

Ratio of United States Workers to Other Workers in the Commonwealth of the Northern Mariana Islands

For Tax Year 2021

Prepared by:
CNMI Department of Labor
Office of the Secretary
Caller Box 10007
Saipan, MP 96950
Phone: (670) 664-3196
Email: vicky.benavente@gov.mp
Web: www.marianaslabor.net



DESCRIPTION OF TERMS AND ABBREVIATIONS

- 1) CNMI, NMI, Commonwealth: Commonwealth of the Northern Mariana Islands, Northern Mariana Islands. Both terms and abbreviations are interchangeably used to describe a chain of fourteen islands that make up the United States Commonwealth of the Northern Mariana Islands.
- 2) CW: CNMI-Only Transitional Worker. The CW-1 visa classification allows CNMI employers to apply for permission to employ foreign (nonimmigrant) workers who are otherwise ineligible to work under other nonimmigrant worker categories. The CW classification provides a method for transition from the former CNMI foreign worker permit system to the U.S. immigration system.
- 3) EAD: A general term used to describe a card USCIS issues on Form I-766, Employment Authorization Card, to aliens who are authorized to work in the United States. The card contains a photograph of the individual and sometimes his or her fingerprint. An alien who has an EAD usually has open-market employment authorization, but there are exceptions.
- 4) EB-3: Employment-Based Immigration, Third Preference. An individual may be eligible for this immigrant visa preference category if the individual is a skilled worker, professional, or other worker. The “other worker” subcategory is for persons performing unskilled labor requiring less than 2 years training or experience, not of a temporary or seasonal nature.
- 5) H-1B: This visa category applies to people who wish to perform services in a specialty occupation, services of exceptional merit and ability relating to a Department of Defense (DOD) cooperative research and development project, or services as a fashion model of distinguished merit or ability.
- 6) H-2B: The H-2B program allows U.S. employers and U.S. agents who meet specific regulatory requirements to bring aliens to the United States to fill temporary nonagricultural jobs.
- 7) E Visas (E-1, E2, E-3) for Temporary Workers: The E visa category includes treaty traders and investors who come to the United States and the country of which the treaty trader or investor is a citizen or national. This category also includes Australian specialty occupation workers.
- 8) F-1 Student Visa: A nonimmigrant visa category for persons wishing to study in the United States. Any off-campus employment must be related to the area of study and must be authorized prior to starting any work by the Designated School Official (the person authorized to maintain the Student and Exchange Visitor Information System (SEVIS) and USCIS).
- 9) J-1: The J-1 classification (exchange visitors) is authorized for those who intend to participate in an approved program for the purpose of teaching, instructing or lecturing, studying, observing, conducting research, consulting, demonstrating special skills, receiving training, or to receive graduate medical education or training.

¹ Descriptions of the various visa types or classes were obtained online on the United States Citizenship and Immigration Services website at <https://www.uscis.gov>.

PURPOSE

In accordance with Subsection 3(C)(i) of U.S. Public Law (P.L.) 115-218, or the Northern Mariana Islands U.S. Workforce Act of 2018, the CNMI Department of Labor hereby submits its annual report identifying the ration between United States workers and other workers in the Commonwealth. It is based on data obtained from individual CNMI income tax filings for **Tax Year 2021**.

TOTAL INDIVIDUAL INCOME TAX FILINGS FOR 2021

As of September 19, 2022, a total of 21,989 individual W-2CM income tax filings were received by the CNMI Department of Finance for Tax Year 2021. A breakdown by worker category (Fig. 1) is shown below.

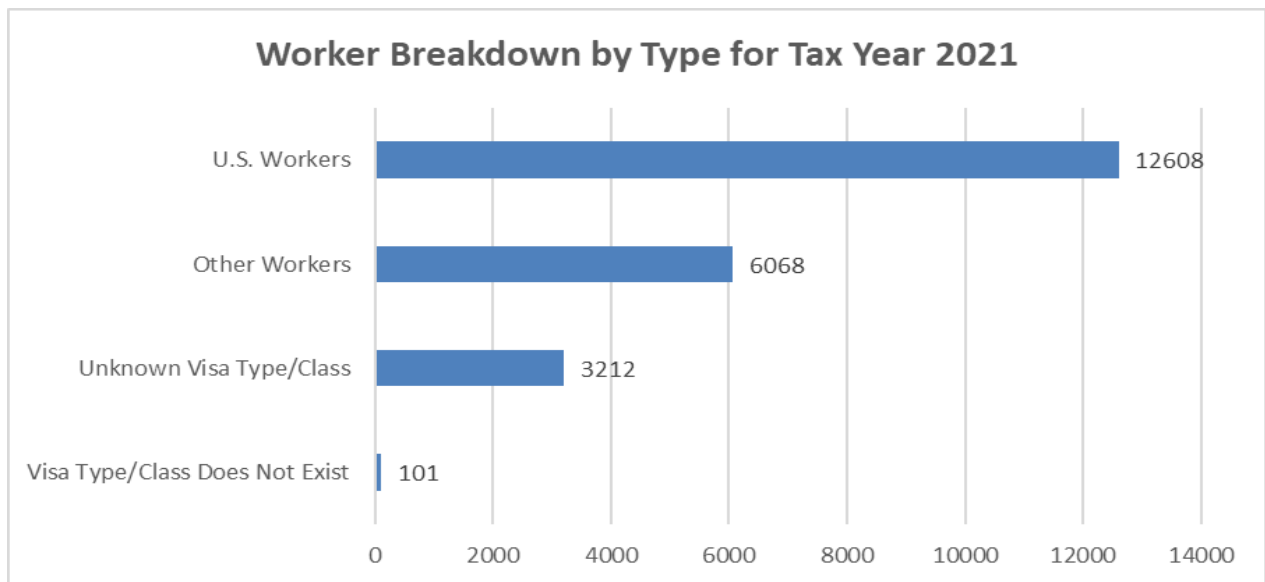


Figure 1. Worker Breakdown by Type

DEFINITION OF “UNITED STATES WORKER”

Under the Act, a United States worker does not include citizens and nationals only. The Northern Mariana Islands U.S. Workforce Act of 2018 defines a U.S. worker as:

- 1) a citizen or national of the United States
- 2) an alien who has been lawfully admitted for permanent residence; or
- 3) a citizen of the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau (known collectively as the ‘Freely Associated States’) who has been lawfully admitted to the United States pursuant to—
 - (i) section 141 of the Compact of Free Association between the Government of the United States and the Governments of the Marshall Islands and the Federated States of Micronesia (48 U.S.C. 1921 note); or
 - (ii) section 141 of the Compact of Free Association between the United States and the Government of Palau (48 U.S.C. 1931 note).

The number of U.S. Workers totaled 12,608. There were 10,160 U.S. citizens or nationals, 2,093 Lawful Permanent Residents (also known as Green Card holders), and 355 citizens of the Freely Associated States (Federated States of Micronesia, Republic of the Marshall Islands, and Republic of Palau). A breakdown by U.S. worker type (Fig. 2) is detailed below.

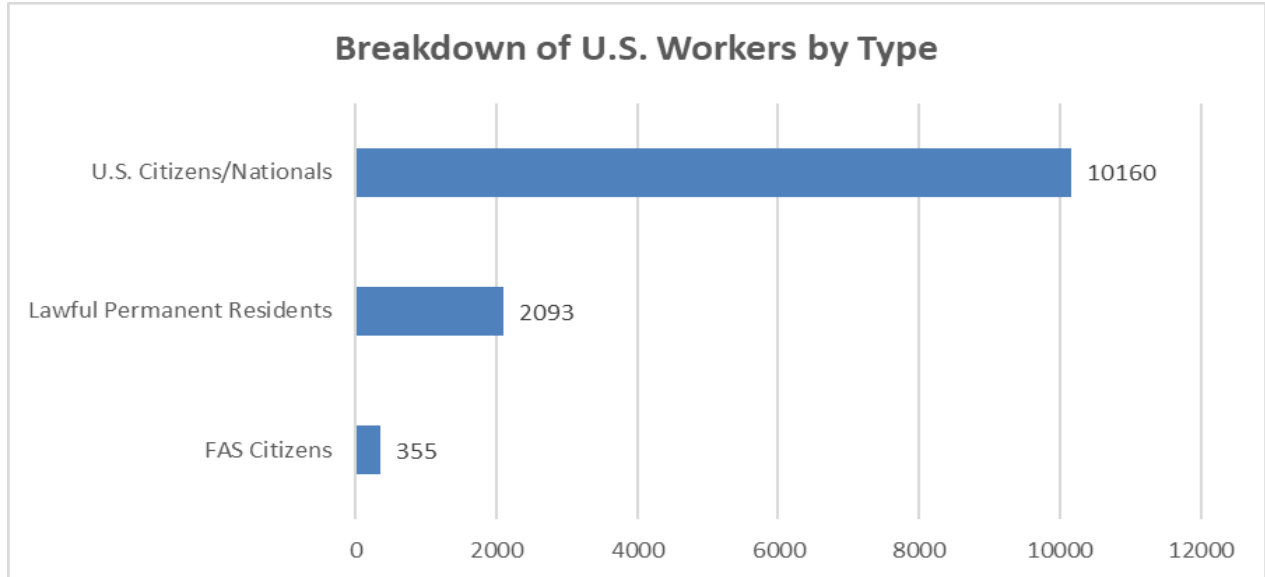


Figure 2. U.S. Worker Breakdown by Type

DEFINITION OF “OTHER WORKER”

Any worker who has been lawfully admitted to the CNMI for employment but does not meet the definition of a “United States Worker” as described in P.L. 115-218, or the Northern Mariana Islands U.S. Workforce Act of 2018.

The number of Other Workers totaled 6,068. A breakdown by visa type/class (Fig. 3) and proportion of workers is detailed below.

Breakdown of Other Workers by Visa Type		
CW-1	4338	71%
EAD	1226	20%
E2 & E2C	184	3%
H-1B	105	2%
H-2B	169	3%
All Other Visa Types	46	1%
Total	6068	100%

Figure 3. Other Workers Breakdown by Visa Type

DEFINITION OF “UNKNOWN” OR “UNIDENTIFIED WORKER”

“Unknown”: Individuals who could not be identified as “U.S. Workers” or “Other Workers” as a result of incomplete W-2CM submissions (Box F left blank).

“Unidentified”: Individuals who were not counted as a result of invalid or inconsistent entries on Box F of the W-2CM form.

There was a total of 3,313 individuals who were deemed “Unknown” or “Unidentified”. A total of 3,212 individuals were deemed unknown since Box F of the W-2CM was left blank, or had more than one status entry. The remaining 101 individuals were identified as those having invalid entries on Box F. Therefore, these tax filers were excluded from the final count of workers. A breakdown of the number of Unknown tax filers to the number of Unidentified tax filers (fig. 4) is shown below.

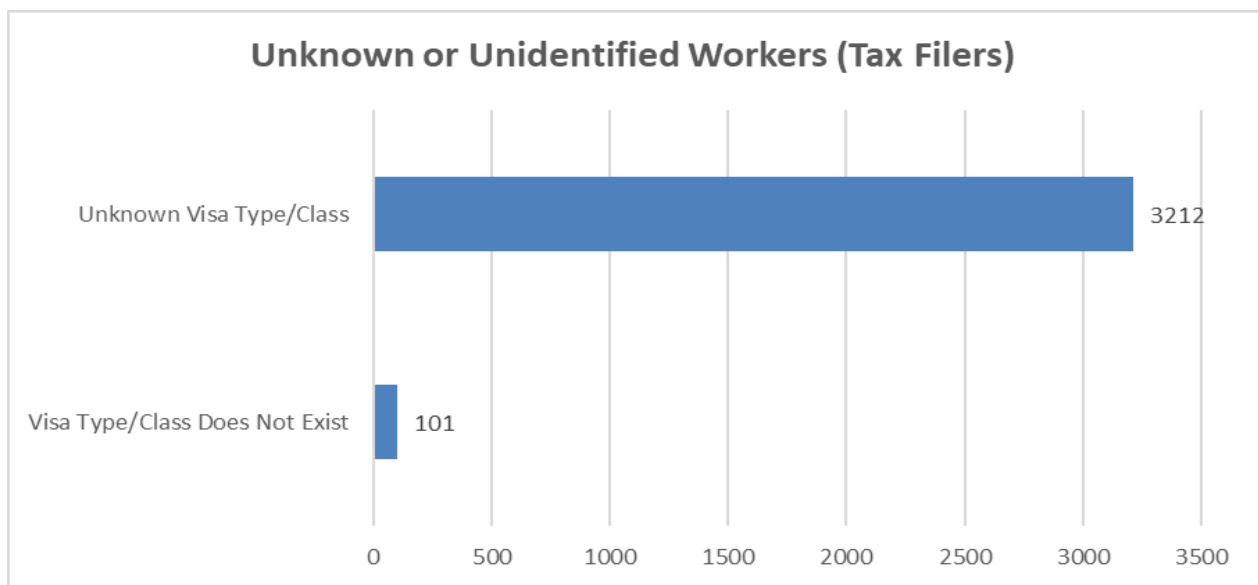


Figure 4. Unknown or Unidentified Workers (Tax Filers) Breakdown

RATIO OF U.S. WORKERS TO OTHER WORKERS

The ratio of U.S. Workers to Other Workers for Tax Year 2020 was:

$$12,608 : 6,068$$

It was further reduced to lowest terms with the greatest common factor (GCF) of 4, leaving a simplified ratio of:

$$3,152 \text{ U.S. Workers} : 1,517 \text{ Other Workers}$$

Therefore, in 2021, there were approximately 3,152 U.S. Workers to 1,517 Other Workers in the CNMI workforce.

APPENDIX

REPORT METHODOLOGY

The CNMI Department of Finance's Division of Revenue and Taxation included in a section of their Form W-2CM Wage and Tax Statement a Box F for employers to enter their employees' Visa Type/Class. This data is essential in identifying the number of U.S. workers and Other workers in the CNMI workforce for the purpose of this annual ratio report.

TARGET POPULATION AND SET PARAMETERS

The target population for Tax Year 2021 only included individuals who claimed wages, tips, and/or compensation on the 2021 W-2CM Wage and Tax Statement. Other tax filers who claimed passive income (e.g., rental income, dividend income, etc.) were excluded as they were not considered part of the CNMI workforce.

All W-2CM tax filers from the islands of Saipan, Tinian, Rota, and the Northern Islands were included in this report.

LIMITATIONS OF REPORTED DATA

The Division of Revenue and Taxation extracted its data on September 19, 2022 and transmitted it to the Department of Labor on September 20, 2022. This report does not include any analysis for tax amendments made after the extraction date. Unlike the previous year's data, the Division of Revenue and Taxation did not exclude duplicate tax filers (e.g., tax filers who held more than one job and submitted more than one 2021 W-2CM Wage and Tax Statement). The Department of Labor filtered the raw data and deduced from it the numbers presented in this report.

There were 3,313 individual tax filers, or approximately 15% of the target population that were excluded from the final count of U.S. and Other Workers due to invalid or unidentified entries in Box F of Tax Form W-2CM.