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## ETA 2112 UI Financial Transaction Summary

### A. Facsimile of Form

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<th>ITEM</th>
<th>LINE NO</th>
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**OTHER INFORMATION**

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Comments:

OMB No.: 1205-0154  OMB Expiration Date: 04/30/2009  Average Estimated Response Time: 30 Minutes

OMB Burden Statement: These reporting instructions have been approved under the Paperwork reduction Act of 1995. Persons are not required to respond to this collection of information unless it displays a valid OMB control number. Public reporting burden for this collection of information includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Submission is required to obtain or retain benefits under SSA 303(a)(6). Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Labor, Office of Workforce Security, Room S-4231, 200 Constitution Ave., NW, Washington, DC, 20210.
B. Purpose

Form ETA 2112 is a monthly summary of transactions in a state unemployment fund which consists of the Clearing Account, Unemployment Trust Fund (UTF) Account, and Benefit Payment Account. All payments by employers (and employees where applicable) into a state unemployment fund for contributions, payments in lieu of contributions, and special assessments should be accounted for in the report. Penalty and interest should be reported if deposited into the clearing account and transferred to the UTF. Funds received from the Federal Employees Compensation Account (FECA) and the Extended Unemployment Compensation Account (EUCA) as advances or reimbursements for Federal benefit obligations paid through the benefit payment account should be identified and reported in appropriate line items. All funds deposited into, transferred, or paid from the state unemployment fund (the state clearing account, the state account in the UTF, and the state benefit payment account) should be reflected on the ETA 2112 except for payments/benefits paid under the Alternative Trade Adjustment Assistance (ATAA) and Trade Adjustment Assistance (TAA) programs. Form ETA 2112 provides a summary of data pertaining to state unemployment insurance (UI) tax collections, regular benefits paid, Federal and state shares of extended benefits paid, Federal temporary program benefits paid, and other transactions affecting the UTF. In addition, it reflects specific areas where adjustments are indicated to determine the adequacy of resources available for regular unemployment benefit payments. Data from this form are also used with data from other statistical reports to study trends in financial aspects of the UI program and as a basis for solvency studies.

C. Due Date and Transmittal

This report is due the 1st day of the second month following the month of reference and will be transmitted electronically.

D. General Reporting Instructions

The data used in preparing the ETA 2112 must be obtained from the books of the state. A properly completed ETA 2112 will accurately show the net result of all transactions in the three accounts comprising the state unemployment fund as they appear in each state’s records.

Edit checks can be found in Handbook 402, Unemployment Insurance Required Reports Users Manual, Appendix C.

E. Item by Item Instructions

1. Balance Brought Forward. Line 1. Enter in the appropriate column the balance at the beginning of the month. The amounts will be those reported as Balance at the Close of the Month, line 49, on the previous month’s report.
2. **Deposits.**

   a. **Line 10. Total Deposits.** Enter the sum of lines 11 through 29 for each column.

   b. **Line 11. Net UI Contributions.** Enter in columns C and D, the net contribution collections for the month. Net contribution collections are the amount of total remittances deposited for the month including employee contributions used for unemployment compensation (ETA 8405 total of column III) less the amounts for refunds to employers, dishonored checks, and amounts received during the month for reimbursable benefit payments, penalty and interest, and Title IX (Reed Act) Funds.

   c. **Line 12. Penalty/Interest.** Enter in columns C and D the net collections of penalty, interest, and fines deposited during the month if transferred to the UTF.

   d. **Line 13. U.S. Treasury Interest Credits.** Enter in columns C and E the amount of interest earned on the state's account in the UTF and credited quarterly by the U.S. Treasury. Report actual credits, not monthly accrued interest. *There should be entries only for the months of March, June, September, and December.*

   e. **Line 14. Title IX Funds (Reed Act Amortization).** Enter in columns C and D the amount of Reed Act expenditures recovered during the month through amortization or depreciation and use allowances permitted in OMB Circular A-87 with Title III grant funds to be redeposited in the Unemployment Trust Fund.

   f. **Line 15. Title IX Funds (Reed Act Distribution).** Enter in columns C and E the amount received through a standard Reed Act distribution (from the ESAA to the state account in the UTF) or under a special distribution.

   g. **Line 16. Intra-Account Transfer.** Enter in column E the amount transferred during the month to the UTF from the clearing account. Enter in column F the amount transferred during the month from the UTF to the benefit payment account. Enter in column C the sum of the entries made in columns E and F. Include on line 16F all amounts transferred to the IRS for withholding on benefits regardless whether that transfer was made from the state account in the UTF or from the state benefit payment account. **Line 16F must equal line 47E.**

   h. **Line 17. From Other States --- Interstate Benefits.** Enter in columns C, E and F the total amount received from other states as reimbursement of benefits paid under combined wage plans.
i. **Line 18. FECA Advances/Reimbursements-UCX.** Enter in columns C and E amounts received as advances or reimbursements from FECA for benefit payments made under applicable Federal provisions to Ex-service Members (UCX).

j. **Line 19. Reimbursable Benefit Payments (Local Government and Other Political Subdivisions).** Enter in columns C and D the amount received as reimbursement for benefit payments made to former employees of local governments and political subdivisions including those to former employees of Indian tribes.

k. **Line 20. Reimbursable Benefit Payments (State Government Including State Hospitals and State Institutions of Higher Learning).** Enter in columns C and D the amount received as reimbursement for benefit payments made to former employees of state governments, including state hospitals and state institutions of higher education.

l. **Line 21. Reimbursable Benefit Payments (Nonprofit Organizations).** Enter in columns C and D the amount received as reimbursement for benefit payments made to former employees of reimbursing nonprofit organizations.

m. **Line 22. Federal Share Extended Benefits.** Enter in columns C and E Federal funds received as advances or reimbursements for the 50 percent Federal share of extended benefit payments under PL 91-373.

n. **Line 23. Federal Emergency Compensation.** Enter in columns C and E Federal funds received as advances or reimbursements for temporary Federal extensions of benefits (not Disaster Unemployment Assistance).

o. **Line 24. FECA Advances/Reimbursements UCFE.** Enter in columns C and E amounts which have been received as advances or reimbursements from FECA for payment of benefits to Federal civilians (including Postal employees).

p. **Lines 25 - 29. From Other Sources.** Enter on line 25 transactions for the Disaster Unemployment Assistance program. Enter on line 26 transactions for Title XII loan and repayment transactions. Enter on line 27 reimbursements from the EUCA. Enter on line 28 receipts from other sources (e.g., recovery of Federal emergency compensation overpayments, penalty and interest going through the clearing and benefit payment accounts) and detail in the “Comments” section. Enter on line 29 any transactions involving non-Title XII loans/advances. These may be debt issuances (bonds, notes), short-term loans (from private sources or other state sources), lines of credit, or any other loans not funded by the Federal Unemployment Account. Enter in column C the sum of such transactions.
3. **Disbursements.**

   a. **Line 30. Total Disbursements.** Enter the sum of lines 31 through 48, inclusive, for each column.

   b. **Line 31. Net UI Benefits.** Enter in columns C and F the amount of regular unemployment benefits paid to claimants during the month, including the net state portion of benefits paid former Federal employees, and ex-military personnel. Include benefit checks issued and cash benefits paid to all regular claimants eligible under state law. In computing the net amount of regular unemployment benefits paid, reduce the total benefits paid by the amount of benefit refunds received from claimants during the month, also, adjustment for credit or recharge of checks by banks, or for cancellation or reissuance of benefit checks previously issued. **NOTE: Amounts withheld from benefits and transferred to the IRS are not netted.** Report in column F all benefits paid, including amounts transferred to the IRS for Federal income tax withholding, regardless whether paid from the state account in the UTF of the state benefit payment account.

   c. **Line 32. Net State Share --- Extended Benefits.** Enter in columns C and F the net state share of extended benefits paid. This represents (plus or minus adjustments) 50 percent of any sharable extended benefits including combined wage claims, 50 percent of sharable regular benefits, and 50 percent of EB attributable to the state portion of joint UI/UCFE/UCX extended payments. Include EB payments attributable to former employees of state and local governments for which the employer is not liable for reimbursement to the state unemployment fund. On combined wage claims, an adjustment will be made on charges to transferring states to omit the Federal share of amounts attributed to transferred wages. Report in column F all benefits paid, including amounts transferred to the IRS for Federal income tax withholding, regardless whether paid from the state account in the UTF or the state benefit payment account.

   d. **Line 33. Net Reimbursable Benefit Payments (Local Government and Other Political Subdivisions and Indian Tribes.)** Enter in columns C, E, and F the net amount of benefits paid which were attributable to local governments and political subdivisions subject to reimbursement. Benefits attributable to Indian tribes are included in this section. In computing the net amount, include any extended benefits for which the employer is liable for reimbursement to the state unemployment fund but exclude EUC08 benefits. Report in column F all benefits paid, including amounts transferred to the IRS for Federal income tax withholding, regardless whether paid from the state account in the UTF or the state benefit payment account.

   e. **Line 34. Net Reimbursable Benefit Payments (State Government Including State Hospitals and State Institutions of Higher Education).** Enter in columns
C, E, and F the net amount of benefits paid former employees of state
government including state hospitals and state institutions of higher learning
subject to reimbursement. In computing the net amount, include any
extended benefits paid for which the employer is liable for reimbursement to
the state unemployment fund but exclude EUC08 benefits. Report in column
F all benefits paid, including amounts transferred to the IRS for Federal
income tax withholding, regardless whether paid from the state account in the
UTF or the state benefit payment account.

Enter in columns C, E and F the net amount of benefits paid former
employees of reimbursing nonprofit organizations. In computing the net
amount, do not include the 50 percent Federal share of any extended
benefits paid or EUC08 benefits. The 50 percent Federal sharable portion
should be included in line 38. Report in column F all benefits paid, including
amounts transferred to the IRS for Federal income tax withholding,
regardless whether paid from the state account in the UTF or the state
benefit payment account.

g. Line 36. FECA Net Federal Benefits - UCX. Enter in columns C and F the
net Federal portion of unemployment compensation paid to former members
of the armed services from funds in the benefit payment account. The total
payments should be adjusted for refunds deposited during the month, credits
and recharges, and cancellations and reissuances and exclude EUC08
benefits. Report in column F all benefits paid, including amounts transferred
to the IRS for Federal income tax withholding, regardless whether paid from
the state account in the UTF or the state benefit payment account.

h. Line 37. Net Federal Benefits (Federal Share Regular Benefits). Enter in
columns C and F the net Federal share of regular compensation paid,
including combined wage claims and benefit payments subject to
reimbursement by nonprofit employers. This applies to those states whose
regular duration of benefits exceeds 26 weeks. Report in column F all
benefits paid, including amounts transferred to the IRS for Federal income
tax withholding, regardless whether paid from the state account in the UTF or
the state benefit payment account.

i. Line 38. Net Federal Benefits (Federal Share Extended Benefits). Enter in
columns C and F the net Federal share of extended compensation paid,
including combined wage claims and payments subject to reimbursement by
nonprofit employers. States without a noncompensable waiting week for
regular benefits should not include the first week of the Federal share of
extended benefit payments on this line. The first week of the Federal share
of extended benefits should be reported on line 45, columns C and F. Do not
include any other transactions on this line. Report in column F all benefits
paid, including amounts transferred to the IRS for Federal income tax
withholding, regardless whether paid from the state account in the UTF or the state benefit payment account.

j. **Line 39. EUC 2008 Activity.** Enter in columns C and F the net amount for which the Federal government is liable for EUC08, including UCFE and UCX. Break out all disbursements by program in the “Comments” section as follows:
   (A) Billable to EUCA - EUC08 benefits based on services for employers, except those listed in (B).
   (B) Billable to General Revenues - EUC benefits paid based on services performed for the Federal government (UCFE and UCX), state and local government (contributory and non-contributory), Section 501(c)(3) non-profit employers (contributory or non-contributory employers to which Section 3309(a)(1) of the Internal Revenue Code applies), and Federally recognized Indian Tribes (contributory or non-contributory).

k. **Line 40. EUC Activity.** Enter in columns C and F the amount disbursed for Emergency Unemployment Compensation. Since this program has expired, there will be minimal activity, e.g. overpayment recoveries. There will be no amounts transferred to the IRS for Federal income tax withholding.

l. **Line 41. TEUC Activity.** Enter in columns C and F the amounts paid for the Temporary Emergency Unemployment Compensation program, including payments made to displaced airline workers. Report in column F all benefits paid, including amounts transferred to the IRS for Federal income tax withholding, regardless whether the taxes are paid from the state account in the UTF or the state benefit payment account.

m. **Line 42. Federal Emergency Compensation.** Enter in columns C and F the net Federal Emergency Compensation, for programs other than those reported on lines 39-41, paid for which the Federal government is liable. Examples are benefits authorized and financed by Congress during extended periods of high unemployment rates. Identify the payment by program and amount in the "Comments" section. Report in column F all benefits paid, including amounts transferred to the IRS for Federal income tax withholding, regardless whether paid from the state account in the UTF or the state benefit payment account.

n. **Line 43. To Other States-Interstate Benefits.** Enter in columns C, E and F the amount transferred to other states as reimbursement for benefits paid under combined wage plans. Report in column F all benefits paid, including amounts transferred to the IRS for Federal income tax withholding, regardless whether paid from the state account in the UTF or the state benefit payment account.

o. **Line 44. Title IX Funds Withdrawn (Reed Act).** Enter in columns C and E the total amount of Title IX funds withdrawn from the UTF pursuant to Section
903(c)(2) of the Social Security Act, as amended, and/or under special legislation such as under the Balanced Budget Act.

p. **Line 45. To Special Funds.** Enter in columns C and D the amount transferred from the clearing account to special administration or contingent funds established under state law, and explain in the "Comments" section. Funds withdrawn to pay the principal on non-Title XII debt should be reported.

q. **Line 46. FECA Net Benefit Payments-UCFE.** Enter in columns C and F net benefit payments made during the month to former Federal civilian (including postal) employees, excluding EUC 2008, with funds from the FEC account. Report in column F all benefits paid, including amounts transferred to the IRS for Federal income tax withholding, regardless whether paid from the state account in the UTF or the state benefit payment account.

r. **Line 47. Intra-Account Transfer.** Enter in column D the amount transferred during the month to the UTF from the clearing account. Enter in column E the amount transferred during the month from the UTF to the benefit payment account. Enter in column C the sum of the entries made in columns D and E. These entries should correspond with the entries made on line 16 in the "Deposits" section. **Line 47E must equal Line 16F.**

s. **Line 48. Other (Explain).** Enter in columns D, E, and F, as applicable, amounts disbursed for other purposes not included in lines 31 through 44 and explain in the "Comments" section (i.e., repayments of Title XII loans, DUA benefits, return of outstanding Extended and Federal Supplemental Benefits balances to EUCA, CETA/PSE and non-reimbursable Federal share of extended benefits). Enter in column E, transfers to FECA of penalties, fines, and/or interest collected resulting from the recovery of overpayments of UCFE/UCX claims. Do not include payments of benefits for ATAA or TAA.

Transfers of amounts collected as principal, penalties, fines, and/or interest resulting from the recovery of UCFE/UCX overpayments from the state’s accounts in the UTF to FECA should be executed through the Treasury Automated Standard Application for Payments (ASAP). The Department of Labor, ETA should be notified of any of those transfers.

Column C is the sum of columns D, E, and F.

4. **Balance at the Close of the Month.** Line 49. Enter in the appropriate column the balance at the close of the month. The amount to be entered for each column will be the sum of item 1 plus item 10 minus item 30. The amount entered in column D should agree with the clearing account balance at the end of the month as reported on form ETA 8405. The amount entered in column F should agree with the benefit payment account balance at the end of the month as reported on form ETA 8401.
5. **Withholding.** Line 50. Enter in columns C, E, and F the amount withheld from benefits sent to the IRS for Federal income tax liabilities.
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  10. Age of Receivables - Reimbursing Employers ..................... II-2-19
11. Audit Activity........................................................................................................II-2-20
12. Comments............................................................................................................II-2-22
## A. Facsimile of Form

**ETA 581 - CONTRIBUTION OPERATIONS**

<table>
<thead>
<tr>
<th>STATE</th>
<th>REGION</th>
<th>REPORT FOR PERIOD ENDING</th>
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</thead>
<tbody>
<tr>
<td></td>
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### Employer Count

<table>
<thead>
<tr>
<th>Employer Count</th>
<th>Line 101</th>
<th>End Quarter Employers</th>
<th>Delinquency Cutoff Date</th>
<th>Total Number Wage Items Received</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>Contributory</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Reimbursement</td>
<td></td>
<td></td>
</tr>
<tr>
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### Employer Reports for Preceding Quarters

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<th>Contributory Employers</th>
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<tr>
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<td>Secured</td>
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<tr>
<td></td>
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<table>
<thead>
<tr>
<th>Number Outstanding Quarters Prior to Report Quarter</th>
<th>Total Estimated Contributions Due</th>
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<tbody>
<tr>
<td>(12)</td>
<td>(13)</td>
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### Status Determinations

<table>
<thead>
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<th>301</th>
<th>Newly Established Employers</th>
<th>Successor Employers</th>
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<td>(15)</td>
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<tr>
<td></td>
<td></td>
<td>Number</td>
<td>Time Lapse &lt;=90</td>
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### Inactivations/Terminations

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### Contributory Employers Receivables

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<th>Declared Uncollectible</th>
<th>Removed End Period</th>
<th>Total End Period</th>
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### Number Employers Owing Receivables in (26)

<table>
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### Age of Contributory Receivables

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### Reimbursing Employers

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<th>Reimbursing Employers</th>
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<th>Determined</th>
<th>Liquidated</th>
<th>Declared Uncollectible</th>
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## ETA 581 Contribution Operations

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<tr>
<th>Receivables</th>
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<th>Period</th>
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<td>Number Employers</td>
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<td>Owning Receivables in (38)</td>
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<table>
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<th>12 Months</th>
<th>15 Months</th>
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<table>
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<tr>
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<td>Large Employers</td>
<td>Change Audits</td>
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<td>Total Wages Audited</td>
<td>Pre-Audit</td>
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<table>
<thead>
<tr>
<th>Audit Activity</th>
<th>Amount Underreported</th>
<th>Taxable Wages</th>
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<td>Amount Overreported</td>
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<td>Contributions</td>
</tr>
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<td>Total Wages</td>
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</table>

### Comments:

OMB No.: 1205-0178  OMB Expiration Date: 12/31/2011  OMB Burden Hours: 510 Minutes
OMB Burden Statement: These reporting instructions have been approved under the Paperwork reduction Act of 1995. Persons are not required to respond to this collection of information unless it displays a valid OMB control number. Public reporting burden for this collection of information includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Submission is mandatory under SSA 303(a)(6). Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Labor, Office of Workforce Security, Room S-4231, 200 Constitution Ave., NW, Washington, DC, 20210.
B. Purpose

The ETA 581 report provides information on volume of work and state agency performance in determining the taxable status of employers and the processing of wage items; in the collection of past due contributions and payments in lieu of contributions, and delinquent reports; and in field audit activity. The data provide measures of the effectiveness of the tax program.

C. Due Date and Transmittal

The ETA 581 report for each calendar quarter is due in the Employment and Training Administration National Office on the 20th day of the second month following the quarter to which it relates, i.e., May 20, August 20, November 20, and February 20. This report will be transmitted electronically.

D. General Reporting Instructions

Checking the Report. Entries should be made for all items. If no activity corresponding to the items occurred during the report period, a zero should be entered. A report containing missing data cannot be sent to the National Office but can be stored on the state’s system. Edit checks can be found in Handbook 402, Unemployment Insurance Required Reports User’s Manual, Appendix C.

E. Definitions

1. **Report Quarter.** A calendar quarter (3 months) referenced on ETA reports covering a state’s activities and transactions occurring within or existing as of the end of the quarter specified.

2. **Active Employer.** An "employer" (single or multi-unit) who has met a specific threshold or condition of liability contained in the state’s unemployment compensation law, is currently registered and required to file contribution and wage reports (CWRs), and (except for new employers establishing liability within the 581 report quarter) has reported wages during one or more of the eight consecutive calendar quarters immediately preceding the ETA 581 report quarter.

3. **Inactive Employer.** An employer who does not qualify for termination of coverage by reason of no longer meeting the state’s definition of "Employer" but:

   a. has notified the agency it is no longer paying wages and has been granted permission to suspend filing of quarterly reports, or
b. has been administratively granted permission to suspend filing quarterly reports by reason of no longer paying wages, or
c. has not reported wages for any of the eight consecutive calendar quarters immediately preceding the ETA 581 report quarter. For these employers the effective date for inactivation shall be the last day of the eighth no wage quarter (or the first day of the ninth quarter depending on state specific inactivation procedures).

Example: Consider an employer who was issued a determination of liability during the fourth quarter of 2000 and reported some wages in the fourth quarter of 2000. However, no wages were reported for the first quarter 2001 through the fourth quarter of 2002 (either because of failure to file required CWRs, “No Payroll” reports, or any combination of these). Assume that a fourth quarter 2002, No-Payroll CWR was received and processed timely on January 31, 2003. Under part “c” of the definition of Inactive Employer the employer would become inactive as of 12/31/2002 (or 1/1/2003 depending on state-specific inactivation procedures) and therefore would not be included in the active employer count made on 3/31/2003. This employer would be counted in Item 20, Inactivations/Terminations for the 3/31/2003 ETA 581 report.

4. **Annual-reporting Employer.** An employer who is permitted to file contribution and wage reports on an annual basis.

5. **Contributions.** The amount of state unemployment taxes, including voluntary payments, paid or payable into a state unemployment fund by an employer based on the taxable wages paid to an employee.

6. **Subject Employer.** An employing unit which has met a threshold or condition of liability under state unemployment compensation law; also a liable employer or a covered employer.

7. **Contributory Employer.** An employer who is required by the state unemployment compensation law to pay contributions into the state unemployment fund. Employers of certain classes who are not required to pay contributions but elect to do so and employers with a 0.0% contribution rate are included in the definition of "contributory employer."

8. **Reimbursing Employer.** Certain nonprofit organizations, state or local government and political subdivisions which elect or are required to pay into the state unemployment fund a sum in lieu of contributions as provided in the state unemployment compensation law (usually an amount equal to unemployment benefits drawn against such an employer account).
9. **Delinquency Cutoff Date.** The date on which employers who have not submitted contribution and wage reports for a specific quarter are notified of such by the mailing of first delinquency notices.

10. **Wage Item.** A statement of wages for which, as the result of regular processing, a separate record is kept in a wage record file by employee name or Social Security Account Number.

11. **Due Date (Contribution Report).** The date, after which the state can impose penalty and/or interest, whichever is first applicable.

12. **Secured Report.** A contribution report which has been received. Unless received a report is not considered secured even if a final assessment or a ruling of non-liability has been made.

13. **Resolved Report.** A contribution report which has been received or resolved by a final assessment of tax that is legally due and collectible or by a determination of non-liability.

14. **Status Determination.** Any recorded administrative action that establishes, modifies, changes, inactivates or terminates an employing unit's liability as an employer under the state unemployment compensation law.

15. **Newly Established Account.** An account for an employing unit which is determined, for the first time, as meeting the definition of "EMPLOYER" in the state unemployment compensation law or a previously terminated employing unit which again is determined as meeting the definition of employer.

16. **Successor.** An employing unit which has acquired the organization, trade, or business, in whole or in part, of another employer, and is declared subject as a successor as of the day on which it meets the requirements of the state unemployment compensation law for successorship.

17. **Terminated Employer.** An employer, who may or may not have previously been granted permission to suspend filing quarterly reports (made inactive), but has requested and been granted termination of coverage or has administratively been granted termination of coverage by reason of not meeting the definition of "EMPLOYER" in the state unemployment compensation law.

18. **Receivables.**

   a. **Contributory employers:** past due contributions (state unemployment taxes), not including penalty and interest, which were due and payable with the employer's contribution report. Receivables include assessments and final assessments which are legally collectible and enforceable.
b. **Reimbursing employers**: past due amounts for reimbursable benefit payments that were charged and billed to reimbursing employers.

19. **Estimate - Contributions Due**. A calculation of contributions due for which a quarterly report has not yet been received. Estimates are usually based on past experience of an employer's account, and may be a "best reasonable calculation". An estimate may or may not be legally collectible and enforceable under the state unemployment compensation law. Estimates for purposes of item 13 are not receivables for purposes of lines 401 and 402.

20. **Assessment**. A liability established administratively for contributions due, usually based on an estimate and charged to an employer account with the expectation that it will be paid by the employer. For purposes of lines 401 and 402, an assessment is a receivable only if it is legally collectible and enforceable. It is no longer an estimate for statistical purposes of item 13.

21. **Final Assessment**. The same as assessment but requires completion of some due process (e.g., employer notification and expiration of an appeal period) to be legally collectible under the state unemployment compensation law.

22. **Liquidated Amount**. An amount received or an adjustment which cancels a previously established receivable.

23. **Declared Uncollectible (Write off)**. A receivable amount for which all reasonable collection efforts have been exhausted and which has been officially written off and/or authorized for removal from the active accounts receivable file and transferred to suspense (no further action to be taken).

24. **Aging of Receivables**. The process of identifying and classifying receivable amounts according to the length of time such amounts have remained unpaid, e.g., 6 months or less, 9 months, 12 months, 15 months, over 15 months.

25. **Audit**. A systematic examination of an employer's books and records, using generally accepted auditing standards and procedures, covering a specified period of time during which the employer is liable for reporting under the law or, is found to be liable as a result of the examination. An audit must:

   a. Include an opening interview,

   b. Cover a minimum of four calendar quarters (except as specified in ES Manual, Part V, Section 3675),

   c. Verify the business entity as a sole proprietor, partnership, corporation, joint venture, or other,
d. Document records examined and evidence obtained in tests used to verify payroll procedure, accuracy and completeness,

e. Document records available and examined and the evidence obtained in the search for misclassified workers and payments,

f. Conclude with a close-out conference with the employer or designated representative or include an explanation if not conducted; and

g. Include a written report stating the auditor's final determination and all facts contributing to or supporting that final determination.

26. Large Employer Audit. An audit of an employing unit:

a. Reporting wages paid to 100 or more individuals during the current or preceding calendar year, or

b. Reporting at least $1,000,000 in taxable payroll for the calendar year preceding the first quarter being audited.

27. Change Audit. An audit resulting in the discovery of wages or taxes not previously reported or reported incorrectly by the employer. Note: Delinquent employer reports obtained at the same time an audit is conducted, but are not related to any quarter covered by the audit, must not be considered in determining if the audit is a change audit.

F. Item by Item Instructions

1. Employer Count. Items 1, 2, and 3 relate to the count of active employers only. Do not include inactive or terminated employers. If an annual-reporting employer becomes inactive or is terminated, such an employer is immediately excluded from the count of active employers at the end of the quarter in which the inactivation or termination is effective, as opposed to at the end of the calendar year in which the inactivation or termination is effective.

Note: To obtain an accurate count of the number of employers at the end of the ETA 581 report quarter, a computer program (or other reliable tool) must be used which identifies and counts employers who meet the definitions of active contributory employer (item 1) and active reimbursing employer (item 2).

Example: For the ETA 581 report quarter ending 3/31/2003, the state must count the active employers as of 3/31/2003. Employers who either report 'no wages' or fail to file reports or any combination of these, for eight consecutive CWR quarters (see the definition for Inactive Employer) should be excluded from the count. The computer run to make the employer count must be set to count
all active contributing and all active reimbursing employers (separately) at the end of the ETA 581 report quarter.

a. **Item 1. Contributory.** Enter the number of active contributory employers subject to the state unemployment compensation law at the end of the report quarter. Include employers with a 0.0% contribution rate and employers from certain classes who are not required to pay contributions but have elected to do so.

b. **Item 2. Reimbursing.** Enter the number of active reimbursing employers subject to the state unemployment compensation law at the end of the report quarter.

c. **Item 3. Total.** Enter the total number of active employers (sum of items 1 and 2) subject to the state unemployment compensation law at the end of the report quarter.

2. **Delinquency Cutoff Date and Wage Items Received.**

a. **Item 4. Delinquency Cutoff Date.** Enter the date on which employers, whose CWRs have not been submitted for the quarter immediately preceding the ETA 581 report quarter, were notified of such by the mailing of first delinquency notices.

b. **Item 5. Total Number of Wage Items Received.** Enter the number of wage items received and processed during the quarter.

Count "Wage Items" after initial data entry or before or during the quarterly update of the Wage Record Master File. The quarterly count should be made consistently at the same point every quarter.

If a wage record is incomplete, e.g., some elements are omitted, count only those records containing a dollar amount and another element which positively identifies the worker either by name or Social Security number; or by employer name or account number. A wage item is counted only once. Corrected wage items are counted only if they were not previously included. The percent of change in the number of wage items from the preceding quarter should be computed. If the percent of change (either increase or decrease) exceeds the criteria below, data should be checked further and explained under "Comments."

<table>
<thead>
<tr>
<th>Number of Wage Items</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,000,000 or more</td>
<td>7%</td>
</tr>
<tr>
<td>3,000,000 - 4,999,999</td>
<td>10%</td>
</tr>
<tr>
<td>Less than 3,000,000</td>
<td>20%</td>
</tr>
</tbody>
</table>
3. **Employer Reports for Preceding Quarters - Contributory Employers**

   a. **Item 6. Filing Timely.** Enter the number of contributory employers who, as of the due date, had submitted contribution reports for the quarter preceding the report quarter. For annual-reporting employers: If the report quarter is not the quarter in which annual reports are due, include the total number of annual-reporting employers as of the end of the preceding quarter in the count of “filing timely” since such employers are considered to have met that quarter’s reporting requirements, i.e., no reports required. If the report quarter is the quarter in which annual reports are due, include the number of annual-reporting employers who, as of the due date for annual reports, had submitted such reports.

   b. **Item 7. Secured.** Enter the number of contributory employers who, as of the last day of the report quarter, had submitted contribution reports for the preceding quarter. If annual reports were not due during the report quarter, include the number of annual-reporting employers as of the end of the preceding quarter. If annual reports were due during the report quarter, include the number of annual-reporting employers who, as of the last day of the report quarter, had submitted annual reports. This number includes all employers whose reports were actually secured (report in hand). Employers whose report delinquencies were resolved by the issuance of an assessment or estimate as well as employers found to be no longer liable are not counted as secured reports, and, therefore, are not counted in this item. This count includes the number of reports filed timely in item 6.

   c. **Item 8. Resolved.** Enter the number of contributory employers who, as of the last day of the report quarter, had resolved reports for the second quarter preceding the report quarter. If annual reports were not due during the second quarter preceding the report quarter, include the total number of annual-reporting employers as of the end of the second quarter preceding the report quarter. If annual reports were due during the second quarter preceding the report quarter, include the number of annual-reporting employers who, as of the last day of the report quarter, had resolved reports for the second quarter preceding the report quarter. Employers whose report delinquencies were cleared by the issuance of an assessment or estimate, as well as employers found to be no longer liable are counted as resolved reports, and therefore, are counted in this item.

   **Example:** For items 6, 7, and 8 assuming that annual reports are due January 31 of the following year:

   For the report quarter ending March 31, 2002;
Timely - Enter in item 6, the number of contributory employers who, as of the due date, had submitted contribution reports for the quarter ending December 31, 2001, and the number of annual-reporting employers who had submitted annual reports for the year ending December 31, 2001, by January 31, 2002,

Secured - Enter in item 7, the number of contributory employers who, as of March 31, 2002, had submitted contribution reports for the quarter ending December 31, 2001, and include the number of annual-reporting employers who, as of March 31, 2002, had submitted annual reports for the year ending December 31, 2001. Do not include employers to whom assessments have been issued, or for whom determinations of non-liability have been made.

Resolved - Enter in item 8, the number of contributory employers who, as of March 31, 2002, had resolved reports for the quarter ending September 30, 2001, and include the total number of annual-reporting employers as of September 30, 2001. Include employers to whom assessments have been issued, or for whom determinations of non-liability have been made.

For the report quarter ending June 30, 2002;

Timely - Enter in item 6, the number of contributory employers who, as of the due date, had submitted contribution reports for the quarter ending March 31, 2002. Include the total number of annual-reporting employers as of March 31, 2002,

Secured - Enter in item 7, the number of contributory employers who, as of June 30, 2002, had submitted contribution reports for the quarter ending March 31, 2002. Include the total number of annual-reporting employers as of March 31, 2002. Do not include employers to whom assessments have been issued, or for whom determinations of non-liability have been made.

Resolved - Enter in item 8, the number of contributory employers who, as of June 30, 2002, had resolved reports for the quarter ending December 31, 2001 and the number of resolved reports for annual-reporting employers for the year ending December 31, 2001. Include employers to whom assessments have been issued, or for whom determinations of non-liability have been made.

4. **Employer Reports for Preceding Quarters - Reimbursing Employers.**

   a. **Item 9. Filing Timely.** Enter the number of reimbursing employers who, as of the due date, had submitted required reports for the quarter preceding the report quarter.
b. **Item 10. Secured.** Enter the number of reimbursing employers who, as of the last day of the report quarter, had submitted required reports for the immediately preceding quarter. Do not include those employers whose delinquency was resolved because they were found to be no longer liable.

c. **Item 11. Resolved.** Enter the number of reimbursing employers who, as of the last day of the report quarter, had submitted required reports for the second quarter preceding the report quarter. Include those employers whose delinquency was resolved because they were found to be no longer liable.

**Example - For items 9, 10, and 11:**

For the report quarter ending June 30, 2002;

**Timely** - Enter in item 9, the number of reimbursing employers who, as of the due date, had submitted required reports for the quarter ending March 31, 2002,

**Secured** - Enter in item 10, the number of reimbursing employers who, as of June 30, 2002, had submitted required reports for the quarter ending March 31, 2002. Do not include employers, for whom determinations of non-liability have been made,

**Resolved** - Enter in item 11, the number of reimbursing employers who, as of June 30, 2002, had resolved reports for the quarter ending December 31, 2001. Include employers for whom determinations of non-liability have been made.

5. **Outstanding Quarters and Estimated Contributions Due.**

a. **Item 12. Number of Outstanding Quarters Prior to Report Quarter.** Enter the total number of quarters represented by contribution reports outstanding for all quarters prior to the report quarter. For each outstanding annual report, include a count of 4 quarters. Item 12 must include quarters attributable to all delinquent contribution reports for the immediately preceding quarter, regardless of whether or not the employer has been issued an assessment. Do not include reports due from reimbursing employers.

b. **Item 13. Total Estimated Contributions Due.** Enter an estimate of the total amount of contributions due attributable to the number of outstanding quarters in item 12.

The estimate of contributions due should be based on:
(1) the amount of taxable wages for the same quarter in the preceding year adjusted to the employer's contribution rate for the quarter being estimated, or

(2) a method which results in a "best reasonable calculation."

The estimate for item 13 should not include intentionally inflated amounts assigned to employers for enforcement purposes, or any assessments based on outstanding reports in item 12 for which a receivable has been established and is included on line 401. Item 13 should represent the “truest picture” of the actual amount of contributions due.

Note: Item 13 is related only to item 12 and is not to be included in any other items or calculations on this report.


a. Item 14. Number, Newly Established Employers. Enter the number of status determinations made during the report quarter based on an employer having met a specific threshold or condition of liability contained in the state's unemployment compensation law, which resulted in the establishment of a new account. Do not include those determinations which resulted in the establishment of a new account for a successor employer. Also exclude status determinations for employers who have been assigned account numbers in advance of having met a threshold or conditions of liability. Include status determinations which re-established accounts for previously inactivated and/or terminated employers.

b. Item 15. Time Lapse - 90 Days or Less, Newly Established Employers. Enter the number of status determinations in item 14 that were made in 90 days or less from the end of the quarter in which liability occurred. Count the number of calendar days from the end of the quarter in which liability occurred to the date that the status information was officially entered into the state's system. For previously inactivated and/or terminated employers, count the number of days from the end of the quarter in which liability re-occurred. If the status information is entered before the end of the quarter in which liability occurred or re-occurred, the determination is automatically counted in the 90 days or less time lapse category.

c. Item 16. Time Lapse - 180 Days or Less, Newly Established Employers. Enter the number of status determinations in item 14 that were made in 180 days or less from the end of the quarter in which liability occurred. Count the number of calendar days from the end of the quarter in which liability occurred to the date that the status information was officially entered into the state's system. For previously inactivated and/or terminated employers, count the number of days from the end of the quarter in which liability re-
occurred. This count includes the number of status determinations reported for the 90 days or less time lapse in item 15.

d. Item 17. Number, Successor Employers. Enter the number of status determinations made during the report quarter in which the state’s legal definition of successorship was met and the employer was, thus, classified as a successor. Include full and partial successorships. Include status determinations which resulted in the establishment of new accounts for successor employers, as well as those employers who already had an existing account and acquired all or a part of the business of another employer with an existing account.

Example: Employer B, who previously has not been a subject employer, acquires and continues the business of Employer A. Employer B is determined to be a successor and is counted in item 17 as a successor rather than in item 14 as a newly established account.

Employer X, who is registered as an active subject employer, acquires and continues the business of Employer Y. Employer X is determined to be the successor to Employer Y and should also be counted in item 17.

e. Item 18. Time Lapse - 90 Days or Less, Successor Employers. Enter the number of status determinations in item 17 that were made in 90 days or less from the end of the quarter in which liability as a successor occurred. Count the number of calendar days from the end of the quarter in which liability occurred to the date that the status information was officially entered into the state’s system. If the status information is entered before the end of the quarter in which liability occurred, the determination is automatically counted in the 90 days or less time lapse category.

f. Item 19. Time Lapse - 180 Days or Less, Successor Employers. Enter the number of status determinations in item 17 that were made in 180 days or less from the end of the quarter in which liability as a successor occurred. Count the number of calendar days from the end of the quarter in which liability occurred to the date that the status information was officially entered into the state’s system. This count includes the number of status determinations reported for the 90 days or less time lapse in item 18.

g. Item 20. Inactivations/Terminations: Enter the number of status determinations made during the report quarter that resulted in the inactivation or termination of an account, whether made by a person or automatically made by the system. This number should include all accounts rendered inactive or terminated during the report quarter because no wages were reported for eight consecutive quarters. Annual-reporting employers that are terminated should be counted in the quarter in which the inactivation or
termination is effective, as opposed to at the end of the calendar year in which the inactivation or termination is effective. Refer to F.1. Employer Count. Do not include terminations of employers previously inactivated.

7. **Receivables - Contributory Employers.** Line 401 shows accounting control activities during the report quarter in regard to receivables due from contributory employers. Line 401 covers (as of the last day of the report quarter) all known receivables due for all calendar quarters prior to the report quarter.

   a. **Item 21. Total Receivables at the Beginning of Period.** Enter the total amount of known past due contributions at the beginning of the period. This amount should be equal to item 26 on the previous report.

   b. **Item 22. Amount Determined Receivable During Report Period.** Enter the amount of contributions determined to be past due during the report quarter based on contribution reports received without full payment of taxes, audit findings, adjustments, legally enforceable estimates and assessments and final assessments. Include all such receivables even though they are paid later in the quarter, otherwise liquidated or declared uncollectible. Do not include estimates and assessments which are not legally collectible or enforceable. Do not include interest and penalties.

   c. **Item 23. Receivables Liquidated During Report Period.** Enter amounts which were liquidated during the report quarter, other than by being declared uncollectible, which reduced the amounts in items 21 and 22. Do not include timely contributions received during the report quarter.

   d. **Item 24. Receivables Declared Uncollectible During Report Period.** Enter amounts reported in items 21 and 22 that were declared uncollectible and/or transferred to suspense status during the report quarter. Do not include amounts previously reported in item 25 (receivables removed from active file at end of report period) if such amounts were later declared uncollectible.

   e. **Item 25. Receivables Removed from Active File at End of Report Period.** Enter amounts included in item 21 (total receivables at beginning of period) that were reported in item 32 (over 15 months - age category) for the two immediately preceding ETA 581 report periods, but because of state policy, have not been declared uncollectible.

   **Example:** A receivable amount of $500 attributable to the quarter ending June 30, 2000 was included in total receivables at the end of report period (item 26) and, for the first time, reported in the "over 15 months" age category (item 32) on the ETA 581 report for the quarter ending December 31, 2001. The $500 was not collected or declared uncollectible during the quarter ending March 31, 2002, and, therefore, was included in total receivables at the end of report period (item 26) and the "over 15 months"
age category (item 32) for a second report quarter. Since item 26 (total receivables at the end of report period) on the report for the quarter ending March 31, 2002, is the same as item 21 (total receivables at beginning of report period) on the report for the quarter ending June 30, 2002, the $500 was included in item 21 on the report for the quarter ending June 30, 2002. The $500 was not collected or declared uncollectible during the quarter ending June 30, 2002, and had already been reported in the "over 15 months" age category (item 32) on reports for quarters ending December 31, 2001 and March 31, 2002. Therefore, on the report for the quarter ending June 30, 2002, the $500 is reported in item 25, receivables removed at end of report period.

f. Item 26. Total Receivables at End of Report Period. Enter the total amount of past due contributions as of the last day of the report quarter. This amount should equal Item 21 plus Item 22 minus items 23, 24, and 25 and should be carried forward to Item 21, Total Receivables at the Beginning of Period, for the following report.

g. Item 27. Number of Employers Owing Receivables. Enter the number of employers who owe the amount reported in item 26.

8. Age of Receivables - Contributory Employers. Line 402 separates total receivables in item 26 by amount and age. The age of receivable amounts should be calculated from the end of the quarter for which contributions are due, i.e.: March 31, June 30, September 30, December 31, not the date on which the amount was established as past due. Negative amounts cannot be entered in the age categories on this line.

a. Item 28. 6 Months or Less. (2 quarters or less) Enter that part of the amount in item 26 which, as of the end of the report quarter, was past due for 2 report quarters or less. Example: On the report for quarter ending June 30, 2002, enter in item 28 amounts that were past due for quarters ending March 31, 2002 and December 31, 2001.

b. Item 29. 9 Months. (3 quarters) Enter that part of the amount in item 26 which, as of the end of the report quarter, was past due for 3 report quarters. Example: On the report for the quarter ending June 30, 2002, enter in item 29, amounts that were past due for the quarter ending September 30, 2001.

c. Item 30. 12 Months. (4 quarters) Enter that part of the amount in item 26 which, as of the end of the report quarter, was past due for 4 report quarters. Example: On the report for the quarter ending June 30, 2002, enter in item 30, amounts that were past due for the quarter ending June 30, 2001.
d. **Item 31. 15 Months. (5 quarters)** Enter that part of the amount in item 26 which, as of the end of the report quarter, was past due for 5 report quarters. **Example:** On the report for the quarter ending June 30, 2002, enter in item 31, amounts that were past due for the quarter ending March 31, 2001.

e. **Item 32. Over 15 Months. (6 quarters or more)** Enter that part of the amount in item 26 which, as of the end of the report quarter, was past due for more than 15 months; i.e., 6 or more report quarters. **Example:** On the report for the quarter ending June 30, 2002, enter in item 32, amounts that were past due for the quarter ending December 31, 2001, and all prior quarters.

**Note:** The sum of amounts in items 28 through 32 must equal total receivables in item 26.

9. **Receivables - Reimbursing Employers.** Line 403 shows accounting control activities during the report quarter for past due payments in lieu of contributions. Line 403 covers (as of the last day of the report quarter) all known past due payments in lieu of contributions for all calendar quarters prior to the report quarter.

a. **Item 33. Total Receivables at the Beginning of Period.** Enter the total amount of payments in lieu of contributions known to be past due at the beginning of the period. This figure should be equal to item 38 of the previous report.

b. **Item 34. Amount Determined Receivable During Report Period.** Enter the amount of payments in lieu of contributions determined as past due during the report quarter based on current billings to reimbursing employers which are unpaid. Do not report amounts already included in item 33.

c. **Item 35. Receivables Liquidated During Report Period.** Enter the amount liquidated during the report quarter which reduced amounts in items 33 and 34 (other than by being declared uncollectible). Do not include timely payments in lieu of contributions received during the report quarter.

d. **Item 36. Receivables Declared Uncollectible During Report Period.** Enter amounts reported in items 33 and 34 that were declared uncollectible and transferred to suspense status during the report quarter. Do not include amounts previously reported in item 37 (receivables removed from active file at end of report period) if such amounts were later declared uncollectible.

e. **Item 37. Receivables Removed from Active File at End of Report Period.** Enter amounts included in item 33 (total receivables at beginning of period) that were reported in item 44 (over 15 months - age category) for the two
immediately preceding ETA 581 report periods, but because of state policy, have not been declared uncollectible.

Example: An amount of $600, which was determined receivable during the quarter ending June 30, 2000, was included in total receivables at the end of report period (item 38) and, for the first time, reported in the "over 15 months" age category (item 44) on the ETA 581 report for the quarter ending December 31, 2001. The $600 was not collected or declared uncollectible during the quarter ending March 31, 2002, and, therefore, was included in total receivables at the end of report period (item 38) and the "over 15 months" age category (item 44) for a second report quarter. Since item 38 (total receivables at the end of report period) on the report for the quarter ending March 31, 2002, is the same as item 33 (total receivables at beginning of report period) on the report for the quarter ending June 30, 2002, the $600 was included in item 33 on the report for the quarter ending June 30, 2002. The $600 was not collected or declared uncollectible during the quarter ending June 30, 2002, and it had already been reported in the "over 15 months" age category (item 44) on reports for quarters ending December 31, 2001 and March 31, 2002. Therefore, on the report for the quarter ending June 30, 2002, the $600 is reported in item 37, receivables removed at end of report period.

f. Item 38. Total Receivables at End of Report Period. Enter the total amount of payments in lieu of contributions that were past due as of the last day of the report quarter. This amount should equal Item 33 plus Item 34 minus Items 35, 36, and 37 and should be carried forward to Item 33, figure should be the result of the addition of items 33 and 34 minus items 35, 36, and 37 and should be carried forward to Item 33, Total Receivables at the Beginning of Period for the following report.

g. Item 39. Number of Employers Owing Receivables. Enter the number of employers who owe the amount reported in item 38.

10. Age of Receivables - Reimbursing Employers. Line 404 separates total receivables in item 38 by amount and age. The age of receivable amounts for reimbursing employers should be calculated from the date payment was due, not the date on which the amount was determined to be past due. Negative amounts cannot be entered in the age categories on this line.

a. Item 40. 6 Months or Less. Enter that part of the amount in item 38 which, as of the end of the report quarter, was past due for 6 months or less.

b. Item 41. 9 Months. Enter that part of the amount in item 38 which, as of the end of the report quarter, was past due for 9 months or less but more than 6 months.
c. **Item 42. 12 Months.** Enter that part of the amount in item 38 which, as of the end of the report quarter, was past due for 12 months or less but more than 9 months.

d. **Item 43. 15 Months.** Enter that part of the amount in item 38 which, as of the end of the report quarter, was past due for 15 months or less but more than 12 months.

e. **Item 44. Over 15 Months.** Enter that part of the amount in item 38 which, as of the end of the quarter, was past due for more than 15 months.

**Note:** The sum of amounts in items 40 through 44 must equal total receivables in item 38.

11. **Audit Activity.** Lines 501 and 502 show transactions resulting from activities which meet the definition of "audit" as specified in Section E. 25. of these instructions and the requirements of the Field Audit Function in ES Manual, Part V, Sections 3670-3693. With the exception of item 49, total wages audited: pre-audit, do not include in amounts underreported or overreported, any wages or contributions that were reported by an employer before an audit assignment or that were obtained without resorting to an audit. Wages and contributions attributed to a delinquent employer report which were obtained through a field assignment other than an audit, or were obtained at the same time an audit was conducted but were not within the scope of the audit, should not be reported on line 502 but should be included in items 22 and/or 23 (contributions), as appropriate.

a. **Item 45. Large Employer Audits.** Enter the total number of completed large employer audits. Item 45 can not be greater than item 47.

b. **Item 46. Change Audits.** Enter the number of audits in item 46 that were change audits. Item 46 can not be greater than item 47.

c. **Item 47. Total Audits.** Enter the total number of audits completed during the report quarter.

d. **Item 48. Calendar Quarters Audited.** Enter the total number of quarters audited as the result of audits reported in item 47. Count only quarters actually audited. Do not include quarters in which adjustments were made without auditing.

e. **Item 49. Total Wages Audited: Pre-Audit.** Enter the amount of pre-audit total wages originally reported by employers for quarters audited in item 48.
Estimates and/or assessments processed to an employer's account in lieu of actual reports should be included in this amount.

f. **Item 50. Total Wages Audited: Post Audit.** Enter the amount of total wages recorded in audit summaries as the result of auditing quarters in item 48.

g. **Item 51. Hours Spent in Auditing.** Enter the total number of hours (rounded to the nearest full hour) spent conducting the audits reported in item 47. Do not include time spent traveling to and from audit sites.

h. **Item 52. Number of Employees Misclassified as Independent Contractors.** Enter the total number of employees discovered through audits in item 47 that were previously misclassified by the employer as independent contractors. Count only employees discovered in quarters that were actually audited as reported in item 48.

Employees who were improperly misclassified in categories other than independent contractor can not be counted in item 52. **Example:** Under the state law, newspaper carriers age 18 years old or younger are classified as “excluded employees” for UI purposes. In an audit of the City Times Newspaper Co., it was discovered that all newspaper carriers, including 30 carriers over 18 years old, were being classified as “excluded employees.” The 30 carriers can not be counted in item 52 because they were improperly classified as “excluded employees” not “independent contractors.”

i. **Item 53. Underreported Total Wages.** Enter the total amount of underreported gross wages discovered as a result of quarters audited in item 48. Do not include amounts resulting from adjustments for quarters that were not actually audited.

j. **Item 54. Underreported Taxable Wages.** Enter the total amount of underreported taxable wages discovered as a result of quarters audited in item 48. Do not include amounts resulting from adjustments for quarters that were not actually audited.

k. **Item 55. Underreported Contributions.** Enter the total amount of underreported contributions discovered as a result of quarters audited in item 48. Do not include penalty and interest. Do not include amounts resulting from adjustments for quarters that were not actually audited.

l. **Item 56. Overreported Total Wages.** Enter the total amount of overreported gross wages discovered as a result of quarters audited in item 48. Do not include amounts resulting from adjustments for quarters that were not actually audited.
m. **Item 57. Overreported Taxable Wages.** Enter the total amount of overreported taxable wages discovered as a result of quarters audited in item 48. Do not include amounts resulting from adjustments for quarters that were not actually audited.

n. **Item 58. Overreported Contributions.** Enter the total amount of overreported contributions discovered as a result of quarters audited in item 48. Do not include amounts resulting from adjustments for quarters that were not actually audited.

**Note:** Amounts reported in items 53 through 58 must represent total amounts discovered as underreported and overreported for all audits without regard to the net effect for each individual audit.

**Example:** The following audit differences were discovered in Audit A:

<table>
<thead>
<tr>
<th></th>
<th>Underreported</th>
<th>Overreported</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Wages</td>
<td>$850,000</td>
<td>$1,000,000</td>
<td>$150,000/over</td>
</tr>
<tr>
<td>Taxable Wages</td>
<td>500,000</td>
<td>50,000</td>
<td>450,000/under</td>
</tr>
<tr>
<td>Contributions</td>
<td>25,000</td>
<td>10,000</td>
<td>15,000/under</td>
</tr>
</tbody>
</table>

To report audit differences from audit A on ETA 581, $850,000 should be included in item 53, $500,000 in item 54, $25,000 in item 55, $1,000,000 in item 56, $50,000 in item 57 and $10,000 in item 58. The net differences for audit A are not to be included on the ETA 581.

12. **Comments.** Four lines are available on the electronic submittal system for comments. Comments are appropriate under the following circumstances:

a. **Administrative Factors Affecting Data Reported.** Describe any administrative factors, such as rules and regulations, which may affect the information reported in such a way that it lacks comparability with data submitted on prior reports or on current reports submitted by the state agency.

b. **Legal Factors Affecting Data Reported.** Describe any legal factors, such as new laws or amendments to the state unemployment compensation law, which may affect the information reported in such a way that it lacks comparability with data submitted on prior reports or on current reports submitted by other state agencies.

c. **Economic Factors Affecting Data Reported.** Describe any economic factors which substantially affect the data reported by increasing or reducing the number of status determinations, subject employers, field audits, and amount of receivables in such a way that the conditions will be reflected in any of the tabulations prepared.
ETA 191 Statement of Expenditures and Financial Adjustments of Federal Funds for Unemployment Compensation for Federal Employees and Ex-Servicemembers

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### ETA 191 Statement of Expenditures and Financial Adjustments of Federal Funds for Unemployment Compensation for Federal Employees and Ex-Servicemembers

#### A. Facsimile of Form

1. **Page 1 of Form**

ETA 191 STATEMENT OF EXPENDITURES & FINANCIAL ADJS OF FEDERAL FUNDS FOR UC FOR UCFE-UCX

<table>
<thead>
<tr>
<th>STATE:</th>
<th>REGION:</th>
<th>REPORT FOR PERIOD ENDING:</th>
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<tbody>
<tr>
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**SECTION A: SUMMARY STATEMENT OF EXPENDITURES AND ADJUSTMENTS**

<table>
<thead>
<tr>
<th></th>
<th>UCFE</th>
<th>UCX</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Benefit Expenditures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Adjustments Assigned to Agencies:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Cancellations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Restoration of Overpayments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(c) Other - Explain in Comments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Total Assigned Expenditures and Adjustments (Items 1 and 2; these totals must match the totals reported in Section B.)</td>
<td></td>
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</tr>
<tr>
<td>4. Expenditures and Adjustments Not Assigned to Agencies:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Penalties and Interest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Other - Explain in Comment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Total Expenditures and Adjustments Not Assigned to Agencies (Items 4a and 4b)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Grand Total - All Expenditures and Adjustments (Items 3 and 5)</td>
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</tr>
</tbody>
</table>

## ETA 191 Statement of Expenditures and Financial Adjustments of Federal Funds for Unemployment Compensation for Federal Employees and Ex-Servicemembers

### 2. Page 2 of Form

<table>
<thead>
<tr>
<th>Agency Code</th>
<th>Agency Title</th>
<th>Expenditures and Adjustments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>UCFE</td>
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<tr>
<td></td>
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<td>UCX</td>
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</tbody>
</table>

#### Comments:

**OMB No.:** 1205-0162  
**OMB Expiration Date:** 08/31/2009  
**OMB Burden Hours:** 360 Minutes

**OMB Burden Statement:** These reporting instructions have been approved under the Paperwork reduction Act of 1995. Persons are not required to respond to this collection of information unless it displays a valid OMB control number. Public reporting burden for this collection of information includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Submission is mandatory under SSA 303(a)(6). Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Labor, Office of Workforce Security, Room S-4231, 200 Constitution Ave., NW, Washington, DC, 20210.
B. Purpose

Public Law 96-499, Omnibus Reconciliation Act of 1980, required Federal agencies to pay the cost of unemployment compensation for Federal employees (UCFE) when the benefit payment was based on Federal services performed after December 31, 1980. It was not until the passage of the Miscellaneous Revenue Act of 1982 that military departments were required to reimburse the unemployment compensation expenditures for ex-servicemembers (UCX).

Public Law 96-499 also established within the Unemployment Trust Fund the "Federal Employees Compensation (FEC) Account." The FEC Account operates as a revolving account and, therefore, is dependent upon state agencies, the Department of Labor, and Federal and military agencies to maintain its solvency.

The Form ETA 191, Statement of Expenditures and Financial Adjustments of Federal Funds for Unemployment Compensation for Federal Employees and Ex-Servicemembers is used by each State Workforce Agency (SWA) to report to the National Office (NO): 1) the quarterly summary of UCFE and UCX expenditures and adjustments, and 2) the total amount of benefits paid by the SWA to claimants of specific agencies. Section B of the ETA 191 report is the only source document used by the Office of Workforce Security (OWS) to bill Federal and military agencies for the recovery of UCFE and UCX benefit payments.

Each SWA withdraws resources from the FEC Account to cover the necessary UCFE and UCX benefit payments. OWS bills the Federal and military agencies quarterly, based on the data contained in Section B of the ETA 191 report. Each Federal and military agency deposits into the FEC Account, on a quarterly basis, reimbursements for benefits that have been paid to their former employees.

After receipt of each quarterly ETA 191 report, OWS aggregates the benefit payments by state for individual Federal agencies and bills each accordingly. Quarterly, the NO certifies to the U.S. Department of the Treasury the total amounts due from each department and agency.

In order for the FEC Account to operate successfully, it is dependent upon two of its major components--the state agency and the Federal agency. The Federal agency is responsible for reimbursing the FEC Account in a timely manner to ensure that there are adequate funds available for the states to withdraw. The state agency, in turn, is responsible for paying UCFE and UCX benefits to the claimant, reporting these quarterly benefit payments to the NO in a timely manner, and providing detailed benefit payment data to Federal agencies as requested.

C. Due Date and Transmittal

The ETA 191 should be submitted electronically to the National Office by the 25th of the month following the close of the quarter.
D. General Reporting Instructions

1. **Requisitioning Funds from the Federal Employees Compensation Account.** SWAs are required to requisition funds from the FEC Account using the Automated Standard Application for Payments (ASAP) System to cover anticipated benefit payment needs for all UCFE and UCX claimants. These electronic requests are received by the U.S. Department of the Treasury. To prevent the build up of excessive balances in local banks, requisitions and transfers of funds should be made on a daily basis.

2. **Providing Information to Federal (Civilian) and Military Agencies.** Pursuant to the Secretary's authority in 5 U.S.C. 8509 (f), SWAs will continue to, for purposes of this Act, provide appropriate payroll offices of Federal and military agencies with a copy of all determination notices, including appeals, that are now provided to a private employer, as instructed by Sections 6662 and 8692, Part V of the ES Manual.

   The SWA should be prepared to furnish the civilian and military agencies, upon their request, with detailed benefit payment data, which support the charges contained in Section B of the report. The benefit payment data are to be forwarded to those agencies by the 25th day after the end of the reporting quarter. Since many Federal agencies rely heavily upon this data to verify the accuracy of their benefit charges, it is important for states to supply this information timely and for the detailed benefit payment data to equal the agency charges submitted in Section B of the report.

   SWAs will provide the certified documentation directly to those Federal civilian and military agencies that have requested the benefit payment data. These agencies are listed in the Training Employment Notice (TEN) entitled, "Directory of Federal (Civilian) and Military Agencies requesting Quarterly UCFE and UCX Detailed Benefit Payment Data."

3. **Identifying Federal Agencies.** SWAs should consider providing the list of Federal employers and their respective codes found in section F below to local office initial intake, adjustment, and overpayment personnel for the purposes of identifying the appropriate Federal agency (or agencies) to be charged. Prior to transmittal of claims forms to the central office, the Federal employer code should be recorded on all pertinent documents, i.e., Form ES 931, UCFE Request for Wage and Separation Information, Form ES 935, Claimant Affidavit of Federal Civilian Service Wage and Separation Information, etc.

4. **Correcting Errors Made in a Prior Quarter.** Corrections should be reported to OWS on the ETA 191 as soon as possible. Errors, such as use of incorrect three-digit agency codes, can create significant problems for the Federal agency, the NO, and, eventually, the SWA. The electronic submittal system automatically displays the name of the agency associated with an entered three-digit code. This name should be checked to be sure that the benefits being
entered are being assigned to the appropriate agency. When errors in coding occur, it usually takes anywhere from three months to one year to correct them.

From the time that the error occurred, a two-year grace period has been established as sufficient time for adjustment to be made. SWAs are instructed to correct improper charges made to Federal and military agencies by increasing or decreasing the agency's charges in the next quarterly ETA 191 report.

In cases where there may not be charges in a following quarter, only the corrective entry should be reported. SWAs are not to submit more than one ETA 191 report per quarter.

E. Definitions

1. **Assigned Charges.** Charges are classified as "assigned" to a Federal agency when expenditures and/or adjustments can be positively identified in Section B of the report. As a result, totals that are assigned to Federal agencies reported in Section A (item 3) must equal the totals generated from the assigned charges listed in Section B.

2. **Unassigned Charges.** Charges are classified as "unassigned" by a Federal agency when expenditures and/or adjustments can not be positively identified in Section B of the report. Unassigned charges should be infrequent.

F. Item by Item Instructions

1. **Section A. Summary Statement of Expenditures and Adjustments.**

   a. **Item 1. Benefit Expenditures.** Include in the appropriate columns all UCFE and UCX unemployment compensation benefits paid to eligible (as based on title 5 U.S. Code) Federal civilian claimants and ex-servicepersons during the reported quarter. (These expenditures should include only that portion of benefit paid from UCFE and UCX funds.)

   b. **Item 2. Adjustments Assigned to Agencies.**

      (1) **Cancellations.** Enter in the appropriate UCFE or UCX columns the total amount of any checks canceled during the quarter which were reported as expenditures in prior quarters. Cancellations of checks drawn in the current quarter are to be reflected in item 1. Check cancellations are subtracted when computing subtotals and totals.

      (2) **Restoration of Overpayments.** Enter in the appropriate UCFE or UCX columns the total amount of restorations made during the current quarter of overpayments made in prior quarters. Restorations of overpayments received during the current quarter and based on expenditures in this current quarter should be reflected in item 1.
Restoration of overpayments is subtracted when computing subtotals and totals. A negative sign should not be entered. Restorations resulting from the recoupment of overpayments are credited to an agency’s account only after the funds have been recovered from a claimant.

(3) Other. Enter the total of other adjustments in the appropriate UCFE or UCX columns that were not included in item 2(a) and 2(b). These adjustments could include, for example, an over- or under-statement of UCFE or UCX expenditures reported in prior quarters. It is imperative that SWAs submit an explanation of these items in the comments section. These explanations should include the three-digit agency codes, name of agencies, and a brief statement describing the adjustment. If this figure is negative, a negative sign should be entered.

c. Item 3. Total Assigned Expenditures and Adjustments. Enter in the appropriate columns, the total amounts of UCFE and UCX expenditures and adjustment that are being charged to Federal and military agencies during this reporting period. The figures entered in this item for both UCFE and UCX are the results of items 1, 2(a), 2(b), and 2(c). These totals must match the totals reported in Section B.

d. Item 4. Expenditures and Adjustments Not Assigned to Agencies. Enter the total for UCFE and the total UCX expenditures in the appropriate columns.

(1) Penalties and Interest. Enter the total amount of penalty and interest (P&I) received by the SWA which results from prior UCFE or UCX payments. Penalties and interest are subtracted when computing subtotals and totals. A negative sign should not be entered. All recoupments resulting from P&I’s drawn from FEC Account are to be returned to the FEC Account.

(2) Other--Explain in Comments. Enter in the appropriate UCFE or UCX columns any adjustments that were not included in item 4(a). For example, list adjustments relating to a UCFE or UCX charge that occurred more than two years after the quarter in which the initial payment was made, or to an agency for which a three-digit code has not been assigned.

In the latter case, include in the comments section the agency name and total amount of benefits for each agency "not assigned" a three-digit code. The NO will then use this information to properly identify the responsible Federal agency and will assign a three-digit code to each of those agencies listed in comments and reported in item 4(b).

Once the NO has assigned the three-digit code for the charge in question, the state will officially be informed of the change. The state
will first use this information to reclassify the charge from "not assigned" to "assigned" by recording the adjustment in Section A, item 2(c), and in Section B of the next quarterly ETA 191 report.

The state will then enter the negative amount of the identified charge in Section A, item 4(b). The purpose of this entry is to "zero out" the amount of the "not assigned" charge from the previous reporting quarter, so that the charge does not get counted twice against the FEC Account.

Finally, the state will close the adjustment by explaining the reclassification in the comments section. The state should enter the following items in comments for the reclassification: 1) the reporting quarter of the "not assigned" charge, 2) the name of the Federal agency, 3) the three-digit code of the agency (as provided by the NO), and (4) the amount of the newly-assigned charge.

2. **Section B. Detailed Expenditures.**

   a. Enter in the first column the three digit code of the Federal agency being charged as found in section G.

   b. When reporting electronically, this column will default to the name of the agency being charged that is associated with the code in column one. Check to be sure that the name on the screen matches the name expected for the agency number. If it does not, check that the agency number was entered correctly.

   c. Enter in the third column the total amount of benefit charges to that Federal agency indicated in the first column during the reported quarter. Charges to a Federal agency will include adjustments for restoration of Federal funds resulting from cancellation of checks, recoupment of overpayments, etc. Therefore, the sum of UCFE and UCX benefit charges should equal the amount in item 3 of Section A.

G. **Federal Agency Codes**

A three digit numerical code identifying each Federal agency will be assigned from the list below. Additional agencies with their corresponding codes will be added to the list as necessary. Agencies which have been out of existence for more than 10 quarters will generally be removed from the list. SWAs will use these codes to identify all claim records and claim forms of claimants who performed Federal service in his/her base period.
### Identification Codes for Federal Departments and Agencies

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<thead>
<tr>
<th>Code</th>
<th>Title</th>
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<td>U.S. Senate</td>
</tr>
<tr>
<td>002</td>
<td>U.S. House of Representatives</td>
</tr>
<tr>
<td>003</td>
<td>Commission on Security and Cooperation in Europe</td>
</tr>
<tr>
<td>006</td>
<td>U.S. Capitol Police</td>
</tr>
<tr>
<td>010</td>
<td>Architect of the Capitol</td>
</tr>
<tr>
<td>015</td>
<td>U.S. Botanic Garden</td>
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<tr>
<td>020</td>
<td>Government Accountability Office</td>
</tr>
<tr>
<td>025</td>
<td>U.S. Government Printing Office</td>
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<tr>
<td>030</td>
<td>Library of Congress</td>
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<tr>
<td>032</td>
<td>Office of Compliance</td>
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<td>035</td>
<td>United States Tax Court</td>
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<td>040</td>
<td>Congressional Budget Office</td>
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<td>111</td>
<td>Supreme Court</td>
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<td>112</td>
<td>Administrative Office of the United States Courts</td>
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<td>113</td>
<td>U.S. Court of Veterans Appeals</td>
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<td>207</td>
<td>Office of Vice President of the US</td>
</tr>
<tr>
<td>210</td>
<td>Office of Management and Budget</td>
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<td>215</td>
<td>Office of Administration</td>
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<td>Council of Economic Advisers</td>
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<td>Council on Environmental Quality</td>
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<td>224</td>
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<td>Office of Policy Development</td>
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<tr>
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<tr>
<td>235</td>
<td>Office of Science &amp; Technology Policy</td>
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<tr>
<td>238</td>
<td>Office of the U.S. Trade Representative</td>
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<td>239</td>
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<td>Nuclear Waste Technical Review Board</td>
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<td>U.S. Institute of Peace</td>
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406 International Broadcasting Bureau
410 Department of the Treasury
421 Defense w/o Army, Navy, & Air Force
422 Army (Civilian), Department of the
423 Navy (Civilian), Department of the
424 Air Force (Civilian), Department of the
425 Army, Department of the/ Nonappropriated Fund
427 Air force, Department of the / Nonappropriated Fund
429 Army & Air Force Exchange Service
430 Department of Justice
432 Drug Enforcement Agency
440 Interior, Department of the
445 Department of Agriculture
450 Department of Commerce
455 Department of Labor
460 Health and Human Services, Dept. of
465 Department of Housing and Urban Development
466 HUD- Office of the Inspector General
467 Office of Fed. Housing Enterprise Oversight
470 Department of Transportation
475 Department of Energy
480 Department of Education
481 DHS/U.S Secret Service
482 DHS/Federal Law Enforcement Training Center
483 DHS/Customs & Border Protection
484 DHS/Transportation Security Administration
485 DHS/State & Local Government Coordination
486 DHS/Science & Technology Directorate
487 DHS/Directorate for Border & Transportation Security
488 DHS/Info. Analysis & Infrastructure Protection
489 DHS/Citizenship & Immigration Services
490 DHS/Immigration & Customs Enforcement
491 DHS/United States Coast Guard (Civilian)
492 DHS/Office of Inspector General
504 African Development Foundation
506 U.S. Agency for International Development
507 Advisory Council on Historic Preservation
509 Appalachian Regional Commission
510 American Battle Monuments Commission
512 Arms Control & Disarmament Agency
520 Board of Governors of the Fed Reserve System
531 Committee for Purch. From People who are Blind or Severely Disabled
532 Delaware River Basin Commission
533 Denali Commission
535 Office of Personnel Management
538 Commission of Fine Arts
539 Commission on Civil Rights
540 Office of Government Ethics
541 Consumer Product Safety Commission
543 Commodity Futures Trading Commission
552 Environmental Protection Agency
554 Equal Employment Opportunity Commission
555 Export-Import Bank of the U.S.
557 Farm Credit Administration
570 Federal Communications Commission
572 Federal Election Commission
574 DHS/ EP&R, Federal Emergency MNGT agency
575 Federal Deposit Insurance Corporation
576 Office of Thrift Supervision
577 Federal Labor Relations Authority
578 Federal Maritime Commission
579 Federal Housing Finance Board
580 Federal Mediation and Conciliation Service
583 Federal Mine Safety and Health Review Commission
584 Federal Retirement Thrift Investment Board
590 Federal Trade Commission
600 General Services Administration
601 Harry S. Truman Scholarship Foundation
602 Japan-U.S. Friendship Commission
603 U.S. Chemical Safety and Hazard Investigation Board
618 Institute of Museum & Library Services
619 JFK Center for the Performing Arts
621 Inter-American Foundation
622 International Boundary and Water Commission
623 U.S. International Trade Commission
624 International Boundary Commission
625 Surface Transportation Board
626 Interagency Council on the Homeless
627 Marine Mammal Commission
628 Merit Systems Protection Board
629 Valles Caldera Trust
630 Millennium Challenge Corporation
631 National Aeronautics & Space Administration
633 National Archives & Records Administration
634 National Credit Union Administration
639 Nat’l Comm. On Libraries & Information Science
640 National Capitol Planning Commission
642 National Gallery of Art
645 National Labor Relations Board
646 National Endowment for the Arts
647 National Endowment for the Humanities
650 National Mediation Board
652 National Railroad Adjustment Board
655 National Science Foundation
657 Office of Navajo & Hopi Indian Relocation
659 U.S. Nuclear Regulatory Commission
660 National Transportation Safety Board
663 Occupational Safety and Health Review Commission
664 Overseas Private Investment Corp.
667 Pension Benefit Guaranty Corporation
668 Postal Rate Commission
669 Public Defender Service for the D.C.
670 Railroad Retirement Board
677 U.S. Peace Corps
687 Social Security Administration
690 Security & Exchange Commission
695 Selective Service System
697 Susquehanna River Basin Commission
698 U.S. Commission on International Religious Freedom
700 Small Business Administration
701 U.S. Holocaust Memorial Council
705 Smithsonian Institution
710 Armed Forces Retirement Home (AFRH)
730 Tennessee Valley Authority
732 U.S. Postal Service
735 Veterans Affairs, Department of
801 U.S. Army (Military)
802 Department of Navy (Military)
803 U.S. Department of Air Force (Military)
804 U.S. Marine Corp (Military)
805 United States Coast Guard (Military)
806 National Oceanic & Atmospheric Administrative (Military)
807 Navy Exchange Service Command
808 Navy Club & Recreation System
809 U.S. Marine Corps Morals, Welfare, & Recreation
811 U.S. Coast Guard Exchange Systems
902 Central Intelligence Agency
911 The Presidio Trust
912 U.S. Trade and Development Agency
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1. Sections A and B

<table>
<thead>
<tr>
<th>ETA 204 EXPERIENCE RATING</th>
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<tbody>
<tr>
<td>STATE:</td>
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<td>REPORT FOR PERIOD ENDING:</td>
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<tr>
<th>RATE YEAR ENDING</th>
<th>COMPUTATION DATE</th>
<th>RATING SYSTEM</th>
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SECTION A. All SUBJECT ACCOUNTS: NUMBER & AMOUNTS OF TOTAL & TAXABLE PAYROLL

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<tr>
<th>Number As Of:</th>
<th>Payroll 12 Months Ending:</th>
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</table>

1. Taxable Accounts, Total 101
   a. Eligible 102
   b. Ineligible 103

2. Reimbursable Account 104

RESERVE RATIO STATES ONLY:

3. Subject Accounts (Positive Or Zero Balance) 201
   a. Eligible 202
   b. Ineligible 203

4. Subject Accounts (Negative Balance) 204
   a. Eligible 205
   b. Ineligible 206

SECTION B. SUMMARY OF BENEFITS PAID, CHARGED, AND NONCHARGED

<table>
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<tr>
<th>Line No.</th>
<th>Amount</th>
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<tr>
<td>5. Total Benefits (Or Benefit Wages) Paid During 12 Months Ending:</td>
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</table>
6. Taxable Employer Accounts 302
   a. Charged 303
     1. Active 304
     2. Inactive 305
   b. Noncharged 306

7. Reimbursable Employer Accounts 307
   a. Charged 308
   b. Noncharged 309

Comments:

OMB No.: 1205-0164   OMB Expiration Date: 03/31/2009   Average Estimated Response Time: 15 Minutes
OMB Burden Statement: These reporting instructions have been approved under the Paperwork reduction Act of 1995. Persons are not required to respond to this collection of information unless it displays a valid OMB control number. Public reporting burden for this collection of information includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Submission is required to retain or obtain benefits under SSA 303(a)(6). Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Labor, Office of Workforce Security, Room S-4231, 200 Constitution Ave., NW, Washington, DC, 20210.
## ETA 204 EXPERIENCE RATING

### SECTION C. RESERVE RATIO METHOD OF TAXATION

<table>
<thead>
<tr>
<th>Experience Factor</th>
<th>Average Tax Rate (1)</th>
<th>Number of Accounts (2)</th>
<th>Total Payroll (000) (3)</th>
<th>Taxable Payroll (000) (4)</th>
<th>Benefits Charged (000) (5)</th>
<th>Estimated Contributions (000) (6)</th>
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Comments:

OMB No.: 1205-0164 OMB Expiration Date: 03/31/2009 OMB Burden Hours: 15 Minutes

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<th>Benefits Charged (000) (5)</th>
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#### ELIGIBLE – REGULARLY RATED

#### SUBTOTAL

#### ELIGIBLE–SPECIALY TAXED

#### TOTAL ELIGIBLE

#### TOTAL INELIGIBLE

#### TOTAL ALL SUBJECT ACCOUNTS

Comments:

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**OMB No.:** 1205-0164  **OMB Expiration Date:** 03/31/2009  **OMB Burden Hours:** 15 Minutes  

**OMB Burden Statement:** These reporting instructions have been approved under the Paperwork reduction Act of 1995. Persons are not required to respond to this collection of information unless it displays a valid OMB control number. Public reporting burden for this collection of information includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Submission is mandatory under SSA 303(a)(6). Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Labor, Office of Workforce Security, Room S-4231, 200 Constitution Ave., NW, Washington, DC, 20210.
B. Purpose

The data submitted annually on the ETA 204 will enable the Employment and Training Administration (ETA) to project revenues for the Unemployment Insurance (UI) program on a state by state basis and to measure the variations in assigned contribution rates which result from different experience rating systems. When used in conjunction with data from the ES 202, Employment Wages, and Contributions report, the ETA 204 data will assist in determining the effects of various factors (e.g., seasonality, stabilization, expansion, or contraction in employment and payroll, etc.) on the employment experience of various groups of employers.

The data will also provide to states and the National Office an early signal for potential solvency problems, be useful in analyzing factors which give rise to the potential problems, and permit an evaluation of the effectiveness of the various approaches available to correct the problems detected. Moreover, the data are required as a basis for estimating state average tax rates for the rate year. Finally, the data are key components to the Significant Tax Measures Report. The Significant Tax Measures Report provides the information necessary to evaluate and compare state U.I. tax systems.

Thus, the foregoing information is of value to ETA in analyzing statutory provisions regarding experience rating, in preparing recommendations or advising states on proposed legislation involving experience rating, and in responding to inquiries from state agencies, employer groups, unions and others. Further, the data are a vital part of a state’s management information system and a tool for the administrator and legislators to enhance the state experience rating system.

C. Due Date and Transmittal

All states permitting rate variations based on experience rating (i.e., have an experience rating system in place) should submit ETA 204 reports. If experience rating is suspended for a given year, only sections A and B need be submitted. Notification of the suspension should be indicated in the comments section.

This report is due in the National Office on the 30th day of the fifth month of the rate year to which the report relates. All sections of the ETA 204 report, including Section “C”, must be reported electronically.

D. General Reporting Instructions

Sections A, B, and C of the report should follow the format prescribed in these instructions. States that use a combination of experience rating methods should decide which system is the predominant system, and report as if the state used the predominant system. In the absence of significant changes in state UI laws from
year to year, it is important that states in this situation should be consistent in choosing which experience rating system predominates.

Alaska, with a Payroll Decline system of experience rating, and Delaware and Oklahoma with Benefit Wage Ratio systems of experience rating, are exempt from filing section C of this report.

For Section C, columns 3 through 6 should be expressed in thousands. Subtotals and totals are required for all columns, and they are calculated by summing the appropriate column. The sum of Section C, Column 5 (Benefits Charged) should equal or be very close to the total benefits charged reported in Section B.6.a.1.

Entries should be made for all items. If no activity corresponding to the items occurred during the report period, a zero should be entered. A report containing missing data cannot be sent to the National Office. Edit checks can be found in Handbook 402, Unemployment Insurance Required Reports User’s Manual, Appendix C.

E. Definitions.

1. All Subject Accounts. Subject Accounts, for purposes of the ETA 204 report, should consist only of the accounts of those active employers who were declared accountable or subject prior to either the beginning of the new rate year or the date designated by law as the computation date. Accounts of state or local governments, or their instrumentalities, or other units which make payments in lieu of contributions on a reimbursable basis should be included only in sections A.2., B.5., and B.7 of the report. These reimbursable accounts should be excluded from all other entries. Thus, all accounts for employers who were declared accountable or subject to the state law prior to the date chosen, and who were active in all or part of the 12-month period covered by the report and were charged or chargeable for benefits (or benefit wages) during that period, are included. All subject accounts for active employers declared accountable or subject on or subsequent to the date chosen are excluded.

2. Total Payroll. Total payroll is the total amount of wages paid or payable (depending on the wording of the state law) to covered workers by employers subject to the provisions of the state unemployment insurance law for services performed during the 12 months ending with the computation date. Total wages include both taxable wages, defined below, and the amount of wages which are in excess of the wages subject to the contribution provisions of the state law.

3. Taxable Payroll. Taxable payroll is the part of total payroll which is subject to the contribution provisions of the state unemployment insurance law (i.e., wages up to and including the state’s taxable wage base).
4. **Eligible Accounts.** An account is termed eligible if it has had a sufficient period of experience as of the computation date to qualify for an experience rating computation under state law. In addition to accounts for which rates are assigned under the regular experience rating provisions of state law, this category includes: accounts delinquent in paying contributions to which the maximum rate or another special rate has been assigned, accounts which have been suspended from coverage (but not inactive) because of temporary cessation of operations, and seasonal employers who qualify for special rates.

5. **Ineligible Accounts.** An account that does not meet the definition for eligible accounts is considered ineligible. Therefore, an ineligible account is one that has had an insufficient period of experience as of the computation date to qualify for an experience rating computation.

6. **Benefits (or Benefit Wages) Charged.** The total amount of benefit payments (or benefit wages) charged to employer accounts (before voluntary contributions are applied).

7. **Benefits (or Benefit Wages) Not Charged.** The total amount of benefit payments (or benefit wages) not charged to the account of any employer.

8. **Active Employers.** An active employer is one that meets the definition of an active employer for the ETA 581 report.

9. **Inactive Employers.** An inactive employer is one who does not meet the definition of an active employer.

10. **Positive/Negative Balance Accounts (Reserve Ratio States Only).** The balance shown for each employer's account, i.e., total contributions minus total benefit charges, is termed a positive balance if the figure is positive or zero, or a negative balance if the figure is negative.

11. **Tax Rates.** The rates used in section C should be the final assigned rates upon which contributions will be paid (including solvency and other rate adjustments, where applicable, but excluding employee contributions) after all adjustments, both individual and overall, have been made, and which 1) reflect the effect of employer voluntary contributions on tax rates, and, 2) were effective at the beginning of the rate year (if rates change during the rate year).

Section C requires that employers be grouped according to specific experience factor categories. The average tax rates for these categories are calculated by dividing the sum of estimated contributions (see F.3.c) of employers in each category by total taxable wages of employers in that same category. Show tax rates in percentages.
12. Regularly Rated Accounts. An eligible account is termed "regularly rated" in section C if the rate assigned to the account resulted from a formula computation (of an experience factor) under regular experience-rating provisions of the state law.

13. Specially Taxed Accounts. An eligible account is considered specially taxed for section C if the rate assigned to the account did not result directly from a formula computation under regular experience-rating provisions of the state law. Examples are: 1) an account of a seasonal employer which has been given a special rate provided by law or regulation, 2) a state or local government entity taxed according to a special rate schedule, or 3) a delinquent employer assigned a special rate.

14. Computation Date. The date as of which employer's experience is measured for the purpose of determining tax rates.

15. Rate Year Ending. The ending date of the period for which tax rates are being assigned based on the computation date. As an example; assuming the computation date is June 30, 2005, and the rates are being calculated to be applied on January 1, 2006, the rate year end date would be 12/31/2006.

16. Experience Factor. Reserve ratio or benefit ratio, as appropriate.

F. Item by Item Instructions

Specific instructions are given only to the extent necessary to supplement the titles of the items.

1. Section A. Item 3 and Item 4. Subject Accounts with Positive Balance and Subject Accounts with Negative Balance. These items should be filled in only by states using Reserve Ratio systems.

2. Section B. Summary of Benefits Paid, Charged, and Noncharged.

a. Item 5. Benefits (or Benefit Wages) Paid, During 12 Months Ending: Enter the ending date (usually the computation date) of the last 12-month period used in the formula to measure benefit charges, and the total amount paid (both charged and noncharged) during the period. Include any benefits paid which impact the state trust fund accounts, (e.g., benefits under regular state UI, the state portion of Extended Benefits, and the state's liability for combined wage claim (CWC) payments). Exclude benefits paid under any program other than the state unemployment insurance program (e.g., benefits paid to Puerto Rican sugar workers). Exclude CWC payments for which other states are liable. In states using the benefit wage ratio system of experience rating, total benefit wages are entered instead of total benefits. This entry should be equal to the sums of items 6
and 7. It also should be approximately equal to total state benefits during the corresponding period as shown on the ETA-2112 report (sum these items: Net U.I Benefits, Net State Share EB, Reimbursable Local Government, Reimbursable State Government, Reimbursable Non-profit, and Interstate Benefits).

b. Item 6(a). Charged. Enter the amount of benefits (or benefit wages) included in item 6 which were shown as a charge to any taxable employer's account. Exclude amounts which were charged during the 12-month period but removed before computing the experience rate. Benefit Charges should not reflect any reduction for voluntary contributions.

c. Item 6(b). Noncharged. Enter the amount of benefits (or benefit wages) included in item 6 which is attributable to taxable employer accounts but is not charged to such accounts. Exclude CWC payments for which other states are liable.

3. Section C. All Taxable Subject Accounts: Selected Data.

a. Column 1. Average Tax Rate. Enter the final assigned employer tax rate that corresponds with the experience factor shown in the Experience Factor column. If more than one tax rate falls into an experience factor category, an average tax rate should be computed by dividing the sum of estimated contributions, column 6, for those employers by the sum of taxable wages, column 4, attributable to those same employers. Tax rates should be shown as percentages.

Estimated contributions for an employer are equal to taxable wages for the 12 months ending on the computation date multiplied by the employer's final assigned tax rate in the current rate year.

b. Column 5. Benefits Charged (Adjusted Benefit Wages Charged). In reserve ratio and benefit ratio states, for each experience factor category and for ineligible accounts and specially taxed accounts, enter actual benefits charged (before voluntary contributions are applied) during the 12-month period ending with the computation date. The sum of this column should equal or be very close to the total benefits charged reported in Section B.6.a.1

c. Column 6. Estimated Contributions. Contributions for the rate year of this report are not yet known and must be estimated. Estimated contributions for the group are the sum of estimated contributions for all employers in the rate group. Estimated contributions for an employer are equal to taxable wages for the 12 months ending on the computation date multiplied by the employers final assigned tax rate in the current rate year.
4. **Comments.** Comments should be provided to explain any significant administrative, legal, or economic factors that may affect the data reported. In particular, states should explain significant changes from the prior year in noncharges (Sections B.6.b and B.7.b) and charges to inactive accounts (Section B.6.a.2). Electronic reporting allows for four screen lines of comments.

   a. **Administrative Factors Affecting Data Reported on the Tabulation.** Describe any administrative factors such as rules and regulations which may affect the data reported in such a way that they will lack comparability with data submitted on prior reports.

   b. **Legal Factors Affecting Data Reported on Tabulations.** Describe any legal factors such as new laws or amendments to the state unemployment insurance law which may affect the data reported in such a way that they lack comparability with the data submitted on prior reports. For example, changes in tax schedules, either legislated or automatic, should be explained.

   c. **Economic Factors Affecting Data Reported on Tabulations.** Describe any economic factors, such as recession in key industries or major plant closings, which may affect the data reported.
A. Facsimile of Form ........................................................................................................II-5-2
B. Purpose ....................................................................................................................II-5-3
C. Due Date and Transmittal ......................................................................................II-5-3
D. General Reporting Instructions .............................................................................II-5-3
E. Definitions ................................................................................................................II-5-3
   1. Average Taxable Employer Tax Rate for Total Wages ........................................II-5-3
   2. Average Taxable Employers Tax Rate for Taxable Wages ..............................II-5-3
   3. Employee Tax Rate for Total Wages .................................................................II-5-3
UI REPORTS HANDBOOK NO. 401
ETA 205 Preliminary Estimates of Average Employer Contribution Rates

A. Facsimile of Form

ETA 205 - PRELIMINARY ESTIMATES OF AVERAGE EMPLOYER CONTRIBUTION RATE

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Comments

OMB No.: 1205-0228  OMB Expiration Date: 02/28/2007  OMB Burden Hours: 15 Minutes

OMB Burden Statement: These reporting instructions have been approved under the Paperwork reduction Act of 1995. Persons are not required to respond to this collection of information unless it displays a valid OMB control number. Public reporting burden for this collection of information includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Submission is mandatory under SSA 303(a)(6). Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Labor, Office of Workforce Security, Room S-4231, 200 Constitution Ave., NW, Washington, DC, 20210.
B. Purpose

The Average Employer Tax Rate report collects annual information about the taxing efforts in states relative to both taxable and total wages and allows comparison between states. It is of use to the National Office, state agencies and the public. For those states which have an employee tax, the amount of those taxes collected should be shown in the comments section of the report.

C. Due Date and Transmittal

The report and the tax schedule are due in the ETA National Office on April 1 of each year to represent estimated taxes in that same year as well as any updates to the two previous years.

D. General Reporting Instructions

Only one year of data is required to be entered at a time. However, the entry screen will display not only blanks for the current year, but also the stored data for the prior two years. The prior years may be updated on the same screen as entry for the current year if desired. If prior years are updated, each year must be transmitted separately. Transmitting the current year’s data will not automatically transmit updates to prior years.

Additionally, all states are expected to ensure that the estimated average tax rate for the current year is consistent with the annual ETA 204 – Experience Rating report.

The estimated average tax rate submitted for the current year tax data will be used for the annual publication while the prior two year’s data will be retrieved from the ES-202 – Employment, Wages and Contributions report submitted by the state to the Bureau of Labor Statistics.

E. Definitions

1. **Average Taxable Employer Tax Rate for Total Wages.** Compute by dividing the sum of all contributions collected for all taxable employers by the sum of total wages for all taxable employers.

2. **Average Taxable Employers Tax Rate for Taxable Wages.** Compute by dividing the sum of all contributions collected for all taxable employers by the sum of taxable wages for all taxable employers.

3. **Employee Tax Rate for Total Wages.** For those states which have an employee tax in place, report in the comments section, the employee tax rate for total wages by dividing the sum of all employee contributions collected by the sum of total wages for all employees.