
APPENDIX A
Tax

SUBPOPULATION SPECIFICATIONS

TABLE OF CONTENTS

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APPENDIX A.....	A-1
A. Introduction.....	A-1
B. Report Quarter Terminology.....	A-1
C. Validation Timelines.....	A-5
D. Population Table Specifications.....	A-8
Population Tables.....	A-10

APPENDIX A

A. Introduction

As described in Module 1 of the handbook, the first step in the data validation process is to create report validation (RV) files, also referred to as extract or reconstruction files. These files list records of all transactions and account statuses that should be reported on the ETA 581 report. Each record is assigned to a single population and to only one subpopulation within the population.

Appendix A specifies how the populations are divided into subpopulations. Each row of a population table is the specification for a single, mutually exclusive subpopulation. Following each table is a written descriptions of each subpopulation which will help readers orient themselves to the information in the table.

Each column header includes a step number that refers to Module 3, the state-specific portion of the handbook. Validators and programmers should refer to the indicated step number for the definition of the data element and detailed instructions on how to validate it. Each population table includes a column or row entitled “Reported in ETA 581 Item #s;” it indicates the item number (ETA 581 report cell) that the count or dollar amount in the column or row is used to validate on the RV summary report.

States should reconstruct each population as specified for a recent ETA 581 report quarter (RQ). In addition, states that administer unemployment insurance together with other taxes should capture tax type, to distinguish between the taxes being validated on the ETA 581 and others which are not countable on the report.⁶

B. Report Quarter Terminology

The specifications in this appendix use a shorthand terminology to refer to report quarters. Figure A.1 is a time line illustrating how terms and symbols are used.

- The **Report Quarter (RQ)** is the time period shown on the ETA 581 in the block labeled “A. Report for quarter ended.” This means that the ETA 581 report is showing transactions that occurred during this quarter or the status of accounts at the end of this quarter. For example, the ETA 581 report includes items such as the number of active employers at the end of the RQ and the number of timely employer reports received during the RQ. The RQ ends at point A in Figure A.1. (Point A is also the time when the

⁶ Some states may have other unique types of data elements that should be captured in the reconstruction file to facilitate validation. For example, some states may have an indicator for seasonal employers, which would be helpful in validating subpopulations 2.7 and 2.15 in population 2. This could be used as a secondary code for Employer Type; and the software will identify all employers with the seasonal code for further examination when the state runs Sort 2.4.

state runs programs to download data for both the ETA 581 counts and the data validation reconstruction files.) The ETA report that relates to the RQ is due at the hash mark labeled “ETA 581 Due” in Figure A.1.

- Contribution and wage reports received from employers during the RQ reflect employer activity--payment of wages--that occurred during the quarter before the RQ, designated as **RQ-1**. (Because this prior quarter is the subject of employer reports received during the RQ, RQ-1 is often referred to as the **Employer Report Quarter, or ERQ**).
- When specifications need to refer to quarters before or after the RQ, they extend the basic convention of numbering relative to the RQ. The quarter prior to RQ-1 is RQ-2, the quarter prior to that is RQ-3, and so on. Similarly, the specifications refer to the quarter after the RQ using the term **RQ+1**. This term is used most often for population 2, report filing, where states have through RQ+1 to resolve reports due in the RQ.

Figure A.1 Quarterly Timeline											
2010											
1			2			3			4		
Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
RQ-1 (ERQ) <ul style="list-style-type: none"> contribution reports covering employer activity in this quarter can be resolved by RQ+1 			RQ: Report Quarter States: <ul style="list-style-type: none"> register employers determine their liability status receive contribution reports on employer activity in RQ- pursue delinquent reports establish, liquidate, and write off receivables complete field audits 			RQ+1 States: <ul style="list-style-type: none"> receive contribution reports on employer activity in RQ resolve contribution reports due in RQ on employer activities in RQ-1 					
Employer Reports Due (for RQ-2)			Employer Reports Due (for RQ-1)			ETA 581 Due (for RQ)			ETA 581 Due (for RQ+1)		
			A			B					
A IS Staff: Produce Report Counts Prepare Validation Extract Files (except for Population 2) Prepare Screen Prints											
B IS Staff: Produce extract file for Population 2, as soon as all reports received during RQ+1 are posted											

The file specifications use the following abbreviations and terminology:

- RQ** ETA 581 report quarter
- ERQ** Employer Report Quarter (quarter covered by employer's contribution report)
- FDRQ** First day of the report quarter
- LDRQ** Last day of the report quarter
- (RQ+1)** Quarter after the report quarter
- (RQ-1)** Quarter before the report quarter
- (RQ+n)** n^{th} quarter after the report quarter
- (RQ-n)** n^{th} quarter prior to the report quarter
- DD** Due date for employer contribution reports
- A** Active
- C** Contributory Employer
- R** Reimbursing Employer
- OBS** Observation number
- >** After the date or quarter specified, e.g., "> RQ" means "after the report quarter."
- <** Before the date or quarter specified, e.g., "< RQ" means "before the report quarter."
- ≥** During or after the date or quarter specified, e.g. "≥ RQ" means "during or after the report quarter."
- ≤** Before or during the date or quarter specified, e.g. "≤ RQ" means "before or during the report quarter."

C. Validation Timelines

Each population on the ETA 581, and therefore each population file for validation, represents a particular timeline of UI tax operations activity. Populations 1, 3, and 5 are fairly straightforward — these populations are primarily focused on activities during or statuses at the end of the RQ. Populations 2 and 4 are more complex and require the validator to look back as far as eight quarters prior to the RQ, and forward as far as two quarters after the RQ. In Figure A.2 below, the RQ being validated is the second quarter of 2010, which means RQ-8 is the second quarter of 2008 and RQ+2 is the fourth quarter of 2010. Once the state has selected the quarters to be validated for populations 2 and 4, the validator should prepare a full timeline based on Figure A.2, identifying the eight quarters prior and two quarters after the selected RQ.

Figure A.2

Sample Timeline for Report Quarter 201002 (Second Quarter of 2010)

2008 Q2	2008 Q3	2008 Q4	2009 Q1	2009 Q2	2009 Q3	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4
RQ-8	RQ-7	RQ-6	RQ-5	RQ-4	RQ-3	RQ-2	RQ-1 (ERQ)	RQ	RQ+1	RQ+2

Overview of Populations

The ETA 581 for the second report quarter of 2010, which is due in August of 2010, contains the following information and is validated as follows:

Population 1

- The ETA 581 includes active employer information as of June 30, 2010.
- This report information is validated by building a Population 1 extract file for the second quarter of 2010. Population 1 should include a record for each employer who was active on the last day of the RQ.
- The DVWS filters pending employers out of the active employers count, in accordance with the Department of Labor's Change 12 to the ET 401 handbook. Specifically, the software will not include employers with a met-threshold date after 12/31/2002 in the count if their activation or reactivation processing date precedes the met-threshold date.
- Figure A.1, Point A, shows when the Population 1 validation file should be constructed.

Population 2

- The ETA 581 includes employer reports received on time and secured during the second quarter of 2010 that relate to employer activity during the first quarter of 2010, and resolved reports that were due during the first quarter of 2010 and relate to employer activity in the fourth quarter of 2009.
 - Population 2 should include all employers owing contributions or required reports for the same ERQ, due during the RQ, which were received on time or secured during the RQ or reported as resolved during RQ+1.
 - Timely, secured, and resolved counts for the same ERQ (e.g., 201001) are validated at the same time by building a Population 2 file that is extracted at the end of the third quarter of 2010. This Population 2 extract file validates timely and secured counts that are reported on the ETA 581 report for the second report quarter of 2010 and resolved counts that are reported on the ETA 581 report for the third quarter of 2010.
 - Note that timely, secured, and resolved are defined as discrete filing statuses for validation purposes, whereas on the ETA 581, secured includes timely and resolved includes both timely and secured.

The received date of the contributions report is used to assign records to subpopulations 2.1, 2.2, 2.3, 2.9, 2.10, and 2.11. Because the received date of a given contributions report does not change once it is entered into the state system, the validation records for timely and secured reports do not need to be extracted at the end of the RQ. Instead, the entire population extract can be run as soon as resolved report records for RQ+1 are available. The validation counts in subpopulations 2.1, 2.2, 2.9, and 2.10 are compared with ETA 581 counts for the RQ; all subpopulation validation counts are compared with reported counts for RQ+1 (see 581 Item # references in the population tables on pages A.16 and A.17).

- In preparing the Population 2 extract file, states will need to account for annual filers. According to DOL, annual filers must be counted as timely for the quarters in which their reports are not due, and as timely, secured or resolved, as appropriate for the quarters in which their reports are due. States will need to enter a default employer report quarter and default received date for annual employers for the quarterly reports that are not due, and either a received date, final assessment date, or appropriate resolved date for annual employers for the quarterly reports that are due. This should ensure that the quarterly reports that are not due are counted as timely, and that the quarterly reports that are due are counted appropriately as timely, secured or resolved.
- Figure A.1, Point B, shows when the Population 2 validation file should be constructed.

Population 3

- The ETA 581 includes status determination activities that occurred during the second quarter of 2010.
 - This report information is validated by building a Population 3 extract file for the second quarter of 2010. Population 3 includes a record for each status determination the state made during the RQ; multiple determinations for the same employer are countable and should be included in the file as separate records.
 - States that overwrite status determinations on their master tax file may use the TPS universe for reconstruction. Programmers and validators should note that time-lapse categories are discrete subpopulations, whereas the ETA 581 reports time lapse cumulatively.
 - The pending employer filter also applies to subpopulations 3.1 to 3.3, which are for new status determinations.
 - Figure A.1, Point A, shows when the Population 3 validation file should be constructed.

Population 4

- The ETA 581 includes receivables activity that occurred during the second quarter of 2010 related to wage reports and contributions that are past due from the ERQ of the first quarter of 2010 and previous quarters. This includes receivables established, liquidated, declared uncollectible and removed during the second quarter of 2010.
 - This report information is validated by building a Population 4 extract file for the second quarter of 2010. Population 4 includes all accounting transactions made during the RQ that establish or modify a receivable on an employer account, as well as balances due at the end of the quarter.
 - Receivables records need both the ERQ and the established date to be properly assigned to Subpopulations 4.4, 4.5, 4.6 and 4.8 (contributory employers), and both the due date and the established date to be properly assigned to Subpopulations 4.12, 4.13, 4.14 and 4.16 (reimbursing employers).
 - Occasionally, receivable balances due to be removed in the RQ are declared Uncollectible in the RQ. These should be reported as uncollectible on the ETA 581 and classified as uncollectible (code U) when the extract file is built. When the validation software encounters Uncollectible records that could be removed on the basis of their established dates and ERQs, it parses them as uncollectible records.

- For Population 4, Subpopulations 4.7, 4.8, 4.15 and 4.16, programmers should generate separate balance records for a single employer, for each ERQ where there is a balance at the end of the RQ.
- Figure A.1, Point A, shows when the Population 4 validation file should be constructed.

Population 5

- The ETA 581 includes audit activity (for example, audit completions) reported during the second quarter of 2010.
 - This report information is validated by building a Population 5 extract file for the second quarter of 2010 that includes all field audits completed during the RQ.
 - Data elements specified on the record layout may not be captured on the state's system when they are not reported on the 581. They are however included in the auditor's paper files during the validation for the cases sampled for FIV. When states cannot capture such information automatically, the column can be completed from the auditor's paper files during the validation for the selected cases.
 - Some states do not consider an audit to be a change audit until Post-versus-Pre amounts exceed some dollar threshold or tolerance, e.g., \$1 or \$10. The DV software considers an audit to be a change audit if any Pre-Post difference is \$0.01 or more. If this difference in approach causes the state to fail validation, the state should note and document this fact in the Comments field on the RV screen, and apprise the National Office so that it can manually change the validation to Pass.
 - Figure A.1, Point A, shows when the Population 5 validation file should be constructed.

D. Population Table Specifications

Explanation of UI TAX data formats

Appendix A and Appendix B of the ETA Operations Guide 411 refer to 6 types of data formats.

1. **Required.** These fields cannot be blank. They may be mandatory codes, dates or dollar values. Required cells in Appendix A tables indicate the required code, date, or dollar value parameters, or display the word "Required." (Appendix F indicates constraint is NOT NULL.)

Required text fields have code values that must be entered, such as A, C, R, etc. All of the allowable generic values for each field are listed in the Data Type/Format column on the record layout. The generic values must be followed by a dash and the corresponding state-specific value.

2. **Conditionally required.** Data are included in these fields if the data are present in the state's system. Applies to date and wages fields.
3. **Optional.** These fields are gray in Appendix A and the word "Optional" is displayed. The software does not look at these fields at all. Any values can be entered or they can be left blank.
4. **Must be blank.** These are text or date fields where the presence of data indicates an error. Therefore, they must be left blank (such as population 4 transaction date for balance subpopulations 4.7, 4.8, 4.15, and 4.16).
5. **Must be blank or 0.** These are numeric fields where the presence of data other than 0 indicates an error. In tax these are primarily wages fields in populations 4 and 5.
6. **System generated.** These fields are generated by the DV software and data should not be placed in these fields in the extract files. These fields are primarily time lapse and age fields.

Some values are abbreviated in the record layouts (Appendix F) but are shown in the report validation specifications (Appendix A) in their entirety for informational purposes. *Follow the record layout when building the extract file.*

Notes:

For most steps referenced in Appendix A column headers, Rule 1 is the indicator in the state system. However, if a state does not maintain the indicator specified in Rule 1, then the state programmer must apply the logic of the other rules in that step in order to develop the indicator for the extract file .

The extract file type is ASCII, comma delimited. Data must be in the order listed in the record layouts.

Population Tables									
Table A.1									
Population 1 Subpopulations									
Active Employers									
	2 (Step 1A)	3 (Step 3A)	4 (Step 2A) (Step 2B)	5 (Step 14)	6 (Step 16)	7 (Step 5)	8 (Step 15)	9 (Step 7B)	10 (Step 7A)
Subpopulation	Reported in ETA 581 Item #'s	Employer Status Indicator	Employer Type	Liability Date (Met Threshold)	Reactivation Processing Date	Inactive/Terminated "as of" Date	Activation Processing Date	Number of Liabile Quarters	Sum of Wages (Last 8 Q's)
1.1	1 Required	A	C	\leq RQ and (\leq activation date or \leq reactivation processing date, if present) ¹	(\geq liability date met threshold) ¹ and \leq RQ and $>$ activation processing date, or blank	$>$ RQ, or $<$ liability date met threshold, or blank	\leq RQ	If = 0, then activation processing date, or reactivation processing date, if present, must be in RQ	(If Col. 8 = 8) $>$ \$0
1.2	2 Required	A	R	\leq RQ and (\leq activation date or \leq reactivation processing date, if present) ¹	(\geq liability date met threshold) ¹ and \leq RQ and $>$ activation processing date, or blank	$>$ RQ, or $<$ liability date met threshold, or blank	\leq RQ	If = 0, then activation processing date, or reactivation processing date, if present, must be in RQ	(If Col. 8 = 8) $>$ \$0

Notes

- 1) Column 9 reports the consecutive number of liable quarters ending with RQ-1. If the number is greater than 8, simply list 8. An account newly activated or reactivated in the quarter will have 0 liable quarters.
- 2) Column 10 sums the reported wages for the 8 quarters ending with RQ-1. The record layout for the software specifies that the states provide data for all 8 quarters if available. The software detects non-zero values for wages across quarters.

¹ Condition applicable for liability (met threshold) dates after 12/31/2002.

Subpopulation descriptions:

- 1.1 Active contributory employers liable by the end of the report quarter.

1.2 Active reimbursable employers liable by the end of the report quarter.

<p align="center">Table A.2 Population 2 Subpopulations Report Filing</p>										
	2 <i>(Step 1B)</i>	3 <i>(Step 1B)</i>	4 3 <i>(Step 2A) (Step 2B)</i>	5 <i>(Step 9)</i>	6 <i>(Step 10)</i>	7 <i>(Step 4A) (Step 4B)</i>	8 <i>(Step 14)</i>	9 <i>(Step 5)</i>	10 <i>(Step 5)</i>	11 <i>(Step 6A) (Step 6B) (Step 6C)</i>
Subpopulation	Reported in ETA 581 Item #'s	Employer Report Quarter (ERQ)	Employer Type	Received Date	Final Assessment Date	Liability Date (Initial or Reopen)	Liability Date (Met Threshold)	Inactive/ Terminated "as of" Date	Suspended "as of" Quarter	Inactivation/ Termination Processing Date
2.1	6, 7, (8 in RQ + 1)	Required	C	≤ DD	Required if Date Exists	Required if Date Exists	Required if Date Exists	Required if Date Exists	Must be blank	Required if Date Exists
2.2	7, (8 in RQ + 1)	Required	C	> DD but within RQ	Required if Date Exists	Required if Date Exists	Required if Date Exists	Required if Date Exists	Must be blank	Required if Date Exists
2.3	8 in RQ + 1	Required	C	RQ + 1	Required if Date Exists	Required if Date Exists	Required if Date Exists	Required if Date Exists	Must be blank	Required if Date Exists
2.4	8 in RQ + 1	Required	C	Required if Date Exists	RQ or RQ + 1	Required if Date Exists	Required if Date Exists	Required if Date Exists	Must be blank	Required if Date Exists
2.5	8 in RQ + 1	Required	C	Must be blank	Required if Date Exists	Required if Date Exists	Required if Date Exists	< RQ - 1	Must be blank	RQ or RQ + 1
2.6	8 in RQ + 1	Required	C	Must be blank	Required if Date Exists	Required if Date Exists	≥ RQ	> RQ and > Liability date (met threshold), or blank	Must be blank	Required if Date Exists
2.7	8 in RQ + 1	Required	C	Must be blank	Required if Date Exists	Required if Date Exists	Required if Date Exists	Required if Date Exists	RQ - 1	Required if Date Exists
2.8	8 in RQ + 1	Required	C	Must be blank	Required if Date Exists	= Col. 8 date	Required if Date Exists	= Col. 6 date	Must be blank	RQ or RQ + 1

**Table A.2
Population 2 Subpopulations
Report Filing**

	2 (Step 1B)	3 (Step 1B)	4 (Step 2A) (Step 2B)	5 (Step 9)	6 (Step 10)	7 (Step 4A) (Step 4B)	8 (Step 14)	9 (Step 5)	10 (Step 5)	11 (Step 6A) (Step 6B) (Step 6C)	
Subpopulation	Reported in ETA 581 Item #’s	EAN	Employer Report Quarter (ERQ)	Employer Type	Received Date	Final Assessment Date	Liability Date (Initial or Reopen)	Liability Date (Met Threshold)	Inactive/ Terminated “as of” Date	Suspended “as of” Quarter	Inactivation/ Termination Processing Date
2.9	9, 10, (11 in RQ + 1)	Required	RQ - 1	R	≤ DD	Required if Date Exists	Required if Date Exists	Required if Date Exists	Required if Date Exists	Must be blank	Required if Date Exists
2.10	10, (11 in RQ + 1)	Required	RQ - 1	R	> DD but within RQ	Required if Date Exists	Required if Date Exists	Required if Date Exists	Required if Date Exists	Must be blank	Required if Date Exists
2.11	11 in RQ + 1	Required	RQ - 1	R	RQ + 1	Required if Date Exists	Required if Date Exists	Required if Date Exists	Required if Date Exists	Must be blank	Required if Date Exists
2.12	11 in RQ + 1	Required	RQ - 1	R	Required if Date Exists	RQ or RQ + 1	Required if Date Exists	Required if Date Exists	Required if Date Exists	Must be blank	Required if Date Exists
2.13	11 in RQ + 1	Required	RQ - 1	R	Must be blank	Required if Date Exists	Required if Date Exists	Required if Date Exists	Required if Date Exists	Must be blank	RQ or RQ + 1
2.14	11 in RQ + 1	Required	RQ - 1	R	Must be blank	Required if Date Exists	Required if Date Exists	Required if Date Exists	Required if Date Exists	Must be blank	Required if Date Exists
2.15	11 in RQ + 1	Required	RQ - 1	R	Must be blank	Required if Date Exists	Required if Date Exists	Required if Date Exists	Required if Date Exists	RQ - 1	Required if Date Exists
2.16	11 in RQ + 1	Required	RQ - 1	R	Must be blank	Required if Date Exists	Required if Date Exists	Required if Date Exists	Required if Date Exists	Must be blank	RQ or RQ + 1

Notes:

1) A few states resolve reports for seasonal employers by suspending the report filing requirement in off seasons (subpopulations 2.7 and 2.15). Most states will not have values for “suspended as of quarter.”

- 2) States should identify all contributory and reimbursing employers who, on the last day of the quarter prior to the ETA 581 report quarter, are required to file a report covering that quarter in the ETA 581 report quarter. That data file can then be used in the validation reconstruction, even though not every report owed will be resolved. (If this approach is workable for states, it can also be done every quarter to program the ETA 581.)
- 3) Some states may use a delinquency flag instead of the preferred received date; this creates audit trail issues to be reviewed on a state-specific basis.
- 4) If an employer has more than one resolved date under columns 5, 6, 9, or 10, the software assigns the record to the first subpopulation for which it meets the criteria.

Subpopulation descriptions:

The software assigns a record to the first subpopulation for which it meets the subpopulation criteria. Each record is compared to the requirements for subpopulation 1 and the software determines whether the record meets those criteria. If it does, the record is assigned to subpopulation 1. If it does not, the software then compares the record to the requirements for subpopulation 2 and determines whether the record meets those criteria. This process continues as necessary comparing each record to the requirements for each successive subpopulation.

- 2.1 Contributory employers owing contributions reports for activities in RQ - 1, who filed contribution reports by the due date (timely).
- 2.2 Contributory employers owing contributions reports for activities in RQ - 1, who filed untimely contribution reports by the end of RQ (secured, but not timely).
- 2.3 Contributory employers owing contributions reports for activities in RQ - 1, who filed contribution reports during RQ + 1 (resolved, neither secured nor timely).
- 2.4 Contributory employers owing contributions reports for activities in RQ - 1, who received a legally due and collectible enforcement (final assessment) by the end of RQ + 1 (resolved, neither secured nor timely).
- 2.5 Contributory employers owing contributions reports for activities in RQ - 1, who were made inactive during RQ or during RQ + 1 (resolved, neither secured nor timely), and whose inactivation was effective prior to the ERQ.
- 2.6 Contributory employers owing contributions reports for activities in the RQ - 1, whose liability date (met threshold) was changed from prior to the RQ, to during or after RQ (resolved, neither secured nor timely).

- 2.7 Contributory employers owing contributions reports for activities in RQ - 1, who were suspended from filing contribution reports due in RQ by virtue of being seasonal employers, an administrative decision not to pursue report filing, or for other reasons (resolved, neither secured nor timely).
- 2.8 Contributory employers owing contributions reports for activities in RQ - 1, whose accounts were withdrawn by making the liability date and the inactive/terminated “as of” date equal (resolved, neither secured nor timely). This includes canceled, withdrawn, closed, dropped, etc., accounts.
- 2.9 Reimbursable employers owing required reports for activities in RQ - 1, who filed required reports by the due date (timely).
- 2.10 Reimbursable employers owing required reports for activities in RQ - 1, who filed untimely required reports by the end of the RQ (secured, but not timely).
- 2.11 Reimbursable employers owing required reports for activities in RQ - 1, who filed required reports during RQ + 1 (resolved, neither secured nor timely).
- 2.12 Reimbursable employers owing required reports for activities in RQ - 1, who received a legally due and collectible enforcement (final assessment) by the end of RQ + 1 (resolved, neither secured nor timely).
- 2.13 Reimbursable employers owing required reports for activities in RQ - 1, who were made inactive during the RQ or during RQ + 1 (resolved, neither secured nor timely), and whose inactivation was effective prior to the ERQ.
- 2.14 Reimbursable employers owing required reports for activities in RQ - 1, whose liability date (met threshold) was changed from prior to the RQ to during or after the RQ (resolved, neither secured nor timely).
- 2.15 Reimbursable employers owing required reports for activities in RQ - 1, who were suspended from filing required reports due in the RQ by virtue of being seasonal employers, an administrative decision not to pursue report filing, or for other reasons (resolved, neither secured nor timely).
- 2.16 Reimbursable employers owing required reports for activities in RQ - 1, whose accounts were withdrawn by making the liability date and the inactive/terminated “as of” date equal (resolved, neither secured nor timely). This includes canceled, withdrawn, closed, dropped, etc., accounts.

**Table A.3
Population 3 Subpopulations
Status Determinations**

	2 (Step 1C)	3 (Step 2A) (Step 2B)	4 (Step 11A) (Step 11B) (Step 11C) (Step 11D)	5 (Step 12)	6 (Step 13)	7 (Step 14)	8 (Step 14)	9 (Step 15)	10 (Step 16)	11 (Step 17)	12 (Step 18)	13 (Step 6A) or (Step 6B)	14 (Step 6A) or (Step 6C)
Sub-population	Reported in ETA 581 Item #'s	Employer Type	Status Determin. Type Indicator	Time Lapse	Status Determin. Date	Liability Date (Met Threshold) ≤ activation processing date or ≤ reactivation processing date if present	End of Liable Quarter	Activation Processing Date	Reactivation Processing Date	Successor-ship Processing Date	Predecessor Account Number	Inactivation Processing Date	Termination Processing Date
3.1	14, 15, 16	C or R	New*	≤ 90 days	RQ	≤ activation processing date or ≤ reactivation processing date if present	Required if Date Exists	RQ or < Col. 9 date	RQ or blank	Optional	Optional	Optional	Optional
3.2	14, 16	C or R	New*	≥ 91 but ≤ 180 days	RQ	≤ activation processing date or ≤ reactivation processing date if present	Required if Date Exists	RQ or < Col. 9 date	RQ or blank	Optional	Optional	Optional	Optional
3.3	14	C or R	New*	≥ 181 days	RQ	≤ activation processing date if present	Required if Date Exists	RQ or < Col. 9 date	RQ or blank	Optional	Optional	Optional	Optional
3.4	17, 18, 19	C or R	Successor*	≤ 90 days	RQ	≤ successorship date	Required if Date Exists	≤ successorship date	≤ successorship date, or blank	RQ	Required	Optional	Optional
3.5	17, 19	C or R	Successor*	≥ 91 but ≤ 180 days	RQ	≤ successorship date	Required if Date Exists	≤ successorship date	≤ successorship date, or blank	RQ	Required	Optional	Optional
3.6	17	C or R	Successor*	≥ 181 days	RQ	≤ successorship date	Required if Date Exists	≤ successorship date	≤ successorship date, or blank	RQ	Required	Optional	Optional
3.7	20	C or R	Inactivations*	Optional	RQ	Required	Required if Date Exists	Optional	Optional	Optional	Optional	RQ ^a	Optional
3.8	20	C or R	Terminations*	Optional	RQ	Required	Required if Date Exists	Optional	Optional	Optional	Optional	Optional	RQ

^a There is the same issue as under Population #1, where the employer could be inactive based on 8 quarters of no wages (or fewer depending on the state's threshold), but for some reason the inactivation date/flag was not triggered. We may be able to cross-reference by EAN (by

programming or on the printout) the employers identified as falling in this category from the Population #1 specifications, since they are identical, as long as the same RQ is validated.

* These values are abbreviated in the record layout.

Notes:

1) States that prefer to validate contributory and reimbursing employer status determinations separately for their own purposes may do so by replicating the eight subpopulations (one set of eight subpopulations for each type of employer). States may prefer to validate the two types of employers separately if they are processed in very different ways. However, such states must still submit a single RV summary to the National Office with the combined results.

Subpopulation Descriptions:

- 3.1 Status determinations of new and reactivated employers made during the RQ, which were made within 90 days of the end of the quarter in which the employer became liable. (Subpopulations 3.1 - 3.3 include employers changing from contributory to reimbursing status or vice versa.)
- 3.2 Status determinations of new and reactivated employers made during the RQ, which were made between 91 and 180 days of the end of the quarter in which the employer became liable.
- 3.3 Status determinations of new and reactivated employers made during the RQ, which were made 181 days or later from the end of the quarter in which the employer became liable.
- 3.4 Status determinations of successor employers made during the RQ, which were made within 90 days of the end of the quarter in which the employer became liable.
- 3.5 Status determinations of successor employers made during the RQ, which were made between 91 and 180 days of the end of the quarter in which the employer became liable.
- 3.6 Status determinations of successor employers made during the RQ, which were made 181 days or later from the end of the quarter in which the employer became liable.
- 3.7 Inactivations of employers made during the RQ.
- 3.8 Terminations of employers made during the RQ.

**Table A.4
Population 4 Subpopulations
Accounts Receivable**

	2 (Step 1D)	3 (Step 2A) (Step 2B)	4 (Step 19A)	5 (Step 19B)	6 (Step 1D)	7 (Step 20)	8 (Step 21A) (Step 21B) (Step 21C)	9 (Step 22)	10 (Step 23)	11 (Step 24)	12 (Step 25)	13 (Step 26)	14 (Step 27A) (Step 27B)
Sub-population	EAN	Employer Type	Transaction Date	Established Q/Date	Employer Report Quarter (ERQ)	Due Date	Transaction Type/Indicator	Amount Established in RQ	Amount Liquidated	Amount Uncollectible	Amount Removed	Balance at End of RQ	Age of Receivable
4.1	Required	C	RQ	RQ	Required	Optional	E	> 0	Must be blank or 0	Must be blank or 0	Must be blank or 0	Must be blank or 0	Optional
4.2	Required	C	RQ	Required	Required	Optional	L	Must be blank or 0	> 0	Must be blank or 0	Must be blank or 0	Must be blank or 0	Optional
4.3	Required	C	RQ	Required	> RQ - 8	Optional	U	Must be blank or 0	Must be blank or 0	> 0	Must be blank or 0	Must be blank or 0	Optional
4.4	Required	C	RQ	> RQ - 3	≤ RQ - 8	Optional	U	Must be blank or 0	Must be blank or 0	> 0	Must be blank or 0	Must be blank or 0	Optional
4.5	Required	C	Optional	< RQ - 2	RQ - 8	Optional	R	Must be blank or 0	Must be blank or 0	Must be blank or 0	> 0	Must be blank or 0	Optional
4.6	Required	C	Optional	RQ - 2	≤ RQ - 8	Optional	R	Must be blank or 0	Must be blank or 0	Must be blank or 0	> 0	Must be blank or 0	Optional
4.7	Required	C	Must be blank	Required	> RQ - 8	Optional	B	Must be blank or 0	Must be blank or 0	Must be blank or 0	Must be blank or 0	> 0	Optional
4.8	Required	C	Must be blank	> RQ - 2	≤ RQ - 8	Optional	B	Must be blank or 0	Must be blank or 0	Must be blank or 0	Must be blank or 0	> 0	Optional
Reported in ETA 581 Item #'s								22	23	24	25	26	

Table A. 4
Population 4 Subpopulations
Accounts Receivable

	1 (Step 1D)	2 (Step 2A) (Step 2B)	3 (Step 19A)	4 (Step 19B)	5 (Step 1D)	6 (Step 20)	7 (Step 21A) (Step 21B) (Step 21C)	8 (Step 22)	9 (Step 23)	10 (Step 24)	11 (Step 25)	12 (Step 26)	13 (Step 27A) (Step 27B)
Sub-population	EAN	Employer Type	Transaction Date	Established Q/Date	Employer Report Quarter (ERQ)	Due Date	Transaction Type/Indicator	Amount Established in RQ	Amount Liquidated	Amount Uncollectible	Amount Removed	Balance at End of RQ	Age of Receivable
4.9	Required	R	RQ	RQ	Optional	Required	E	> 0	Must be blank or 0	Must be blank or 0	Must be blank or 0	Must be blank or 0	Optional
4.10	Required	R	RQ	Required	Optional	Required	L	Must be blank or 0	> 0	Must be blank or 0	Must be blank or 0	Must be blank or 0	Optional
4.11	Required	R	RQ	Required	Optional	> RQ - 7	U	Must be blank or 0	Must be blank or 0	> 0	Must be blank or 0	Must be blank or 0	Optional
4.12	Required	R	RQ	> RQ - 3	Optional	≤ RQ - 7	U	Must be blank or 0	Must be blank or 0	> 0	Must be blank or 0	Must be blank or 0	Optional
4.13	Required	R	Optional	< RQ - 2	Optional	RQ - 7	R	Must be blank or 0	Must be blank or 0	Must be blank or 0	> 0	Must be blank or 0	Optional
4.14	Required	R	Optional	RQ - 2	Optional	≤ RQ - 7	R	Must be blank or 0	Must be blank or 0	Must be blank or 0	> 0	Must be blank or 0	Optional
4.15	Required	R	Must be blank	Required	Optional	> RQ - 7	B	Must be blank or 0	Must be blank or 0	Must be blank or 0	Must be blank or 0	> 0	Optional
4.16	Required	R	Must be blank	> RQ - 2	Optional	≤ RQ - 7	B	Must be blank or 0	Must be blank or 0	Must be blank or 0	Must be blank or 0	> 0	Optional
Reported in ETA 581 Item #'s								34	35	36	37	38	

Notes:

Values in column 8 for all observations in subpopulation 4.1 should be totaled, for comparison to ETA Item #22.

Values in column 9 for all observations in subpopulation 4.2 should be totaled, for comparison to ETA Item #23.
Values in column 10 for all observations in subpopulations 4.3 - 4.4 should be totaled, for comparison to ETA Item #24.
Values in column 11 for all observations in subpopulations 4.5 - 4.6 should be totaled, for comparison to ETA Item #25.
Values in column 12 for all observations in subpopulations 4.7 - 4.8 should be totaled, for comparison to ETA Item #26.
Values in column 8 for all observations in subpopulation 4.9 should be totaled, for comparison to ETA Item #34.
Values in column 9 for all observations in subpopulation 4.10 should be totaled, for comparison to ETA Item #35.
Values in column 10 for all observations in subpopulations 4.11 - 4.12 should be totaled, for comparison to ETA Item #36.
Values in column 11 for all observations in subpopulations 4.13 - 4.14 should be totaled, for comparison to ETA Item #37.
Values in column 12 for all observations in subpopulations 4.15 - 4.16 should be totaled, for comparison to ETA Item #38.

- 1) There must be one record for each ERQ balance for an EAN to calculate aging.
- 2) If states bill reimbursing employers on a monthly basis, then they may have up to three records for a receivable establishment in the RQ.
- 3) States should not include negative values in individual transactions for report items. If a transaction made in one quarter is fully or partially adjusted in a subsequent quarter, the adjustment should be reported using a positive entry to an appropriate adjustment category on the report. For transactions made to an account that are fully or partially adjusted within the same quarter, states may report the net result. To ensure a proper audit trail for validation purposes, adjustments should only be netted when they actually occur and are discovered within the same RQ. In these same-quarter situations, states may net adjustments but are not required to net if they prefer to maintain records of each transaction. The following table gives examples of how to report and validate various types of receivables adjustments.

<i>Adjustment</i>	<i>ETA 581</i>
Error in new receivable identified and corrected within same reporting period	Report net result in Determined Receivable
\$100 overstatement of new receivable identified and corrected in following quarter	+\$100 Liquidation in next quarter's report
\$500 check received in RQ, returned by bank for non-sufficient funds in same quarter	Report net result (\$0) in Liquidated
\$500 check received in RQ, returned by bank for non-sufficient funds in following quarter	+\$500 Liquidated in RQ +\$500 Determined Receivable in report for RQ+1

Subpopulation descriptions:

- 4.1 Receivable amounts established as past due in the RQ for contributory employers.
- 4.2 Receivable amounts liquidated during the RQ for contributory employers.
- 4.3 Receivable amounts declared uncollectible during the RQ for contributory employers where the receivable is less than eight quarters old.
- 4.4 Receivable amounts declared uncollectible during the RQ for contributory employers where the receivable is at least eight quarters old but was established within the RQ or the two preceding quarters. The establishment date parameter is used to confirm that these transactions have not yet been removed.
- 4.5 Receivable amounts removed during the RQ for contributory employers where the receivable is eight quarters old and was established prior to two quarters before the RQ.
- 4.6 Receivable amounts removed during the RQ for contributory employers where the receivable was at least eight quarters old and was established two quarters prior to the RQ.
- 4.7 Receivable balances at the end of the RQ for contributory employers which were less than eight quarters old. (The receivable was not yet old enough to be removed.)
- 4.8 Receivable balances at the end of the RQ for contributory employers which were at least eight quarters old but which were established within the RQ or the preceding quarter. (The receivable is old enough to be removed but is not removed because it has not yet sat for 2 quarters in the 'greater than 15 months' aging category.)
- 4.9 Receivable amounts established as past due in the RQ for reimbursable employers.
- 4.10 Receivable amounts liquidated during the RQ for reimbursable employers.
- 4.11 Receivable amounts declared uncollectible during the RQ for reimbursable employers where the receivable is less than seven quarters old based on the due date.

- 4.12 Receivable amounts declared uncollectible during the RQ for reimbursable employers where the receivable is at least seven quarters old based on the due date but was established within the RQ or the two preceding quarters.
- 4.13 Receivable amounts removed during the RQ for reimbursable employers where the receivable is seven quarters old based on the due date and was established prior to two quarters before the RQ.
- 4.14 Receivable amounts removed during the RQ for reimbursable employers where the receivable was at least seven quarters old based on the due date and was established two quarters prior to the RQ.
- 4.15 Receivable balances at the end of the RQ for reimbursable employers which were less than seven quarters old based on the due date. (The receivable was not yet old enough to be removed.)
- 4.16 Receivable balances at the end of the RQ for reimbursable employers which were at least seven quarters old based on the due date but which were established within the RQ or the preceding quarter. (The receivable is old enough to be removed but is not removed because it has not yet sat for 2 quarters in the 'greater than 15 months' aging category.)

**Table A.5
Population 5 Subpopulations
Field Audits**

Sub-population	Reported in ETA 581 Items #’s	Total Wages										Taxable Wages					Contributions				
		2 (Step 1E)	3 (Step 1E)	4 (Step 28A) (Step 28B)	5 (Step 29A) (Step 29B)	6 (Step 30)	7 (Step 31A)	8 (Step 31B)	9 (Step 31C)	10 (Step 31D)	11 (Step 31E)	12 (Step 32A)	13 (Step 32B)	14 (Step 32C)	15 (Step 32D)	16 (Step 32E)	17 (Step 33A)	18 (Step 33B)	19 (Step 33C)	20 (Step 33D)	21 (Step 33E)
		EAN	Audit ID #	Employer Size	Change Audit	Audit Completion Date	Pre-Audit (T1)	Post-Audit (T2)	Under-Reported (T3)	Over-Reported (T4)	Reconciliation Amount (System Generated)	Pre-Audit (X1)	Post-Audit (X2)	Under-Reported (X3)	Over-Reported (X4)	Reconciliation Amount (System Generated)	Pre-Audit (C1)	Post-Audit (C2)	Under-Reported (C3)	Over-Reported (C4)	Reconciliation Amount (System Generated)
5.1	45, 46, 47	Required	Required	L	Y	RQ	Required	Required	Must be > 0 if Cols. 9, 13, 14, 18, 19 all = 0	Must be > 0 if Cols. 8, 13, 14, 18, 19 all = 0	Must be blank or 0	Optional	Optional	Must be > 0 if Cols. 8, 9, 13, 18, 19 all = 0	Must be blank or 0	Optional	Optional	Must be > 0 if Cols. 8, 9, 13, 14, 18 all = 0	Must be blank or 0	Must be blank or 0	
5.2	45, 47	Required	Required	L	N	RQ	Required	Required	Must be blank or 0	Must be blank or 0	Must be blank or 0	Optional	Optional	Must be blank or 0	Must be blank or 0	Must be blank or 0	Optional	Optional	Must be blank or 0	Must be blank or 0	Must be blank or 0
5.3	46, 47	Required	Required	S	Y	RQ	Required	Required	Must be > 0 if Cols. 9, 13, 14, 18, 19 all = 0	Must be > 0 if Cols. 8, 13, 14, 18, 19 all = 0	Must be blank or 0	Optional	Optional	Must be > 0 if Cols. 8, 9, 13, 18, 19 all = 0	Must be blank or 0	Optional	Optional	Must be > 0 if Cols. 8, 9, 13, 14, 18 all = 0	Must be blank or 0	Must be blank or 0	
5.4	47	Required	Required	S	N	RQ	Required	Required	Must be blank or 0	Must be blank or 0	Must be blank or 0	Optional	Optional	Must be blank or 0	Must be blank or 0	Must be blank or 0	Optional	Optional	Must be blank or 0	Must be blank or 0	Must be blank or 0
Reported in ETA 581 Item #’s							49	50	53	56				54	57			55	58		

Notes:

1) Some states may want to capture and store in the validation file the pre- and post-audit number of employees. Some states allocate a percentage of their UI receipts to special funds or programs; if so, the employer’s discount rate and amount discounted should be included in the file.

- 2) Post-audit figures for total wages, taxable wages and contributions reflect the net increase or decrease of under- and over-reporting identified during the audit, even though the netted figures are not reportable on the ETA 581. Referring to the report validation file specification column headers:
- Subtract the positive net of (T3 - T4) from the positive net of (T1 - T2). The result in column 10 should be zero.
- Subtract the positive net of (X3 - X4) from the positive net of (X1 - X2). The result in column 15 should be zero.
- Subtract the positive net of (C3 - C4) from the positive net of (C1 - C2). The result in column 20 should be zero.
- For example, if Employer A under reported total wages by \$5,000 and also over reported total wages by \$1,000, the Employer's post-audit total wages would increase by \$4,000. So, if the validator nets the under and over reported wages the result is \$4,000, and nets pre- and post-audit wages the result is \$4,000. These two results should always reconcile to zero. Referring again to the specification: If TI = \$10,000, T2 = \$14,000, T3 = \$5,000, T4 = \$1,000, then $(\$10,000 - \$14,000) - (\$5,000 - \$1,000) = 0$. Also, if TI = \$10,000, T2 = \$6,000, T3 = \$1,000, T4 = \$5,000, then $(\$10,000 - \$6,000) - (\$1,000 - \$5,000) = 0$.

The validation software will reject records if the *total wages reconciliation* amount is not zero. However, the software does not reject records if the taxable wages or contributions reconciliation amounts are not zero.

- 3) The number of observations in all four subpopulations should be totaled, for comparison to ETA Item #47.
- Dollar values in column 6 for all observations in all four subpopulations should be totaled, for comparison to ETA Item #49.
- Dollar values in column 7 for all observations in all four subpopulations should be totaled, for comparison to ETA Item #50.
- Dollar values in column 8 for all observations in all four subpopulations should be totaled, for comparison to ETA Item #53.
- Dollar values in column 9 for all observations in all four subpopulations should be totaled, for comparison to ETA Item #56.
- Dollar values in column 13 for all observations in all four subpopulations should be totaled, for comparison to ETA Item #54.
- Dollar values in column 14 for all observations in all four subpopulations should be totaled, for comparison to ETA Item #57.
- Dollar values in column 18 for all observations in all four subpopulations should be totaled, for comparison to ETA Item #55.
- Dollar values in column 19 for all observations in all four subpopulations should be totaled, for comparison to ETA Item #58.

Subpopulation descriptions:

- 5.1 Large employer audits completed during the RQ, which were change audits.
- 5.2 Large employer audits completed during the RQ, which were not change audits.
- 5.3 Small employer audits completed during the RQ, which were change audits.
- 5.4 Small employer audits completed during the RQ, which were not change audits.

APPENDIX B

Tax

INDEPENDENT COUNT

TABLE OF CONTENTS

APPENDIX B.....	B-1
A. Purpose.....	B-1
B. Procedures.....	B-1

APPENDIX B

A. Purpose

The validation procedures described in Modules 1 and 2 address the validation of all UI contributions transactions that have been *included* in the ETA 581 report. However, it is also important to confirm that no transactions have been improperly or systematically *excluded* from the Federal report. Although this problem is a difficult one, it is important to ensure that funding, economic statistics, and performance outcomes are not biased by the systematic elimination of particular types of transactions.

This Appendix is only applicable to populations for which the state has produced the RV file from the same extract files used to produce the ETA 581 report. It is not applicable when states produce the RV file directly from the employer contributions database, because the RV process itself constitutes an independent count through the process of reconstruction. When the RV file is produced from the same file used to produce the ETA 581 report, however, it is necessary to conduct an independent count in order to identify any errors that may have occurred in the ETA 581 report since these errors will be duplicated in the reconstruction file.

It is not possible to perform an independent count when the database does not contain all of the reported transactions. In these circumstances, the statistical file is the only source of data to reconstruct reported counts on the ETA 581 report. For the reasons given in Table B.2 below, it is unlikely that any state will need to perform an independent count for 581 validation. It is expected to be relevant only to validating Federal benefits reports. Nevertheless, the procedure is included in this handbook to ensure that states are aware of the possible problems with using statistical files for both reporting and validation when database files could be used.

B. Procedures

IS staff create independent total counts of transactions from the main database for comparison with counts generated on the extract files used to create the ETA 581. In general, the independent count is created opposite to the way the RV file is created. The RV file should be programmed from the bottom up, by selecting only the codes and criteria indicated on the file specification in Appendix A. However, the independent count should be programmed from the top down, by including all codes relevant to a population and then subtracting observations that do not match the population and subpopulation specifications. State programming staff must determine the specific type of independent count (simple query, multiple queries, cross tabulation).

Table B.1 indicates when independent count validation is required. There are six typical scenarios for how states produce the ETA 581 report and reconstruct counts for validation. The ETA 581 Source column indicates for each scenario the source files that states use to generate report counts. States may use different source files for different types of transactions. The Data

Validation Source column indicates for each scenario the source files that states use to reconstruct lists of transactions for validation.

The Independent Count Required column of Table B.1 indicates whether the state should conduct independent count validation for populations that match the report and validation scenario.

Table B.2 describes independent count criteria for each population.

Table B.1 ETA 581 Reporting and Validation Configurations									
Scenario	Transactions Overwritten on Database	ETA 581			Data Validation			Independent Count Required	
		Program Type	Source	Timing	Program Type	Source	Timing		
1	No	Count	Database	Snapshot (for reporting period)	Detail Record Extract (DRE)	Database	Snapshot	No	
2	No	Count	Stat file	Daily	DRE	Database	Snapshot	No	
3	No	DRE	Database	Snapshot (for reporting period)	DRE	Database	Snapshot	Yes	
4	No	DRE	Stat file	Daily	DRE	Stat file	Daily	Yes	
5	Yes	DRE	Stat file	Daily	DRE	Stat file	Daily	NA	
6	Yes	Count	Stat file	Daily	Must create a daily extract	NA	NA	NA	

Table B.2	
Independent Count Criteria by Population (Using Query Capability)	
Population Description	Independent Count Criteria
1. Active Employers	States should not use statistical files to validate active employers because the count should be taken from the database as a snapshot at the end of the month. If states do not use this approach for reporting--if they instead derive the number from changes in status over the quarter--they must use it for validation (they cannot recreate the active employer population from the status changes). Therefore, there is no situation that would require an independent count.
2. Report Filing	States generally use data files containing a record for each employer for both reporting and reconstructing counts of employer report statuses. Therefore, there is not likely to be a situation where statistical files are used for reporting or validation. If a state uses a statistical file for validation, it should create a frequency distribution of received dates for every employer with a received date for the quarter being validated. This count can be used to validate that the statistical file data matches the data base for all timely and secured reports and for all reports which are resolved by receipt of a report. This will validate subpopulations 2.1, 2.2, 2.3, 2.9, 2.10 and 2.11, which will be sufficient to demonstrate that the statistical file is valid.
3. Status Determinations	States often use statistical files for reporting status determinations when their system stores only the most recent status determination for each employer account and thus overwrites previous status determinations. These statistical files are often called RQC or TPS files because they were developed to provide a universe of determinations from which to derive the Revenue Quality Control (now Tax Performance System) sample. These states cannot perform an independent count from the database to validate the statistical file because the database will not contain records for all of the status determinations. Therefore, an independent count is not required for status determinations, because it is not possible to create such a count in states that use statistical files.

4. Accounts Receivable	<p>All states must use a transaction history file or audit trail to correctly reconstruct payments (amounts liquidated), because only such files show the date that each payment was made. Transaction history files are also the source for receivable amounts established and amounts declared uncollectible in some states. There is only one source file for such transactions, so an independent count is not relevant.</p> <p>All states must use employer quarter files to reconstruct balances for reporting amounts removed and amounts outstanding at the end of the quarter. Some states use such balances for reporting amounts declared uncollectible. These balances are always captured as a snapshot at the end of the quarter from the database, so an independent count is not relevant.</p>
5. Field Audits	<p>States do not maintain more than one file with field audit results, thus an independent count is not relevant.</p>