

Mucenski Edward S.
Form 4
January 26, 2012

FORM 4

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

OMB APPROVAL

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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 *
Mucenski Edward S.

2. 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)

3. Date of Earliest Transaction
(Month/Day/Year)
01/10/2012

Director 10% Owner
 Officer (give title below) Other (specify below)

10 RIDGEWOOD LANE

(Street)

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

POTSDAM, NY 13673

(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 Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			
Common Stock					3,281.3423 ⁽¹⁾	D	
Common Stock					4,892.6611 ⁽²⁾	I	By PMHV 401(k) Plan

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

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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. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount Number Shares
Phantom Stock (Deferred Compensation)	(3)	01/10/2012		J	V 31.4274	(3) (3)	Common Stock 31.4

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Mucenski Edward S. 10 RIDGEWOOD LANE POTSDAM, NY 13673		X		

Signatures

/s/ Donna J. Drengel, pursuant to a Confirming Statement executed by Edward S. Mucenski

01/26/2012

__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).
- (1) Includes 29.7523 shares acquired on January 10, 2012 pursuant to the Community Bank System, Inc. Dividend Reinvestment Plan.
- (2) Includes 44.3547 shares acquired on January 10, 2012 pursuant to the Community Bank System, Inc. Dividend Reinvestment Plan.
- (3) Phantom stock units were acquired on January 10, 2012 under the Deferred Compensation Plan's dividend reinvestment feature. Each unit of phantom stock is the economic equivalent of one share of Community Bank System, Inc. common stock. The units of 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.

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.