

COMMUNITY BANK SYSTEM, INC.

Form 4

March 19, 2015

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

OMB  
Number: 3235-0287  
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2005  
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if no longer  
subject to  
Section 16.  
Form 4 or  
Form 5  
obligations  
may continue.  
See Instruction  
1(b).**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF  
SECURITIES**Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,  
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section  
30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
STEELE SALLY A2. Issuer Name and Ticker or Trading  
Symbol  
COMMUNITY BANK SYSTEM,  
INC. [CBU]5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

(Last) (First) (Middle)  
773 STATE ROUTE 1001  
(Street)3. Date of Earliest Transaction  
(Month/Day/Year)  
03/18/2015☒ Director ☐ 10% Owner  
☐ Officer (give title below) ☐ Other (specify  
below)

TUNKHANNOCK, PA 18657

4. If Amendment, Date Original  
Filed(Month/Day/Year)6. Individual or Joint/Group Filing(Check  
Applicable Line)  
☒ Form filed by One Reporting Person  
☐ Form filed by More than One Reporting  
Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (D) Price			

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of  
information contained in this form are not  
required to respond unless the form  
displays a currently valid OMB control  
number.**SEC 1474  
(9-02)**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned  
(e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)

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	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Phantom Stock (Deferred Stock Units)	(1)	03/18/2015		A			850		(1)	(1)	Common Stock	850
Phantom Stock (Deferred Compensation)	(2)								(2)	(2)	Common Stock	27,273.8
Phantom Stock (Stock Balance Plan)	(4)								(4)	(4)	Common Stock	3,063.2

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
STEELE SALLY A 773 STATE ROUTE 1001 TUNKHANNOCK, PA 18657	X			

## Signatures

/s/ Danielle M. Cima, pursuant to a Confirming Statement executed by Sally A. Steele

03/19/2015

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

The reporting person has received deferred stock units under the Community Bank System, Inc. 2014 Long-Term Incentive Plan. Each (1) phantom stock unit which represents a deferred stock unit is the economic equivalent of one share of Community Bank System, Inc. common stock and will be settled in common stock at a predetermined date.

Each unit of phantom stock is the economic equivalent of one share of Community Bank System, Inc. common stock. The units of (2) phantom stock relating to the Deferred Compensation Plan will be settled in Community Bank System, Inc. common stock at future dates selected by the reporting person.

(3) Includes 224.8247 units of phantom stock acquired on January 9, 2015 under the Deferred Compensation Plan's dividend reinvestment feature.

Each phantom stock unit is the economic equivalent of one share of Community Bank System, Inc. common stock. Phantom Stock (Stock (4) Balance Plan) may be settled upon the later of the reporting person's attainment of age 55 or termination of service on Community Bank System, Inc.'s Board of Directors.

(5) Includes 90.44 units of phantom stock acquired in 2014 under the Stock Balance Plan's dividend reinvestment feature.

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Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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