

PARENTE CHARLES E
Form 4
January 20, 2006

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 *
PARENTE CHARLES E

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)
01/18/2006

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

356 SEDGWICK COURT

(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

NAPLES, FL 34108

(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	01/19/2006		M	837 ⁽¹⁾ A \$ 0	837	D	
Common Stock					182,858 ⁽²⁾	I	By Benevento & Mayo Partners
Common Stock					3,000	I	By Spouse
Common Stock					10,000	I	By C.E. Parente Trust, U/A

9/12/79

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)			6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Underlying (Instr. 3 and 4)
					(A)	(D)	(V)	Date Exercisable	Expiration Date	
Stock Option	\$ 23.74	01/18/2006		A	3,298			01/18/2006	01/18/2016	Common Stock
Phantom Stock (Stock Balance Plan)	\$ 0	01/18/2006		A	480			(3)	(3)	Common Stock
Deferred Stock (Deferred Comp.)	\$ 0	01/18/2006		A	1,777.25			(4)	(4)	Common Stock
Deferred Stock (Deferred Comp.)	\$ 0	01/19/2006		A	19.7517			(4)	(4)	Common Stock
Deferred Stock (Deferred Comp.)	\$ 0	01/19/2006		M		837.5798		(4)	(4)	Common Stock

Reporting Owners

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

Signatures

Donna J. Drengel, as attorney-in-fact, pursuant to a power of attorney

01/20/2006

__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) Upon the exercise of the deferred compensation shares, the reporting person received cash for .5798 shares at \$22.55 per share.

These shares are owned by a limited partnership. The reporting person holds a membership interest in the limited liability company that is a general partner of such limited partnership. The reporting person disclaims beneficial ownership of these shares, except to the extent of his pecuniary interest in the shares.

(3) Phantom Stock (Stock Balance Plan) may be exercised 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) Awards relating to the Deferred Stock units (Deferred Comp. Plan) may be exercised upon the reporting person's attainment of age 64.

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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