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SUBJECT: SCOWB SUPPLEMENTAL WAGE COLLECTION POLICY

PURPOSE: SCOWB provides this policy as guidance for the use of supplemental wage information, when appropriate, to assist in carrying out the performance accountability requirements under section 116 for the WIOA Title I Programs and the Wagner-Peyser Employment Services as amended by Title III. This policy is in guidance with OWDI #2-2018.

REFERENCES:

- The Workforce Innovation and Opportunity Act (WIOA) Section 116
- Federal Register/Vol. 81. No.161, Parts 677
- U.S. Department of Labor/Employment and Training Administration Training and Employment Guidance Letter (TEGL) No. 26-16
- U.S. Department of Labor/Employment and Training Administration Training and Employment Guidance Letter (TEGL) No. 10-16
- OWDI #2-2018

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POLICY:

Section 116 of WIOA establishes performance accountability indicators and performance reporting requirements to assess the effectiveness of States and local areas in achieving positive outcomes for the individuals served. Since these performance indicators require reporting on all participants and eligibility to participate in any of the programs under WIOA and eligibility is not contingent upon the individual providing a Social Security Number (SSN), there are challenges the core programs face in tracking the progress of individuals for whom obtaining a quarterly wage record match may not be possible.

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Direct Unemployment Insurance (UI) wage match, obtained through either State UI data or the out-of-State wage record data exchange, via appropriate data sharing agreement, will be the primary data source for verifying participant outcomes for purposes of calculating levels of performance for the employment-related indicators and will be used when available.

Supplemental wage information and wage data obtained from either the participant or the participant’s employer may be utilized to collect employment-related data as necessary for calculating levels of performance. Program participants for which a direct record match may not be available include, but are not limited to:

- Federal employees;
- Military employees;
- Individuals who are self-employed;
- Individuals who do not provide a SSN; or
- Individuals who engage in employment that is excluded from employer tax filings covered under Federal and State UI laws

The optimal time to collect supplemental wage information is immediately following the second and fourth full quarters after exit. The more time that elapses before participants are contacted after they exit the program, the greater likelihood of a lower response rate resulting in missing or inaccurate data. The table below illustrates the timeline for supplemental wage data collection:

Timeline for Data Collection		
Performance Indicator^a	UI Wage Data Becomes Available	Collection of Supplemental Wage Information May Begin
Employment Rate – Second Quarter after Exit (including Title I Youth)	During third or fourth quarter after exit	Beginning third quarter after exit
Employment Rate – Fourth Quarter after Exit (including Title I Youth)	During fifth or sixth quarter after exit (first or second quarter, next program year)	Beginning fifth quarter after exit
Median Earnings – Second Quarter after Exit	During third or fourth quarter after exit	Beginning third quarter after exit
Credential Attainment – within 1 Year after Exit	During second or third quarter after exit	Beginning second quarter after exit

Supplemental wage information may be acquired in an interview by program staff with the participant or the participant’s employer. Supplemental wage information must be collected quarterly after exit for the previous quarter, be reported in the participant’s applicable program enrollment in OKJobMatch under the program details Wages section, have support documentation uploaded into OKJobMatch, and include the following information:

- Quarter for which data is being collected

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- O*NET – Standard Occupation Classification (SOC)
- NAICS – North American Industry Classification System
- FEIN – Federal Tax Identification Number
- Employer
- Company City
- Company State
- Source of Supplemental Data
- Total Earnings for Quarter

Quarter 1			Quarter 2			Quarter 3			Quarter 4		
July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March	April	May	June

One Acceptable Source Document for supplemental wage information listed below must be uploaded into the participant’s case file in OKJobMatch as an **Enrollment** documentation item type and a **Validation** document type for the applicable enrollments.

Tax documents, payroll records, and employer records such as:

- Copies of quarterly tax payment forms to the Internal Revenue Service, such as a Form 941 (Employer’s Quarterly Tax Return);
- Copies of pay stubs (minimum of two pay stubs); or
- Signed letter or other information from employer on company letterhead attesting to an individual’s employment status and earnings.

Other supplemental wage records:

- Income earned from commission in sales or other similar positions;
- Automated database systems or data matching with other partners with whom data sharing agreements exist;
- WIOA Partner’s administrative records that contain required employment and wage information, such as current records of eligibility for programs with income-based eligibility (e.g., Temporary Assistance for Needy Families (TANF) or Supplemental Nutrition Assistance Program (SNAP)); or
- WIOA Participant Supplemental Wage Quarterly Exit Data Collection Form, reference the current source documentation policy;
- Self-employment worksheet signed and attested to by program participants, reference the current source documentation policy. Earnings (or net profit) can be calculated by subtracting total expenses from gross receipts. Not all self-employed individuals receive a salary, but the funds that represent income over expenses that are available to be invested back into the business are considered earnings.

Participants who provide a SSN and have exited a program but for whom information is not yet available, are not included in performance calculations until such data subsequently becomes available. There is a two-quarter lag built into the reporting periods to allow time for reporting participant exits and direct UI wage record match, and for obtaining supplemental wage information not yet available. It is not necessary for supplemental wages to be collected on

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those clients that should have wages collected by direct wage match. However, it is imperative to closely monitor these participants to verify direct UI wage data once the allotted timeframe has passed to ensure that wage data is available and supplemental wage collection is not needed.

Example: *If a participant exits the program between July 1, 2016 and September 30, 2016 (first quarter of program year (PY) 2016) for the Employment Rate – Second Quarter After Exit data.*

- *The Employment Rate information collected (employer and wage) will be for third quarter of PY 2016 (January 1, 2017 – March 31, 2017).*
- *Supplement Wage Collection may begin the fourth quarter of PY 2016 (April 1, 2017 – June 30, 2017).*
- *UI wage data will become available either the third or fourth quarter after exit (April 1, 2017 – June 30, 2017 or July 1, 2017 – September 30, 2017).*
- *The participant will not be included (reported) in the Employment Rate – Second Quarter After Exit until the quarterly report for the quarter ending September 30, 2017 (first quarter of PY 2017) and the annual report for PY 2017 for the period ending June 30, 2018.*

Reporting Data for Employment-Related Performance Indicators Timeline				
Exit Quarter	Report Employment Rate – 2nd Quarter (including Title I Youth) by End of:	Report Employment Rate – 4th Quarter (including Title I Youth) by End of:	Report Median Earnings by End of:	Report Credential Attainment (Employment) – within 1 Year after Exit by End of:
First Quarter (Q1) <i>(July 1 – September 30)</i>	Q1, Next Program Year (four quarters later)	Q3, Next Program Year (six quarters later)	Q1, Next Program Year (four quarters later)	Q3, Next Program Year (six quarters later)
Second Quarter (Q2) <i>(October 1 – December 31)</i>	Q2, Next Program Year (four quarters later)	Q4, Next Program Year (six quarters later)	Q2, Next Program Year (four quarters later)	Q4, Next Program Year (six quarters later)
Third Quarter (Q3) <i>(January 1 – March 31)</i>	Q3, Next Program Year (four quarters later)	Q1, Second Program Year After Exit (six quarters later)	Q3, Next Program Year (four quarters later)	Q1, Second Program Year After Exit (six quarters later)
Fourth Quarter (Q4) <i>(April 1 – June 30)</i>	Q4, Next Program Year (four quarters later)	Q2, Second Program Year After Exit (six quarters later)	Q4, Next Program Year (four quarters later)	Q2, Second Program Year After Exit (six quarters later)

to remind participants—before program exit—that they or their employers may be contacted to obtain confirmation of employment status and earnings, and to explain the expected timeframe for those follow-up contacts. Therefore, programs should inform participants at program entry about the supplemental wage information follow-up process and collect multiple forms of contact information about them. In addition, participants should be encouraged to provide new addresses and phone numbers when they move, and programs

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should implement procedures to update this information periodically while the participant remains enrolled in the program.

The following must be considered when collecting supplemental information for purposes of calculating levels of performance for the employment-related indicators:

- It is required to report a participant's status in unsubsidized employment during the second and fourth quarter after exit.
- It is required to report a participant's quarterly earnings during the second quarter after exit in order to calculate the median earnings performance indicator.
- If supplemental wage information is used to determine employment status in the second quarter after exit, then supplemental wage information must be used to
- determine median earnings in the second quarter after exit. There are no requirements to use supplemental wage information across multiple reporting periods (second and fourth quarters after exit) in the event an individual's employment status has changed.
- OKJobMatch will utilize direct wage records when available for performance reporting even if supplemental wage information is available in the system, since direct wage match yields the most reliable data.
- A participant's quarterly earnings used for reporting the median earnings indicator second quarter after exit only reflects those wages that are actually paid to (or earned by) the participant during the quarter, not projected amounts, and is representative of the participant's regular hours and earnings.
- Wages include all compensation for services including commissions, bonuses, the cash value of all compensation in any medium other than cash, dismissal payments, gratuities received, and wages earned but not actually paid (i.e., distribution of an employer's assets for the benefit of creditors or garnishment for child support payments, etc.)
- Participants who do not have the necessary data to complete a wage record match and do not collect supplemental wage information are still included in the employment status performance calculations as a negative for the applicable quarter after exit.
- Participants will be excluded from the median earnings indicator calculation if the employment rate second quarter after exit is a negative.

1. Individuals will be informed at program entry regarding supplemental wage requirements through the explanation of the orientation document. Information provided to individuals must include participant expectations, required documentation, and collection timeframes, during the orientation. The individual and case manager will sign the orientation document.

2. All participants will be included in the supplemental wage information collection procedure.

3. Supplemental wage information collection process includes the following information:
a. Participant must sign the enrollment orientation form stating: Job seeker and/or their employers may be contacted to obtain confirmation of employment status and earnings any time during and up to 13 months after exit of the program. You

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- may be required to present pay stubs, W-2 statements, Copies of quarterly tax payment forms to the Internal Revenue Service, such as a Form 941 (Employer's Quarterly Tax Return); or Signed letter or other information from employer on company letterhead attesting to an individual's employment status and earnings.
- b. Case Manager will ask former participants or their employers for cooperation with voluntary and truthful disclosure of all wages by using Attachment IV- Employer Contact Consent Form.
 - c. Collection of accurate information, collection timeframes, required documentation, and documentation procedures. Will be performed through the use of the attached documents: Attachments I-V

EQUAL OPPORTUNITY AND NONDISCRIMINATION STATEMENT: All Recipients, and Sub-recipients/Sub-grantees must comply with WIOA's Equal Opportunity and Nondiscrimination provisions which prohibit discrimination on the basis of race, color, religion, sex (including pregnancy, childbirth, and related medical conditions, transgender status, and gender identity), national origin (including limited English proficiency), age, disability, political affiliation or belief, or, for beneficiaries, applicants, and participants only, on the basis of citizenship status or participation in a WIOA Title-I financially assisted program or activity.

ACTION REQUIRED: SCOWB Supplemental wage collection policy is to become a part of your permanent records and made available to appropriate staff and sub-recipients.

ATTACHMENTS:

(All Attachments will be provided as separate documents)

Attachment I: WIOA Supplemental Information Follow-up Survey

Attachment II: Self-Employment Worksheet

Attachment III: Wage Conversion Chart

Attachment IV: Employer Contact Consent Form

Attachment V: Enrollment Orientation Form

APPROVED: SCOWB 09/13/18

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