

Understanding the Timing Involved in the Validation of Tax Population 2, Report Delinquency

Background.

Each quarter, states require their UI subject employers to report the wages they paid to their covered employees in the just-completed calendar quarter. (Employers are to include payment: Contributory for the UI Contributions they owe based on those wages paid, and Reimbursing employers for any benefits paid to their separated employees for which they have been billed, thank you very much.) DOL, for its part, requires the states to account on the ETA 581 report for the reports they expect from their employers. States must give counts of how many Wage and Contribution (W&C) reports expected for a given Report Quarter they (1) received by their Due Date (Timely); (2) received by the end of the quarter (Secured) and (3) how many received or otherwise disposed of by the end of the following quarter (Resolved.) The process thus involves the complexity of employer activity occurring in one quarter (called the Employer Report Quarter or ERQ) which must be reported to the state in the succeeding quarter. The states must report on how they handled these W&C reports over a two-quarter period. Although DV cleverly validates counts reported on two different 581 reports, understanding the validation of this “reporting on reports”—done through Tax Population 2, Report Delinquency--requires mastering timing issues not seen with any other validations.

Validation of State’s Processing of Reports on 200804 Activity.

For example, activity for the 200804 ERQ is due to be reported for the ETA 581 report for the 200901 quarter (the Report Quarter or RQ).

- In most states both Contributory and Reimbursing reports will be due 1/31/2009.
 - The due date is the last day an employer may file a report without incurring penalty or interest. If the state allows a grace period, this will be taken into account in determining which reports are “timely.”
- The experience for Timely reports (received by 1/31/09) and Secured reports (received by 3/31/09) will be known as soon as all data on reports for the 200901 quarter are available. The state will report this experience on the ETA 581 report for the 200901 quarter.
- The count of all reports due by 1/31/2009, including those not received by 3/31/2009 but disposed of by 6/30/2009, is to be reported on the next ETA 581, for the 200902 quarter.

So, the reports due on 1/31/2009 are validated as follows:

- Program an extract file for every EAN from which the state expects to receive a report in 200901 for 200804 activity, following the guidance in Appendix A and the Population 2 record layout.
- When the experience for the 200902 quarter is in, run the extract against the database to pick up data on all reports filed, received, resolved from all EANs from which reports are expected for the 200901 quarter.

- Load it into the software. Assuming it is loaded on 8/15/2009--before the state has reported its ETA 581 for the 200802 quarter--
 - The validator will be able to perform all Data Element Validation tests (investigation of minimum samples and all sorts)
 - Most of the extract file will contain records for reports received by 3/31/2009.
 - Those by 1/31/2009 (or any grace period date) will be *Timely*
 - Those received between 2/1/2009 and 3/31/2009 will be *Secured*.
 - The validation counts from these will be the basis for validating what the state has already reported on the 581 for 200901, and
 - ✓ The software will be able to compare those validation counts with what the state had previously reported for the 200901 ETA 581 by retrieving the 200901 reported counts from the Sun computer.
 - The extract file will contain information on (most of) the rest of those EANs, which accumulated during the 200902 quarter.
 - That will be reports received after 3/31/2009, inactivated/terminated employers, etc.
 - The software will put this information into subpopulations 2.3-2.8 (Contributory) and 2.11-2.16 (Reimbursing) for Resolved reports and cumulate it with the counts for *Timely* and *Secured* reports to assemble its validation counts for reports due on 1/31/2009 that were finally *Resolved* by the end of the 200902 quarter.
 - The validator will not be able to complete the validation until the state submits its 200902 ETA 581 report.
- Assume that the state submits its ETA 581 for the 200902 quarter on 8/20/2009.
 - When validator selects the View Reported Counts screen the software will retrieve the *Resolved* counts for reports due 1/31/2009.
 - The complete validation can now be submitted.

Thus, the process involves building an extract file for reports due in given Report Quarter but waiting until reports for the following quarter (RQ+1) have been submitted to run it against the database and then load it into the DV software to perform the validation. The software then validates reported counts from two different quarters at one shot.

<i>Timeline for Validating Tax Population 2 for First Quarter 2009 (200901)</i>		
<i>Calendar Quarter</i>	<i>Date</i>	<i>What's Happening</i>
200804 (ERQ)		State's businesses are performing employment activity they will report on Wage and Contribution Reports in 200901
200901 (Report Quarter)	1/01/2009	Beginning of the 200901 quarter (RQ)
	1/31/2009	Due Date for timely reports on 200804 activity. Reports received by this date are Timely . If state has a grace period, reports can be timely after this date.
	3/31/2009	End of 200901 RQ. Reports on 200804 activity received between 2/1/2009 and this date are Secured
200902 (RQ+1)	4/1/2009	Beginning of 200902 quarter (RQ+1). State is resolving reports not secured by 3/31/2009 in this quarter.
	5/20/2009	ETA 581 for 200901 quarter submitted. Contains counts of <i>Timely</i> (Items 6 and 9) and <i>Secured</i> (Items 7 and 10) reports.
	6/30/2009	Last day to resolve reports due 1/31/2009
200903 (RQ+2)	7/1/2009	Beginning of 200903 quarter
	<8/20/2009	Data on resolution of 200901 reports available. Validator may run Pop 2 extract file and load to DV software to perform DEV activities. The RV screen will contain only reported counts for <i>Timely</i> and <i>Secured</i> (taken from 581 report for 200901); <i>Resolved</i> counts will = 0 because state has not reported them yet.
	8/20/2009	ETA 581 for 200902 quarter submitted. Contains counts of all <i>Timely</i> + <i>Secured</i> + <i>Resolved</i> reports due 1/31/2009 in items 8 and 11. Validator can complete validation as software will retrieve counts of <i>Timely</i> and <i>Secured</i> from 200901 ETA 581 report and <i>Resolved</i> from 200902 ETA 581 report.