

Payroll Calculation Re-Engineering

State of Arizona – Arizona State Retirement System

Informational Update

December 18th, 2024

Project # RT19004



Your investment.
Your future.
Secure for your lifetime.

Agency Vision

To be a **top-performing** retirement plan, leading the nation in **customer service, investment performance, and organizational effectiveness**

Agency Mission

To provide **highly desirable** and **sustainable** retirement benefits to our members that support the **recruitment** and **retention** of high-quality employees for our employer partners.



Project Team Introduction

Roles Present at ITAC

- **David Bantel – ASRS Senior Project Manager / Business Analyst**
- **Mark Muroka – ASRS TSD Business Analysis Program Manager**

Project Status

Description of Project

On June 16th, 2021, ADOA ASET approved the original project investment justification (PIJ) to procure the Payroll Calculation Re-Engineering project.

This project:

- *Improves efficiency and reduces risk of failure to pay pensions to Arizona State Retirement System (ASRS) members*
- *Provides real time adjusted pension data to members and ASRS employees after each change to key demographic data*
- *Eliminates the batching concept for calculating payments so we are no longer tied to two very stressful payroll runs that require the business to stop their day to day activities while payroll is running*
- *Calculates and disburses New Retiree payments daily instead of the current monthly process*

Why we are returning

CR-1137 approved by ITAC on 9/18/24

- End date of project changed from 11/30/2024 to 07/31/2025

ASRS providing status update to ITAC

Project Status

High Level Project Accomplishments and Issues

New Retiree Payroll Calculation Conversion – Completed 12/5/23

Re-engineer payroll process for ASRS new retirees

Payment Creation Module – Completed 12/5/23

Create new service to calculate payments for ASRS members receiving a monthly benefit

Pension Payroll Calculation Conversion – Estimated Completion 1/31/25 (on target)

Re-engineer monthly payroll process for existing ASRS retirees and members receiving long-term disability

Month End Process – Estimated Completion 2/14/25 (on target)

Re-engineer health insurance reporting process for ASRS employers/health insurance vendors and remove legacy SQL code

Prep and Production Release – Estimated Completion 4/18/25 (on target)

Release preparation and deployment to production environment

Final Payment – Estimated Completion 5/28/25 (on target)

Final pension payment using legacy process

Project Timeline

ID	Project Milestones	Start	Finish	Duration	2023				2024				2025			
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	New Retiree Payroll Conversion Restart	2/1/2023	12/5/2023	220d	██████████											
2	Payment Creation Module	8/18/2023	12/5/2023	78d					██████							
3	Pension Payroll Conversion	1/2/2024	1/31/2025	284d					██████████							
4	Month End Process	9/2/2024	2/14/2025	120d									██████████			
5	13th Check Conversion	10/1/2024	3/17/2025	120d									██████████			
6	Prep and Production Release	3/18/2025	4/18/2025	24d									█			
7	Final Payment	4/30/2025	5/28/2025	21d									█			
8	Code Cleanup	6/2/2025	7/31/2025	44d									████			

Current Overall Project Health **Green**

Budget		<ul style="list-style-type: none">• Project is estimated to complete under budget
Schedule		<ul style="list-style-type: none">• 07/31/15 project end date - on target
Scope		<ul style="list-style-type: none">• No current or anticipated scope changes
Milestones		<ul style="list-style-type: none">• Detailed pension milestones - on target• Production pension release - on target
Risks		<ul style="list-style-type: none">• No current or anticipated risks
Issues		<ul style="list-style-type: none">• No current issues

Financial Status

Current Project Costs

Project Costs by Category	FY 2021	FY 2022	FY 2023	FY 2024	Total Through 11/30/24
Professional & Outside Services (Contractors)	\$26,437.75	\$12,928.18	\$99,467.25	\$210,137.93	\$429,531.11

Financial Burndown Chart

Current burndown for Solution

Project Budget: \$998,000 Project Start Date: 6/26/2021
 Expenditure to date: \$429,539 Est. End Date: 7/31/2025
 Budget Remaining: \$568,461
 Est. Expenditures Remaining: \$160,000

	SFY 2025												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	April	May	Jun	
Baseline Projection	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Actual	\$14,592	\$15,360	\$18,432	\$14,592	\$14,592								
Variance (\$)	\$5,408	\$4,640	\$1,568	\$5,408	\$5,408								
Variance (%)	27%	23%	8%	27%	27%								

Notes:

Q & A Session

Appendix A

Pension Payroll Conversion Detailed Timeline

ID	Project Milestones	Start	Finish	Duration	2024				2025			
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	Pension - Infrastructure and Workflow	1/2/2024	5/27/2024	21w								
2	Pension - Data Validations	5/15/2024	8/23/2024	14.6w								
3	Pension – Individual & Bulk Recalculation	6/12/2024	9/24/2024	15w								
4	Pension – Health Insurance Testing	9/9/2024	11/29/2024	12w								
5	Pension – Payment Testing	10/7/2024	12/27/2024	12w								
6	Pension – Reports and Notifications	12/4/2024	1/14/2025	6w								
7	Pension – Integration Testing	1/2/2025	1/22/2025	3w								