

PATTERSON DAVID CHARLES
 Form 4
 February 02, 2009

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

OMB APPROVAL
 OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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 *
 PATTERSON DAVID CHARLES

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)
 256 POTTER ROAD
 (Street)
 CANTON, NY 13617
 (City) (State) (Zip)

3. Date of Earliest Transaction (Month/Day/Year)
 01/01/2009
 4. If Amendment, Date Original Filed(Month/Day/Year)

Director 10% Owner
 Officer (give title below) Other (specify below)
 6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

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 (A) or (D) Price			
Common Stock	01/01/2009		M	1,417 A \$ 0 ⁽¹⁾	26,025	D	
Common Stock	02/02/2009		P	2,500 A \$ 18.0879	8,293.201 ⁽²⁾	I	By Trustee, W& P P.S. Plan

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

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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. 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 (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
Stock Option	\$ 18.08	01/29/2009		A	4,822	01/29/2009	01/29/2019	Common Stock
Phantom Stock (Stock Balance Plan)	(3)	01/29/2009		A	977.21	(3)	(3)	Common Stock
Phantom Stock (Deferred Compensation)	(4)	01/01/2009		M	1,417	(4)	(4)	Common Stock
Phantom Stock (Deferred Compensation)	(4)	01/09/2009		A	153.9526	(4)	(4)	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PATTERSON DAVID CHARLES 256 POTTER ROAD CANTON, NY 13617			X	

Signatures

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

02/02/2009

__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).

Each phantom stock unit relating to the Deferred Compensation Plan entitles the reporting person to receive one share of Community Bank System, Inc. common stock. On January 1, 2009, the reporting person's phantom stock units were settled for an equal number of shares.

(2) Includes 36.628 shares acquired on January 9, 2009 under the Community Bank System, Inc. Dividend Reinvestment Plan.

Each phantom stock unit is the economic equivalent of one share of Community Bank System, Inc. common stock. Phantom Stock (Stock 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.

(4)

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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.

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