

STATEWIDE PAYROLL MEETING FISCAL YEAR END

MAY 13, 2019



Introductions

- Central Payroll
 - Tracey Cappuccio
 - Sam Tekien
 - Karen Turner
 - Lalita Farr
 - Vahn Vo
 - Misty Delgado
 - Everett Rubio
 - Joy Bridges, RASL
- Systems Integration
 - Joanna Greenaway
 - Somer Phegley



Contact Information

- **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



Website Registration

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



ADOA-GAO
General Accounting Office

HOME PUBLICATIONS AFIS PAYROLL / RASL FINANCIALS TRAVEL RESOURCE
FEDERAL/COST ACCOUNTING

Register for Updates

Email Address *

First Name

Last Name

Agency

NON-STATE EMPLOYEE



EIN

Title

Work Phone Number Extension

E-Newsletter *

GAO eNewsletter



What code is in the image? *

Enter the characters shown in the image.

Submit

- Email sent April 26th, 2019
- No more categories of notifications
- GAO subscriptions must be redone

GAO Policy Updates

- Statewide GAO Policies published as drafts
 - 60 day comment period
 - <https://gao.az.gov/publications/saam/saam-draft>
 - gaopolicy@azdoa.gov
- Publications
 - State of Arizona Accounting Manual (SAAM)
 - SAAM Drafts
 - Topic – 50 Travel
 - Topic – 55 Payroll
 - Topic – 90 Special Topics

The screenshot shows the ADOA-GAO General Accounting Office website. The header includes the ADOA-GAO logo and navigation links for PUBLICATIONS, AFIS, PAYROLL / RASL, FINANCIALS, TRAVEL, RESOURCES, and SYS. The main content area is titled "SAAM Drafts" and features a dropdown menu for "SAAM" with "SAAM Drafts" selected. Below this is a "Choose Topic" dropdown menu set to "- Any -". A table titled "90 Special Topics" lists various sections and titles, including "Leases", "Installment Purchases", "Lease Purchase Contracts and Leases with the Option to Purchase", "Employee vs. Independent Contractor", "Independent Contractors Considerations and Concerns", and "Temporary Workers".

SECTION	TITLE	POSTED DATE
35	Leases	12-12-2016
36	Installment Purchases	12-12-2016
37	Lease Purchase Contracts and Leases with the Option to Purchase	12-12-2016
50	Employee vs. Independent Contractor	08-04-2017
51	Independent Contractors Considerations and Concerns	08-04-2017
52	Temporary Workers	02-26-2018

Policy Updates

- SAAM Sections that have been posted as drafts:
 - 5051 and 5054: Employee Travel Card (ETC)
 - 5560: Wireless Devices Used to Conduct State Business
- SAAM Sections that have been posted:
 - 0555: Transmission and Storage of Confidential and Sensitive Information [02/11/19]
 - 5045: Alternate Retirement Contributions for Reemployed, Leased and Contracted Retirees [01/22/19]
 - 5560: Wireless Devices Used to Conduct State Business [03/25/19]

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

Draft SAAM 5051 and 5054 - ETC

- 5051: ETC Agency Responsibilities and General Policies
 - 24.3.2.1. It should be suggested to the employee that the balance, for the sake of convenience, be liquidated through a deduction from his final payroll due from the State. The employee is to be reminded that he has signed an agreement permitting this.
 - 24.4. While it is realized that there are situations in which an employee who is transferring to another State agency may require an ETC at the gaining agency, it has been determined that, for both administrative and internal control purposes, the card must be cancelled by the losing agency and reissued by the gaining agency.
 - 26. The Agency TCP Administrator should also deactivate an employee's ETC when:
 - 26.1. The cardholder has filed for bankruptcy protection.
- 5054: ETC Employee Responsibilities
 - Should the account become sixty (60) days or more past due, the State reserves the right to review the account and begin payroll deductions to satisfy the debt. The State Comptroller or his designee shall have the authority to determine if payroll deductions are necessary.

Draft SAAM 5560 Wireless Devices

- 3. An agency has two (2) options in providing or paying for a wireless device to be used by an employee in the conduct of State business:
 - 3.1. The agency may provide a standard reimbursement to an employee for the use of an employee-owned wireless device.
 - 3.1.1. The monthly standard reimbursement amount is up to, but not to exceed, **forty dollars (\$40)** for combined voice, text and data service.
- Employees may already be receiving the current standard rate of fifty dollars (\$50) per month.
 - If the change is put into policy, any ZR30 Standard Time records will have to be updated accordingly
 - Use Data Warehouse Report to identify these employees and validate changes

Legislative Update - Bills Passed

2019 – Fifty-fourth Legislature – First Regular Session

- HB2007: ASRS Adjustments
 - Completed within the same fiscal year contributions are due
 - Employer must obtain written consent from the employee to adjust through the paycheck
- HB2422: Public Retirement Systems
 - Establishes 90-day waiting period for CORP employees hired on or after September 1, 2019
 - Credit for Military Service - EODCRS, PSPDC
 - Establishes deferred compensation plan administered by the Board for participants of systems or plans (State governed by A.R.S. §38-872)
- SB1018: ASRS; compensation; definition
 - Modifies the definition of compensation for members whose membership began on or after January 1, 2020
- SB1146: PSPRS; EORP; CORP; modifications (retroactive clause: 7/19/2011)
 - EORP members prior to 7/20/11 required to contribute 7%
 - Repealed PSPRS DROP participants required contributions (refunds scheduled in June)
Effective on the General Effective Date (90 days sine die) except where noted

HRIS Upgrade

- Security Upgrade [scheduled 4Q 2019]
 - Announced at monthly CFO meetings
 - Security is being upgraded
 - Moving to more standardized model across all agencies
 - Structured differently, should be less roles
 - Remove role conflicts
 - There will be new forms to be completed for anyone with HRIS access
 - Roles and Responsibilities outlined

- Upgrade to V10 [scheduled 2Q 2020]
 - Mostly a Technical Upgrade
 - Supported version to Infor HRIS
 - New features may be rolled out at a later time
 - Mostly as-is with few customizations being removed

ASRS Fiscal Year Intent Review

- 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.”
- At the beginning of each fiscal year, a review of these types of employees needs to be done to determine and document the employer’s intent regarding ASRS 20/20 criteria
 - Intent of employment at the beginning of the new fiscal year or when a job change occurs
- Monitor employees for 20/20 criteria
 - Use “ASRS Eligibility Review (code 9) Report” in the Data Warehouse

ASRS 20/20

- 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

INSTRUCTIONS

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.

Once completed, send this form to your Agency Human Resources or Personnel Office for processing.

Agency H.R.: Ensure the employee's HR11 Retirement Code is appropriate given the intent indicated below. If you have any questions, please contact GAO Central Payroll at Central.Payroll@azdoa.gov.

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

EIN	Employee Name	Position	FTE	Work Schedule
_____	_____	_____	_____	_____

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:

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 as 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 as this time. You can attach additional information if needed.]

[Check Only One]

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

_____	_____	_____	_____
EIN	Authorized Signature	Date	Agency ID / Name

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
- **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
 - Handwrite adjustments must be submitted before handwrite is created
 - After tax deduction codes to charge the employee for the employer premium:

DEDUCTION CODE	DEDUCTION DESCRIPTION	DEDUCTION AMOUNT
D181	DENTAL-DELTA-ER PORTION	4.58
D006	DELTA DENTAL - ER	(4.58)
M187	MEDICAL-UHC-ER PORTION	549.72
M024	UNITED HEALTHCARE EPO - UNES - ER	(549.72)

Deduction Code	Description	Deducti on 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		

Benefit Arrears - Handwrites

- Employee had a \$0 payment (pay code 950 or LWOP) and still has wages due; or
- Employee received partial pay on compute and still has wages due; or
- Employee is Deceased
 - Create ZR80 Handwrite using Deduction Cycle 5
 - Must wait until payday Thursday to be able to select one-time deductions
 - Select all pending one-time deductions
 - If there are low wages, select the earliest dated one-time deduction first
- Employee is Dismissed
 - Create ZR80 Handwrite using Deduction Cycle 1, 2 or 3
 - Select all pending one-time deductions

The screenshot shows the HRIS State of Arizona interface for SOA Manual Payment (ZR80.1). The form includes fields for Company, Employee, Bank Code, and Payment Number. Below these are tabs for Time Records, Payment, Earnings, and Deductions. The Deductions tab is active, showing a form with fields for Payment Date, Period End Date, Deduction Cycle (set to 5), Time Accrual Flag, and Hours. A red double-headed arrow points from the Deduction Cycle field to the OneTimeDeDs field, indicating a relationship between the two.

Overtime Impacts of Bonuses (U.S. Dept of Labor)

- Non-Discretionary (most bonuses)
 - Must be allocated for overtime and retirement purposes
 - 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). They must be included in the regular rate of pay
- Discretionary (surprise bonus to the employee)
 - §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
 - Not announced in advance. Fully earned when announced, such as a SPOT award
 - Few bonuses are discretionary under FLSA

Compensation Strategies – in June

- Deadline: Incentive Payments should not be scheduled for the June 20th payroll
 - If any errors occur, there is no time left to correct in FY19
 - GAO recommends any incentive payments approved to be paid out of FY19 funds should be scheduled no later than the June 6th payroll
 - No Handwrites issued for incentive payments
- Please coordinate with Agency Leadership as soon as possible to ensure Incentive Payments can be paid as intended
 - Email Central.Payroll@azdoa.gov to coordinate timing

Handwrites through Fiscal Year End

- Should be kept to a minimum to avoid PEDF1 document rejects on the Document Catalog
- Beginning June 24th, Labor will default to Sub Account BFY20, **must update to BFY19**
- Travel & Other Reimbursement handwrites allowed June 20-27, 2019
 - Minimum handwrite threshold lowered from \$100 to \$10
- GAO will be verifying cash and appropriation availability in AFIS



HRIS Statewide ETE Items

- June 13th – 6:00 PM
 - ETE Templates requiring mass upload (100+) are due to GAO
 - Email: Central.Payroll@azdoa.gov
- June 15th – 6:00 PM
 - ETE Cutoff for all agencies
- June 16th – 7:00 AM
 - ETE Interface scheduled for Sunday with FY19 labor
- June 17th - morning
 - Updating Account Template Sub-Account (BFY) 2019 to (BFY) 2020
- June 29th – 6:00 PM
 - Templates must be updated by the ETE deadline
 - HRIS is view only on June 28th, YES (ETE) still available for update

ETE Reports - Data Warehouse

- Two new ETE reports are available in the Data Warehouse:
 - <https://reporting.hris.azdoa.gov>
- **ETE Pending Time Record Report**
 - Detailed listing of pending time records before the biweekly interface to HRIS
 - Important features include:
 - Time Card Status
 - Account Template Usage
 - Supervisor EIN
- **ETE Archived Time Record Audit Report**
 - Corresponds to existing ZS200 ETE audit
 - The Data Warehouse version needs to be run when searching for pay period end dates prior to January 1st 2018
 - Pay Period End Dates prior to 1/1/18
 - Access based on employee's home process level



ETE Archived Time Record Audit Report



ETE Pending Time Record Report
Live Data

IRS Form W-4 update expected

- The 2020 IRS Form W-4 will be updated as a result of enactment of the Tax Cuts and Jobs Act in late December 2017
 - First draft version scheduled to be available May 31, 2019 (www.irs.gov)
 - Second draft version scheduled to be issued during the summer of 2019
- IRS has indicated that the new version should be backwards compatible meaning that an employer should be able to use the new withholding methods whether or not the employee files a new W-4
- Be aware and be prepared since any updates could impact your employee's take home pay
- IRS has published a Withholding Calculator at <https://www.irs.gov/individuals/irs-withholding-calculator> to assist taxpayers with their withholding and avoid surprises when they file their annual income tax return

----- Separate here and give Form W-4 to your employer. Keep the worksheet(s) for your records. -----

<p>Form W-4 Department of the Treasury Internal Revenue Service</p>	<p>Employee's Withholding Allowance Certificate</p> <p>▶ Whether you're entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.</p>
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HRIS Labor Distribution

- After April 26th, any new AFIS accounting elements to be used for HRIS labor distribution on the first pay cycle must be entered as FY20
- FY19 Chart of Accounts (COA) elements will be transmitted to HRIS (during the nightly batch processing) through June 18th
- Beginning June 19th, only FY20 AFIS profiles will be interfaced to HRIS; FY19 elements will no longer be included on the nightly interface
- The Systems Integration team will download all FY20 AFIS COA elements (associated with HRIS labor distribution) on June 13th, for a one-time manual upload to HRIS on June 14th
 - Therefore, BFY20 AFIS COA elements for HRIS labor distribution should be set-up no later than June 12th
 - The manual upload will ensure FY20 labor distribution elements are established in HRIS prior to the updating of ETE Account Templates on Monday, June 17th

HRIS Statewide Position Update

- June 22nd – 23rd
 - XP02/ZP02 Update
 - Updating Sub-Account (BFY) 2019 to (BFY) 2020
 - Update Position labor distribution elements based on Agency requests/submittals
 - Send requests/custom uploads with subject line “HRIS POSITION UPDATES” to GAOSystemSupport@azdoa.gov no later than June 17, 2019
 - Errors must be fixed by June 24th, 2019
- June 28th – HRIS View Only, No Handwrites
 - Perform time entry activities a day early if possible
 - XR23.3 Update
 - Updating Sub-Account (BFY) 2019 to (BFY) 2020
 - Update Multiple Labor Distribution elements based on Agency requests/submittals
 - Send requests/custom uploads with subject line “HRIS POSITION UPDATES” to GAOSystemSupport@azdoa.gov no later than June 17, 2019
 - Errors must be fixed by July 2nd, 2019 (2:00 PM)

Payroll Corrections - AFIS PEDF1 documents

- All AFIS PEDF1 documents in rejected status, must be finalized by July 5, 2019.
- 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.

AFIS Upgrade

AFIS 3.11 Upgrade Scheduled Go-Live Date

Author: Angela Dillard

Date: 03-28-2019

The upgrade to Advantage (AFIS) version 3.11 has been scheduled to begin on Thursday, June 13, 2019, and the system is anticipated to be down until Monday, June 17, 2019 to perform cutover activities.

During the cutover period, AFIS will not be available for view access or to process any documents, including payments and deposits. The infoAdvantage reporting tool will also be unavailable during the cutover period and is expected to be unavailable for an additional 5-7 calendar days. All agencies should plan accordingly.

The last nightly batch cycle in AFIS version 3.10 will be on Wednesday, June 12, 2019, and any warrants from that cycle will be available for pick up or mailed out on Friday, June 14th. ACH payments from the June 12th batch cycle will be sent to Bank of America on Thursday, June 13th.

Agencies that send inbound interfaces to AFIS are requested to hold files until the upgrade has been completed and normal processing begins again. If inbound interfaces are inadvertently sent to AFIS during the cutover period, those files will be saved and processed when the system becomes available.

If any unforeseen circumstances occur that prevent the go-live of the upgrade from occurring on the dates listed above, we will send follow up communication as soon as possible.

If you have any questions, please send an email to AFISHub@azdoa.gov.

HRIS Critical Dates - June - July 2019

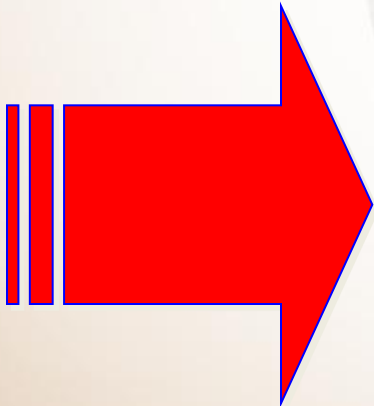
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
26	27	28	29	30	31	1 JUNE PAY PERIOD BEGIN
2 ETE INTERFACE	3	4 COMPUTE	5	6 PAYDAY 12	7	8
9	10	11	12	13 ETE Templates Due to GAO	14 Upload FY20 Labor Distribution Elements	15 PAY PERIOD BEGIN ETE CUTOFF 6PM
AFIS UPGRADE - NO INTERFACES BETWEEN HRIS TO AFIS						
16 ETE INTERFACE 7 AM	17 ETE Templates Uploaded Agency: Check ZR530/ZS535 ETE EXTRACT error reports	18 COMPUTE	19 Only FY20 COA Elements interfaced	20 PAYDAY 13	21 PAY PERIOD END	22 HRIS VIEW ONLY XP/ZP02 SUB ACCOUNT (BFY) UPDATED TO 2020
AFIS UPGRADE - NO INTERFACES BETWEEN HRIS & AFIS						
ETE UNAVAILABLE						
23 HRIS VIEW ONLY XP/ZP02 SUB ACCOUNT (BFY) UPDATED TO 2020	24 AGENCY: FIX XP02/ZP02 UPDATE ERRORS Begin keying for 7/4/19 payday	25	26 HRIS VIEW ONLY PRIOR YEAR ADJUSTMENTS UNTIL 10 AM	27 LAST CHANCE TO PAY IN FY19 NOON DEADLINE	28 HRIS VIEW ONLY NO HANDWRITES XR23.3 SUB ACCOUNT (BFY) UPDATED TO 2020	29 PAY PERIOD BEGIN Last Day to update ETE Templates before Interface ETE CUTOFF 6PM
LABOR WILL DEFAULT TO SUB ACCOUNT (BFY)2020 MUST FIX FOR HANDWRITES					PAY PERIOD END	
30 ETE INTERFACE 7 AM	1 JULY Agency: Check ZR530/ZS535 ETE EXTRACT error reports	2 COMPUTE HRIS COMPUTE 2PM	3 HRIS VIEW ONLY Statewide Updates: New Retirement Rates	4 PAYDAY 14 4TH OF JULY First pay day FY20	5	6

The End

Items to Note from Payroll Calendars

- Prior Year Adjustments; deadline is Friday prior to
- 27 pay days in Calendar Year 2020
- 27 pay days in Budget Fiscal Year 2021

any questions



Next Meeting:
Calendar Year End
Statewide Payroll Meeting
Monday, November 25, 2019
ADOA Conference Room 300