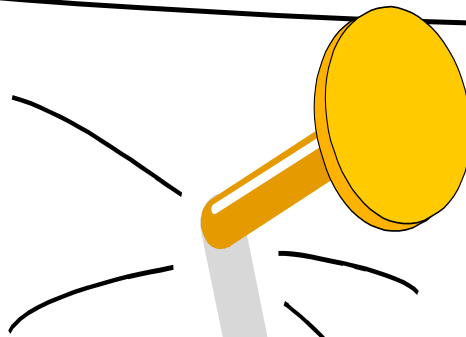


Use Of Wage Information In PRISM

The PRISM database not only includes the customer information submitted by each of the partners agencies, but also includes wage information, supplied by employers in Oregon. The information from wage records is key for reporting the three outcome performance measures in PRISM, which include placement, retention and wage gain. The following information is often asked questions and answers related to the wage information in the PRISM database.



QUESTIONS AND ANSWERS RELATED TO WAGE RECORDS

Employers are required by law to submit wage information of their employees to the Employment Department. The following are answers to often asked questions regarding submission of wage records by employers.

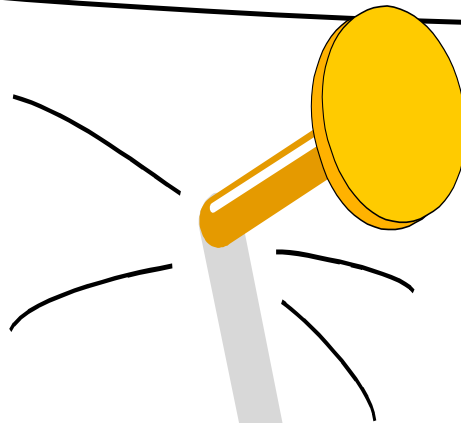
How Often Are Wage Records Submitted By Employers?

Employers are required by law to submit wage records quarterly. A recent law change allows domestic employers to report annually.

Do All Employers Submit Records Each Quarter?

Approximately 95 percent of Oregon's payroll is entered into the system. Some of the major categories of employment that are not required to be submitted include:

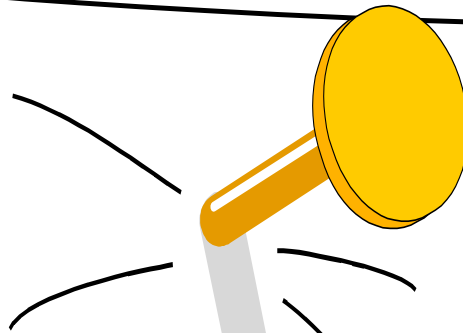
- agricultural service performed for small farms (as defined in ORS 657.045);
- domestic service performed in a private home, local college club, or local chapter of a college fraternity or sorority if cash remuneration is less than \$1,000 in a calendar quarter in the current calendar year or the preceding calendar year;
- service performed by an independent contractor, as defined in ORS 657.040;
- service performed by a person in the employ of a son, daughter, or spouse, and service performed by a child under the age of 18 in the employ of his father or mother;
- service performed by certain part-time, irregular, and emergency employees of state or local government;



Continued - Do All Employers Submit Records Each Quarter?

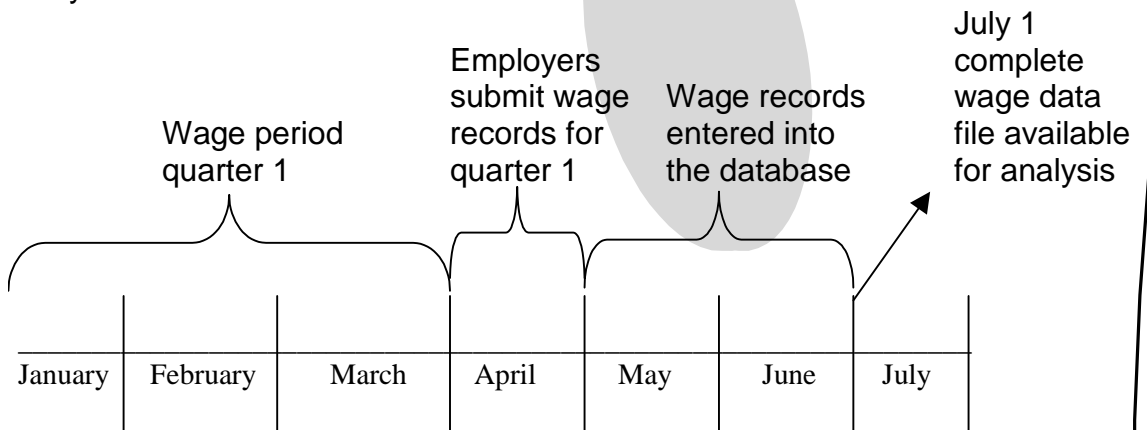
- service performed by any person as a newspaper advertising salesperson, real estate broker, principal real estate broker, insurance agent, insurance solicitor or securities salesperson or agent to the extent that the person is compensated by commission;
- commission sales of home improvements and in-home sales of consumer goods; and
- fishing services performed by workers on boats with crews of less than 10 individuals where the payment is based on the share of the catch.

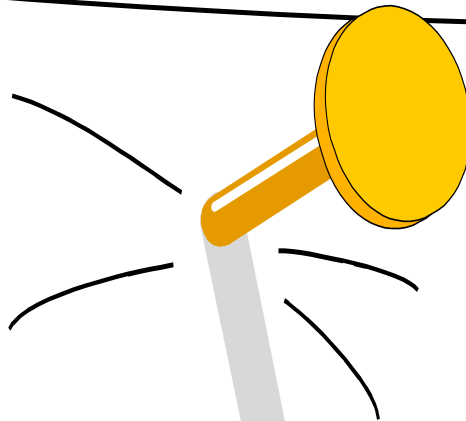
- For a more complete list of exclusions to employment see ORS 657.030 – 657.140.



How Long Do Employers Have After The Quarter Ends To Submit Wage Information To The Employment Department?

Wage records submitted by the employer are due the last day of the month following the end of the quarter. All wage records received are entered in the system within 2 months after the due date. For example, for first quarter (January – March), employers are required to submit wage information on or before April 30. By June 30, all wage records received are entered into the system. Beginning July 1, the complete wage data is available for quarter 1 analysis.





What Is The Process To Enter The Records Into The System?

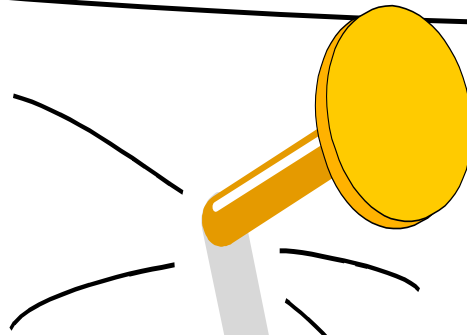
There are approximately 100,000 employers in Oregon and each quarter the Tax Section enters almost 2 million wage records. Most of these are submitted within a 10-day time frame around the due date of the report. Employers may submit wage information by one of three methods: 1) electronically, via OTTER, SETRON or IVR, (approx. 25,000 employers currently submit by these methods); 2) magnetic tape, approximately 18,000 employers submit by this method. Usually larger employers use magnetic tape (over half of all wage records are submitted via magnetic tape); and 3) employers may submit by hard copy (paper). Approximately 57,000 employers submit via paper. Employment Dept. staff must enter approximately 450,000 wage records into the data system each quarter.

What Order Is Wage Information, Supplied By The Employer, Entered Into The System At The Employment Department?

The records are entered into the system on a first-come, first-serve basis unless the report is for a quarter that is past due. For example, a report with wages for the current base year would be processed prior to a report for a quarter that is not in the base year.

How Many Employers Fail To Submit Records Timely Each Quarter?

Approximately 9% of employers fail to file each quarter.



What Sanctions Do Employers Receive If They Fail To Submit Records?

Employers may be assessed a penalty for late reports. The Department may also estimate their payroll if our efforts to obtain the factual report fails. In October of each year employers may also be assessed a penalty of 1% of taxable wages for the preceding calendar year if their account remains delinquent.

What Validation Is Performed On The Wage Information When It Is Received By The Employment Department?

Wage information is entered into the system as supplied by the employer. The system does a number of validations. A program checks to ensure the Social Security number is within a valid range. The last name of the wage record data entered is compared to the last name in the system. The program also checks for duplicate wages, already entered in the system. The total wages entered for the employer are compared to the payroll reported by the employer to ensure they match.

What Data Does The Employer Supply When Submitting Wage Information Of The Employee?

Employers submit Social Security Number, name of employee, the actual number of hours worked (which does not include sick or vacation leave), and wage. Wages are reported in the quarter paid to the employee regardless of when earned.