

<b>EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D. C. 20210</b>	<b>CLASSIFICATION</b> UI
	<b>CORRESPONDENCE SYMBOL</b> OWS DU10
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<b>RESCISSIONS</b> None	<b>EXPIRATION DATE</b> November 30, 2003

**ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 04-03**

**TO : ALL STATE WORKFORCE AGENCIES**

**FROM : CHERYL ATKINSON  
Administrator  
Office of Workforce Security**

**SUBJECT : Completing Form ETA 581, Contribution Operations**

1. **Purpose.** To reemphasize the importance of properly completing Form ETA 581.
2. **Reference.** [ET Handbook No. 401, Section II, Chapter 2.](#)
3. **Background.** Form ETA 581 provides quarterly information on state agency workload and performance in determining the taxable status of employers, securing employer reports, collecting past due contributions and reimbursements, and processing wage items. Data summarizing the results of audit activities are also reported on Form ETA 581. Selected data are periodically extracted and used, along with data from other sources, in measuring states' performance in Unemployment Insurance (UI) tax operations, making projections and developing related studies. Therefore, proper reporting of ETA 581 data is essential in assuring accuracy, uniformity, and comparability of state UI tax operations in resulting measurements and studies.
4. **Improperly Reported Items.** The following are ETA 581 items/transactions most frequently reported improperly.
  - a. **Item 4 – Delinquency Cutoff Date.** *An unusually late cutoff date is indicated for identifying and mailing first delinquency notices to employers who fail to submit contribution and/or wage reports for the preceding quarter. This date should fall within the ETA 581 report quarter and should not be later than the quarter ending date. Ideally, this date should be near the 15th day of the second month of the report quarter.*
  - b. **Items 7 and 10 – Secured (contributory and reimbursing employer reports).** *It has been brought to our attention that some states may be including assessments in the count of secured reports rather than only actual employer reports that were received by the end of the report quarter. Report delinquencies that were resolved by the issuance of an assessment or estimate, as well as employers found to be no longer liable, are not to be included in the count of secured reports.*

- c. **Items 8 and 11 - Resolved (contributory and reimbursing employer reports).** *The number of resolved reports for contributory or reimbursing employers shown on a current ETA 581 report quarter is less than the number of secured reports shown on the preceding report quarter.* The number of resolved reports on a current ETA 581 and the number of secured reports on the preceding report quarter refer to employer reports for the same quarter, and, since the count of secured reports is included in the count of resolved reports, the number of resolved reports on the current ETA 581 should be equal to or greater than the number of secured reports shown on the preceding report quarter.
- d. **Item 22 – Amount Determined Receivable and Item 23 – Receivables Liquidated (During Report Period: Contributory Employers).** *It appears that some states are entering the total amount of all contributions (timely and past due) received during the quarter in item 22, as amounts determined receivable, and in item 23, as receivables liquidated.* Timely contributions are not to be included in these items. In item 22, enter only the amount of contributions that were **determined to be past due** during the quarter, regardless of whether such contributions were paid later in the same quarter or remained unpaid. In item 23, enter only the amount of **past due contributions reported in items 22 or 21 (total receivable at beginning of period)** for which, during the quarter, either payment was received or an adjustment was processed which canceled such an amount.
- e. **Item 34 – Amount Determined Receivable During Report Period: Reimbursing Employers.** *It appears that some states may be reporting the amount of benefit payments that were charged to reimbursing employers during the quarter, instead of the amount of unpaid benefit charges that were billed to reimbursing employers for which reimbursement was initially determined to be past due during the quarter.* Only unpaid benefit charges, which became past due during the quarter, should be included in item 34.
- f. **Item 35 – Receivables Liquidated During the Quarter: Reimbursing Employers.** *Some states may be reporting the total amount of reimbursements received during the quarter (timely and past due) as receivables liquidated.* Only past due amounts received from reimbursing employers that have been included in items 33 (total receivables at beginning of period) and item 34 should be included in item 35.
- g. **Item 45 – Large Employer Audits and Item 46 – Change Audits.** *The number of large employer audits or the number of change audits is greater than or equal to the number of total audits for the quarter in item 47.* It is unlikely that 100% of all audits completed during a quarter will be large employer audits or change audits.
- h. **Item 48 – Calendar Quarters Audited.** *The number of quarters covered in audits conducted during the quarter average less than 4 quarters per audit.* Although it is possible for an audit to cover less than 4 quarters, the majority of audits consist of a minimum of 4 calendar quarters. Therefore, the average number of quarters per audit should be equal to or greater than four.
- i. **Item 51 – Hours Spent in Auditing.** *The time spent to conduct total audits averages less than 2 hours per audit.* It is unlikely that many “quality audits” can be completed in less than 2 hours.
- j. **General reporting.** *Negative numbers cannot be entered for any item on the form.* No estimates are allowed; only actual data should be reported. A significant change in any item from previous data (increase or decrease) should be noted and explained in the “Comments” section.
5. **OMB Approval** The reporting instructions for Form ETA 581 are approved by the Office of Management and Budget according to the Paperwork Reduction Act of 1995 under OMB Approval No. 1205-0178, expiration date: August 31, 2005.
6. **Action Required.** State administrators should review their procedures for completing and submitting Form ETA 581 to prevent entry of erroneous data and eliminate time-consuming follow up on preventable errors. Report data should be reviewed after entry into the “state machine,” then printed out and reviewed to ensure that it is accurate before actual transmission to the UI database.

7. **Inquiries.** Direct questions to the appropriate regional office.

8. **Attachment.** [Facsimile of Form ETA 581, for reference purposes.](#)

# A. Facsimile of Form ETA 581

## ETA 581 - CONTRIBUTION OPERATIONS

Report For Quarter Ended:			Region Code:			State:			
Ln	End of Quarter Employers			4. Delinquency Cutoff Date	5. Total Wage Items Received				
101	1. Contrib.	2. Reimbur.	3. Total						
EMPLOYER REPORTS FOR PRECEDING QUARTERS									
201	Contributory Employers				Reimbursing Employers				
	6. Timely	7. Secured	8. Resolved	9. Timely	10. Secured	11. Resolved			
	12. No. Outstanding Qtrs. Prior to Report Quarter			13. Total Estimated Contributions Due					
STATUS DETERMINATIONS									
301	Newly Established Employers				Successor Employers				
	14. Number	15. Time Lapse <= 90	16. Time Lapse <= 180	17. Number	18. Time Lapse <= 90	19. Time Lapse <= 180	20. Inactive Terminations		
CONTRIBUTORY EMPLOYER RECEIVABLES									
401	21. Total Beg. Period	22. Determ Receivable	23. Liquidated	24. Declared Uncollected	25. Removed End Period	26. Total End Period	27. Employers Owing		
402	Age of Receivables								
	28. 6 Months or Less	29. 9 Months	30. 12 Months	31. 15 Months	32. Over 15 Months				
REIMBURSING EMPLOYER RECEIVABLES									
403	33. Total Beg. Period	34. Determ Receivable	35. Liquidated	36. Declared Uncollected	37. Removed End Period	38. Total End Period	39. Employers Owing		
404	Age of Receivables								
	40. 6 Months or Less	41. 9 Months	42. 12 Months	43. 15 Months	44. Over 15 months				
AUDIT ACTIVITY									
501	Number of Audits			48. Calendar Quarters Audited	Total Wages Audited		51. Hours Spent Auditing	52. Number Employees Misclassified as Ind.Contr.	
	45. Large Employers	46. Change Audits	47. Total Audits		49. Pre-Audit	50. Post-Audit			
502	Amount Underreported				Amount Overreported				
	53. Total Wages	54. Taxable Wages	55. Contributions		56. Total Wages	57. Taxable Wages	58. Contributions		