

MASSACHUSETTS WORKFORCE DEVELOPMENT SYSTEM

# Mass Workforce Issuance

---

100 DCS 09.110

☐ Policy

☒ Information

---

**To:** Chief Elected Officials  
Workforce Development Board Chairs  
Workforce Development Board Directors  
Title I Administrators  
Career Center Directors  
Title I Fiscal Officers  
DCS Operations Managers

**cc:** WIOA State Partners

**From:** Alice Sweeney, Director  
Department of Career Services

**Date:** July 7, 2017

**Subject:** **Use of Supplemental Wage Information to Implement the Performance Accountability Requirements under WIOA**

---

**Purpose:** To notify Local Workforce Development Boards, One-Stop Career Center Operators and other local workforce partners of the Department of Labor (DOL) Employment and Training Administration (ETA) Training and Employment Guidance Letter [\(TEGL\) No. 26.16](#), *Guidance on the use of Supplemental Wage Information to implement the Performance Accountability Requirements under the Workforce Innovation and Opportunity Act*. This TEGL informs the public workforce system and partners of the regulations regarding the use of supplemental wage information, when appropriate, to assist in carrying out the performance accountability requirements under section 116 of WIOA.

**Background:** Section 116 of WIOA 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.

On August 19, 2016, DOL and ED (the Departments) published in the Federal Register the WIOA Joint Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions (Joint WIOA Final Rule) at 81 FR 55791, which took effect on October 18, 2016.

On December 19, 2016, the Departments released “Performance Accountability Guidance for Workforce Innovation and Opportunity Act (WIOA) Title I, Title II, Title III and Title IV Core Programs, to further clarify the requirements of the performance accountability system and assist States in 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 program.

This guidance provides clarification to States on the use of supplemental wage information, when reliance on such information is necessary for verifying and reporting on the employment-related performance indicators. The guidance also applies to the employment-related portion of the credential attainment indicator.

**Primary Indicators of Performance** – Under section 116(b)(2)(A) of WIOA, the performance accountability indicators that apply across the six core programs are:

- a. Employment Rate – Second Quarter After Exit
- b. Employment Rate – Fourth Quarter After Exit
- c. Median Earnings – Second Quarter After Exit
- d. Credential Attainment
- e. Measurable Skill Gains
- f. Effectiveness in Serving Employers

**Availability of Social Security Numbers (SSNs) and Wage Records to Collect Employment Information** – Section 116(i)(2) of WIOA requires States to use quarterly wage records, consistent with State law, to measure their progress on satisfying State and local performance accountability indicators. The Joint WIOA Final Rule implements these requirements in 20 CFR 677.175, 34 CFR 463.175, and 34 CFR 361.175 by requiring States to use, consistent with State law, quarterly wage record information such as intrastate and interstate wages paid to an individual, an individual’s SSN, and the Federal employer identification number of the employer paying the wages to the individual.

In order to ensure that programs may track the participants for performance accountability purposes even if their information is not contained in the State’s quarterly wage record system, the Joint WIOA Final Rule permits States to use “other information as is necessary to measure the progress of those participants through methods other than quarterly wage record information” if quarterly wage records are not available for a participant (20 CFR 677.175(a)(3), 34 CFR 463.175(a)(3), and 34 CFR 361.175(a)(3)).

Performance indicators require reporting on all participants. States are encouraged to develop a method for quantifying the performance outcomes of participants who do not provide SSNs or for whom wage records are not available in order to include them in the calculation of levels of performance for each of the core programs.

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

– While most forms of employment in a State’s workforce will be reported via employer tax filings in the UI wage records system, 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, 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 include but are not limited to:

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

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

- Federal employment records, such as military employment records, or records from the US Department of Defense, US Postal Service, and US Office of Personnel Management;
- State New Hires Registry;
- State Department of Revenue or Taxation;
- Railroad Retirement System; and
- Other forms of supplemental wage information
  - Tax documents, payroll records, and employer 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 & signed by counselor
  - Automated database systems or data match 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 or
  - Self-employment worksheets signed and attested to by program participants

**Time Period for Collecting Supplemental Wage Information** – 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. When the agency knows or predicts that UI data will not be available for individuals, States do not need to wait two quarters after the close of the second and forth full quarters after exit to formally document that UI wage data are not available and begin collection of supplemental wage information.

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 one-quarter lag in the reporting of UI wages by employers and an additional one-quarter lag for reporting by the core programs.

Quarterly data reporting is required for all core programs except for the AEFLA program (i.e., the Adult, Dislocated Worker, Youth, Wagner-Peyser Act ES, and VR programs) (20 CFR 677.235(a), 34 CFR 463.235(a), and 34 CFR 361.235(a)). 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.

**Method for Identifying Participants Needing Follow-Up for Wage Information Collection Purposes** – The State’s or local area’s case management database needs to be capable of identifying participants who should be followed using the supplemental methods. Programs must also determine the appropriate information to collect from participants to assist in, and during, follow-up, such as: (1) participants’ SSN (if available) and contact information; and (2) supplemental wage information related to all of the employment-related performance indicators. This information needs to be retrievable quarterly or according to the time when States determine supplemental wage information follow-up is to be implemented.

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).

**Staff Training on Supplemental Wage Information Follow-Up Methods** – When conducting supplemental wage information follow-up, the Departments recommend that staff follow a uniform set of written procedures to collect data in a valid and reliable manner. Therefore, staff conducting the supplemental wage information follow-up should be trained in the implementation of the follow-up procedures, including what to say to former participants or their employers to encourage their cooperation, ways to encourage voluntary and truthful disclosure, how to document the information received, and how to respond to questions related to the supplemental wage information follow-up process. Staff should be thoroughly familiar with all procedures before beginning the process.

It is very important that participants know how they may be contacted later and asked about their employment outcomes. Programs 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. 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.

Please note, in order to capture the **total verified wages** earned by a customer in their 2<sup>nd</sup> quarter after exit, as explained in TEGL 26-16, additional tracking will be added to the MOSES application in the next build.

**Action**

**Requested:** Please share with managers, staff and partners as appropriate.