CPDHE GG Mini-grant Final Report

Paperless Payroll -- Employee Self-Service Implementation

Background

Printed employee pay advices from the State of Colorado’s payroll system costs the State of Colorado approximately $60,000 per year in paper, printing, and distribution costs. The current Employee Self-Service system can show employee pay advices to employees, but only within the State network and only during work hours when the employee has access to the state network.

The State of Colorado payroll system has an Employee Self-Service (ESS) that can allow employees to access their pay advices online, anytime through a web browser if it is upgraded and built in the server area accessible outside of the state network. Office of Information Technology (OIT), Enterprise Application Services and Department of Personnel Administration planned a project to upgrade and move ESS outside the State of Colorado’s firewall so that state employees can access their pay advices online, anytime.

Project Description

The project involved several parts, including:

- Change the central payroll system to print or not print the employee pay advice by individual employee.
- Upgrade ESS to a vendor version that was capable of keeping data secure but still be outside of the State of Colorado’s firewall.
- Encrypt all data transmissions coming into and out of ESS.
- Use security scans to confirm that the ESS software and server environment was safe to provide personal identification information outside of the State’s firewalls.

The central payroll system was changed to control printing of individual employee pay advices back in October. It was found that 92% of the State of Colorado’s employees have access to ESS from within the State network. Printing of pay advices for these employees was stopped fall of 2011. Notices of that project phase success is in the Appendix.

But this was not enough. Employees would only have access to their pay advices from within the state network and during work hours. So the next phase of the project continued by upgrading ESS to a version that would be able to pass security concerns for protecting personal identification information and federal tax information. During this phase, OIT obtained contractor help from PeopleStrategy, Inc. to upgrade the current ESS to the most recent version that had increased security precautions built into the software. New ESS features were analyzed and prepared along with several functional improvements not in the older version.
This new version of the ESS software was scanned and approved by OIT’s Information Security Office. Implementation plans to move the ESS system into production environment were made and executed. The system is now on production servers outside the state’s network firewalls with encrypted data transmissions being put in place.

Department of Personnel & Administration will review ESS system in August and ISO will do a final security scan of the environment prior to Go-Live planned for August.

**Employee Self-Service**

Here is the first web page an employee will see when logging into ESS.

![Employee Self-Service](image)

The newly upgraded version of ESS has expanded capability from what the current version has. The new version has the residence address for benefits determination and mailing address for employee notices. It has license and personal information available for browse.

The new version also has a few additional paper saving features. There is the Colorado State W-4 form that an employee can update to make changes to their state tax elections saving the printing and storage of this form. ESS has the ability to show employees Human Resource and Payroll Forms and the State Employee Handbook in PDF document form. It will also allow each agency to communicate agency documents to just the employees in that agency saving the distribution of Agency Handbooks, policy manuals, forms, etc.
This new version serves as a base for the vendor’s upcoming feature which will allow electronic distribution of W-2 forms. The W-2 form is currently available on ESS, but it is not an official paper form that can be filed with paper IRS tax filing. The version available can be used for electronic filing of W-2 information.
The Pay Stub Detail was updated with several features available on the printed pay stub that were not available on the current ESS and changed to allow the viewing of up to a year’s worth of pay stubs for either bi-weekly or annual employees.
Project Milestones

<table>
<thead>
<tr>
<th>Project Deliverables and Tasks</th>
<th>Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monitor current ESS for increased volume use</td>
<td>October 2011</td>
</tr>
<tr>
<td>Increase current ESS memory</td>
<td>October 2011</td>
</tr>
<tr>
<td>Individual employee pay advice print indicator change and implementation</td>
<td>October 2011</td>
</tr>
<tr>
<td>Create test and production new ESS servers</td>
<td>November 2011</td>
</tr>
<tr>
<td>Implement latest ESS version in new test environment</td>
<td>November 2011</td>
</tr>
<tr>
<td>PeopleStrategy contract negotiated and signed</td>
<td>February 2012</td>
</tr>
<tr>
<td>Software security scan by ISO</td>
<td>February 2012</td>
</tr>
<tr>
<td>Design document reviewed by Department of Personnel &amp; Administration</td>
<td>February/March 2012</td>
</tr>
<tr>
<td>Contractor available and access provided</td>
<td>April 2012</td>
</tr>
<tr>
<td>Construction</td>
<td>April-mid-June 2012</td>
</tr>
<tr>
<td>QA Testing</td>
<td>June 2012</td>
</tr>
<tr>
<td>Create User Guides</td>
<td>June 2012</td>
</tr>
<tr>
<td>Implementation Plan</td>
<td>June 2012</td>
</tr>
<tr>
<td>Implementation of Software and Data into production environment</td>
<td>June 2012</td>
</tr>
<tr>
<td>Implementation of data transmissions</td>
<td>In progress</td>
</tr>
<tr>
<td>ISO final security review</td>
<td>Scheduled for August 2012</td>
</tr>
<tr>
<td>Department of Personnel &amp; Administration review of ESS functionality in production environment</td>
<td>Scheduled for August 2012</td>
</tr>
</tbody>
</table>

User Guides

As part of the project, User Guides were developed for Employees, Administrators, and Deployment roles within Employee Self-Service. The Employee User Guide is in the Appendix.
Environmental and Public Health Benefits

Approximately, 40,000 pay advices were printed a month by the State of Colorado. This is 80 reams of paper per month, 960 reams per year. According to conservative.org, one tree makes 16.67 reams of copy paper. Per year the State of Colorado is saving more than 57 trees.

The cost for each pay advice is $.052 per printed side plus paper at .004 per sheet. This is a savings of $2,240 per month or $26,880 per year. In addition to paper and ink savings, there is the time required for manual distribution effort for each agency which could include envelopes and postage in some cases. This distribution effort was estimated conservatively at $33,120.

In terms of taxpayer money, the project saves $60,000 a year!

Finally, besides saving the cost of printing ink, there is also a reduction of environmental emissions from ink and the increased worker safety from not having to use ink to print the deposit advices.
Grant Expenditures

The grant monies were used to offset the costs of the Microsoft Windows Server and Microsoft SQL server licenses and contracting services from PeopleStrategy, Inc.

<table>
<thead>
<tr>
<th>Expenditure Categories</th>
<th>Total Amount Requested from CDPHE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Services including Fringe Benefits</td>
<td>$0.00</td>
</tr>
<tr>
<td>Supplies &amp; Operating Expenses</td>
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<tr>
<td>Travel</td>
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<tr>
<td>Other Costs</td>
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<tr>
<td>Contractual (payments to third parties or entities)</td>
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<tr>
<td><strong>SUB-TOTAL BEFORE INDIRECT</strong></td>
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<tr>
<td>Indirect</td>
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</tr>
<tr>
<td><strong>TOTAL THIS INVOICE</strong></td>
<td><strong>$20,000.00</strong></td>
</tr>
</tbody>
</table>
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FOR IMMEDIATE RELEASE
Colorado Department of Personnel & Administration

Sue Cobb
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303.249.2490 mobile
sue.cobb@state.co.us

State of Colorado Moves to Paperless Payroll
Saving Resources and Money

DENVER – Thursday, December 29, 2011 – The Colorado Department of Personnel & Administration (DPA) has teamed up with the Governor’s Office of Information Technology (OIT) to take the paper out of employee paychecks. The initiative, which went live in late November, has saved the State more than $5,400 in paper, printing and postage to date.

DPA Executive Director Kathy Nesbitt projected the effort will lead to more than $60,000 in savings over the next year. “Will this savings balance the State’s budget? Of course not. But it does demonstrate that DPA and OIT, as with all agencies under Governor Hickenlooper’s authority, are leaving no stone unturned as we seek new ways to create savings and improve efficiencies in State government.”

OIT Executive Director and State CIO Kristin Russell stated, “This is a perfect example of how we are leveraging technology in a smart way to streamline and improve state government.”

Calling the joint agency initiative a “triple win,” Nesbitt added: “In addition to the cost savings, going paperless with employee pay advices saves natural resources and countless hours of staff time that were previously spent distributing paper pay advices.” More than 92 percent of employees now access their pay advices online and the remainder will go paperless early in 2012.

###

Working Together to Serve Colorado
State government moves to paperless payroll, saving money and resources

DENVER — Tuesday, Jan. 10, 2012 — State government payroll has gone paperless in a move that will save taxpayers more than $60,000 annually.

“This is a win-win-win move for the state,” said Gov. John Hickenlooper. “In addition to saving money, the state will conserve natural resources and countless hours of staff time previously spent distributing paper pay stubs to state employees.”

Hickenlooper praised the Colorado Department of Personnel and Administration and the Governor’s Office of Information Technology, which worked together to launch the initiative in late November.

By the end of December, state agencies had saved more than $5,400 in paper, printing and postage costs. Ninety percent of the state’s 33,000 employees now access their pay stubs online. The remainder will go paperless in the coming months.

“Will this savings balance the state’s budget? Of course not,” Hickenlooper said. “But it demonstrates that we are leaving no stone unturned as we seek new ways to create savings and improve efficiencies in state government.”

###
A day after announcing his program to cut red tape in state government, Gov. John Hickenlooper announced that Colorado will institute a paperless payroll system which he said cut waste and needless spending.

Under the plan, state employees will no longer get paper pay stubs but instead will access them electronically online, a move the governor said will not only save money, but trees as well.

“This is a win-win-win move for the state,” said Hickenlooper. “In addition to saving money, the state will conserve natural resources and countless hours of staff time previously spent distributing paper pay stubs to state employees.”

The governor said going paperless will save Colorado taxpayers approximately $60,000 per year.

Already, 90 percent of Colorado’s 33,000 state employees access their pay stubs online and the rest are expected do likewise in the months ahead.

Hickenlooper acknowledges that the anticipated $60,000 in savings won’t make a huge dent in the state’s budget deficit but along with cutting red tape, it’s yet another step in reducing spending and make Colorado government more efficient.

“Will this savings balance the state’s budget? Of course not,” said Hickenlooper. “But it demonstrates that we are leaving no stone unturned as we seek new ways to create savings and improve efficiencies in state government.”

The paperless pay stub initiative, which kicked off in November of 2010, was created by the Colorado Department of Personnel and Administration and the Governor’s Office of Information Technology.
Email Announcing Phase I Paperless Advices

From: Ferguson, Bill
To: Carter, Sandee
Cc: Ozga, Ann; Ferguson, Bill
Subject: FW: Paperless Pay Advices for the month of November
Date: Monday, December 12, 2011 2:50:06 PM

Congrats Sandee and team!! Great work!!! Thanks ~ Bill

From: Hessee, Dara
Sent: Friday, December 09, 2011 4:56 PM
To: Ferguson, Bill; Lynn, Jim
Subject: RE: Paperless Pay Advices for the month of November

This is awesome – thanks!!!

Dara V. Hessee
Chief of Staff
Governor’s Office of Information Technology (OIT)
601 E. 18th Avenue, Suite 250
Denver, CO 80203
Phone: 303-764-7709
Cell: 303-250-2167
Fax: 303-764-7725
Email: dara.hessee@state.co.us
How am I doing? Please contact my manager, Kristin Russell, at kristin.russell@state.co.us for comments or questions.

From: Ferguson, Bill
Sent: Friday, December 02, 2011 1:18 PM
To: Lynn, Jim; Hessee, Dara
Cc: Ferguson, Bill
Subject: FW: Paperless Pay Advices for the month of November

Hi Dara & Jim –

Fyi.
EAS has been working on a project from Governor’s Office via DPA to stop printing paper pay advices and make them available on-line.
This went into production during November for State staff using the State network. Part 2 will make this available “outside” the State network.
These are “Thank you” notes from Kathy Nesbitt and Roxane White.
~ Bill

From: White, Roxane
Sent: Friday, December 02, 2011 11:04 AM
To: Nesbitt, Kathy; Schneider, Marie
Cc: Jaros, Bob; McDermott, David; Okes, Jennifer; Carter, Sandee; Ozga, Ann; Ferguson, Bill
Subject: RE: Paperless Pay Advices for the month of November

I AM SO, SO, SO EXCITED BY THIS! AWESOME!!
From: Nesbitt, Kathy
Sent: Friday, December 02, 2011 10:37 AM
To: Schneider, Marie
Cc: Jaros, Bob; McDermott, David; Okes, Jennifer; Carter, Sandee; Ozga, Ann; Ferguson, Bill; White, Roxane
Subject: RE: Paperless Pay Advices for the month of November

Thank you so much for such an elegant transition. You guys ROCK!

From: Schneider, Marie
Sent: Friday, December 02, 2011 7:49 AM
To: Nesbitt, Kathy
Cc: Jaros, Bob; McDermott, David; Okes, Jennifer; Carter, Sandee; Ozga, Ann; Ferguson, Bill
Subject: Paperless Pay Advices for the month of November

Good Morning Kathy,

I’m pleased to inform you that the first phase of the transition to paperless pay advices, implemented for the November monthly payroll, went very well! As a reminder, this first phase involved turning off the printing of the pay advices for the large majority of employees. We worked together with our applications team in OIT to create a field in CPPS that allows an agency to turn printing on or off for an employee. We instructed the agencies that only employees who do not have access to a computer within the state’s firewall should be allowed to receive a paper pay advice.

On the monthly payroll that paid on Wednesday of this week, out of a possible 28,471 pay advices, we printed 2,252 pay advices which is roughly 7.9%. This represents a paper and printing costs savings of $1,468.26 for this payroll alone! As we move forward, we will be working with the agencies to continue to decrease the number of printed pay advices even further. Another unknown on this project was how well ESS would handle the increased usage. OIT has been closely monitoring the performance of ESS. So far, ESS has responded well to the increase in activity and has remained stable and operational. As of this morning, we have 23,086 active employees registered on ESS. On Wednesday, 2,259 of those employees logged in to ESS to review their pay information. We suspect that so long as employees see their money deposited in to their bank account, and they see the same amount from month to month, they generally aren’t concerned with reviewing their pay information.

We have responded to agency questions and concerns that have been brought to our attention. We expected a high volume of calls and inquiries on Wednesday because of this transition, but were pleasantly surprised to have a ‘normal’ volume of phone calls for a pay day. This tells us that the agencies did a good job communicating this change to their employees and are working with their employees to resolve any concerns that have come up.

We are anxious to move forward with the next phase of this project that involves moving ESS outside of the state’s firewall. Once OIT has made ESS available outside of the firewall, we will be able to turn off printing of the pay advices for all state employees because they will be able to
access ESS from any computer of their choice.

Thank you for your continued support on this project.
Marie

Marie Schneider  
Central Payroll Manager  
Office of the State Controller  
State of Colorado  
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Denver, CO 80202  
P: 303.866.3810  
F: 303.866.4138  
marie.schneider@state.co.us
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ESS Logon

First Time User Logon

- Click the ‘First time User’ link.
• Enter your Employee Id, Social Security Number, Date of Birth, E-Mail Address and Retype your E-Mail Address.
• Click the ‘Submit’ button
First Time User Logon - continued

- Enter your new password
- Re-type your new password
- Click the ‘Submit’ button
Returning User Logon

- Enter your Employee Id and Password.
- Click the ‘Submit’ button
If you are having problems logging in or can’t remember your password, click the ‘Trouble Logging in?’ link.
• Enter your Employee Id, Social Security Number, Date of Birth, E-Mail Address and Retype your E-Mail Address.
• Click the ‘Submit’ button
Trouble Logging in User - continued

- Enter your new password
- Re-type your new password
- Click the ‘Submit’ button
To change your Residence Address or Phone Number, click the ‘Change Residence Address & Phone Number’ link on the side menu or the main menu.
• Enter or change your Name Prefix.
• Enter or change your Name Suffix.
• Enter or change your Home Address lines, City, State and Zip Code.
• Enter or change your Home Phone, Cell Phone or Pager
• Email Address #1 is display only and cannot be changed
• Enter or change your Email Address #2.
• Click the ‘Save’ button.
• Verify changes.
• On the side menu, click ‘Home’ to return to the Main Menu or click ‘Logout’ to exit ESS.
To change your Emergency Contact, click the 'Change Emergency Contact' link on the side menu or the main menu.
• Enter the name of your Emergency Contact.
• From the drop down menu, click on the relationship the Emergency Contact has to you.
• Enter the Phone Number of your Emergency Contact.
• Click the ‘Save’ button.
• Verify changes
• On the side menu, click ‘Home’ to return to the Main Menu or click ‘Logout’ to exit ESS.
To view your Additional Personal Information, click the ‘Additional Personal Information’ link on the side menu or the main menu.
Information on this page cannot be changed.

On the side menu, click ‘Home’ to return to the Main Menu or click ‘Logout’ to exit ESS.
To change your mailing address, click the ‘Change Mailing Address’ link on the side menu or the main menu.
- Enter your street address.
- Enter your city.
- Select your state from the drop down menu
- Enter your zip code.
- Click the ‘Save’ button.
Verify Changes

On the side menu, click ‘Home’ to return to the Main Menu or click ‘Logout’ to exit ESS.
To view your License Information, click the ‘Change License Information’ link on the side menu or the main menu.
- Information on this page cannot be changed.
- On the side menu, click ‘Home’ to return to the Main Menu or click ‘Logout’ to exit ESS.
Contact Your Personnel Administrator

- To view information on how to contact your Personnel Administrator, click the ‘Contact Your Personnel Administrator’ link on the side menu or the main menu.
The administrator contact name, email and phone number is displayed.

On the side menu, click ‘Home’ to return to the Main Menu or click ‘Logout’ to exit ESS.
To view your Pay Stub, click the ‘View Pay Stub Detail’ link on the side menu or the main menu.
Select the paystub date you wish to view from the drop down box at the top of the screen.
Click the ‘Print’ button to get a paper copy of the paystub.
To change your federal or state tax withholding, click the ‘Update Tax Withholdings’ link on the side menu or the main menu.
• The Federal Withholding page display’s first.
• Change your marital status on the line numbered 1.
• To change the number of allowances you are claiming, click on the ‘Personal Allowances Worksheet’ link or enter a new number directly into box number 2. The 'Total Number of Allowances' from the 'Personal Allowances Worksheet' will automatically update box number 2.
• To have an additional amount withheld from your paycheck, enter the amount into box number 3.
• To update your State Withholding, click the ‘Update State Withholding Certificate’ button.
• To save your changes, click the penalties checkbox and click the ‘Submit’ button.
• On the side menu, click ‘Home’ to return to the Main Menu or click ‘Logout’ to exit ESS.
Update State Withholding Certificate

- Change your marital status on the line numbered 1.
- To change the number of allowances you are claiming, click on the ‘Personal Allowances Worksheet’ link or enter a new number directly into box number 2. The ‘Total Number of Allowances’ from the ‘Personal Allowances Worksheet’ will automatically update box number 2.
- To have an additional amount withheld from your paycheck, enter the amount into box number 3.
- To save your changes, click the penalties checkbox and click the ‘Submit’ button.
- Click the ‘Return to Federal W-4’ button or on the side menu click ‘Home’ to return to the Main Menu or click ‘Logout’ to exit ESS.
Personal Allowances Worksheet

Check here for **yourself** if no one else can claim you as a dependent.
Check here if **any** of the following situations apply to you:

- You are single and have only one job; or
- You are married, have only one job, and your spouse does not work; or
- Your wages from a second job or your spouse’s wages (or the total of both) are $1,500 or less.

Check here for your **spouse**. But you may choose not to select this option if you are married and have either a working spouse or more than one job (this may help you avoid having too little tax withheld).
Check here if you will file as **head of household** on your tax return.
Check here if you have at least $1,800 of **child or dependent care expenses** for which you plan to claim a credit.

(Note: Do **not** include child support payments. See Pub. 503, Child and Dependent Care Expenses, for details.)

**Child Tax Credit** (including additional child tax credit). See Pub. 972, Child Tax Credit, for more information:

- If your total income will be less than $51,000 ($90,000 if married), enter “2” for each eligible child; then less “1” if you have three or more eligible children.
- If your total income will be between $61,000 and $84,000 ($90,000 and $119,000 if married), enter “1” for each eligible child plus “1” **additional** if you have six or more eligible children.

Enter the number of **dependents** (other than your spouse or yourself) you will claim on your tax return.

**Total Number of Allowances**

For accuracy, complete all worksheets that apply. Please visit the IRS Web site for copies of the following worksheets if they apply to you:

- If you plan to **itemize or claim adjustments to income** and want to reduce your withholding, see the Deductions and Adjustments Worksheet.
- If you have **more than one job** or are married and you and your spouse both work and the combined earnings from all jobs exceed $18,000 ($32,000 if married), see the Two-Earners/Multiple Jobs Worksheet to avoid having too little tax withheld.

- Check the boxes that pertain to you.
- The ‘Total Number of Allowances’ will automatically update.
- Click the ‘Return to W-4 Form’ button.
To view your W-2 form, click the ‘View W-2 Form’ link on the side menu or the main menu.
View W2 Form - continued

Click the ‘Print’ button to get a paper copy of the W-2 form.
To view information on how to contact your Payroll Administrator, click the ‘Contact Your Payroll Administrator’ link on the side menu or the main menu.
The administrator contact name, email and phone number is displayed.

On the side menu, click ‘Home’ to return to the Main Menu or click ‘Logout’ to exit ESS.
To view or download files, click the ‘Document Center’ link on the side menu or the main menu.
• Click on the link to open the document.
• On the side menu, click ‘Home’ to return to the Main Menu or click ‘Logout’ to exit ESS.
Change Password

- To change your password, click the ‘Change Password’ link on the side menu or the main menu.
• To change your password, enter your current password, enter your new password and re-enter your new password.
• You can also change your ESS contact e-mail address
• Click the ‘Submit’ button
• On the side menu, click ‘Home’ to return to the Main Menu or click ‘Logout’ to exit ESS.
Contact Administrators

- To contact your Administrator, click the ‘Contact Administrators’ link on the side menu or the main menu.
- The administrator contact name, email and phone number is displayed.
- On the side menu, click ‘Home’ to return to the Main Menu or click ‘Logout’ to exit ESS.
To exit the Employee Self-Service application, click the ‘Log Out’ link on the side menu or the main menu.