New Jersey
Workforce Innovation Notice 2-17 (P)

TO: Workforce Development System

FROM: John Bicica, Chief
Office of WIOA Technical Assistance and Capacity Building

SUBJECT: The use of Supplemental Wage Information to implement the Performance Accountability Requirements under the Workforce Innovation and Opportunity Act (WIOA).

DATE: August 7, 2017

Purpose: To provide guidance on the requirements regarding the use of supplemental wage information, when appropriate, as related by the United States Department of Labor (USDOL) in Training and Employment Guidance Letter (TEGL) 21-16, and instruction on data entry of this information into America's One-Stop Operating System (AOSOS).

Background:
WIOA allows workforce programs to utilize supplemental wage information for the purpose of reporting on employment-related performance indicators in situations where information is not available through the Unemployment Insurance (UI) systems, such as self-employment or when a customer does not provide a Social Security Number (SSN). TEGL 26-16 provides clarification on the use of supplemental wage information. The guidance also applies to the employment-related portion of the credential attainment indicator. Below are summaries of the key sections of the TEGL. Also, instructions on entering supplemental (manual) wage record information into AOSOS is provided in ***Attachment 1-Recoring Supplemental Wages in AOSOS***.

Circumstances for Collecting Employment-Related Data Using Supplemental Methods for Performance Reporting Purposes.

For purposes of the employment-related performance indicators, a participant's status in unsubsidized employment and quarterly earnings may be determined by a variety of data sources. To the extent it is consistent with State law, direct UI wage match, obtained through either State UI data or the out-of-State wage record data exchange, via appropriate agreement, will be the primary data source for purposes of calculating levels of performance for the employment-related indicators and will be used when available. UI wage records included private sector and government employer wage records, such as:

- State government employment records;
- Local government employment records;
- Judicial employment records; and

- Public school employment records

While most forms of employment in a State's workforce will be reported via employer tax filings in the UI wage records system as noted above, 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 a Social Security Number (SSN) on record, States may use supplemental wage information and wage data from other reliable sources to collect employment-related data necessary for calculating levels of performance.

Individuals for whom a quarterly wage record match would not be available through the State UI data system included but are not limited to:

- Federal employees;
- Military employees; or
- Individuals who are self-employed.

New Jersey is a signatory to the Wage Record Interchange System (WRIS) and can access State UI wage records through the WRIS. Performance reporting for the Adult Education and Family Literacy Act (AEFLA) and Vocational Rehabilitation (VR) programs is not a permissible query of the WRIS, and the WRIS cannot be used to obtain UI wage records to carry out performance reporting for the AEFLA and VR programs. However, performance reporting for the AEFLA and VR programs will be a permissible query of the State Wage Interchange System (SWIS). That is, the SWIS can be used to obtain UI wage records to carry out performance reporting for the AEFLA and VR programs. As has been true with the WRIS, States that are not signatories to the SWIS will not be able to access State UI wage records through the SWIS.

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 US Department of Defense, the US Postal Service, and the US Office of Personnel Management;
- State New Hires Registry;
- State Department of Revenue or Taxation;
- Railroad Retirement System; and
- Other forms of wage information (see description in the next section).

Supplemental Wage Information Methods and Procedures

Acceptable forms of supplemental wage information, relevant to the core program, include, but are not limited to, the following:

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:
- 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;
- One-Stop operating systems' administrative records, 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
- Self-employment worksheets signed and attested to by program participants (Earnings or net profits 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.)

> **Note:** The documentation used to validate employment through supplemental wages must be maintained in the customer's record. ***Attachment 1-Recording Supplemental Wages in AOSOS*** provides instruction on uploading documents directly into AOSOS, including the protocols for naming documents that are scanned and uploaded.

PROCEDURES FOR COLLECTING SUPPLEMENTAL WAGE INFORMATION.
It is recommended that the following procedures be attended when a State determines the need to collect supplemental wage information:

Participants should be informed that they may be contacted later and asked about their employment outcomes. Therefore, program staff should inform participants at program entry about the supplemental wage information follow-up process and collect extensive contact information about them, such as addresses and phone numbers of relatives or others who may know the participants' whereabouts over time and employment information, if applicable. In addition, participants should be encouraged to provide new addresses and phone numbers when they move, and programs should implement procedures to update this information periodically while the participant remains enrolled in the program. These procedures can greatly assist in locating former participants months later when the supplemental wage information may need to be collected.

Data must be collected on participants' employment status during the 2nd and 4th Quarter (Q) after the participant exits the program and, for purposes of calculating levels of performance for the median earnings indicator. Data must be collected on participants' wages during the 2nd Q after exit from the program. Follow-up to collect supplemental wage information may be conducted by the State, local programs, or a third-party contractor. The timing for collecting supplemental wage information may vary based on whether the agency knows or expects that UI wage data will not be available for a participant following the exit from a program.

Note: 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 date for the employment rate and the median earnings indicators during the 2nd Q will not become available until the latter part of the 3rd Q after exit
- UI wage date for the education or employment rate during the 4thQ after exit will not become available until the latter part of the 5th Q after exit

Staff do not need to wait two quarters after the close of the 2nd and 4th full Q after exit to formally document that UI wage data are not available and begin collection of supplement wage information (for individuals who did not provide a SSN, or those not covered by UI wage data, such as those who received entrepreneurial or self-employment training). The optimal time to collect supplemental wage info is as soon as possible following the close of the 2nd and 4th full Q after exit. It is recommended that the programs remind the 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. This reminder is especially important for those participants for whom UI wage data are not available.

Table 1, below, summarizes the times when data match or supplemental wage data are to be collected.

Table 1: Timeline for Commencing Data Collection for Employment-Related Performance Indicators

Performance Indicator	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

For all performance indicators, exit is the point after which a participant who has received services through any program meets the criteria for exit from that program, or under an applicable common exit policy. For individuals for whom the agency knows or predicts UI wage data will not be available (such as those participants who do not provide an SSN, or for participants receiving entrepreneurial or self-employment training), Staff should begin collecting supplemental wage information as close to the reference period as possible.

Participants who provide an SSN and have exited a program, but for whom information is not yet available, are not included in performance calculations until such data subsequently become available. The Departments expect that UI employer tax record data for these indicators will generally be available, since there is a two-quarter lag built into the reporting periods to allow time for reporting participant exit and direct UI wage record match, and for obtaining supplemental wage information if a direct UI wage record match, or Federal or military employment record, is not yet available. In order to ensure data are available and reported consistently for all participants, UI data should be reported four quarters after exit for second quarter wage and employment information, and six quarters after exit for fourth quarter information. This allows for a one-quarter lag in the reporting of UI wages by employers and an additional one-quarter lag for reporting by the core programs.

Example: If a participant exits the program between July 1, 2016, and September 30, 2016, (first quarter of program year (PY) 2016), the participant will not be included 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.
See Table 2 Below:

Table 2: Reporting Lag

WIOA PY 2016*				WIOA PY 2017			
Jul-Sep 2016	Oct-Dec 2016	Jan-Mar 2017	Apr-Jun 2017	Jul-Sep 2017	Oct-Dec 2017	Jan-Mar 2018	Apr-Jun 2018
Participant Exit				Included in Measure (2Q after Exit)		Included in Measure (4Q after Exit)	

After the two-quarter lag concludes, if the information is still not available, wages will be converted to $0 permanently and employment status will be reported as not employed. Wages reported as $0 will indicate that the participant was unemployed in the second quarter after exit, counting as a negative outcome for purposes of calculating levels of performance for the Employment Rate Second Quarter after Exit indicator and excluding that participant from the calculations of levels of performance for the Median Earnings Second Quarter after Exit indicator. Likewise, if neither a wage record match nor supplemental wage information is available following a two-quarter lag after the end of the fourth quarter following program exit, the participant will be reported as unemployed in the fourth quarter after exit.

Note: For self-employed individuals, 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.

Quarterly data reporting is required for all core programs (i.e., the WIOA Title I, Wagner-Peyser Employment Service, and VR) except for the AEFLA program. States must report AEFLA data on an annual basis, but are required to collect data on a quarterly basis.

To ensure data are collected to satisfy required reporting timelines, particularly for those programs reporting on a quarterly basis, States may decide to conduct supplemental wage information follow-up more frequently than quarterly, as more frequent follow-up may be more convenient or cost efficient. For example, the program could conduct continuous, ongoing, or monthly follow-up activities. Therefore, the Departments recommend that programs ensure the time lag to contact participants after they exit the program be as short as possible to ensure follow-up activities are successful. The longer a program waits to contact participants after they exit the program, the greater likelihood of a lower response rate which could result in less valid data.

The timeframes when employment-related information must be reported are shown in **Table 3** below:

Table 3: Deadlines for Timely Collection of Data for Employment-Related Performance Indicators

Exit Quarter	Report Employment Rate – 2nd Quarter by End of:	Report Employment Rate – 4th Quarter by End of:	Report Median Earnings by End of:	Report Credential Attainment (Employment) – within 1 Year after Exit by End of:
First Quarter (Q1) *(July 1 – September 30)*	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) *(October 1 – December 31)*	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) *(January 1 – March 31)*	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) *(April 1 – June 30)*	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)

Staff should utilize AOSOS to identify participants needing to be followed using supplemental methods (participants for whom direct UI wage record match, Federal or military employment records are not/were not yet available for data matching). In addition, the appropriate information to be retrieved/collected quarterly from participants during follow-up includes:
1) Participants SSN plus contact information
2) Supplemental wage information related to all of the employment- related performance indicators

***Special Note*:** 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, or missing and incomplete data points will be counted as a negative when calculating levels of performance for the indicator(s).

Additional Considerations When Using Supplemental Wage Information for Core Programs
1. The varying intervals of pay schedules mean that not every quarter reflects 13 weeks' wages and the agency may need to make adjustments. The wage conversion chart in **Attachment 2*** provides a conversion tool. It is important to note that when collecting supplemental wage information for the median earnings indicator, programs must only report those wages that are actually paid to the participant during the quarter, not projected amounts based on the wage conversion chart.
*This is the Wage Conversion Chart that was issued by USDOL as an attachment to TEGL 10-16.
2. Core programs must ensure that information gathered is representative of the participant's regular hours and earnings. This information can be acquired in an interview by program staff with the individual or the employer if the information obtained addressed the following information:

- Average hours scheduled per week
- Average hours actually worked per week
- Wage per hour
- Availability of paid leave
- Start and end dates of employment (or start date and still employed).

In the case of the VR program, this detailed information would be included in the case notes from the meeting.
3. Activities related to acquiring supplemental wage and earnings information must conform to an agency's policies and procedures. Supplemental information reported to the core program must be consistent with the core program's reporting requirements

Rescissions
None

References and Links
TEGL 26-16 https://wdr.doleta.gov/directives/attach/TEGL/TEGL_26-16_Acc.pdf

Action Required

One-Stop Operators that intend to utilize supplemental wages must designate two staff members (one primary and one back-up) who will be responsible for entry of manual wages into AOSOS; each Employment Service Manager must designate one staff member from their office. The names of these staff members must be submitted to: Jacqueline Novatin at jacquelin.novatin@dol.nj.us One-stop operators who wish to designate additional staff may submit a request for the additional staff, with a justification, to John Bicica at john.bicica@dol.nj.us

Authority

New Jersey Department of Labor and Workforce Development	**X**
State Employment And Training Commission	

Questions

Please direct general questions to John Bicica, Chief, Coordination and Support, at john.bicica@dol.nj.gov. For questions related specifically to AOSOS, contact Jacqueline Novatin at jacquelin.novatin@dol.nj.gov. For questions related to validation protocols, contact Eric Pierre, Chief, Data Validation at eric.pierre@dol.nj.gov.

Attachment 1-Recording Supplemental Wages in AOSOS

Attachment 2-Wage Conversion Chart

Attachment 1-Recording Supplemental Wages in AOSOS

The following information will provide instructions on how to enter wages manually into AOSOS. **This function will only be available for Administrators with at least "Select" authority for the Service Wage Data (Manual) system process.**

Entering Information in Customer Services

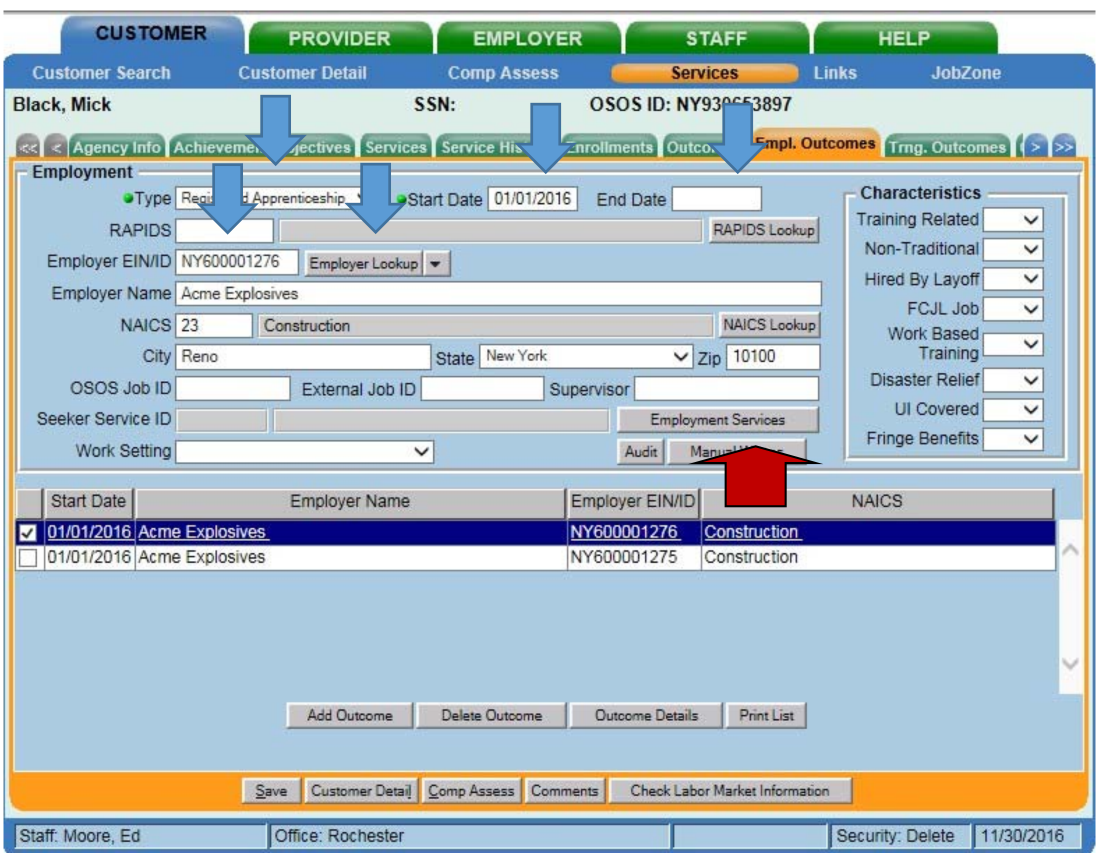
1. In the **Customer Services** Module, click on the **Empl Outcomes** tab. (Figure A1 below)

2. Enter **Type**, **Start Date** and **End Date**

3. Enter the employer's Federal Employer Identification Number (**Employer EIN/ID**) or **Employer Name** and click the **Employer Lookup**. Select the correct employer; this will populate the employer information fields and activate the Manual Wages button. If the employer is not in AOSOS, the employer information must be entered here.

4. Selecting the **Manual Wages** button will display a popup window (Figures A2 and A3 below). At this point, the manual wages may be entered by one of the two methods described below.

Figure A1(Entering Information in Customer Services)



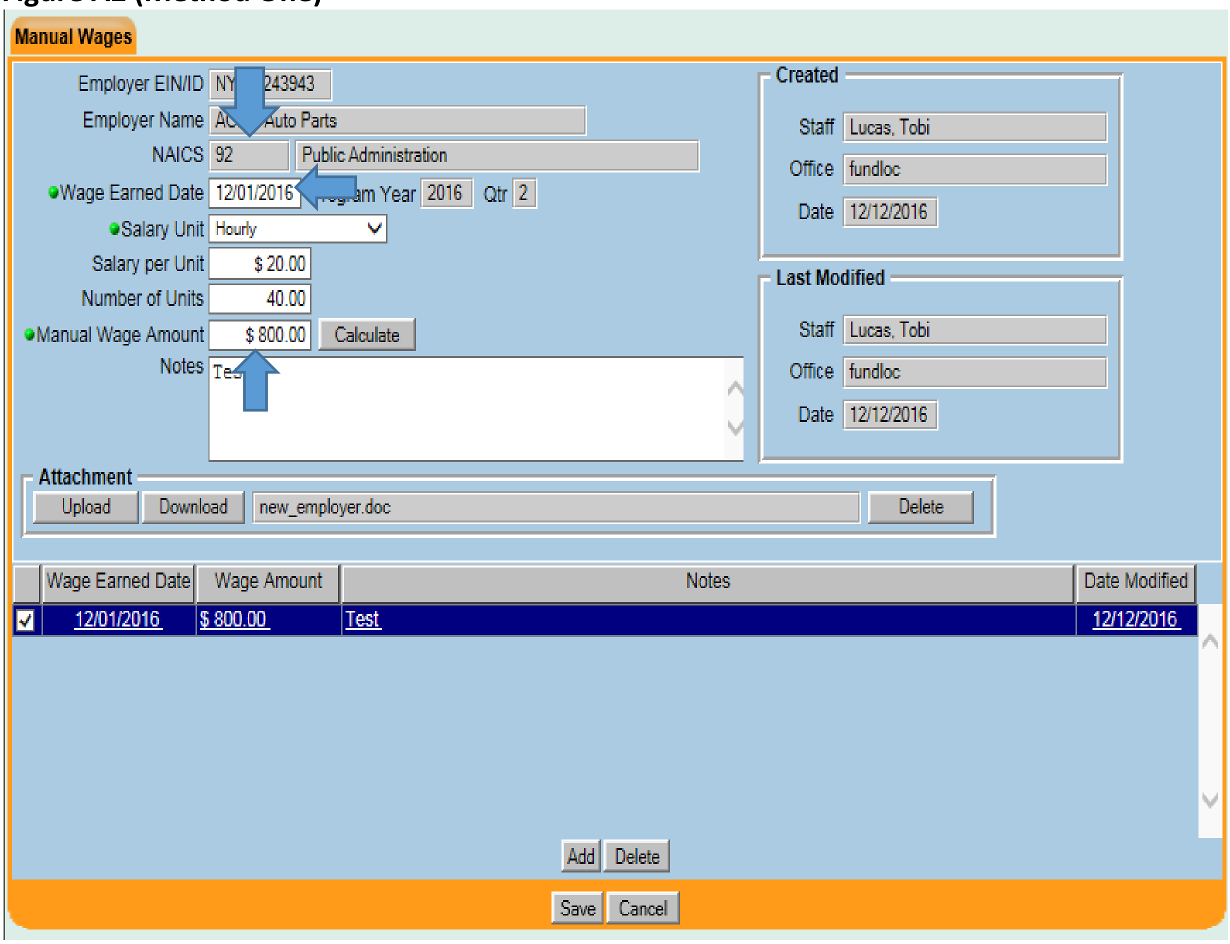
Method One (Wages per Quarter are Known)

1. Enter the **Wage Earned Date** (MMDDYYYY), which identifies the date the manual wages were earned or became actual. **The Wage Earned Date must be within the range of the Start and End Dates indicated in the Empl. Outcomes tab.**

2. Enter the **Salary Unit.**

6. Enter the wages earned per quarter in the **Manual Wages Amount** Field.

Figure A2 (Method One)



Method 2 (Wages Need to be Calculated Based on Wages per Salary Unit)

1.. Enter the **Wage Earned Date** (MMDDYYYY), which identifies the date the manual wages were earned or became actual. **The Wage Earned Date must be within the range of the Start and End Dates indicated in the Empl. Outcomes tab.**

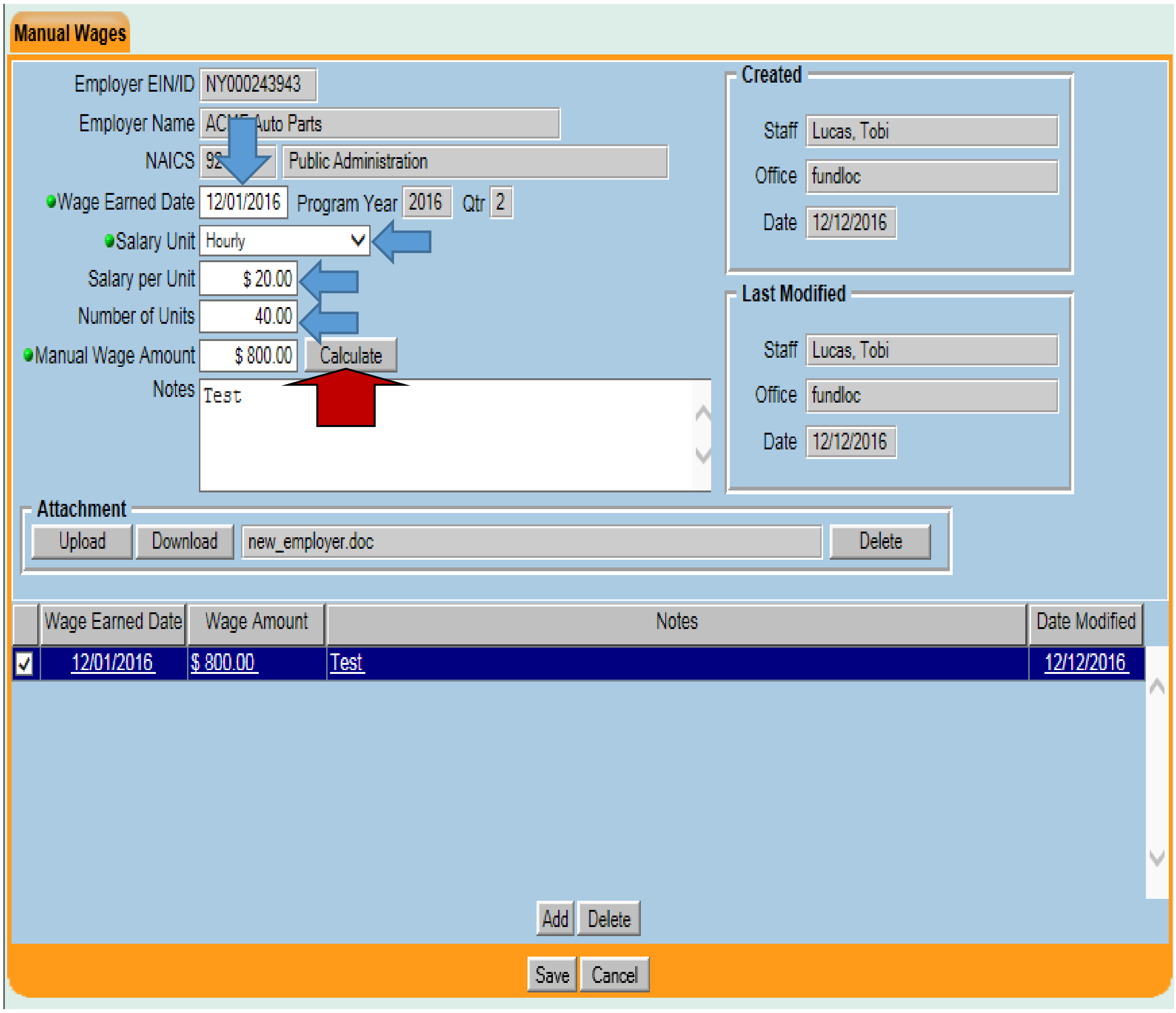
2. Enter the **Salary Unit**

3. Enter the **Salary per Unit.**

4. Enter the **Number of Units**

5. Click **Calculate.** This will populate **Manual Wages Amount** field**.**

Figure A3 (Method Two)



Note: For either method, An error message will be generated if a value outside the allowed date range is entered.

Program Year

A read only field will display the Program Year and the Quarter of the Wage Earned Date. The value is defined as the calendar year of the most recent July.

Quarter

1st Quarter	July-September
2nd Quarter	October-December
3rd Quarter	January-March
4th Quarter	April-June

Salary Unit

Salary Unit is a required field with the following options:

Hourly
Daily
Weekly
Monthly
Yearly
Other
Sal + Comm
Per Diem
Contract
Commission

Salary per Unit and Number of Units are not required fields, but are one way of calculating the amount per quarter.

Manual Wage Amount

Manual Wage Amount is a required field which is calculated based on Salary per Unit and Number of Units. If these units are not provided, e.g. the person was paid annually, you may manually enter a wage value.

To upload any attachments, use the upload button. When this button is selected, the normal popup to browse for a file to attach will be displayed. Only one attachment can be uploaded. A new file can be uploaded, but it will replace the existing uploaded file unless a separate "add" line is added to collect another time frame. When uploading documents into AOSOS, staff must follow the document naming protocols established by the Validation Unit in this attachment (See *Documenting Outcomes-Scan Labeling*, below).

To add additional wage records, use the Add button. You may also delete any wage record by using the delete button. Make certain to save any changes by selecting the Save button.
The Cancel button will cancel the action and return the user to the Empl. Outcomes tab.

Naming Protocol-When uploading manual wage documents the following

Warning Messages

The application will warn users when an Employer Outcomes record is about to be deleted when associated Outcomes Detail records and/or Manual Wage records exist (and will also be deleted).

Warning Message: "The Employment Outcomes record to be deleted has associated Details and/or manually entered wages that will be deleted with the Employment Outcome. Are you sure you want to delete this outcome record?"

The application will warn users when a Training Outcomes record is about to be deleted when associated Outcomes Detail records exist (and will also be deleted).

Warning Message: "The Training Outcomes record to be deleted has associated Detail record(s) that will be deleted with the Training Outcome. Are you sure you want to delete this outcome record?"

Documenting Outcomes-Scan Labeling

Label	Notes	Documents
Employment 2nd Quarter After Exit: Adult/DW	Adults and Dislocated Workers. Only required if “supplemental survey” was used to indicate employment	*Pay Stubs (Minimum of 2) *Quarterly tax payment forms *Signed letter from employer on company letterhead *Participant Signed Follow-up Survey
Employment 2nd Quarter After Exit: Youth	Youth. In education or training activities, or unsubsidized employment (for employment, documentation is only required if “supplemental survey” was used	**Employment:** *Pay Stubs (Minimum of 2) *Quarterly tax payment forms *Signed letter from employer on company letterhead *Participant Signed Follow-up Survey **Education or Training:** *Apprenticeship verification *Documentation of Military service *Advanced Training or Post-Secondary Education transcripts or registration forms *Detailed Case Notes
Employment 4th Quarter After Exit: Adult/DW	Adults and Dislocated Workers. Only required if “supplemental survey” was used to indicate employment	*Pay Stubs (Minimum of 2) *Quarterly tax payment forms *Signed letter from employer on company letterhead *Participant Signed Follow-up Survey
Employment 4th Quarter After Exit: Youth	Youth. In education or training activities, or unsubsidized employment (for employment, documentation is only required if “supplemental survey” was used	**Employment:** *Pay Stubs (Minimum of 2) *Quarterly tax payment forms *Signed letter from employer on company letterhead *Participant Signed Follow-up Survey **Education or Training:** *Apprenticeship verification *Documentation of Military service *Advanced Training or Post-Secondary Education transcripts or registration forms *Detailed Case Notes

Label	Notes	Documents
Median Earnings (Adult, DW & Youth)	documentation is only required if "supplemental survey" was used	*Pay Stubs (Minimum of 2) *Quarterly tax payment forms *Signed letter from employer on company letterhead *Participant Signed Follow-up Survey *Federal Employment Records
Credential Attainment	Adult, DW & Youth	*Diploma (HSE or HS Diploma) *Transcripts *Certificates/Credential/License *Letter or documentation from school
Measurable Skills Gain	Adult, DW & Youth Interim progress of participants	*Pre and post test score sheets documenting achievement of at educational functioning level *Documentation of attainment of a secondary diploma or its recognized equivalent (see above) *Secondary or post-secondary transcript or report card that shows a participant is meeting State academic standards *Satisfactory progress report towards established milestones, such as completion of OJT or completion of one year of an apprenticeship *Successful passage of an exam required for an occupation or progress in attaining technical or occupational skills as evidenced by trade related benchmarks

Attachment 2 Wage Conversion Chart

Wage Conversion Chart

(OMB Control 1205-0526, Expires: 06-30-2019) Attachment 3 – Wage Conversion Chart

This is a guide to convert various wage and earnings inputs to a quarterly wage as required in PIRL data elements 1703, 1704, 1705, and 1706.

Directions: Collect the hourly/weekly/bi-weekly/monthly/annual wages from the participant and enter that value in the appropriate cell*. The example input values in red must be replaced with the appropriate information collected from the participant to calculate the reportable quarterly wage.

As previously published, this chart is intended to be used in a comma separated values file, such as Microsoft Excel. It appears here in plain text as an informational reference.

Convert Hourly Rate to Quarterly Wages

Hourly Rate ($xxx.xx/hour)		hours worked per week on average (xx.x)		13 weeks per quarter		Quarterly Wages
$7.25	X	32.0	X	13	=	$3,016.00

Convert Weekly Wages to Quarterly Wages

Weekly Wages ($xxxxx.xx)		13 weeks per quarter		Quarterly Wages
$290.00	X	13	=	$3,770.00

Convert Biweekly Wages to Quarterly Wages

Biweekly Wages ($xxxxx.xx)		6.5 biweekly pay periods per quarter		Quarterly Wages
$580.00	X	6.5	=	$3,770.00

Convert Monthly Wages to Quarterly Wages

Monthly Wages ($xxxxx.xx)		3 months per quarter		Quarterly Wages
$1,256.67	X	3	=	$3,770.01

Convert Annual Wages to Quarterly Wages

Annual Wages ($xxxxxx.xx)		4 quarters per year		Quarterly Wages
$15,080.00	/	4	=	$3,770.00