

Enhanced Wage Reporting in 2016:



Tom Crowley

AGENDA

Federal

- +WIOA
- +WIAC
- +BLS

State

- +Louisiana
- +District of Columbia
- +eNotices





Federal Initiatives



WIOA Update

- WIOA, in a Notice of Proposed Rule Making (NPRM), said that the US DOL Secretary will develop:
- (1) Standardized definitions for the data elements comprising “wage records” as defined in § 652.301; and
- (2) Improved processes and systems for the collection and reporting of wage records.



Federal Initiatives



WIAC – Workforce Information Advisory Council

- Purpose – To provide recommendations to the Secretary of Labor through the Asst. Secretary of Employment & Training and the Commissioner of Labor Statistics to address:
 - The evaluation & improvement of labor market information systems; and
 - How USDOL and the states will cooperate in the management of those systems, which include employment-related statistics and state and local workforce and labor market information.
- 1st meeting will take place July 13-14 in Washington DC
 - Study labor market information issues;
 - Seek info on new technologies and data to inform employment, skills training, and economic development decision making and policy



Federal Initiatives



Current National Wage Record Repositories:

- National Directory of New Hires (**NDNH**) – All 53 UI agencies wage records, Federal workers, Claimant information, and new hire reporting
 - Maintained the Office of Child Support Enforcement by the Social Security Administration
 - <http://www.acf.hhs.gov/programs/css/resource/overview-of-national-directory-of-new-hires>
- Wage Record Information System (**WRIS**) allows states to share wage data for performance reporting purposes
 - All UI agencies participate
 - Maintained by Xerox on behalf of USDOL
 - <https://www.doleta.gov/performance/wris.cfm>

Federal Initiatives



Current National Wage Record Repositories (Cont'd):

- Wage Record Information System 2 (**WRIS2**) extends the data sharing to educational partners
 - 40 states and DC plus Puerto Rico participate;
 - https://www.doleta.gov/performance/wris_2.cfm
- State Wage Interchange System (**SWIS**) - WIOA-compliant agreements
 - Currently in development



Federal Initiatives



Desired National Wage Record Repositories:

- Wage records that can be used to track outcomes for training initiatives, education (to shape and to evaluate), jobs matching programs;
- The Bureau of Labor and Statistics (BLS) would like to access enhanced wage record information to develop more accurate employment statistics than are currently obtained from employers via statistical surveys;
- .Wage Information Council (WIC)



State Initiatives



Louisiana Wage Enhancement Initiative

- Employers encouraged to report 3rd quarter 2015;
- Required to report 1st quarter 2016;
- 75% employers reported SOC or Job Title in 1st quarter 2016;
- 74% wage records included hourly pay rate in 1st quarter 2016;
- Enhanced data reporting will continue to be required



State Initiatives



Louisiana Wage Enhancement Initiative

- **Employer** Reporting results
- Compliance growth from 2015/2 → 2016/1

Employers	2015 Q2	2015 Q3	2015 Q4	2016 Q1
Reported SOC Code or Job Title	15.14%	25.00%	61.72%	75.21%
Reported SOC Code	1.34%	4.01%	15.99%	23.36%
Reported Job Title	13.88%	21.14%	47.43%	54.17%
Reported Pay Rate	13.36%	22.33%	62.58%	72.37%
Reported SOC Code or Job Title & Pay Rate	11.49%	19.81%	52.34%	64.59%



State Initiatives



Louisiana Wage Enhancement Initiative

- **Employee** Reporting results
- Compliance growth from 2015/2 → 2016/1

Social Security Number	2015 Q2	2015 Q3	2015 Q4	2016 Q1
Reported SOC Code or Job Title	6.15%	12.48%	66.58%	77.71%
Reported SOC Code	1.20%	2.46%	15.23%	20.11%
Reported Job Title	4.95%	10.02%	51.36%	57.61%
Reported Pay Rate	6.28%	13.47%	65.97%	74.35%
Reported SOC Code or Job Title & Pay Rate	4.74%	10.42%	57.07%	67.51%

State Initiatives



Louisiana Wage Enhancement Initiative

- **Employer** Reporting by size results;
- Job Title/SOC Code and Pay Rate by % in Size Class;
- Compliance growth from 2015/2 → 2016/1

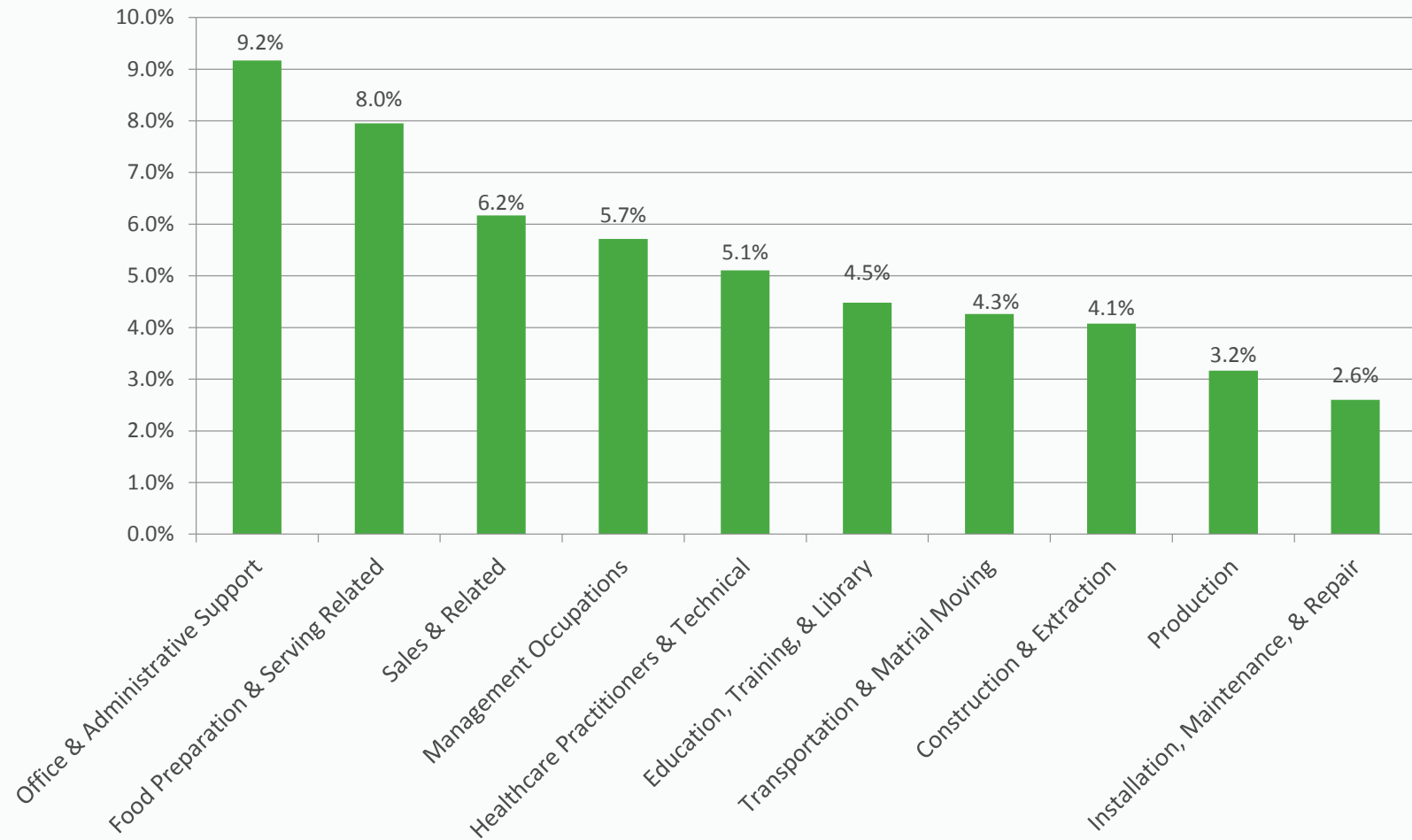
Size Class	2015 Q2	2015 Q3	2015 Q4	2016 Q1
0-9 Employees	12.80%	21.37%	50.48%	62.50%
10-19 Employees	10.45%	19.05%	53.54%	65.54%
20-49 Employees	8.19%	15.74%	58.52%	69.07%
50-99 Employees	4.72%	11.66%	63.09%	73.51%
100-249 Employees	1.85%	7.93%	68.62%	78.69%
250-499 Employees	2.41%	6.54%	71.78%	80.78%
500-999 Employees	3.07%	7.78%	70.00%	79.78%
1000+ Employees	2.66%	10.22%	64.43%	79.89%

State Initiatives



Louisiana Wage Enhancement Initiative

- Occupational Groups by Share of Employees;





State Initiatives - Louisiana



Future Plans and opportunities – Data Quality

- A real-time warning message on the employer reporting portal for employers who may provide SOC codes that are incorrect (implemented in 2016, Q1 reporting);
- Backend QA enhancements will provide analysts with flags for un-coded Job Titles (through the AutoCoder);
- SOC Codes not matching specific staffing patterns;
- Pay rates that may be more than two standard deviations for a specific occupation; and
- In cases where employers provide both SOC Code and Job title whether the job titles match AutoCoded SOC Codes.



State Initiatives - Louisiana



Future Plans & Opportunities – Std. Definitions

- LWC has been cataloguing questions posed by employers and TPA's and developed a FAQ on Pay Rate and SOC Code definitions for easy reporting.
- The FAQ continues to be updated each quarter.
- A national dialogue among all states and USDOL would be beneficial as states continue to pursue enhancements to their wage records reporting as well as sharing this information across states for making better data driven decisions



State Initiatives – District of Columbia



Hours Worked

- Required reporting since 2015

Hour worked is any hour in which the covered employee is engaged in a work activity. The actual number of hours worked by the employee for the quarter shall include paid vacation and holiday hours. When calculating work hours, use only actual hours worked and not hours paid.

- To assist the Office of Wage and Hour with verifying employer compliance with minimum wage

HOURS TO REPORT

<i>Vacation pay:</i>	Report the number of hours an employee is on paid leave. Do not report payments made in place of vacation time as hours worked.
<i>Sick leave pay:</i>	Any payments to an employee under a qualified plan for sickness, accident disability, insurance or annuities, medical or hospitalization expenses in connection with sickness or accident disability, death or retirement are not considered wages or compensation. Do not report these as hours or wages. For payments under a nonqualified plan, report both wages and hours.
<i>Overtime:</i>	Report the number of hours actually worked for which overtime pay or compensatory time is provided, without regard to the amount of wages or compensation paid.
<i>Commissioned or piecework employees:</i>	Report the actual number of hours worked by employees paid by commission or by piecework. If there are no reliable time keeping records, report a full-time commissioned or piecework employee for 40 hours worked for each week in which any of their duties were performed.
<i>Wages in lieu of notice:</i>	When an employee is paid wages in lieu of notice of termination, report the actual number of hours for which they were paid. Wages in lieu of notice of termination pays the employee whose services have been terminated the amount of wages they would have earned during the notice period.
<i>Salaried employees:</i>	If a salaried employee works other than the regular 40-hour week, report the actual number of hours worked.
<i>Faculty employees:</i>	Faculty members of community and technical colleges must teach at least 15 classroom or laboratory hours to be considered full-time. A teaching load of less than 15 hours of instruction is considered part-time. If there is no reliable hourly information, report the hours of instruction as part-time based on 15 credits as a full-time teaching load and 35 hours as full-time employment for a week. For example, an instructor teaches twelve credits per week. Twelve divided by fifteen equals eighty percent. Thirty-five hours times eighty percent equals twenty-eight hours. The employer should report the twenty-eight hours to DOES on the employer's quarterly tax and wage report.
<i>Severance pay:</i>	Do not report additional hours for severance pay. Report only the dollar amount paid to the employee. Severance pay is taxable because it is based on past service and compensates the employee upon job separation.
<i>Payment in kind</i>	Report the actual hours worked for services rendered.
<i>Bonuses, tips and other gratuities</i>	Do not report additional hours for bonuses, tips or other gratuities if they are received by an employee who is working regular hours if bonuses, tips and gratuities are the only sources of compensation.
<i>Fractions of hours</i>	If the employee's total number of hours for the quarter results in a fractional amount, round the total to the next higher whole number.
<i>Practice, preparation, and rehearsal time</i>	If an employee who is a performer or part of a performing group is paid for a performance, but is also required by the employer to attend practice, preparation, and rehearsal on an organized group basis, report the hours spent in the required practice, preparation, and rehearsal as well as the performance.



Communication

After leaving where we were before we left for here, not knowing we were coming here from there, we couldn't tell whether we had arrived here or not. Nevertheless, we now are here and not there. The weather here is just as it always is at this season. The people here are just like they look.

One soldier's note to his parents during WWII, November 1943

eNotice Methods



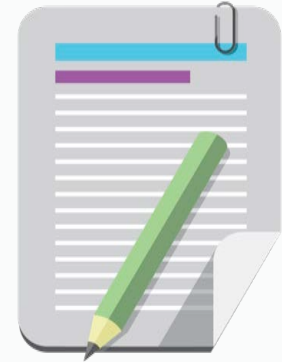
Image – Best

- + Fastest Resolution
- + Preferred Method



Data Elements - Better

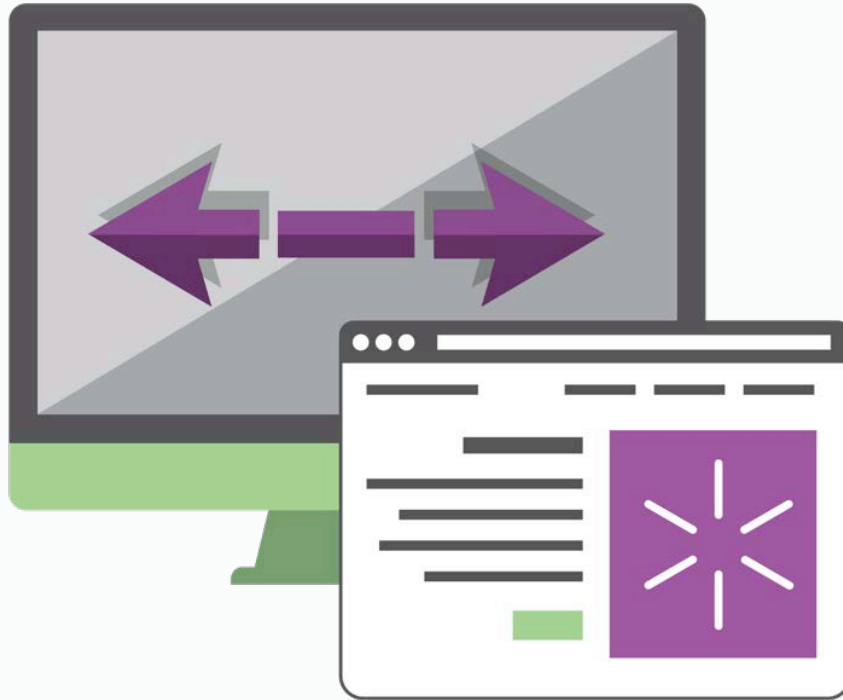
- + Fast Resolution
- + Flat File or XML
- + Sequence Number
- + Notice Type & Date
- + Taxpayer ID#, Name, Address
- + Filing Type
- + Tax Period
- + Payment Due
 - Tax, Penalty, Interest
- + Agency's Address
- + Reporting Agent ID#



Paper - Good

- + Slower Resolution
- + Acceptable Method
- + Mail Copy of Notice to Provider

TRANSMITTING eNOTICES



Electronic Transmissions

- ❖ SFTP
- ❖ Encrypted eMail
- ❖ Web Services

Paper Transmissions

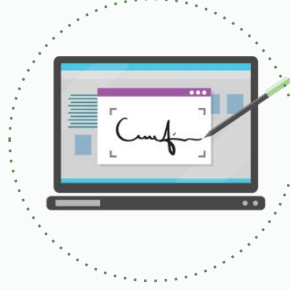
- ❖ Mail Services
Tracking & Receipt Services



eNOTICE AUTHORIZATIONS



**Third Party
Administrator (TPA)**



**Web-based Employer
Designation**



**Reporting Agent
Authorization (RAA)**



**Power of
Attorney (POA)**



**Memorandum of
Understanding (MOU)**



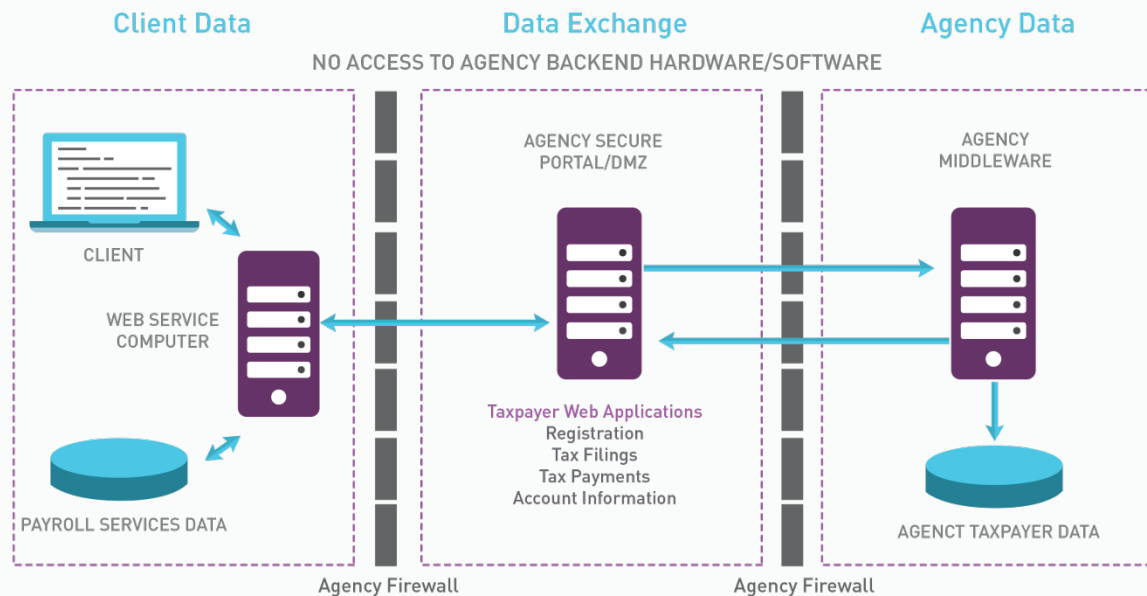
- State Agency should be able to distinguish and send notices only for UI or WH Tax issues. These notices include:
 - Delinquency – filing or payment
 - UI tax rate changes; Pay/EFT frequency
 - Special assessments

IDENTIFYING CLIENTS



Client Base Data Exchange

A paper or electronic exchange between a TPA and an agency to validate critical filing, “tag” clients and payment information for employers



eNOTICE BENEFITS



- + Reduce end-to-end resolution time
- + Efficient process
- + Reduce interaction with provider or taxpayer
- + Promotes employer-friendly experience
- + Reduce/avoid subsequent notices
- + Reduce cost of mailing & handling
- + Reduce handling efforts where provider has "direct update"



- + Reduce agency interaction
- + Easy to use
- + Receive notification of resolution of issue
- + Prevention of secondary notices
- + Reduce notices in lien/levy status
- + Eliminate need to copy/scan notice and mail/email to provide
- + Improved customer experience - agency/provider working to resolve notice



- + Rapid efficient processing
- + Better experience for clients
- + Avoidance of subsequent notices
- + Reduced cost in hard copy responses to agency
- + Reduce interaction with agency

QUESTIONS!



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