

COMMUNITY BANK SYSTEM, INC.

Form 4

March 20, 2015

FORM 4

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

OMB APPROVAL

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Check this box 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 *
Bolus Mark J.

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)
03/18/2015

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

R.R. #1, BOX 412A
(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

DALTON, PA 18414
(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 | | | | | 62,138.197 ⁽¹⁾ | D | |
| Common Stock | | | | | 5,931.632 ⁽²⁾ | I | By Mark Bolus Trust |
| Common Stock | | | | | 184.21 ⁽³⁾ | I | By daughter, Taylor Bolus |
| Common Stock | | | | | 184.21 ⁽³⁾ | I | By daughter, Paige |

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| | | | |
|--------------|-----------------------|---|-------------------------------------|
| Common Stock | 184.21 ⁽³⁾ | I | Bolus By son, Austin Bolus |
| Common Stock | 184.21 ⁽³⁾ | I | By son, Noah Bolus |
| Common Stock | 4,296.992 | I | By Taylor Bolus Trust |
| Common Stock | 4,296.992 | I | By Paige Bolus Trust |
| Common Stock | 4,296.992 | I | By Austin Bolus Trust |
| Common Stock | 4,296.992 | I | By Noah Bolus Trust |

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

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(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. 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 Underlying Security (Instr. 3 and 4) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title |
| Stock Option | \$ 35.36 | 03/18/2015 | | A | 1,969 | 03/18/2015 | 03/18/2025 | Common Stock |
| Phantom Stock (Deferred Stock Units) | ⁽⁴⁾ | 03/18/2015 | | A | 425 | ⁽⁴⁾ | ⁽⁴⁾ | Common Stock |
| Phantom Stock (Deferred Compensation) | ⁽⁵⁾ | 03/19/2015 | | A | 436.6197 | ⁽⁵⁾ | ⁽⁵⁾ | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Bolus Mark J. R.R. #1, BOX 412A DALTON, PA 18414 | | X | | |

Signatures

/s/ Danielle M. Cima, pursuant to a Confirming Statement executed by Mark J.
Bolus

03/20/2015

__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).

(1) Includes 497.121 shares acquired on January 9, 2015 pursuant to the Community Bank System, Inc. Dividend Reinvestment Plan.

(2) Includes 47.94 shares acquired on January 9, 2015 pursuant to the Community Bank System, Inc. Dividend Reinvestment Plan.

(3) Includes 1.488 shares acquired on January 9, 2015 pursuant to the Community Bank System, Inc. Dividend Reinvestment Plan.

(4) The reporting person has received deferred stock units under the Community Bank System, Inc. 2014 Long-Term Incentive Plan. Each 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.

(5) 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.

(6) Includes 28.5001 units acquired on January 9, 2015 pursuant to 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.

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