

**PROPOSED REGULATION OF THE ADMINISTRATOR OF THE
EMPLOYMENT SECURITY DIVISION OF THE DEPARTMENT
OF EMPLOYMENT, TRAINING AND REHABILITATION**

LCB File No. R149-10

MEETING NOTICE AND AGENDA

Notice of Workshop to Solicit Comments on Proposed Regulation Amendment

This meeting, conducted by the Administrator of the Employment Security Division and the Employment Security Council, is a workshop to review, discuss, and solicit comment on a proposed amendment of a regulation pertaining to Chapter 612 of Nevada Administrative Code pursuant to Nevada Revised Statute (NRS) 233B.061. The proposed amendment will establish the Unemployment Insurance tax rate schedule for Nevada employers for calendar year 2011.

Name of Organization: Nevada Employment Security Council; NRS 612.305

Date and Time of Meeting: Tuesday, October 5, 2010; 10:00 A.M.

Place of Meeting:	<u>Live Meeting:</u>	<u>Video Conference To:</u>
	Legislative Building	Grant Sawyer Building
	401 S. Carson Street, Room 2135	555 E. Washington Ave, Room 4412
	Carson City, Nevada 89701	Las Vegas, Nevada 89101

Note: This meeting will also be broadcast on the Internet at www.leg.state.nv.us

AGENDA

- I. Call to Order and Welcome – Paul Havas, Chair, Employment Security Council
- II. Introduction of Council Members – Paul Havas, Chair, Employment Security Council
- III. *Discussion and possible action regarding Approval of Minutes from October 6, 2009, and August 3, 2010, Employment Security Council Meetings – Paul Havas, Chair, Employment Security Council
- IV. Agency and Legislative Updates – Cynthia Jones, Deputy Director, Department of Employment, Training and Rehabilitation (DETR), Administrator, Employment Security Division (ESD) Nevada
- V. Unemployment Insurance Benefits Program Updates, Theresa Nicks, Chief of Unemployment Insurance Support Services (UISS)

- VI. Transition to JOBcentral, Susie Giurlani, DETR Business Process Analyst II, and Kim Morigeau, ESD Program Specialist, Workforce Investment Support Services (WISS)
- VII. **Workshop to Consider Adoption of Regulation to Establish the Unemployment Insurance (UI) Tax Rate Schedule for Calendar Year 2011 (Nevada Administrative Code 612.270):**
 - A. Economic Projections and Overview – Bill Anderson, Chief Economist, Research and Analysis Bureau, DETR**
 - B. Review of Unemployment Insurance Trust Fund – David Schmidt, Economist, Research and Analysis Bureau, DETR**
 - C. Tax Schedule Explanation – Donna Clark, Chief of Contributions, DETR/ESD**
 - D. Council Discussion – Paul Havas and Cynthia Jones**
- VIII. Public Comment - **Chair may limit public comment to 5 minutes per speaker**
- IX. *Discussion and possible action regarding Council recommendation of Calendar Year 2011 UI Tax Rates to the ESD Administrator – Paul Havas, Chair, Employment Security Council
- X. Adjournment

***Denotes items on which the Council may take action. Agenda items may be taken out of order.**

Note: We are pleased to make reasonable accommodations for members of the public who are disabled and wish to attend the meeting. If special arrangements are necessary, please notify the Employment Security Division in writing at 500 East Third Street, Carson City, Nevada 89713, or call Joyce Golden at (775) 684-3909, within 72 hours of meeting date and time.

This agenda of the Employment Security Council Meeting has been sent to all persons on the agency's mailing list for administrative regulations and posted at the following locations:

Nevada State Library & Archives, 100 North Stewart Street, Carson City, NV 89701
 Legislative Building, 401 South Carson Street, Carson City, NV 89701
 Grant Sawyer State Building, 555 E. Washington Ave., Las Vegas, NV 89101
 Legislative Counsel Bureau Web Site
 Department of Employment, Training and Rehabilitation Web Site
 All County Libraries in Nevada
 Employment Security Division, State Administrative Office, 500 East Third Street, Carson City, NV 89713
 Employment Security Division Southern Administrative Office, 2800 E. St. Louis Ave, Las Vegas, NV 89104
 Unemployment Insurance Contributions, 1320 South Curry Street, Carson City, NV 89710
 Reno Field Audit Office, 1325 Corporate Blvd, Suite B, Reno, NV 89502
 Las Vegas Field Audit Office, 2800 E. St. Louis Ave, Las Vegas, NV 89104
 Reno Appeals Office, 1325 Corporate Blvd, Suite C, Reno, NV 89502
 Las Vegas Appeals Office, 2800 E. St. Louis Ave, Las Vegas, NV 89104
 Reno Casual Labor Office, 420 Galletti Way, Sparks, NV 89431
 Las Vegas Casual Labor Office, 1001 North A Street, Las Vegas, NV 89106
 Nevada JobConnect-Carson City, 1929 North Carson Street, Carson City, NV 89701
 Nevada JobConnect-Elko, 172 Sixth Street, Elko, NV 89801
 Nevada JobConnect-Ely, 480 Campton Street, Ely, NV 89301

Nevada JobConnect-Fallon, 121 Industrial Way, Fallon, NV 89406
Nevada JobConnect-Henderson, 119 Water Street, Henderson, NV 89015
Nevada JobConnect-Las Vegas, 3405 South Maryland Parkway, Las Vegas, NV 89169
Nevada JobConnect-North Las Vegas, 2827 Las Vegas Boulevard North, Las Vegas, NV 89030
Nevada JobConnect-Pahrump, 2101 East Calvada Blvd., Pahrump, NV 89041
Nevada JobConnect-Reno Town Mall, 4001 South Virginia Street, Suite H-1, Reno, NV 89502
Nevada JobConnect-Sparks, 1675 E. Prater Way, Suite 103 Sparks, NV 89431
Nevada JobConnect-Winnemucca, 475 Haskell St., Suite 1, Winnemucca, NV 89445

REQUEST FOR COMMENTS FROM SMALL BUSINESSES

Due to the continuing, unprecedented economic downturn and the historic rate of unemployment, the Department of Employment, Training and Rehabilitation, Employment Security Division, anticipates an increase may be necessary in the average unemployment insurance tax rate for experience rated employers for calendar year 2011.

As a result, and in compliance with NRS 233B.0608, the Division is soliciting comments from small business owners to gauge the effect that a potential tax rate increase may have on their businesses. (Note: A small business is defined as 149 employees or less by NRS 233B.0382.)

The tax methodology used for the Nevada Unemployment Compensation Program is based on an experience rating system approved by the U.S. Department of Labor. This system is designed to ensure that employers are equally rated based on their unique experience with the Unemployment Insurance (UI) Program, regardless of size or industry type. Having a federally approved UI tax rate system allows Nevada employers an offset credit of 5.4% against the 6.2% Federal Unemployment Tax (FUTA).

All new employers pay at a rate of 2.95% of taxable wages until they are eligible for experience rating. The rate for new employers is not subject to change as part of the rate setting process. Once eligible, an annual tax rate schedule is applied to all experience rated employers based on the individual business' experience record. While the tax rate schedule for the 2011 calendar year is not yet established for experience rated employers, it is important to remember that the direct impact on each individual business will vary based on each employer's experience record with the Unemployment Insurance (UI) Program, as well as the rate schedule that is established for the calendar year.

Written comments must be received by the Employment Security Division on or before October 1, 2010, at the following address:

Department of Employment, Training and Rehabilitation
Employment Security Division
500 E. Third St., Carson City, NV 89713
Attn: Joyce Golden

Individuals wishing to comment in person may appear at the Employment Security Council Meeting scheduled for 10:00 A.M. on Tuesday, October 5, 2010 at the Legislative Building, 401 S. Carson Street, Room 2135, Carson City, Nevada. The meeting is also available by videoconference at the Grant Sawyer Building, 555 East Washington Avenue, Room 4412, Las Vegas, Nevada. Internet broadcast is also available at www.leg.state.nv.us. The purpose of the meeting is to review, discuss, and solicit public comment regarding a proposed amendment of a regulation pertaining to Chapter 612 of Nevada Administrative Code pursuant to Nevada Revised Statute (NRS) 233B.061. The proposed amendment will establish the Unemployment Insurance tax rate schedule for Nevada employers for 2011.

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EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: §§1 and 2, NRS 612.220 and 612.550.

A REGULATION relating to unemployment compensation; prescribing the contribution rate schedule for calendar year 2011 and providing other matters properly relating thereto.

Section 1. NAC 612.270 is hereby amended to read as follows:

612.270 The Administrator establishes the following schedule of contribution rates for eligible employers for calendar year ~~2010;~~ *2011*:

1. Class 1: A rate of 0.25 percent is assigned to each employer whose reserve ratio is ~~5.2~~ *X.X* percent or more;
2. Class 2: A rate of 0.55 percent is assigned to each employer whose reserve ratio is at least ~~3.8~~ *X.X* percent but less than ~~5.2~~ *X.X* percent;
3. Class 3: A rate of 0.85 percent is assigned to each employer whose reserve ratio is at least ~~2.4~~ *X.X* percent but less than ~~3.8~~ *X.X* percent;
4. Class 4: A rate of 1.15 percent is assigned to each employer whose reserve ratio is at least ~~1.0~~ *X.X* percent but less than ~~2.4~~ *X.X* percent;
5. Class 5: A rate of 1.45 percent is assigned to each employer whose reserve ratio is at least ~~0.4~~ *X.X* percent but less than ~~1.0~~ *X.X* percent;
6. Class 6: A rate of 1.75 percent is assigned to each employer whose reserve ratio is at least ~~1.8~~ *-X.X* percent but less than ~~0.4~~ *X.X* percent;

7. Class 7: A rate of 2.05 percent is assigned to each employer whose reserve ratio is at least ~~[-3.2]~~-X.X percent but less than ~~[-1.8]~~-X.X percent;
8. Class 8: A rate of 2.35 percent is assigned to each employer whose reserve ratio is at least ~~[-4.6]~~-X.X percent but less than ~~[-3.2]~~-X.X percent;
9. Class 9: A rate of 2.65 percent is assigned to each employer whose reserve ratio is at least ~~[-6.0]~~-X.X percent but less than ~~[-4.6]~~-X.X percent;
10. Class 10: A rate of 2.95 percent is assigned to each employer whose reserve ratio is at least ~~[-7.4]~~-X.X percent but less than ~~[-6.0]~~-X.X percent;
11. Class 11: A rate of 3.25 percent is assigned to each employer whose reserve ratio is at least ~~[-8.8]~~-X.X percent but less than ~~[-7.4]~~-X.X percent;
12. Class 12: A rate of 3.55 percent is assigned to each employer whose reserve ratio is at least ~~[-10.2]~~-X.X percent but less than ~~[-8.8]~~-X.X percent;
13. Class 13: A rate of 3.85 percent is assigned to each employer whose reserve ratio is at least ~~[-11.6]~~-X.X percent but less than ~~[-10.2]~~-X.X percent;
14. Class 14: A rate of 4.15 percent is assigned to each employer whose reserve ratio is at least ~~[-13.0]~~-X.X percent but less than ~~[-11.6]~~-X.X percent;
15. Class 15: A rate of 4.45 percent is assigned to each employer whose reserve ratio is at least ~~[-14.4]~~-X.X percent but less than ~~[-13.0]~~-X.X percent;
16. Class 16: A rate of 4.75 percent is assigned to each employer whose reserve ratio is at least ~~[-15.8]~~-X.X percent but less than ~~[-14.4]~~-X.X percent;
17. Class 17: A rate of 5.05 percent is assigned to each employer whose reserve ratio is at least ~~[-17.2]~~-XX.X percent but less than ~~[-15.8]~~-XX.X percent; and

18. Class 18: A rate of 5.4 percent is assigned to each employer whose reserve ratio is less than ~~[17.2]~~ ~~XX.X~~ percent.

Sec. 2. This regulation becomes effective on January 1, 2011.