

Employer Reactions to Recommended Expansion of Information Required in UI Quarter Wage Record Reports

by

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December 8, 2021

Historical Background

- UI Quarterly Reports were not federally required until the enactment of Section 1137 of the Social Security Act effective in 1988. See [Social Security Act §1137 \(ssa.gov\)](#)
- The purpose was to create the Income Eligibility Verification System (IEVS)
- Some states began requiring quarterly reports as early as the 1960s to improve efficiency of UI
- Quarterly wage information began to be used by states as part of performance evaluation for JTPA, WIA and WIOA

Who Reports UI Quarterly Wage Reports

Individual employers

About 80% of employers report fewer than 20 employees

Many use payroll services for a fee

Some report through in house staff

Reporting may combine reporting methods and use a different method for executive staff and other employees

Payroll companies

An increasing percentage of reports through payroll companies (e.g. ADP, Ceridian, Paychex, Intuit)

Costs of reporting varies by number of employees and complexity

Third Party Administrators

Increasing number of companies combine wage record reporting along with UI tax and/or benefit reporting and claims management

Who receives and Manages State UI Quarterly Wage Information

Primarily state workforce agency UI tax departments

Administrative funds through UI Title III Administrative Grant

No additional funds based on expanded data sets

Confidentiality of information determined under state law

Federal regulations set minimum confidentiality (20 CFR 603)

As necessary for administration of the state UI law

Retention schedules call for destruction when no longer needed

In some states data is shared for maintenance and research under agreements

WIOA requires

(2) WAGE RECORDS.—In measuring the progress of the State on State and local performance accountability measures, a State shall utilize quarterly wage records, **consistent with State law.**

States differ in the determination of confidentiality and permitted use of wage information.

Use for UI claims and WIOA performance evaluation

Primary daily access in determining UI monetary eligibility for claimant benefit rights

May be updated to reflect alternative base period quarterly data

States cooperate in information transfer for Interstate and Combined Wage Claims

State sanctions for failure to provide timely and completely

Employers charged for benefits pro-rata based on quarterly wage information

Available for use in evaluating WIOA performance measures but other data may also be used for performance evaluation. (e.g. wage at placement)

Employer Views of Expanded UI Quarterly Report Requirements

Depends on the employer operations and responsibility within the organization

Cost/Benefit Analysis for Employers Differs

Opposes new federal or state reporting requirements unless there is a clear benefit to the employer bottom line

Private sector already provides services for exchange of job information

Once a government data base is created there are limitations on use tied to law.
confidentiality
use for purposes not favored by the employer (e.g. public disclosure, litigation, trade secrets, competition)

Pilots Have Not Yet Demonstrated Value

Louisiana results of pilot are not available.

Indiana data not yet available

BLS is able to cross-walk some job descriptions to SOC codes, but the resources to support the staff, training, etc. are limited.

Recommendations should be actionable

How may value be shown for employers?

Pilots should be conducted before recommending new federal reporting requirements for all employers on all employees

Federal and State legislation would be needed to implement if value is shown

Employer Bottom Line

Distinguish between “nice to have” if it fits employer needs and costs nothing and “worth the investment” because it improves the company bottom line.

Employers may favor voluntary pilots in which they control their participation and can see value (e.g. the US Chamber JEDx) but oppose new governmentally imposed reporting requirements that subject them to sanctions and costs of compliance.

Questions?