after a break in service of less than 2 years</li> <li>• Upon return from LWOP in excess of 240 consecutive hours, unless the LWOP was FMLA or military leave</li> </ul>	Used to determine: <ul style="list-style-type: none"> <li>• Annual leave accrual tier</li> <li>• Benefit eligibility date</li> <li>• ASRS waiting periods</li> </ul>
<b>TERMINATION DATE</b>	The employee's last day of employment with the State of Arizona *See Clarifications and Exceptions	<ul style="list-style-type: none"> <li>• Upon separation – enter effective date of employee's separation</li> <li>• Upon rehire – delete date in field; should be blank</li> <li>• This field should not be used for interagency transfers</li> </ul>	Required for leave payouts and, if eligible, RASL; used to determine when health insurance benefits will end

# Data Warehouse Reports

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- **ASRS Code 9 Review**
  - Released to agencies 4/12/2016
  - Under Payroll and HR Reports so both areas can access
- **Other Reports “In the Works”**
  - ASRS 20/20 Eligibility counter (Most requested report)
  - Active Donated Leave plans
  - Terminated Employees with Absence Plan balances
  - Terminated Employees with active Direct Deposit Accounts
  - Employees with Sick Leave balance who terminated > 2 years ago
  - Mandatory Direct Deposit

# Updated GAO Forms

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- GAO-SL-50 – RASL Application & Certification Form
- GAO70 – Request to Cancel Payroll Warrant
- GAO70B – Request for Direct Deposit Reversal
- GAO73A – Request for One Time Deduction
- GAO99A – Request to Review & Process Manual Payroll Warrants

# Retiree Accumulated Sick Leave (RASL)

- New RASL Form Published February 2016

- Marla, the RASL Program Coordinator, is happy to take calls directly from employees.

RASL Website: [gao.az.gov/payroll/rasl](http://gao.az.gov/payroll/rasl)  Original Request  Change of Information  I have participated in RASL before

RETIREE SECTION				
SOCIAL SECURITY #	LAST NAME	FIRST NAME	GENDER <input type="checkbox"/> MALE <input type="checkbox"/> FEMALE	BIRTH DATE
MAILING ADDRESS (Can be updated anytime via <a href="http://yes.az.gov">yes.az.gov</a> )		CITY	STATE	ZIP CODE
RETIREMENT SYSTEM <input type="checkbox"/> ASRS <input type="checkbox"/> CORP <input type="checkbox"/> ORP <input type="checkbox"/> PSPRS <input type="checkbox"/> FED, NRS DC, NRS Annuity	RETIREMENT DATE (not separation date)	PHONE NUMBER ( ) -	PERSONAL EMAIL ADDRESS (OPTIONAL)	HRIS/YES EIN (NOT UNIVERSITY EIN)
DEFERRED COMPENSATION: I <input type="checkbox"/> WANT <input type="checkbox"/> DO NOT WANT to defer a portion of my first RASL payment. To defer, I understand I must: 1) Enroll in Deferred Compensation directly with the state-sponsored deferred compensation provider prior to separation from employment; and 2) Submit the RASL Deferral Notification Form directly to the state-sponsored deferred compensation provider; and 3) If retiring after Sept. 1st, I must ensure that this application is received by the GAO within 30 calendar days after separation to be eligible to defer under IRS deadlines.				
DISBURSEMENTS: (Select 1 of the following 3 options) <input type="checkbox"/> Please pay me by check (warrant) <input type="checkbox"/> I want to use my Direct Deposit Account already setup in HRIS/YES indicated below: (Enter the last 4 digits of the account number) [ ] [ ] [ ] [ ] <input type="checkbox"/> Use ACH Routing Number: [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] Account Number: [ ] <small>For this option, you MUST attach either a void check, a letter, or direct deposit authorization statement printed by your financial institution showing YOUR NAME, YOUR ADDRESS, ROUTING NUMBER and YOUR ACCOUNT NUMBER. Deposit slips and starter checks do not qualify.</small>		INCOME TAX WITHHOLDING: RASL payments are supplemental wages reported on an IRS W-2. <input type="checkbox"/> I am paid through HRIS/YES, am not tax exempt, and choose to apply my current tax withholding elections to my RASL pay. <input type="checkbox"/> I have attached a current year signed <a href="#">W-4</a> and <a href="#">A-4</a> indicating the Federal and State tax withholdings desired and know I can update these via <a href="http://yes.az.gov">yes.az.gov</a> .		
NAME AND ADDRESS OF ONE BENEFICIARY (if you choose No Beneficiary, indicate "NONE")				PHONE NUMBER ( ) -
RETIREE CERTIFICATIONS I certify that the information on this form is correct to the best of my knowledge. I certify with initials ALL of the following:				
INITIAL	I understand that I must retire from an authorized State of Arizona retirement system with an effective retirement date not later than <b>31 CALENDAR DAYS</b> following my separation of employment from State service. <b>If I retire any later, I will not be eligible for RASL.</b>		INITIAL	I believe that at the time of my separation from State service, I had, or will have, at least 500 usable sick leave hours. I understand that all usable sick hours in excess of 1,500 must be irrevocably forfeited.
INITIAL	I understand that if I elect a lump sum withdrawal from my retirement account, it may be considered a forfeiture of my retirement, and I will not be eligible for RASL.		INITIAL	I understand my RASL Benefit will be calculated as follows: $\left[ \begin{array}{l} \text{Usable sick} \\ \text{leave hours at} \\ \text{separation} \\ \text{(capped at 1,500)} \end{array} \right] \times \left[ \begin{array}{l} \text{Hourly} \\ \text{rate of} \\ \text{pay at} \\ \text{separation} \end{array} \right] \times \left[ \begin{array}{l} \text{Percentage (based on} \\ \text{usable sick leave hours)} \\ 25\% (500 - 749) \\ 33\% (750 - 999) \\ 50\% (1,000 - 1,500) \end{array} \right] = \text{RASL} \\ \text{Benefit (capped at} \\ \text{\$30,000)}           $
INITIAL	I understand I have a maximum of <b>180 CALENDAR DAYS</b> following my effective retirement date to ensure that this form is received by the GAO. If I apply any later, I will not be eligible for RASL.		INITIAL	I understand that if I timely apply and the GAO has determined I am eligible for the RASL program, my RASL benefit will be scheduled in 3 equal annual payments. I understand that RASL payments are subject to Federal, AZ State, Social Security, and Medicare taxes.
INITIAL	I understand that for RASL purposes, I can only retire once per retirement plan and the total value received under this program, per person, per retirement system, cannot exceed \$30,000.		INITIAL	I understand the first RASL payment is generally available within <b>60-90 days</b> after a qualified, complete application has been received by the GAO (not 60-90 days from retirement) and I also understand any excess disbursement may be offset against future payments.
RETIREE OR LEGAL REPRESENTATIVE SIGNATURE: _____ DATE: _____				
RETIREE: Submit this original, ink-signed RASL application to your agency RASL liaison. Your agency will complete the section below and send to the GAO. Please remember, however, it is totally and exclusively your responsibility to follow up to ensure the GAO receives your documents timely.				

AGENCY SECTION			
AGY	AGENCY NAME	AGENCY CONTACT EMAIL ADDRESS	PHONE NUMBER ( ) -
RETIREE SEPARATION DATE / /	DATE OF RETIREE FINAL PAYCHECK / /	RETIREE SICK LEAVE BALANCE (Hours) UPON SEPARATION	RETIREE HOURLY RATE ON SEPARATION DATE \$ .
AGENCY CERTIFICATION: I certify, to the best of my knowledge, that the sick leave balance, hourly rate, and other information shown above is correct (supporting documentation attached) and all final wages have been paid. I believe this <input type="checkbox"/> IS <input type="checkbox"/> IS NOT a valid claim against the State.			
PRINT NAME: _____		SIGNATURE: _____	
DATE: _____			

Retiree Accumulated Sick Leave Program, General Accounting Office, 100. N. 15th Avenue, Suite 302, Phoenix, AZ 85007.

Phone: (602) 542-6222 RASL Website: [gao.az.gov/payroll/rasl](http://gao.az.gov/payroll/rasl) YES Website: [yes.az.gov](http://yes.az.gov)

# ASRS Fiscal Year Intent Review

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- State law requires participation in the ASRS when all membership criteria are met. A.R.S. § 38-711.23(b) defines members as
  - “... all employees of an employer who are eligible for membership pursuant to section 38-727 and who are engaged to work at least twenty weeks in each fiscal year and at least twenty hours each week.”
- Monitor employees for 20/20 criteria
  - Use “ASRS Eligibility Review (code 9) Report” in the Data Warehouse
- *Reminder:* At the beginning of each fiscal year a review of these types of employees needs to be done to determine intent for ASRS 20/20 application
  - Intent of employment at the beginning of the new fiscal year or when a job change occurs

# 20/20 Intent Certification

- Should be completed each fiscal year
  - Intent can change
- Filed in the employee's file
- Signed off on by someone "in the know" of the Intent
  - HR/Supervisor

## ASRS 20/20 CERTIFICATION OF EMPLOYER INTENT FISCAL YEAR \_\_\_\_\_

State law requires participation in the ASRS when all membership criteria are met. A.R.S. § 38-711.23(b) defines members as "... all employees of an employer who are eligible for membership pursuant to section 38-727 and who are engaged to work at least twenty weeks in each fiscal year and at least twenty hours each week."

In order to determine if a particular employee is "engaged to work 20/20", we need to understand if you intend that the employee will work 20/20 in the current fiscal year based on the terms of employment and intended duration. Consider any changes that are believed to occur in the current fiscal year. If no substantial changes to their current work hours are expected to occur, consider the employee's actual work history in the prior fiscal year as an indicator of what they may likely work in the current fiscal year.

The terms of employment and intended duration, as of \_\_\_\_\_, have been reviewed for:

<u>EIN</u>	<u>Employee Name</u>	<u>Position</u>	<u>FTE</u>	<u>Work Schedule</u>
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Individuals with personal knowledge of the employer's intent should indicate the agency's intent below.

The agency **ANTICIPATES** that **FOR THE CURRENT FISCAL YEAR**, the employee listed above:

[Check Only One]

WILL WORK at least twenty weeks for at least twenty hours each week.  
[Provide any information about FTE, position, work schedule, work projects, expected employment duration, etc. that is known at this time. You can attach additional information if needed.]

WILL NOT WORK at least twenty weeks for at least twenty hours each week.  
[Provide any information about FTE, position, work schedule, work projects, expected employment duration, etc. that is known at this time. You can attach additional information if needed.]

I am authorized on behalf of my agency to make this certification.

<u>EIN</u>	<u>Authorized Signature</u>	<u>Date</u>	<u>Agency ID / Name</u>
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# ASRS Arrears Procedures

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- Contributions to the State Retirement System are mandatory pursuant to A.R.S. §38-736
  
- When mandatory ASRS contributions have been missed, there are 2 methods to collect the missed contributions (either remedy should begin within 30 days of discovery):
  - 1) Additional Payroll Deductions
    - ✦ Submit GAO-73A for additional deductions in pay period increments

or

  - 2) ASRS direct billing (called a CNW, Contributions Not Withheld)
    - ✦ Interest added by the ASRS if not paid timely

# ASRS Arrears Procedures

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- Method 1 – Additional Payroll Deductions (preferred)

- Criteria:

- ✦ Current fiscal year missed contributions.
- ✦ Recovery must be finished by end of fiscal year. Any amounts remaining will have to be remitted through the CNW process.
- ✦ Recovery amount must be the full pay period contribution missed.  
For example, can't recover with a flat \$50 every payroll until repaid.  
Can recover two, three, or more missed contributions if the employee elects to, which would greatly speed up the recovery time period.

- Benefits to this method:

- ✦ Contributions are made interest free for the Agency and the Employee.
- ✦ Contributions are taken pre-tax and reduce an employee's Federal and State taxable wage on the W-2.

- How to initiate:

- ✦ Submit a GAO-73A Form to GAO Central Payroll to have a missed contribution deducted from the employee's paycheck.
- ✦ If recovery of several missed contributions will occur over multiple pay periods, submit all GAO-73A Forms for GAO Central Payroll to enter for future pay periods.



# ASRS Arrears Procedures

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- **Method 2 – ASRS direct billing (CNW, Contribution Not Withheld)**
  - Criteria:
    - ✦ Only method available if missed contributions are for the prior fiscal year or employee is terminated
    - ✦ Generally done when missed contributions are substantial, such as 3 or more missed pay periods or recovery through payroll deduction will create a hardship.
  - Benefits to this method:
    - ✦ ASRS will bill the Agency directly for missed contributions. No interest due if CNW is for the current fiscal year and paid within 90 days.
    - ✦ ASRS will bill the employee directly for missed contributions. If the employee does not pay ASRS, they will not receive ASRS service credit.
    - ✦ After the Agency pays, the Employee has 90 days to pay before interest accrues.
  - How to initiate:
    - ✦ The Agency will complete and remit the CNW Form using the ASRS Employer web portal
    - ✦ ASRS will invoice the Agency and Employee for the missed contributions plus any statutory interest.

# New Retirement Rates - Effective 7/1/16

## RETIREMENT PLAN DEDUCTIONS

			EMPLOYEE			EMPLOYER		
CODE		RETIREMENT PLAN	DED	FY 16	FY 17	DED	FY 16	FY 17
			CODE	RATE	RATE	CODE	RATE	RATE
1	ASRS	PLAN-ASRS	7903	11.35%	11.34%	7904	11.35%	11.34%
1E	ASRS EO	ELECTED OFFICIALS ASRS PLAN	7919	11.35%	11.34%	7920	11.35%	11.34%
2	CORP	JUVENILE CORRECTIONS (501)	7905	8.41%	8.41%	7906	22.95%	24.86%
3	EORP	ELECTED OFFICIALS & JUDGES (415)	7907	13.00%	13.00%	7908	23.50%	23.50%
3E	EODCRS	ELECTED OFFICIALS DEFINED CONTRIBUTION (NTWD)	7813	8.00%	8.00%	7814	6.00%	6.00%
4	PSRS	PUBLIC SAFETY (007) (ER pays 5% EE share)	7909	6.65%	6.65%	7910	81.00%	82.96%
5	PSRS	GAME & FISH (035)	7911	11.65%	11.65%	7912	72.33%	83.80%
6	PSRS	AG INVESTIGATORS (151)	7913	11.65%	11.65%	7914	70.46%	66.59%
7	PSRS	DEMA (FIRE FIGHTERS) (119)	7915	11.65%	11.65%	7916	31.34%	28.20%
9	N/A	NO RETIREMENT						
0	CORP	CORRECTIONS (500)	7901	8.41%	8.41%	7902	18.54%	18.85%
B	PSRS	LIQUOR CONTROL OFFICER (164)	7923	11.65%	11.65%	7924	69.19%	80.61%
F	PSRS	STATE PARKS (204)	7931	11.65%	11.65%	7932	42.85%	44.94%
G	CORP	PUBLIC SAFETY DISPATCHERS (563)	7933	7.96%	7.96%	7934	17.62%	20.41%
H	PSRS	DEFERRED RETIREMENT OPTION PLAN (DROP)	7957	11.65%	11.65%			
J	CORP	PUBLIC SAFETY DETENTION OFFICERS (564)	7961	8.41%	8.41%	7962	7.00%	6.12%
S2	CORP	SUPP BENEFIT - JUVENILE CORRECTIONS				7966	31.36%	33.27%
S4	PSRS	SUPP BENEFIT - PUBLIC SAFETY				7970	87.05%	89.61%
S5	PSRS	SUPP BENEFIT - GAME & FISH				7972	83.38%	95.45%
S6	PSRS	SUPP BENEFIT - AG INVESTIGATORS				7974	81.51%	78.24%
S7	PSRS	SUPP BENEFIT - FIRE FIGHTERS				7976	42.39%	39.85%
S0	CORP	SUPP BENEFIT - CORRECTIONS				7964	26.95%	27.26%
SB	PSRS	SUPP BENEFIT - LIQUOR CONTROL OFFICER				7978	80.24%	92.26%
SF	PSRS	SUPP BENEFIT - STATE PARKS				7980	53.90%	56.59%
SG	PSRS	SUPP BENEFIT - PUBLIC SAFETY DISPATCHERS				7968	25.58%	28.37%
SJ	CORP	SUPP BENEFIT - PUBLIC SAFETY DETENTION OFCRS				7982	15.41%	14.53%
	ASRS	LTD ASRS	7509	0.12%	0.14%	7508	0.12%	0.14%
	PSRS	LTD PSPRS (HARTFORD)				7520	0.27%	0.27%
	PSRS	EODCRS DISABILITY	7987	0.13%	0.13%	7988	0.13%	0.13%

# New ERE Rates - Effective 7/1/16

## OTHER DEDUCTIONS AND EMPLOYER RELATED EXPENSES

		EMPLOYEE			EMPLOYER		
EMPLOYER RELATED EXPENSES		DED			DED	FY16	FY17
		CODE			CODE	RATE	RATE
	UNEMPLOYMENT INSURANCE (SUTA)				T202	0.100%	0.100%
	TECHNOLOGY CHARGE (ADOA ASET)				3800	0.200%	0.200%
	HR PRO RATA				3802	0.830%	0.830%
	ACCUM SICK ERE (RASL)				3804	0.400%	0.400%
	WORKER'S COMPENSATION (PR18.1)				3806	varies by job class	varies by job class
	COUNSEL SERVICES (AG PRO RATA)				3808		
	HR PRO RATA (PERSONNEL BOARD)				3810	0.030%	0.030%
PSRS	ALT CONTRIBUTION RATE - DPS (007)				7936	28.620%	64.720%
CORP	ALT CONTRIBUTION RATE - DOC (500)				7938	11.330%	12.100%
EORP	ALT CONTRIBUTION RATE - EO&J (415)				7940	23.500%	23.500%
CORP	ALT CONTRIBUTION RATE - DJ (501)				7942	11.330%	18.040%
CORP	ALT CONTRIBUTION RATE - DISP (563)				7944	11.330%	14.010%
PSRS	ALT CONTRIBUTION RATE - G&F (035)				7946	28.620%	80.210%
PSRS	ALT CONTRIBUTION RATE - AGI (151)				7948	28.620%	54.380%
PSRS	ALT CONTRIBUTION RATE - FIRE (119)				7950	28.620%	16.570%
PSRS	ALT CONTRIBUTION RATE - LIQ (164)				7952	28.620%	68.470%
PSRS	ALT CONTRIBUTION RATE - PARK (204)				7954	28.620%	32.270%
ASRS	ALT CONTRIBUTION RATE - ASRS				7956	9.360%	9.470%
ASRS LEGACY	ASRS LEGACY (415)				7984	12.150%	12.160%
EODCRS LEGACY	EODCRS LEGACY (415)				7986	17.500%	17.500%

# Compensation Strategies

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- **Discretionary vs. Non-Discretionary**
  - Few bonuses are discretionary under FLSA
  
- **Discretionary**
  - §778.211: “Sums paid in recognition of services performed during a given period if \*\*\* (a) both the fact the payment and the amount of the payment are determined at the sole discretion of the employer at or near the end of the period not pursuant to a contract, agreement or promise causing the employee to expect such payment regularly \*\*\*”
    - ✦ Discretionary in one year may not mean it is discretionary in subsequent years
  
- **Non-Discretionary**
  - Announced to employees to encourage them to work more steadily, rapidly or efficiently and bonuses designed to encourage them to remain with the facility
    - ✦ Attendance bonuses, - Retention Incentive
    - ✦ individual or group production bonuses, - Goal Based Incentive
    - ✦ bonuses for quality and accuracy of work, - Merit Based Incentive
    - ✦ bonuses contingent upon the employee’s continuing employment until the time the payment is to be made – Retention Incentive

# Compensation Strategies – in June

21

- **Deadline: bonuses should not be scheduled for the June 23rd payroll**
  - If any errors occur, there is no time left to correct in FY16
  - GAO recommends any bonuses approved to be paid out of FY16 funds should be scheduled no later than the June 9th payroll
  - No Handwrites issued for bonus payments
- **Please coordinate with Agency Leadership as soon as possible to ensure bonuses can be paid as intended**
  - Contact GAO Central Payroll to coordinate timing

# Handwrites through Fiscal Year End

22

- Should be kept to a minimum to avoid PEDF1 document rejects on the Document Catalog
- Travel & Other Reimbursement handwrites allowed June 22-30, 2016
  - Minimum handwrite threshold lowered from \$100 to \$10
- GAO will be verifying cash and appropriation availability in AFIS
- July 1 – July 4, 2016
  - NO HANDWRITES, PLEASE PLAN AHEAD!



# HRIS Warrant Replacement

23

- Effective July 9th 2015, biweekly payroll warrants are mailed by GAO directly to employee
  - Manual warrants are still picked up by agency at GAO front desk.
  - Employees should always maintain an updated address through YES
- Replacements for warrants lost, stolen, damaged, or not received:
  - Requires GAO-6 which employee must sign and have notarized.
  - Notarized GAO-6 should be emailed to [AFIS.Operations@azdoa.gov](mailto:AFIS.Operations@azdoa.gov)
  - AFIS AWR requests the stop of the payment with the bank
  - Central Payroll replaces the warrant in HRIS with the handwrite schedule
    - ✦ In many circumstances, the replacement will be processed the day after the GAO-6 is submitted to AFIS, but it can take 5 – 10 working days

# Direct Deposits of Payroll

24

- SAAM 55-20. Direct deposit for 100% of net pay is required. Payments that are partial ACH & partial warrant are no longer allowed.

## State of Arizona Accounting Manual

Topic 55 Payroll and Personnel  
Section 20 Direct Deposits of Payroll

Issued 01/29/16  
Page 1 of 2

### INTRODUCTION

Electronic direct deposit of employee compensation benefits both employees and the State.

### POLICIES

1. All State employees must sign up for electronic direct deposit.
2. While an employee's net pay may be directly deposited into more than one (1) account, one hundred percent (100%) of his net pay must be directly deposited.
  - 2.1. Accordingly, an employee is not permitted to have a direct deposit account designated for a fixed amount of net pay without also having an additional account designated for the remainder of net pay.



# Direct Deposits of Payroll

25

- Pending partial payment direct deposit distribution must either:
  - Have fixed amount changed (even if only temporarily) to 100% of net
  - Have fixed amount stopped (even if only temporarily)
- Replacement of partial payments cannot be done through HRIS
  - Partial payment replacement warrants cannot be tracked in HRIS
    - ✦ Partial payment warrants require exception handling by AFIS which might result in significant delay before a partial payment warrant can be replaced
  - GAO will notify agencies before payroll compute which of their employees require action to prevent partial payments

# HRIS Labor Distribution

26

- Starting April 25<sup>th</sup>, any additional accounting elements to be used for HRIS labor distribution on the first pay cycle must be entered as FY17 using:
  - A value of 'HRIS' or 'HRLG' in the Function Type roll-up on the FUNC (Function) table for HRIS Accounting Unit
  - A value of 'HRIS' in the Activity Type roll-up on the ACTV (Activity) table for Account Category (DTA, EVA only) and HRIS Activity (FOA only)
  - CAS or CAM documents to set up the structure for Program/Program Period for HRIS Activity and HRIS Account Category
  - CAS or CAM documents to set up the structure for Program/Program Phase for HRIS Activity (DTA only)
  - A value of 'HRS' in the Location Class roll-up on the LOC (Location) table for HRIS Activity (EVA only)

# HRIS/AFIS Integration

27

- **AFIS Chart of Accounts (COA) Elements used for HRIS Labor Distribution:**
  - The COA interfaces between AFIS and HRIS run nightly (with the exception of ‘Compute Tuesday’)
  - Agencies may begin creating new FY17 COA elements in AFIS anytime
  - Any new FY17 AFIS COA elements must be set-up in AFIS no later than June 14, 2016 to be mass loaded in HRIS for labor distribution purposes on June 15, 2016
  - Any new FY17 AFIS COA elements setup between 6/15 – 6/21 will be mass loaded in HRIS on June 22, 2016
  - Beginning June 22, 2016, FY17 COA elements will be interfaced daily to HRIS; FY16 elements will no longer be included on the interface
  - Any new FY17 AFIS COA elements that are to be utilized in HRIS for labor distribution purposes on the first pay cycle of the fiscal year (July 7, 2016) must be set-up in AFIS no later than July 1, 2016

# Payroll Corrections - AFIS PEDF1

28

- All AFIS PEDF1 documents in rejected status, must be corrected by June 30, 2016
- GAO will be monitoring PEDF1 records to ensure they are being posted in a timely manner
- Please contact your GAO AFIS Liaison for assistance, or to discuss any compliance issues

# New HRIS Data Warehouse Reports

29

- The following reports will be added to the *Agency HRIS Payroll Reports* folder on the HRIS Web Reports (data warehouse):
  - Deduction Code Listing Report (also in APG in Excel format)
  - Pay Code Listing Report (also in APG in Excel format)
  - Employee Data Report
  - Position (XP02/ZP02) Report
  - Position-Multiple Labor Distribution (XR23.3) Report
  - Employee Reimbursement Report

# HRIS Statewide ETE Items

30

- **June 15th**
  - ETE Templates requiring mass upload (100+) are due to GAO
  - Email: [GAOSystemSupport@azdoa.gov](mailto:GAOSystemSupport@azdoa.gov)
- **June 17th – 6:00 PM**
  - ETE Cutoff for all agencies - no exceptions
  - ETE Interface must happen on Friday with AY16 labor
- **June 18th – 19th**
  - Updating Sub-Account (BFY) 2016 to (BFY) 2017
  - Errors must fixed by July 1st 2016 at 6:00 PM (ETE deadline)

# HRIS Statewide Position Update

31

- **June 25th – 26th**
  - XP02/ZP02 Update
    - ✦ Updating Sub-Account (BFY) 2016 to (BFY) 2017
    - ✦ Errors must be fixed by June 30, 2016 to prevent ETE errors
    - ✦ Update Position labor distribution elements based on Agency requests/submittals
  
- **July 1st – HRIS View Only, No Handwrites**
  - Perform time entry activities a day early if possible
  - XR23.3 Update
    - ✦ Updating Sub-Account (BFY) 2016 to (BFY) 2017
    - ✦ Errors must be fixed by July 5, 2016 (2:00 PM)
    - ✦ Update Multiple Labor Distribution elements based on Agency requests/submittals

# HRIS Critical Dates

32

- **June 15, 2016**
  - ETE Templates due to [GAOSystemSupport@azdoa.gov](mailto:GAOSystemSupport@azdoa.gov)
  - AFIS FY17 COA elements will be interfaced to HRIS
- **June 20, 2016**
  - Submit any XPO2/ZPO2 Position labor distribution mass changes to GAO
- **June 22, 2016**
  - Incremental load of AFIS FY17 COA elements to HRIS (6/15 – 6/21)
  - Begin FY17 daily interface of AFIS elements to HRIS
  - Discontinue FY16 AFIS COA elements on interface to HRIS
  - Begin ETE entry for FYI17 payroll
- **June 25 – 26, 2016**
  - Statewide HRIS Position Update
- **June 27, 2016**
  - Begin XR32/XR35/ZR35 entry for FY17 payroll
  - Not Applicable to ETE entry (begins on June 22, 2016)





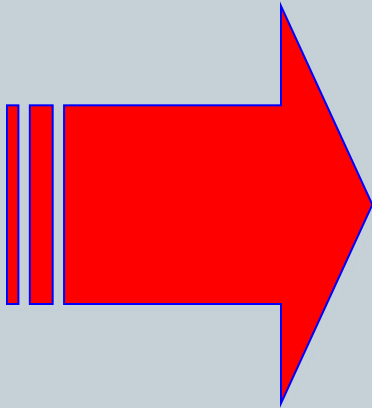
# The End



any questions



**Next Meeting:**



**Calendar Year End  
Statewide Payroll Meeting  
Monday, November 14, 2016  
ADOA Conference Room 300**