PARENTE CHARLES E

Form 4

February 02, 2009

FORM 4

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

OMB Number:

Expires:

5. Relationship of Reporting Person(s) to

(Check all applicable)

Issuer

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

January 31, 2005

3235-0287

Form 4 or Form 5 obligations **SECURITIES**

2. Issuer Name and Ticker or Trading

COMMUNITY BANK SYSTEM

Estimated average burden hours per response... 0.5

OMB APPROVAL

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 may continue. 30(h) of the Investment Company Act of 1940 See Instruction

Symbol

1(b).

(Print or Type Responses)

PARENTE CHARLES E

1. Name and Address of Reporting Person *

| | | | | INC [CBU] | | | | | (Спеск ан аррисавіе) | | | |
|--|--------------------------------------|--------------------------------------|---|-----------------------|--|--|---------|---|--|--|---|--|
| (Last) (First) (Middle) 356 SEDGWICK COURT | | | 3. Date of Earliest Transaction (Month/Day/Year) 01/05/2009 | | | | | _X_ Director Officer (give pelow) | Director10% Owner Officer (give titleOther (specify below) | | | |
| (Street) NAPLES, FL 34108 | | | | Filed(Month/Day/Year) | | | | <i>1</i> - - | 6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person | | | |
| | (City) | (State) | (Zip) | Tal | ole I - Non | -Derivativo | e Secu | rities Acqu | ired, Disposed of | , or Beneficia | ally Owned | |
| | 1.Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deeme Execution any (Month/Da | Date, if | 3. Transactic Code (Instr. 8) | 4. Securit our Dispos (Instr. 3, 4 | ed of (| | 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) | |
| | Common Stock | 01/05/2009 | | | M | 2,697 | A | \$ 0 (1) | 10,510 | D | | |
| | Common Stock | 01/29/2009 | | | P | 15,000 | A | \$ 18.4133 | 333,000 | I | By Benevento & Mayo Partners | |
| | Common Stock | | | | | | | | 3,000 | I | By Spouse | |
| | Common Stock | | | | | | | | 21,000 | I | By C.E. Parente Trust U/A | |

dated September 12, 1979

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 Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. 5. Number of Derivative TransactionSecurities Acquired (A) or Code Disposed of (D) (Instr. 8) (Instr. 3, 4, and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Un (In | |
|--|--|---|---|---|----------|--|---------------------|-----------------|-----|
| | Security | | | | | | Date Exercisable | Expiration Date | Tit |
| | | | | Code V | (A) | (D) | | | |
| Stock Option | \$ 18.08 | 01/29/2009 | | A | 4,822 | | 01/29/2009 | 01/29/2019 | С |
| Phantom Stock (Stock Balance Plan) | (2) | 01/29/2009 | | A | 532.77 | | (2) | (2) | C |
| Phantom Stock (Deferred Compensation) | (3) | 01/05/2009 | | M | | 2,697.1282 | (3) | (3) | C |
| Phantom Stock (Deferred Compensation) | (3) | 01/29/2009 | | A | 179.7566 | | <u>(3)</u> | (3) | C |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | | | | |
|--------------------------------|---------------|-----------|---------|-------|--|--|--|
| | Director | 10% Owner | Officer | Other | | | |
| PARENTE CHARLES E | | | | | | | |
| 356 SEDGWICK COURT | X | | | | | | |
| NAPLES, FL 34108 | | | | | | | |

Signatures

/s/ Donna J. Drengel, as attorney-in-fact, pursuant to a power of attorney for Charles E. Parente

02/02/2009

**Signature of Reporting Person

Dolotionchine

Date

Reporting Owners 2

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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).
- Each phantom stock unit relating to the Deferred Compensation Plan entitles the reporting person to receive one share of Community
- (1) Bank System, Inc. common stock. On January 5, 2009, the reporting person's phantom stock units were settled for an equal number of shares and cash for .1282 shares at \$23.42 per share.
- Each phantom stock unit is the economic equivalent of one share of Community Bank System, Inc. common stock. Phantom Stock (Stock
- (2) 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.
- Each unit of phantom stock is the economic equivalent of one share of Community Bank System, Inc. common stock. The units of
- (3) 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.
- (4) Includes 22.5987 phantom stock units acquired on January 9, 2009 under the Deferred Compensation Plan's dividend reinvestment feature.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.