



WORKSHOP NOTICE AND AGENDA

Revised Post Date: September 9, 2025

WORKSHOP TO ADDRESS THE IMPACT OF PROPOSED REGULATION ON SMALL BUSINESS

Pursuant to Nevada Revised Statute NRS 233B.0608

The Employment Security Division of the Department of Employment, Training and Rehabilitation will hold a Small Business Workshop on the date, time and at the locations noted below to solicit public comment on a proposed regulation regarding the **Unemployment Insurance (UI) Tax Rate Schedule** for Nevada employers for **calendar year 2026**, pursuant to **Nevada Revised Statute (NRS) 612.550** and potential amendment to **Nevada Administrative Code (NAC) 612.270**. This notice is provided in compliance with NRS 241.020, 233B.061 and 233B.0608.

The purpose of the hearing is to receive comments from all interested people regarding the **UI Tax Contribution Rate Schedule** for **calendar year 2026** as prescribed in **Nevada Administrative Code (NAC) 612.270**.

Name of Organization: Nevada Employment Security Division (ESD)

Date and Time of Meeting: October 6th, 2025, 2:00 PM

Place of Meeting: **Live Meeting:**
URL: <https://nvdetr-org.zoom.us/j/86162939930>
Telephone: **1 253 205 0468**
Webinar/Meeting ID: **861 6293 9930**

Live/Broadcast From:
SAO Auditorium
500 E. Third Street
Carson City, NV 89713

ESD St. Louis Auditorium
2800 St. Louis Avenue
Las Vegas, NV 89104

Note: This meeting will take place in person at the location(s) noted above and via a Zoom Webinar that is accessible to the public as noted above. A free copy of all materials will be made available before the meeting at: <https://detr.nv.gov/>.

AGENDA

- I. **Call to Order and Welcome** – ESD Administrator
- II. **Public Comment** – The Chair may limit public comment to 3 minutes per speaker but may not restrict comment based upon viewpoint. No action may be taken upon a matter raised under the public comment period, unless the matter itself has been specifically included on this agenda as an action item. This round of public comment will last no longer than thirty minutes.
- III. **Confirmation of Posting** - ESD
- IV. **Review of Written Comments** - ESD
- V. **WORKSHOP** – Public workshop conducted to consider proposed regulation amendments to **NAC 612.270** regarding the following proposed regulation amendments:
 - A. **NAC 612.270** - Unemployment Insurance (UI) Tax Rate Schedule for Nevada employers for calendar year **2026**.
 - i. Overview of regulation amendment and small business workshop impact statement.
 - ii. Overview and discussion of **2026 UI Tax Rate Schedule** scenarios.
 - B. **NAC 612.258** – Payrolling
 - i. Additional section added for internal control of approval mechanism.
- VI. **Closing Public Comment:** May limit public comment to 3 minutes per speaker but may not restrict comment based upon viewpoint. No action may be taken upon a matter raised under the public comment period, unless the matter itself has been specifically included on this agenda as an action item. This round of public comment will last no longer than thirty minutes.
- VII. ***For possible action:** Adjournment – ESD Administrator

Note: Agenda items may be taken out of order. Two or more agenda items may be combined for consideration. An item may be removed or discussion on an item may be delayed at any time.

A copy of the meeting Notice and Agenda can be requested either in person or by written request to the Department of Employment, Training and Rehabilitation; Employment Security Division, 500 E. Third Street, Carson City, Nevada 89713 or telephone Casey Frasca at (775) 684-3913. Copies of pertinent documents will also be made available on the DETR website at: <http://detr.nv.gov>

Notes: Written comments must be received by the Employment Security Division on or before **October 2nd, 2025, 5:00 P.M.** at the following address:

Attn: Casey Frasca/ MASS
Department of Employment, Training and Rehabilitation Employment Security Division
500 E. Third Street, Carson City, NV 89713 (775) 684-3913
mass@detr.nv.gov

Persons with disabilities who require reasonable accommodation or assistance at the meeting should notify the Employment Security Division in writing at 500 E. Third Street, Carson City, Nevada 89713, or call Casey Frasca at (775) 684-3913 (for individuals who are deaf or have hearing disabilities, dial TTY (800) 326-6868 or 711 for Relay Nevada) within 72 hours of meeting date and time. Supporting materials as provided for in NRS 241.020(5) may be obtained by contacting Casey Frasca at the above-noted contact information.

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption and incorporate therein its reason for overruling the consideration urged against its adoption.

Notice of this Public Hearing was posted at the following locations on or before the 15th day prior to the scheduled meeting date *(not counting the scheduled meeting date)*.

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

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 89703

American Job Center of Nevada, 4001 South Virginia Street, Reno, NV 89502

Nevada Career/Business Hub-Carson City, 1929 North Carson Street, Carson City, NV 89701 Nevada

Career/Business Hub-Elko, 172 Sixth Street, Elko, NV 89801

Nevada Career/Business Hub-Ely, 1500 Avenue F, Suite 1, Ely, NV 89301 Nevada

Career/Business Hub-Fallon, 121 Industrial Way, Fallon, NV 89406

Nevada Career/Business Hub-Henderson, 4500 E. Sunset Road, Suite 40, Henderson, NV 89014 Nevada

Career/Business Hub-Las Vegas, 3405 South Maryland Parkway, Las Vegas, NV 89169 Nevada

Career/Business Hub-North Las Vegas, 2827 Las Vegas Boulevard North, Las Vegas, NV 89030 Nevada

Career/Business Hub-Sparks, 2281 Pyramid Way, Sparks, NV 89431

Nevada Career/Business Hub-Winnemucca, 475 Haskell St., Suite 1, Winnemucca, NV 89445

Employment Security Division 3850 Arrowhead Dr, Carson City, NV 89706

Notice of this Public Hearing was posted on the Internet on the following websites:

DETR's Public Notices website at: <https://detr.nv.gov/publicmeetings>

State of Nevada's Public Notices website at: <https://notice.nv.gov/>

Administrative Regulation Notices website at: <https://www.leg.state.nv.us/App/Calendar/A/>

Small Business Impact Statement
Department of Employment, Training, and Rehabilitation
NAC 612.550 Rates for employers
Pursuant to NRS 241.020 and 233B.0608

1. Description of the manner in which comments were solicited from affected small businesses, a summary of their responses, and an explanation of the manner in which other interested persons may obtain a copy of the summary.

On September 8, 2025, the Division publicly posted notice of the meeting notice and agenda for the Workshop to Address the Impact of Proposed Regulation on Small Businesses to solicit public comments pursuant to NRS 241.020 and 233B.061. Said Small Business Workshop is being held on October 6, 2025 immediately following the Employment Security Council (ESC) public meeting that begins at 1:00 PM.

2. Manner and Method of Analysis

This analysis was conducted by the state employee, DETR's Chief Economist, with the most understanding of the subject of unemployment insurance, projected benefit and contributions, and ability to make a valid and educated determination as to the potential impact of said regulation amendments and repeals based on said economic analyses conducted and considerations from any/all public comments received by the Department during this rulemaking process. Analysis of expected benefit costs comes from a model of estimated employment growth and estimated average wage growth on a quarter-by-quarter basis throughout the time period to which the regulation would apply. Data about the number, size, and distribution of employers comes from the records of the Division from the required reports filed by those employers,

3. Estimated Economic Impact

All Nevada employers subject to Unemployment Insurance (UI) contributions and eligible for experience rating will be affected by the proposed regulations constituting approximately 76,770 employers or 75.2% of all employers registered with the Employment Security Division. The proposed regulations represent a range of options ranging from a decrease in the average UI Contribution rate to 1.35% to an unchanged average UI Contribution rate at 1.65% from 2025 to 2026.

Beneficial Impacts

Under all proposed regulation alternatives, the average burden on employers will either remain steady or could decrease and will not revert to the standard contribution rate of 2.95%. Further, these contributions are expected to exceed benefit payments and will continue to allow the state to build its Trust Fund reserves.

Adverse Impacts

The only employers who will experience a higher contribution rate are those whose UI experience causes them to receive a rate higher than the standard rate of 2.95%. Under the 1.65% average rate schedule, approximately 1,609 have a positive reserve ratio and have paid more in UI Contributions than received UI benefit charges over the life of their account while 5,246 have a negative ratio and have resulted in a net cost to the system. Under the 1.35% schedule, 1,235 of these employers have a positive reserve ratio, while 4,602 have a negative ratio.

Direct Impacts

The direct impact of this regulation on any particular Nevada business depends on that business' prior experience with respect to unemployment. Because the rates that employers pay are fixed in statute, the average rate is reviewed each year in the regulatory process by adapting a range of reserve ratios which will apply to those rates. Each employer's reserve ratio changes each year as well, rising or falling, depending on the net balance of UI contributions and benefit charges from and to that account.

Indirect Impacts

This regulation complies with the federal compliance regulations governing Unemployment Insurance contribution rates. Therefore, employers maintain eligibility for a full 5.4% credit toward their federal unemployment insurance taxes. In addition, the additional solvency in the UI system will help to pay for unemployment benefits in the future. On average, evidence suggests that for each dollar in UI benefits, \$2 or more in economic activity results. In addition, employers' benefit as funds are returned to the economy through UI benefit payments, helping to mitigate the drop in consumption that takes place in a recession. Finally, the UI system helps to maintain the attachment of workers to the local workforce and facilitate a faster return to work, both through job search and training services and through mandatory work search requirements.

4. Consideration of Impact on Small Businesses

By using an experience-rated structure, employers' tax rates depend primarily on their own experience with unemployment, without regard for employer size or industry type. The distribution of small employers through the UI contribution schedule closely mirrors that of the state, generally varying by no more than 0.5%. The standard contribution rate remains fixed by statute at 2.95%. Additionally, federal laws only allow the State to assign rates of less than the standard rate to employers based on their experience with respect to unemployment, so no preferential rates may be assigned to small businesses.

5. Estimated Cost of Enforcement

This regulation amendment will be enforced as a regular part of ongoing UI operations and does not represent any additional burden on staff time, as the regulation is used to modify contribution rates each year. Funding for the administration of the UI program is provided to the Department by the US Department of Labor.

6. Anticipated Revenue Increase and Use

As this regulation adopts a lower average contribution rate than the standard rate of 2.95%, there is no anticipated revenue increase as a result of this regulation.

7. Duplication or More Stringent Standards than Federal, State, or Local Governments

This regulation is only an annual modification to the unemployment insurance contribution schedule, therefore, the determination of the Division that this regulatory review is not anticipated to result in duplication or more stringent standards than those of federal, state, or local governments.

8. The Reason for the Conclusions of the Agency Regarding the Impact of the Regulation on Small Businesses

The distribution of small business employers closely matches the overall distribution of all employers in the state and because Unemployment Insurance (UI) law does not allow states to assign rates of less than the standard rate, 2.95% in Nevada, except on the basis of an employer's prior experience with respect to unemployment; the agency believes that there is no disparate impact to small businesses due to this regulation.

Certification of Concerted Effort to Determine Impact on Small Business and Accuracy of Statement

I certify that to the best of my knowledge or belief, a concerted effort was made by the Department of Employment, Training, and Rehabilitation to determine the impact of this regulation on small business, and that the information contained in this statement has been prepared properly and is accurate.

 09.08.2025

Kristine Nelson
ESD Administrator

Small Business Impact Statement

Department of Employment, Training, and Rehabilitation

NAC 612.258 Payrolling approval mechanism for employers

Pursuant to NRS 241.020 and 233B.0608

- 1. Description of the manner in which comments were solicited from affected small businesses, a summary of their responses, and an explanation of the manner in which other interested persons may obtain a copy of the summary.**

On September 8, 2025, the Division publicly posted notice of the meeting notice and agenda for the Workshop to Address the Impact of Proposed Regulation on Small Businesses to solicit public comments pursuant to NRS 241.020 and 233B.061. Said Small Business Workshop is being held on October 6, 2025 immediately following the Employment Security Council (ESC) public meeting that begins at 1:00 PM.

- 2. Manner and Method of Analysis**

This analysis was conducted by the state employee, DETR's Chief Economist, with the most understanding of the subject of unemployment insurance, projected benefit and contributions, and ability to make a valid and educated determination as to the potential impact of said regulation amendments and repeals based on said economic analyses conducted and considerations from any/all public comments received by the Department during this rulemaking process. Analysis of expected benefit costs comes from a model of estimated employment growth and estimated average wage growth on a quarter-by-quarter basis throughout the time period to which the regulation would apply. Data about the number, size, and distribution of employers comes from the records of the Division from the required reports filed by those employers,

- 3. Estimated Economic Impact**

Only those Nevada employers who choose to centrally report wages from an account that has a higher UI Contribution Rate will be subject to the proposed regulation, which requires an additional step of notification and approval to do so, while imposing no other significant cost. Because the employer is still choosing to opt-in to potentially paying a higher rate, it is assumed that the perceived value of doing so exceeds the cost to the employer. This regulation imposes no significant cost on the employer, so it is expected that employers choosing to opt-in to this process would continue to do so. This regulation amends the current regulation, which was enrolled in 2024, LCB File No. **R086-24**, adding an additional non-substantive section (c) that if approved, would provide an approval procedure that would enable a reporting and tracking mechanism of said payrolling exemption requests by the Department, ensuring the integrity of the UI program and protecting both employers and claimants against abuse.

Beneficial Impacts

This regulation helps to ensure the integrity of the UI program and experience-rating system, ensuring that costs from bad actors are not passed on to other businesses. Therefore this regulation provides the potential for significant benefits to other employers, depending on how many employers choose to engage in this process.

Adverse Impacts

This regulatory change poses no substantial adverse impact to Nevada businesses.

Direct Impacts

By ensuring that employers who opt in to this process are paying a UI Contribution Rate greater than or equal to the rate that would be assessed for such workers, employers choosing to engage in this process provide a financial benefit to the UI system overall, increasing total revenue while incurring no additional costs. This regulation provides a stronger mechanism to track and enforce that provision, creating direct benefits to all employers in the system.

Indirect Impacts

This regulatory change would assist the Department's ability to track and report said payrolling exemption requests to ensure compliance with NAC 612.258 as said regulation complies with the federal compliance regulations governing State Unemployment Tax Act (SUTA) Dumping Prevention Act, which is federal legislation signed into law in 2004, that requires states to pass laws preventing employers from artificially lowering their State Unemployment Tax Act (SUTA) rates through fraudulent means, such as manipulating business ownership and experience ratings to avoid paying higher UI taxes. The Act mandates penalties for violations and requires states to implement measures, including transfer of experience laws and SUTA dumping detection systems, to enforce compliance and ensure fair collection of unemployment taxes.

4. Consideration of Impact on Small Businesses

This regulatory change imposes no cost on any business not engaging in the payrolling exemption, and provides direct benefits to such employers by protecting the integrity of the UI system.

5. Estimated Cost of Enforcement

This regulation amendment will be enforced as a regular part of ongoing UI operations and does not represent any additional burden on staff time, as the regulation is used to modify contribution rates each year. Funding for the administration of the UI program is provided to the Department by the US Department of Labor.

6. Anticipated Revenue Increase and Use

There is no anticipated revenue increase as a result of this regulation.

7. Duplication or More Stringent Standards than Federal, State, or Local Governments

It is the determination of the Department that this regulatory review is not anticipated to result in duplication or more stringent standards than those of federal, state, or local governments.

8. The Reason for the Conclusions of the Agency Regarding the Impact of the Regulation on Small Businesses

The distribution of small business employers closely matches the overall distribution of all employers in the state and the Department believes that there is no disparate impact to small businesses due to this regulation.

Certification of Concerted Effort to Determine Impact on Small Business and Accuracy of Statement

I certify that to the best of my knowledge or belief, a concerted effort was made by the Department of Employment, Training, and Rehabilitation to determine the impact of this regulation on small business, and that the information contained in this statement has been prepared properly and is accurate.

Kristine Nelson 09.08.2025

Kristine Nelson
ESD Administrator