

# QUARTERLY CENSUS OF EMPLOYMENT AND WAGES

## A. PROGRAM INFORMATION

The Quarterly Census of Employment and Wages (QCEW), formerly known as the ES-202 program, provides data on monthly employment, total quarterly wages, taxable wages, employer contributions and other business identification information. The States prepare an Enhanced Quarterly Unemployment Insurance (EQUI) file each quarter. QCEW data are developed for the 50 States, the District of Columbia, Puerto Rico, and the Virgin Islands.

Since 1972, the Bureau of Labor Statistics (BLS) has successfully shared QCEW data with the Bureau of Economic Analysis (BEA). On a quarterly basis, the BEA uses QCEW data to develop county, State, regional, and national personal income estimates, a component of the Gross Domestic Product, and to conduct related statistical research and analysis.

The BLS funds and administers the QCEW program and provides conceptual, technical, and procedural guidance in all program activities. State agencies are responsible for data collection, insuring data quality, and publication in cooperation with the BLS. The QCEW program uses the standardized procedures described in the QCEW Operating Manual, as well as in the work statement and BLS technical memoranda. Applicants should put an "X" or check mark in the spaces provided on the following pages to indicate agreement to comply with stated program requirements.

## B. DELIVERABLES

Content	Agree To Comply (Check Box)	Due Dates	Agree To Comply (Check Box)
1. EQUI Name and Address File must be delivered for the BLS to operate the QCEW program. It must be delivered according to the schedule specified in the QCEW Operating Manual, the work statement, and BLS technical memoranda. Estimates, acceptable to the BLS, will be used in the case of missing State files.	<input type="checkbox"/>	<a href="#">20072008-2</a> , October <a href="#">2523</a> , <a href="#">20072008</a> <a href="#">20072008-3</a> , January <a href="#">2422</a> , <a href="#">20082009</a> <a href="#">20072008-4</a> , April <a href="#">234</a> , <a href="#">20082009</a> <a href="#">20082009-1</a> , July <a href="#">2423</a> , <a href="#">20082009</a>	<input type="checkbox"/>
2. In addition to the EQUI, summary macrodata files must be delivered to the BLS in accordance with the standardized procedures described in the QCEW Operating Manual as well as in the work statement and in BLS technical memoranda.	<input type="checkbox"/>		
3. States will publish QCEW data quarterly within seven months of the end of reference quarter at the State NAICS sub-sector level and county sector level. To be considered published, data must be released to the general public in the form of either a web database, downloadable data file(s), paper or electronic data files, or press release.	<input type="checkbox"/>		
4. State will publish BLS-provided seasonally adjusted Business Employment Dynamics data at the State level within 30 days of receipt from the	<input type="checkbox"/>		

BLS.

**B. DELIVERABLES (CONTINUED)**

	Content	Agree To Comply (Check Box)	Due Dates	Agree To Comply (Check Box)
5.	If requested by the BLS, a subset microdata file of the largest gross corrections must be delivered to the BLS within seven working days after the EQUI due date for each quarter. This covers the need for quick responses on very large errors that are provided to BEA and CES, if necessary.	<input type="checkbox"/>		
6.	Submit a file of BLS requested or approved corrections, if needed, after the initial EQUI submittal and before the BLS clean designation. This covers the normal series of national office questions sent usually within 10 days of the EQUI. Automated corrections will also be sent through the States systems as specified in technical memoranda or the QCEW Operating Manual.	<input type="checkbox"/>		
7.	In case of a BLS emergency, the States will provide macro 6-digit NAICS county totals by ownership directly to BEA in accordance with BLS technical memoranda.	<input type="checkbox"/>		

**C. PROGRAM PERFORMANCE REQUIREMENTS**

Specific methods for preparing the EQUI Files are described in the QCEW Operating Manual and in technical memoranda provided by the BLS. Major elements are:

1. Process and edit all required program data gathered from initial Status Determination Forms or automated employer registration process, Multiple Worksite Reports, Annual Refiling Survey (ARS), quarterly contribution reports, EDI Center, MWR-Web and quarterly Reports on Federal Employment and Wages conducted as part of the UCFE Program.
2. Follow up with:
  - a. All employers that have employment data missing from UI contribution reports; and
  - b. Employers on questionable data.
3. Impute for missing or delinquent data according to the guidelines in the QCEW Operating Manual. States should review and verify all imputations for units [with 100](#) and greater [employees](#) prior to each quarter's EQUI.

C. PROGRAM PERFORMANCE REQUIREMENTS (CONTINUED)

Agree To  
Comply  
(Check Box)

4. a. Conduct the ARS according to criteria and performance requirements (80 percent of employment usable response rate or 75 percent of units usable response rate) calculated as specified in the QCEW Operating Manual. Use cover letters and flyers as outlined in the QCEW Operating Manual. Draft cover letters are due to the BLS by established due dates and must be approved prior to use. Follow the [private sector](#) selection criteria found in the QCEW Operating Manual or as modified in a technical memorandum. ~~In addition, a carry over file of non-respondents from the previous year will be included for a single mailing.~~ Establishments coded in NAICS 814110 (Private Households) should not be surveyed. ~~All government establishments classified in Public Administration (NAICS sector 92) or in the Postal Service (NAICS 491110) should not be surveyed. However, establishments owned by federally recognized Indian Tribal Councils (ownership=3) are surveyed if their EIN falls within the range of the current year criteria.~~
- b. Review, verify or update industry and county (or township) codes using returned BLS-3023 forms of the ARS and any appropriate supplemental, BLS-provided, or follow-up information.
- b. From the returned BLS-3023 forms of the ARS, perform the following review activities: For newly identified [multi-establishment worksites](#) in the FY ~~2008-2009~~ ARS, assign the following codes: NAICS, county, [ownership](#), and MEEI. Then, enter these codes along with Reporting Unit Numbers and the physical location address to solicit for quarterly Multiple Worksite Reporting for those employers meeting the QCEW Operating Manual Standards.
- c. Updated physical location and mailing addresses information collected from the BLS-3023 form must be added to the State micro file and submitted to the BLS on the EQUI deliverables file, ~~fax numbers do not have to be keyed.~~ Both sets of addresses should follow the QCEW Operating Manual standards. ~~Updates should be incorporated no later than the 1st Quarter 2008 EQUI file to collect the information necessary to assign the NAICS 2007 codes.~~
- d. Use the Touchtone Response System (TRS) to conduct the ARS for eligible units.
5. Assign valid NAICS, county, ownership and MEEI codes to new employer accounts using the procedures described in the QCEW Operating Manual. Add physical location and mailing address information to the State QCEW micro file for these new accounts, if available. For new employer accounts with no product or economic activity and/or geographical information, send a BLS-3023 NCA form to collect this information on a flow basis.
6. a. All units with a NAICS industry code of 999999 (unclassified) must be surveyed on a flow basis during the cooperative agreement period. All units with zero employment and wages for four complete consecutive quarters should be excluded.
- b. NAICS 999999 should not be greater than 0.5 percent of employment in the total file in any quarter.
7. Install and use the latest version of EXPO-QCEW or WIN-202 and maintain conformance with the latest source code. Installation of all system updates should be completed within 30 days of receipt (minor or interim changes should be implemented within 7 days on receipt). Service Center States will automatically use the most current version available. States not using the

Service Center will send written notification to the BLS as soon as the update is operational.

**C. PROGRAM PERFORMANCE REQUIREMENTS (CONTINUED)**

	Agree To Comply (Check Box)
8. Where State policy allows, States will allow the BLS access to State microdata and macrodata files via EXPO-QCEW or WIN-202 for support of deliverables in critical circumstances only.	[ ]
9. Use the Multiple Worksite Report solicitation, informed consent letters, and refusal solicitation letters outlined in the QCEW Operating Manual.	[ ]
10. Accept, edit and review Multiple Worksite Reports and Reports on Federal Employment and Wages from reporters or the BLS on <del>magnetic media (tape, cartridge, diskette)</del> <u>electronic medium</u> or from computer to computer in the standardized formats. Follow instructions and procedures enumerated in the QCEW Operating Manual and technical memoranda with regard to the central collection of these data by the BLS Electronic Data Interchange Center.	[ ]
11. Extract, edit, and review Quarterly Contributions Report data from the Unemployment Insurance tax file at least twice each quarter for current quarter data. Extract, edit and review late and retroactive prior quarter data at least once during the current quarter. Any data extracted and loaded to the micro file for quarters earlier than prior quarter must also be edited and reviewed prior to submittal or publication.	[ ]
12. Monitor updates and notify the BLS regional office of changes to the State UI program accounting and processing systems, specifically, but not limited to, changes resulting from One Stop, coverage and law changes, rate structure changes, SUTA dumping, UI numbering modifications, wage base level changes, processing of wage records, changes in data fields, tracking predecessor/successor full and partial transactions, <u>and</u> use of scanning or other technological changes in UI systems. <del>changes to NAICS fields in the UI files, and UI conversion to the NAICS 2007 coding structure.</del> States will modify UI extract programs in a manner to ensure timely deliverables.	[ ]
13. Employment in county code 995 and 999 when summarized should not be greater than 2.5 percent of total employment.	[ ]
14. Review and resolve, as possible, Predecessor/Successor events, including apparent births and deaths 95 percent of private sector units with 50-249 employment, and all private sector units 250 and greater each quarter as prescribed by QCEW technical memoranda and the QCEW Operating Manual.	[ ]
15. The State will implement and utilize <del>the new</del> predecessor/successor capabilities, the Possible Predecessor/Successor Matching and modified edits and parameters during the current and subsequent quarter's review and load wage records each quarter.	[ ]
16. Ninety (90) percent of private sector single and sub-units with employment of 100 or more will be geocodable by physical location address within the state at least to the ZIP CODE level by submission of the 4th Quarter, EQUI.	[ ]

## D. QUALITY ASSURANCE REQUIREMENTS

The State agency will:

1. Incorporate the ARS control file data in first quarter 2009~~8~~ processing.
2. Run and review micro, integrated and scored edits prior to transmitting EQUI files to the BLS.
3. Edit and review all new and updated records prior to submittal to the BLS. Ensure that the EQUI file is complete and not missing extracted data.
4. Review QCEW and CES macrodata to aid in identifying potential differences. This is to be done prior to each EQUI submittal, including update and subset submittals.
5. Provide electronic micro data corrections and/or explanations to questions arising from micro and macro edits of all QCEW data elements, including ARS information.
6. Provide certification of data to the BLS regional office upon completion of the correction/review process.
7. Cooperate with the BLS in resolving CES and QCEW microdata differences in establishment-level reporting, ownership, and geographic coding.
8. Follow QCEW Operating Manual guidelines on predecessor-successor, mergers/acquisitions, and multi-establishment breakouts and collapses. Use the ~~new~~ Possible Predecessor/Successor Matching feature in EXPO-QCEW and WIN-202 programs to help match and link possible predecessor/successor accounts/units.
9. Cooperate with industry coding quality control/quality assurance and State Operations Review activities.
10. Improve the quality of data collected on the Multiple Worksite Report by: 
  - a. Collecting data at the worksite level,
  - b. Reviewing and updating physical location addresses for multi-establishment reporters,
  - c. Reviewing and updating [trade names and](#) reporting unit descriptions for multi-establishment reporters, and
  - d. Following QCEW Operating Manual instructions on reporting unit descriptions.
11. Follow-up on BLS-provided lists of unusable physical location addresses and “mailing/other addresses” within BLS policies and guidelines.
12. Work with UI staff to address issues raised by the BLS on suggested improvements to content, collection and processing of Status Determination forms and [wording on employment counts on the Quarterly Contribution Report data. Included are the proper definition of employment on all appropriate UI forms, instructions, handbooks, and electronic reporting system specifications, etc.](#)
13. Work with the BLS to address issues raised on quality of information on State and local government.
14. Participate with the BLS in resolving up to 50 individual cases per year for selected industry and/or geographic differences identified under CIPSEA-sponsored data sharing. If other tax-

related legislation is passed, the BLS will revisit this item.

#### D. QUALITY ASSURANCE REQUIREMENTS (CONTINUED)

- |  | Agree To<br>Comply<br>(Check Box) |
|--|-----------------------------------|
| 15. States will work with regional offices to review and analyze causes of high employment imputation rates and to seek reductions. Regions will work with States with employment imputation rates greater than 7 percent. | [ <input type="checkbox"/> ]      |
| 16. States will work with regional offices to review and analyze causes of high wage imputation rates and to seek reductions. Regions will work with States with wages imputation rates greater than 10 percent.           | [ <input type="checkbox"/> ]      |

#### E. EXCLUSIONS

The QCEW program allowable costs should reflect only activities associated with the development of the EQUI mailing, macro and micro editing, and processing of the multiple worksite report and activities associated with the initial coding of new employer accounts, the Annual Refiling Survey, and publication of QCEW data in printed and/or electronic form. The following types of activities are not funded as part of the QCEW program:

1. Special tabulations of QCEW data for use by programs other than QCEW. Costs for such tabulations should be charged to the requestor.
2. Editing of wage records and any other unemployment insurance records with the exception of quarterly contribution reports and reports on Federal employment and wages conducted as part of the UCFE program. Wage records are only to be used as a source to verify levels of employment and wages, and predecessor/successor relationships, or to assist in breaking out establishments of multi-unit employers.
3. All functions (e.g., data entry, printing of forms, mailing of forms) associated with the collection and follow-up for late or missing data of the [SESA-SWA](#) Employer Quarterly Contributions Report. Costs for these activities should be borne by the UI tax unit as per ETA Fiscal Letter No. I-90 dated October 9, 1990.
4. With the exception of data provided by the BLS EDI center, soliciting, processing, and editing of data for multi-establishment employers that fall below the QCEW criterion of having ten (10) or more employees in secondary establishments.
5. Any and all activities related to the Census Bureau Longitudinal Employer Household Dynamics or related programs.



**F. DATA SHARING BLANKET APPROVAL**

Agree To  
Comply  
(Check Box)

1. The State authorizes the BLS to share the State's microdata and macrodata with assigned BLS researchers and Federal government agencies (other than BEA) and units for exclusively statistical purposes. This authorization is made based on the BLS assurance that the confidentiality of these data will be protected to the full extent permitted by law.

(No variance is required if this box is not checked.)

2. The State authorizes the BLS to share the State's microdata with the Bureau of Economic Analysis for exclusively statistical purposes. This authorization is made based on the BLS assurance that the confidentiality of these data will be protected to the full extent permitted by law.

(No variance is required if this box is not checked.)

3. The State authorizes the BLS to share the State's wage record data files with agents of the BLS at the Social Security Administration for exclusively statistical purposes. This authorization is made based on the BLS assurance that the confidentiality of these data will be protected to the full extent permitted by law. (Applies to selected states only.)

(No variance is required if this box is not checked.)

4. ~~The State authorizes the BLS to share the State's QCEW microdata with the Census Bureau for the Longitudinal Employee Household Dynamics program.~~

~~(No variance is required if this box is not checked.)~~

**G. EXPLANATION OF VARIANCES**