

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

For Tax Year 2019

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## **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.

<sup>1</sup> 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 2019**.

**TOTAL INDIVIDUAL INCOME TAX FILINGS FOR 2019**

As of October 31, 2020, a total of 27,189 individual W-2CM income tax filings were received by the CNMI Department of Finance. A breakdown by worker category (Fig. 1) is shown below.

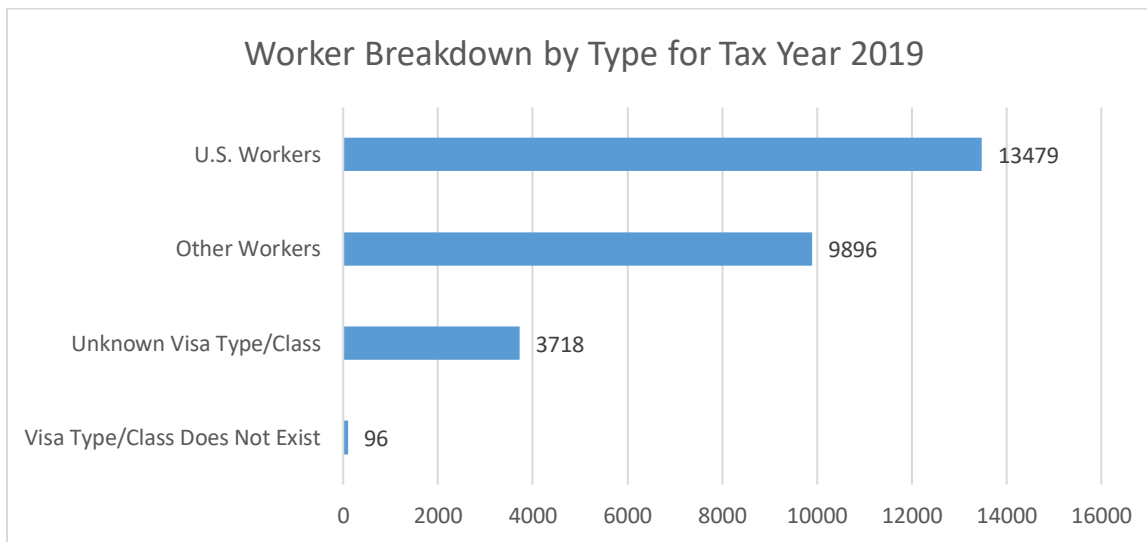


Figure 1. Worker Breakdown by Type

**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 13,479. There were 10,983 U.S. citizens or nationals, 1,967 Lawful Permanent Residents (also known as Green Card holders), and 529 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.

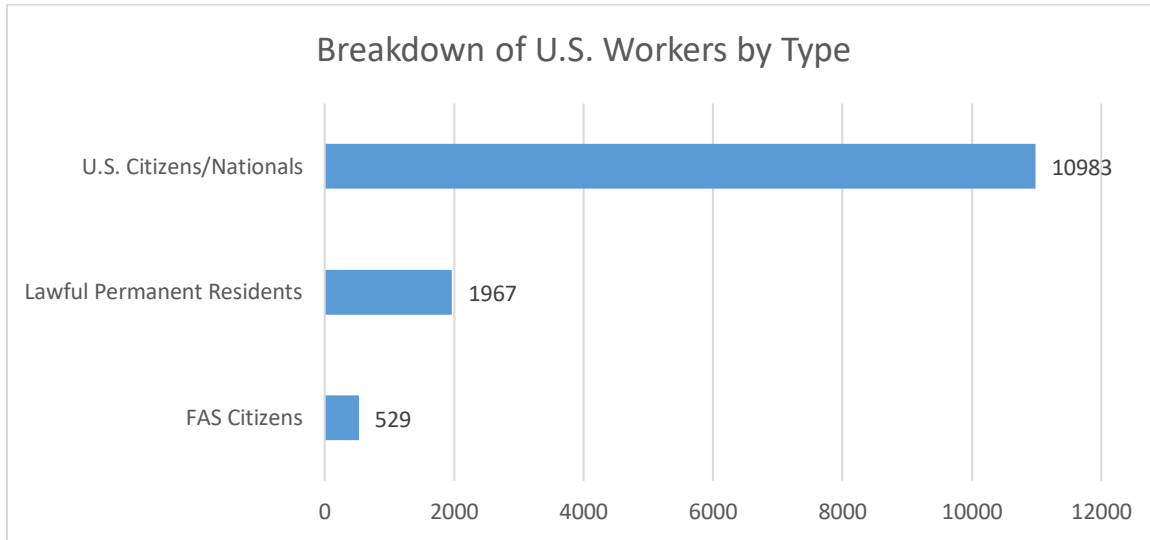


Figure 2. U.S. Worker Breakdown by Type

**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 9,896. A breakdown by visa type/class (Fig. 3) and proportion of workers is detailed below.

Breakdown of Other Workers by Visa Type		
CW-1	7480	75.6%
H-2B	1289	13%
EAD	558	5.6%
E2 & E2C	252	2.5%
H-1B	166	1.7%
J/J1	76	0.8%
All Other Visa Types (B1,E1,F1,L1, etc.)	75	0.8%
<b>Total</b>	<b>9896</b>	<b>100%</b>

Figure 3. Other Workers Breakdown by Visa Type

**UNKNOWN OR UNIDENTIFIED WORKER**

Individual or tax filer who could not be identified as a U.S. Worker or Other Worker due to failure to complete Box F of Tax Form W-2CM, or who entered a visa type/class in Box F of Tax Form W-2CM that did not exist or could not be identified as a valid U.S. visa.

There were a total of 3,814 tax filers who were Unknown or Unidentified. Of the total, 3,718 did not complete or left blank Box F of the Tax Form W-2CM and 96 entered a visa type/class that did not exist. Therefore, these tax filers were not included in 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.

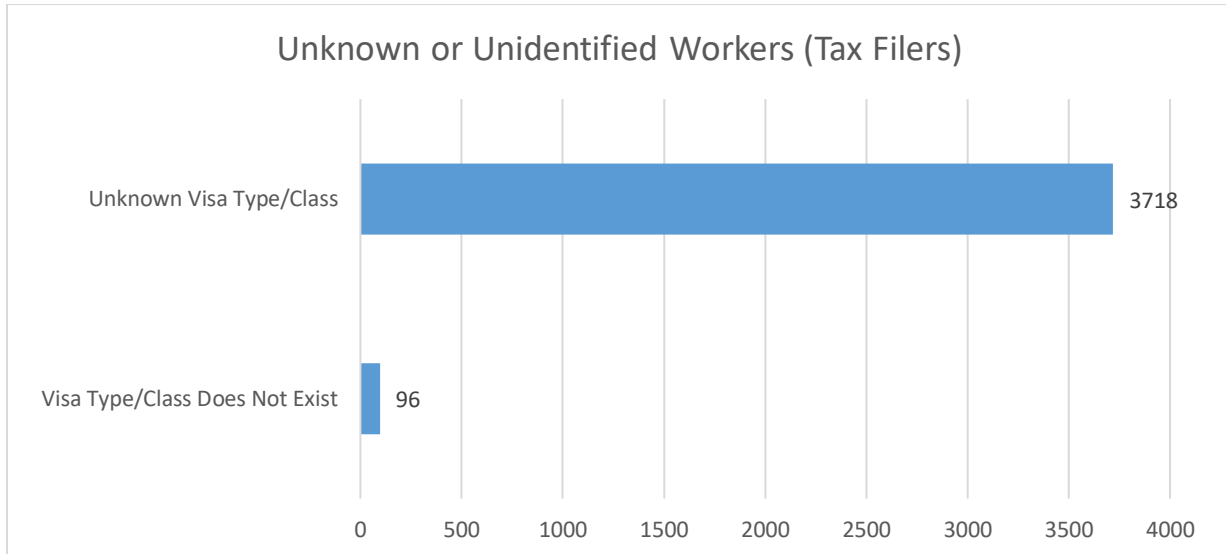


Figure 4. Unknown or Unidentified Workers (Tax Filers) Breakdown

**RATIO OF U.S. WORKERS TO OTHER WORKERS**

The ratio of U.S. Workers to Other Workers for Tax Year 2019 was:

$$13,479 : 9,896$$

The total numbers were rounded off to 13,500 U.S. Workers and 9,900 Other Workers which provided a simplified ratio of:

$$15 \text{ U.S. Workers} : 11 \text{ Other Workers}$$

Therefore, in 2019, there were approximately 15 U.S. Workers to 11 Other Workers in the CNMI workforce.

## **APPENDIX**

### **REPORT TIMELINE**

Unfortunately, due to the Covid-19 Public Health Emergency, the CNMI Department of Labor (CNMI DOL) did not receive the Tax Year 2019 income tax filer data from the Division of Revenue & Taxation when requested back in October 2020. This data was just transmitted to CNMI DOL on June 4, 2021 for compilation. Therefore, the annual ratio report was not completed and submitted on the November 1, 2020 deadline (60 days before the end of the calendar year).

### **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.

The target population for Tax Year 2019 only included individuals who claimed wages, tips, and/or compensation on the 2019 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. Furthermore, the report excluded duplicate tax filers (e.g. tax filers who held more than one job and submitted more than one 2019 W-2CM Wage and Tax Statement) for more accurate data.

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