

Supplemental Wage Information Policy

Effective Date: 10/01/2018

Duration: Indefinite



Purpose:

The purpose of this policy guidance is to provide the requirements to be utilized in the NETLWDA as established by the Workforce Innovation and Opportunity Act (WIOA) and its implementing regulations regarding the use of supplemental wage information, when appropriate, to assist in carrying out the performance accountability requirements under section 116 of WIOA. Supplemental Wage Information is essential for accurate and reliable WIOA Performance Indicators. The NETLWDB will follow all WIOA Federal and TDLWD guidance to ensure the accurate and documentable use of Supplemental Wage Data.

Primary Indicators of Performance:

Under section 116 (b)(2)(A) of the Workforce Innovation and Opportunity Act (WIOA) the performance accountability indicators that apply across the six core programs and are directly affected by wage information are as follows :

- Employment Rate – Second Quarter After Exit: The percentage of participants who are in unsubsidized employment during the second quarter after exit from the program (for title I Youth, the indicator is the percentage of participants in education or training activities, or in unsubsidized employment during the second quarter after exit).
- Employment Rate – Fourth Quarter After Exit: The percentage of participants who are in unsubsidized employment during the fourth quarter after exit from the program (for title I Youth, the indicator is the percentage of participants in education or training activities, or in unsubsidized employment during the fourth quarter after exit).
- Median Earnings – Second Quarter After Exit: The median earnings of participants who are in unsubsidized employment during the second quarter after exit from the program.

Methods and Procedures for Collecting Employment-Related Data for Performance Reporting Purposes

While most forms of employment in the State's workforce will be reported via Direct Unemployment Insurance (UI) wage match, obtained through either State UI data or the out-of-State wage record data exchange, via appropriate agreement, a participant's status in unsubsidized employment and quarterly earnings may be determined by a variety of data sources. Certain types of employers and employees are excluded from coverage under Federal and State UI laws. For program participants engaged in these types of employment and for participants for whom the State does not have an SSN on record, the LWDA and State may use supplemental wage information and wage data from other reliable sources to collect employment-related data necessary for calculating levels of performance.

Sources of supplemental wage information for the types of employees described above include:

- Federal employment records, such as military employment records or records from the U.S. Department of Defense, U.S. Postal Service, and U.S. Office of Personnel Management;
- State New Hires Registry;
- State Department of Revenue or Taxation;
- Railroad Retirement System; and
- Other forms of supplemental wage information (see description in the next section).

When voluntarily collecting supplemental information for the purpose of calculating levels of performance for the employment-related indicators, acceptable forms of supplemental wage information, relevant to the core programs, include, but are not limited to, the following:

1. 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.

2. Other supplemental wage records:
 - Follow-up survey (self-reported) from program participants;
 - Income earned from commission in sales or other similar positions;
 - Detailed case notes verified by employer and signed by the counselor, if appropriate to the program;
 - Automated database systems or data matching with other partners with whom data sharing agreements exist;
 - Systems' administrative records, such as current records of eligibility for programs with income-based eligibility (i.e., Temporary Assistance for Needy Families (TANF) or Supplemental Nutrition Assistance Program (SNAP)); or
 - Self-employment worksheets signed and attested to by program participants.

Data must be collected on participant's wages during the second quarter after exit from the program. The need for supplemental wage information for some individuals may not become apparent until no match is found in direct UI wage records, or in federal or military employment records, which become available on a time-lagged basis. UI wage data for the employment rate and the median earnings indicators during the second quarter will not become available until the latter part of the third quarter after exit, and UI wage data for the education or employment rate during the fourth quarter after exit will not become available until the latter part of the fifth quarter after exit.

Participants who did not provide a SSN, or for participants not covered by UI wage data, such as those who received entrepreneurial or self-employment training, the State does not need to wait two quarters after the close of the second and fourth full quarters after exit to formally document that UI wage data are not available and begin collection of supplemental wage information. The optimal time to collect supplemental wage information is as soon as possible following the close of the second and fourth full quarters after exit. In general, it is recommended the programs 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. While this reminder is applicable to all participants, it is especially important for those participants for whom UI wage data are not available.

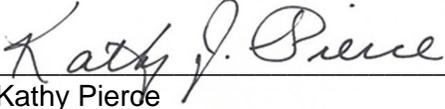
Quarterly data reporting is required for all core programs except for the AEFLA program (i.e., the Adult, Dislocated Worker, Youth, Wagner-Peyser, and VR programs) (20 CFR 677.235(a), 34 CFR 463.235(a), and 34 CFR 361.235(a)). Data is collected on a quarterly basis and must be entered in VOS timely and on a quarterly basis. All NETLWDA staff needs to be capable of identifying participants who should be followed using supplemental methods. (i.e., all

participants for whom direct UI wage record match Federal, or military employment records are not or were not yet available for data matching). If a program uses supplemental wage information follow-up to retrieve data on any of the employment-related performance indicators, data must be collected on all of these indicators within the follow up section of the Virtual One Stop (VOS), or missing and incomplete data points will be counted as a negative when calculating levels of performance for the indicator(s).

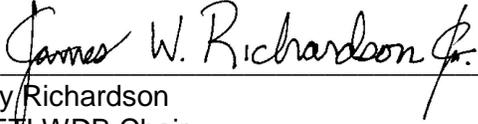
CONTACT: Questions concerning the above may be addressed to Kathy Pierce, Executive Director of the NETLWDB at kpierce@ab-t.org.

This policy will remain in effect until amended, modified, or set aside by the Northeast Tennessee Local Workforce Development Board.

APPROVED:



Kathy Pierce
NETLWDB Executive Director



Jay Richardson
NETLWDB Chair