New Mexico
Workforce Connection
Central Region

Operational Policy NO. OP – 437
Subject: Supplemental Wage Data
Effective: PY19, 08/19/2019

PURPOSE. The purpose of this guidance is to provide direction to WCCNM Providers regarding the permissible use of supplemental wage information to assist in fulfilling the performance accountability requirements under §116 of the Workforce Innovation and Opportunity Act (WIOA).

REFERENCE(S).

- Workforce Innovation and Opportunity Act (WIOA), July 22, 2014: §116.
- WIOA Final Rules – U.S. Department of Labor (Title I): 20 CFR §677.175.
- Training and Employment Guidance Letter WIOA No. 19-16 and 26-16 Operating Guidance for the Workforce Innovation and Opportunity Act

BACKGROUND

The Workforce Innovation and Opportunity Act (WIOA) sets the primary indicators of performance and performance reporting requirements. This policy provides guidance on the use of supplemental wage information, when reliance on such information is necessary for verifying and reporting on employment related performance indicators.

AVAILIABILITY OF SOCIAL SECURITY NUMBERS (SSNs) AND WAGE RECORDS

The use of wage records to measure the primary indicators of performance is the primary data source for employment related performance indicators. New Mexico Department of Workforce Solutions (NMDWS) does recognize there may be circumstances where systems may not be able to capture wages records. To ensure that programs can track participants for performance accountability even if their information is not contained in the quarterly wage record system, described below, it is permissible to use other information as is necessary to measure the progress of those participants through methods other than quarterly wage information.

CIRCUMSTANCES FOR COLLECTING EMPLOYMENT RELATED DATA USING SUPPLMENTAL METHODS

The quarterly wage record system will be the primary data source for verifying participant outcomes for the purpose of calculating the employment related primary indicators of performance. The quarterly wage record system includes wages from:

- The employer tax filings in the New Mexico UI wage system,
- The Wage Record Interchange System (WRIS) which contains employer tax filings from member state UI wage systems, and
- The Federal Employment Data Exchanges (FEDES) which contains employment records from Federal employers (OPM, DOD, and USPS).

Within each quarter after exit for which wages are required to be collected, if a direct match from the quarterly wage record system is used to determine both employment status and wages for the period, then the same direct wage match record must be used for both wages and employment status. Likewise, if supplemental wage information is used to determine both employment status and wages within the same reporting period, then the same supplemental wage information must be used for both wages and employment status. There is no requirement that the same direct wage record match or supplemental wage information be used across multiple reporting periods.

Participants quarterly earnings used to determine the median earnings indicator must only reflect actual wages paid, not earned, to the participant during the quarter.

SUPPLEMENTAL WAGE INFORMATION METHODS

Acceptable forms of supplemental wage information relevant to the core program include:

<u>Tax documents, payroll records, and employer records, including the following</u>:

- 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.

<u>Other supplemental wage records, such as the following</u>:

- Income earned from commission in sales or other similar positions;
- Data matching with other partners with whom data sharing agreements exist; or
- 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).

Since the New Mexico UI wage system is a source of data to the quarterly wage record system, documentation obtained from the New Mexico UI wages system is not an acceptable form of supplemental wage data.

TIME PERIOD FOR COLLECTING SUPPLEMENTAL WAGE INFORMAITON

The timing for collecting supplemental wage data may vary based on whether the case manager know or expects that data will not be available in the quarterly wage record system. The need for supplemental wage data for a participant may not be apparent until no match is found in the quarterly wage record system, which become available on a time-lagged basis. Wage data for employment related performance indicators during the second quarter will not become available until the latter part of the third quarter after exit and wage data for indicators during the fourth quarter will not become available until the latter part of the fifth quarter after exit.

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. When the case manager knows or predicts that UI wage data will not be available for a participant the case manager does not need to wait two quarters after the close of the second and fourth quarters after exit to formally document the supplemental wage data. The WCCNM's Service Providers must develop or modify participant exit procedures to ensure that case managers inform participants, before 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.

Table 1: 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[a]	UI Wage Data Becomes Available	Collection of Supplemental Wage Information May Begin [b]
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

[a] 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 meets the criteria for exit under an applicable common exit policy (20 CFR 677.150(c), 34 CFR 463.150(c), and 34 CFR 361.150(c)).

[b] 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),

Supplemental wage information should be collected as close to the reference period as possible.

Table 2: Deadlines for Timely Collection of Data for Employment-Related Performance Indicators				
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) *(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)

TABLE 2: The timeframes when employment-related information must be reported.

PROCEDURES

Written procedures to collect data in a valid and reliable manner will be developed and maintained in the AE and Providers offices.

APPLICABILITY:

All WCCNM Service Providers

INQUIRIES:

WIOA Manager 505-247-1750

This Policy has received approval by the Workforce Connection of Central New Mexico Board and rescinds any policy previously in effect.

WCCNM Board Chair