

West Central Arkansas Workforce Development Board
Larry Carr, Chairman
P O Box 6409, Hot Springs, AR 71902

**Supplemental Wages
Policies & Procedures**

Purpose

To provide policy direction and guidance for the use of supplemental information within the West Central Area workforce development system in carrying out the performance accountability requirements under WIOA section 116.

References:

TEGL 10-16, Change, 1; 26-16

WIOA, sec. 116

Policy

The Workforce Innovation and Opportunity Act (WIOA) created a comprehensive workforce development system that emphasizes the identification of barriers and working towards removing those barriers to better coordinated, align, and avoid duplication among programs and activities. This guidance provides information on the collection and use of supplemental information, when reliance on such information is necessary for verifying and reporting on the employment-related performance indicators.

TEGL 26-16 and WIOA Section 116 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 by each of the six core WIOA programs. To further clarify the requirements of the performance accountability system and understanding the methodologies for calculating levels of performance for the six primary indicators of performance, the operational parameters for each of the indicators, and the application of each of the indicators to each core programs, DOL and DOE released Performance Accountability Guidance's for WIOA in TEGL 10-16, Change 1.

Direct Unemployment Insurance (UI) wage match, obtained through either State UI data or the out-of-State wage record data exchange (WRIS), 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 information 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; or
- Individuals who engage in employment that is excluded from employer tax filings covered under Federal and State UI laws

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Timeline for Data Collection:

The optimal time to collect supplemental information is immediately following the end of each quarter 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.

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 lag in time for reporting participant exits and direct UI wage record match, and for obtaining supplemental information not yet available. It is not necessary for supplemental information to be collected on those clients that should have a 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 information collection is not needed.

Procedures:

Collection Requirement

Supplemental information may be acquired in an interview by program staff with the participant or a signed Post-Exit Follow-up Employer Verification Form. Supplemental information should be collected during the programs required follow-up timeframe. Supplemental information must be collected the for the 2nd and 4th quarter after exit, be reported in the participant's program case management system, have acceptable support documentation in the participant's case file, and include the following information:

- Quarter for which data is being collected
- O*NET- Standard Occupation Classification (SOC)
- NAICS- North American Industry Classification System
- FEIN- Federal Tax Identification Number (SSN of participant if FEIN is not available)
- Employer
- Company City
- Company State
- Source of Supplemental Data
- Total Earnings for Quarter

Source Documentation:

One Acceptable Source Document for supplemental information listed below must be placed into the participant's case file for the participants that do not/will not have UI wage data available.

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

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- Signed letter or other information from employer on company letterhead attesting to an individual's employment status and earnings.

Other supplemental records:

- Income earned from commission in sales or other similar positions;
- WIOA Participant Supplemental Information Follow-up Survey (Attachment A);
- Post Exit-Follow-up Employer Verification Form (Attachment B)
- Self-employment worksheet signed and attested to by program participants, Attachment (C). 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.

Collection Method:

Notification Prior to Exit:

Participants must be informed during enrollment and at program exit that they or their employers may be contacted to obtain confirmation of employment status and earnings as well as the expected timeframe for those follow-up contacts. Multiple forms of contact should be collected, reviewed, and updated periodically with the participant during enrollment to ensure follow-up contact can be made. Preferred methods of contact (i.e. email, text, social media, or telephone) must be noted in the participant's case file

Identify Individuals:

Many participants will be excluded from needing supplemental information collection as there will be a direct wage match for most participants in Arkansas' UI Wage Records. Specific individuals will not be included in the Arkansas UI Wage Records and will need to be identified and included in supplemental information collection. Program participants for which a direct record match may not be available include, but are not limited to:

- Participants whose career path is likely to lead to work as a self-employed individual.
- Participants whose career path lead to employment that is excluded from employer tax filings covered under Federal and State UI laws.
- Participants career path that lead to military or federal employment.

Follow-up Contact:

Maintaining contact with, or finding, these former participants and getting them to cooperate in the supplemental information follow-up process is critical to its success since the response rate largely determines the validity of the information. Locating such individuals can be difficult, given the transient nature of some core program participants. If the participant cannot be reached, program staff may reach out to the participant's last known employer. Documenting contact and attempted contact, contact method, and any relevant information needed for future follow-up contacts in the participant's case file is required.

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Once contact has been made with a former participant or their employer it is necessary to provide information regarding the purpose of the contact.

- Introduce yourself, and the agency you are representing
 - Who you are
 - What program the client received services from
- State the purpose for the call
 - Remind the participant that they were informed during enrollment and at program exit that they would be contacted to obtain confirmation of employment and find out how they are progressing after completing the program.
 - Ensure the client understands that all information collected will be kept confidential, used by the program to evaluate success, and to improve program services.
- Describe the process:
 - Short survey regarding how they have progressed over the last three months.
 - Collection of source documentation.
 - Reminder of next follow-up period (for 2nd quarter follow-up calls)
 - Reiterate that all information will be kept confidential
- Complete Collection form and collection of source documentation
 - Ensure that information gathered is representative of the participant's regular hours and earnings for unsubsidized employment during the quarter.
 - Include all compensation paid to the participant during the quarter, not projected amounts based on the wage conversion chart.
- Document contact and collected information in AJL

Documentation:

Attachment A - The WIOA Supplemental Information Follow-up Survey provides a guideline to collect appropriate information and can be used as a survey tool and/or an acceptable source document if other source documentation is not available, or if the participant does not want to provide documentation. There may be questions on this form that are not relevant to the program that the participant was enrolled in and they are not required to be answered. If this form is utilized in supplemental information collection it must be placed in participant's case file for documentation.

Attachment B – The Post-Exit Follow-up Employer Verification Form provides staff to obtain the participant's employment information from their employer. Participant must complete the top part of this form in order for staff to send to the employer.

Attachment C - The Self-Employment Worksheet provides documentation for those individuals who are self-employed and do not have/want to provide other acceptable source documents. This documentation should be used as a "last resort" for documentation of self-employment.

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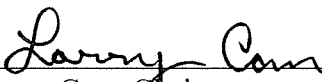
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Attachment D - The Wage Conversion Chart is provided as a conversion tool for wages. The varying intervals of pay schedules mean that not every quarter reflects 13 weeks' wages and you may need to make adjustments. It is important to only report those wages that are actually paid to the participant during the quarter, not projected amounts based on the wage conversion chart.

Additional Considerations:

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 information is used to determine employment status in the second quarter after exit, then supplemental information must be used to determine median earnings in the second quarter after exit. There are no requirements to use supplemental information across multiple reporting periods (second and fourth quarters after exit) in the event an individual's employment status has changed.
- Direct wage records will be utilized 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.
- Include all compensation for services including commissions, bonuses, dismissal payments, gratuities received, and wages paid to the participant during the quarter, not projected amounts.
- Participants who do not have the necessary data to complete a wage record match and do not collect supplemental 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.



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12-12-19

Date

Approved on: 12-12-19

WDB is an equal opportunity employer and provider of employment and training services. Auxiliary aids and services are available upon request to persons of disability.