

STATE OF NEVADA

Steve Sisolak  
Governor



Elisa P. Cafferata  
Director

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Administrator

Department of Employment, Training and Rehabilitation  
EMPLOYMENT SECURITY DIVISION  
500 E. Third Street  
Carson City, Nevada 89713-0001

**NOTICE OF INTENT TO ACT UPON A REGULATION**

Notice of Hearing to adopt the amended Regulation for the  
2022 Unemployment Insurance (UI) Tax Rate Schedule for Nevada Employers  
Post Date: 11/10/2021

*The purpose of the hearing is to receive comments from all interested persons regarding the proposed amendment to the Regulation pertaining to Nevada Administrative Code (NAC) 612, pursuant to Nevada Revised Statute NRS 612.550, which will establish the Unemployment Insurance Tax Rate Schedule for Nevada employers for calendar year 2022. This Notice is provided in compliance with NRS 241.020 and 233B.061*

**Name of Organization:** Nevada Employment Security Division (ESD)

**Date and Time of Meeting:** Monday, December 13, 2021; 10:00 A.M.

**Live Meeting:**

**URL:** <https://us06web.zoom.us/j/82774844597?pwd=d21acnpibU1jZWx0ZGxPc3FscDV4dz09>

**Passcode:** 905954

**Telephone:** 1 669 900 6833

**Webinar/Meeting ID:** 827 7484 4597

**Note:** This meeting will take place via the Zoom Webinar, and virtual public comment will be made available at (669) 900-6833, meeting ID 827 7484 4597. A free copy of all materials will be made available before the meeting at: [https://detr.nv.gov/Page/Public\\_Meetings](https://detr.nv.gov/Page/Public_Meetings)

**AGENDA**

- I. Call to order and welcome – ESD
  - II. Public Comment – *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 Written Comments – ESD
  - V. Review of amended regulation to the 2022 Tax Rate Schedule – ESD
  - VI. Closing Public Comment - *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.*
  - VII. \* ***For possible action:*** Adjournment
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**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 Stewart Terry at (775) 684-3902. Copies of pertinent documents will also be made available on the DETR website at: <http://detr.nv.gov>

**NOTE:** Written comments must be received by the Employment Security Division on or before December 8, 2021, at the following address:

Attn: Stewart Terry / MASS  
Department of Employment, Training and Rehabilitation  
Employment Security Division  
500 E. Third Street, Carson City, NV 89713

### **NOTICE AND EXPLANATION**

The purpose of the hearing is to receive comments from all interested persons regarding the amendment of a Regulation that pertains to Chapter 612 of the NAC.

The following information is provided pursuant to the requirements of NRS 233B.0603:

#### **Statement of the need for and purpose of the proposed regulation or amendment**

The proposed amendment to the Regulation pertaining to NAC 612, pursuant to Nevada Revised Statute NRS 612.550, will establish the Unemployment Insurance Tax Rate Schedule for Nevada employers for calendar year 2022.

#### **Description of the proposed regulation**

This Regulation affects all Nevada employers subject to Nevada's Unemployment Compensation Law that pay a tax rate subject to the Experience Rating system and will establish the Unemployment Insurance Tax Rate Schedule for Nevada employers for calendar year 2022.

#### **Estimated Economic Impact**

All Nevada employers subject to Unemployment Insurance (UI) contributions and eligible for experience rating will be affected by the proposed regulation, constituting approximately 54,368 employers, or 61.2% of all employers registered with the Employment Security Division. This regulation represents an unchanged average UI contribution rate at 1.65% from 2021 to 2022.

#### **Adverse Impacts**

A statutory increase in the wages subject to unemployment contributions will increase average wages from \$33,400 in 2021 to an expected \$36,600 in 2022, which will cause the average cost per employee at the maximum taxable wage base to increase from \$567.80 to \$623.50 in 2022. While projected contribution payments exceed the projected benefit payments under the proposed rate, the uncertainty of the state's economy looking forward, due to COVID-19 pandemic, could present challenges to building up the Trust Fund to solvency over the next three years. By leaving the average unemployment insurance tax rate unchanged, unemployment insurance reserves will grow at slower pace than they would if that rate were to increase. If another recession like scenario were to occur in Nevada, the state would likely need to borrow funds to pay unemployment benefits.

#### **Beneficial Impacts**

With no change in the 1.65% average contribution rate, contribution costs paid by employers will remain stable. This regulation will help reduce the state's Trust Fund borrowing and, in a best-case scenario, allow the state to begin re-building its Trust Fund reserves following the COVID-19 recession.

#### **Immediate Impacts**

This Regulation will adopt the experience rating schedule that will be in effect for calendar year 2022. The Average Unemployment Contribution Rate of 1.65%, together with the Career Enhancement Program Assessment (CEP), will remain unchanged at 1.70% in 2022 of wages subject to unemployment contributions in 2022.

#### **Long - Term Impacts**

This Regulation will continue to build reserves in the Nevada Unemployment Insurance Trust Fund, earning interest to the credit of that fund and helping to improve the State's ability to pay unemployment benefits in advance of a future recession.

**Methods used in determining the impact on a small business**

This analysis was conducted by the state employee with the most understanding of the subject of unemployment insurance data. 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.

**Estimated Cost of Enforcement**

This regulation 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.

**Overlap or duplication of regulations**

This regulation is only an annual modification to the unemployment insurance contribution schedule. Therefore, this regulation does not duplicate or provide a more stringent standard than any other regulation of federal, state, or local governments.

**Requirement pursuant to federal law**

The proposed Regulation is not required by federal law.

**More stringent than federal regulations**

This Regulation is an annual update of Nevada's Unemployment Insurance contribution schedule and does not overlap any federal or local rules or Regulations. Therefore, this Regulation does not provide a more stringent standard than any other regulation of federal, state or local governments.

**New or increased fee**

This Regulation does not impose any new or increased fees on employers, as it represents no change to the average UI contribution rate.

**Locations where the text of the rule may be inspected and copied**

A copy of this Notice and the Regulation to be amended will be on file at the Nevada State Library and Archives, 100 N. Stewart Street, Carson City, Nevada 89701, for inspection by members of the public during business hours. Additional copies of the Notice and the Regulation to be amended will be available at the Department of Employment, Training and Rehabilitation, Employment Security Division, 500 E. Third Street, Carson City, Nevada 89713; and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This Notice and the text of the proposed Regulation are also available in the State of Nevada Register of Administrative Regulations, which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653, and on the Internet at <http://www.leg.state.nv.us>. Copies of this Notice and the proposed Regulation will also be mailed to members of the public upon request. To obtain a copy of the proposed Regulation and Small Business Impact Statement, write to the Department of Employment, Training and Rehabilitation, Employment Security Division, 500 E. Third Street, Carson City, Nevada 89713, or telephone Stewart Terry at (775) 684-3902. Copies of pertinent documents will also be made available on the DETR web site at: <http://nvdestr.org>. A reasonable fee may be charged for copies if it is deemed necessary. This does not apply to a public body subject to the Open Meeting Law.

This proposed Regulation has been publicly noticed in accordance with Nevada's Open Meeting Law, public comment has been solicited and the Regulation has been submitted to the Legislative Counsel Bureau for review, as outlined in NRS 233B.064 cited below.

1. **Subsection 2 of NRS 233B.064**

**“Permanent regulation: Prohibition against adoption until text approved or revised by Legislative Counsel; agency to provide written notification to Legislative Counsel of date of adoption; agency to issue statement of reasons for adoption upon request.**

1. An agency shall not adopt, amend or repeal a permanent regulation until it has received from the Legislative Counsel the approved or revised text of the regulation in the form to be adopted. The agency shall immediately notify the Legislative Counsel in writing of the date of adoption of each regulation adopted.

2. 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.”

**NOTE:** Persons with disabilities who require reasonable accommodations or assistance at the meeting should notify the Employment Security Division in writing at 500 E. Third Street, Carson City, Nevada 89713, or call Stewart Terry at (775) 684-3902 (*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 Stewart Terry at the above-noted contact information.

**Notice of this meeting was posted at the following locations on or before 9 a.m. of the 30th day prior to 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  
Reno Casual Labor Office, 420 Galletti Way, Sparks, NV 89431  
American Job Center of Nevada, 4001 South Virginia Street, Reno, NV 89502  
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, 1500 Avenue F, Suite 1, Ely, NV 89301  
Nevada JobConnect-Fallon, 121 Industrial Way, Fallon, NV 89406  
Nevada JobConnect-Henderson, 4500 E. Sunset Road, Suite 40, Henderson, NV 89014  
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-Sparks, 2281 Pyramid Way, Sparks, NV 89431  
Nevada JobConnect-Winnemucca, 475 Haskell St., Suite 1, Winnemucca, NV 89445

Notice of this meeting was posted on the Internet on the following websites: DETR's Public Notices website at: [https://detr.nv.gov/Page/PUBLIC\\_NOTICES](https://detr.nv.gov/Page/PUBLIC_NOTICES), the State of Nevada's Public Notices website at: <https://notice.nv.gov/>, and the Administrative Regulation Notices website at: <http://www.leg.state.nv.us/App/Notice/A/>.

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

**LCB File No. R066-21**

October 26, 2021

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 2022; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

The Unemployment Compensation Law requires employers to make contributions to the Unemployment Compensation Fund for the purpose of providing temporary benefits to persons who become involuntarily unemployed. (Chapter 612 of NRS) The amount of each employer’s contribution is a percentage of the employer’s average annual payroll. Existing law establishes a standard contribution rate of 2.95 percent. (NRS 612.540) However, after an employer has accumulated a specified number of consecutive calendar quarters of contribution and benefit experience, depending on the quarter in which the employer became subject to the Unemployment Compensation Law, the Administrator of the Employment Security Division of the Department of Employment, Training and Rehabilitation assigns the employer to a class of employers whose contribution rate is based on their previous experience with unemployment, as determined by a reserve ratio formula. An employer’s reserve ratio is calculated by subtracting the benefits charged to the employer’s account for all previous years from the contributions paid by the employer during all previous years and dividing the difference by the employer’s average payroll for the previous 3 years. The Administrator is required to annually prescribe the contribution rate schedule for each class of employers. (NRS 612.550) This regulation prescribes the contribution rate schedule for calendar year 2022.

**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 ~~2021:~~ **2022:**

1. Class 1: A rate of 0.25 percent is assigned to each employer whose reserve ratio is ~~{14.6}~~ **15.95** percent or more;
2. Class 2: A rate of 0.55 percent is assigned to each employer whose reserve ratio is at least ~~{13.0}~~ **14.35** percent but less than ~~{14.6}~~ **15.95** percent;
3. Class 3: A rate of 0.85 percent is assigned to each employer whose reserve ratio is at least ~~{11.4}~~ **12.75** percent but less than ~~{13.0}~~ **14.35** percent;
4. Class 4: A rate of 1.15 percent is assigned to each employer whose reserve ratio is at least ~~{9.8}~~ **11.15** percent but less than ~~{11.4}~~ **12.75** percent;
5. Class 5: A rate of 1.45 percent is assigned to each employer whose reserve ratio is at least ~~{8.2}~~ **9.55** percent but less than ~~{9.8}~~ **11.15** percent;
6. Class 6: A rate of 1.75 percent is assigned to each employer whose reserve ratio is at least ~~{6.6}~~ **7.95** percent but less than ~~{8.2}~~ **9.55** percent;
7. Class 7: A rate of 2.05 percent is assigned to each employer whose reserve ratio is at least ~~{5.0}~~ **6.35** percent but less than ~~{6.6}~~ **7.95** percent;
8. Class 8: A rate of 2.35 percent is assigned to each employer whose reserve ratio is at least ~~{3.4}~~ **4.75** percent but less than ~~{5.0}~~ **6.35** percent;
9. Class 9: A rate of 2.65 percent is assigned to each employer whose reserve ratio is at least ~~{1.8}~~ **3.15** percent but less than ~~{3.4}~~ **4.75** percent;
10. Class 10: A rate of 2.95 percent is assigned to each employer whose reserve ratio is at least ~~{0.2}~~ **1.55** percent but less than ~~{1.8}~~ **3.15** percent;
11. Class 11: A rate of 3.25 percent is assigned to each employer whose reserve ratio is at least ~~{-1.4}~~ **-0.05** percent but less than ~~{0.2}~~ **1.55** percent;

12. Class 12: A rate of 3.55 percent is assigned to each employer whose reserve ratio is at least ~~[-3.0]~~ -1.65 percent but less than ~~[-1.4]~~ -0.05 percent;

13. Class 13: A rate of 3.85 percent is assigned to each employer whose reserve ratio is at least ~~[-4.6]~~ -3.25 percent but less than ~~[-3.0]~~ -1.65 percent;

14. Class 14: A rate of 4.15 percent is assigned to each employer whose reserve ratio is at least ~~[-6.2]~~ -4.85 percent but less than ~~[-4.6]~~ -3.25 percent;

15. Class 15: A rate of 4.45 percent is assigned to each employer whose reserve ratio is at least ~~[-7.8]~~ -6.45 percent but less than ~~[-6.2]~~ -4.85 percent;

16. Class 16: A rate of 4.75 percent is assigned to each employer whose reserve ratio is at least ~~[-9.4]~~ -8.05 percent but less than ~~[-7.8]~~ -6.45 percent;

17. Class 17: A rate of 5.05 percent is assigned to each employer whose reserve ratio is at least ~~[-11.0]~~ -9.65 percent but less than ~~[-9.4]~~ -8.05 percent; and

18. Class 18: A rate of 5.4 percent is assigned to each employer whose reserve ratio is less than ~~[-11.0]~~ -9.65 percent.

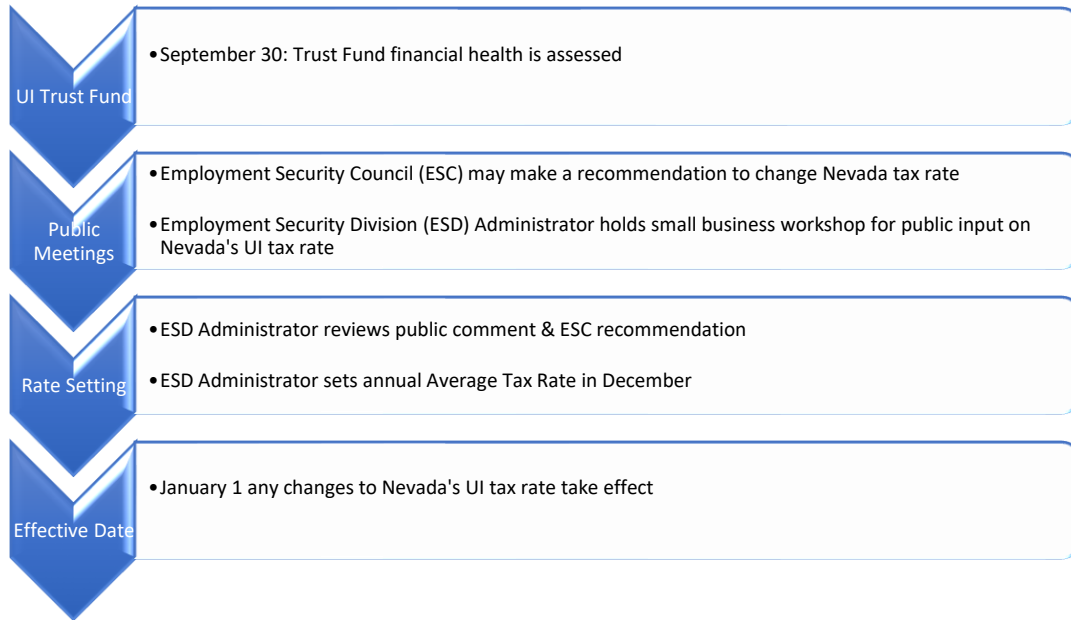
**Sec. 2.** This regulation becomes effective on January 1, 2022.





**OFFICE OF THE DIRECTOR**

**UNEMPLOYMENT INSURANCE (UI) TAX RATE SETTING**



**STATE OF NEVADA UI TAX SCHEDULE 2021**

- Average Tax Rate for 2021 = 1.65%
- Average tax rate history:

Year	Average Tax Rate	Bond Assessment	CPE Tax	Total Cost to Employers	Average Cost Per Employee
2022	1.65%		0.05%	1.70%	\$622.20
2021	1.65%		0.05%	1.70%	\$586.50
2020	1.65%		0.05%	1.70%	\$623.90
2019	1.85%		0.05%	1.90%	\$592.80
2018	1.95%		0.05%	2.00%	\$610.00
2017	1.95%	0.63%	0.05%	2.63%	\$775.85
2016	1.95%	0.62%	0.05%	2.62%	\$738.84

- Employers' tax rates vary based on how often their separated employees use the Nevada UI Trust Fund. This is referred to as an Experience Rating.
- Employers receive credit for the contributions they have paid into the Trust Fund and are charged for the benefits paid to their former employees.
- Once eligible for the Experience Rating, an employer's rate can range from 0.25% to 5.40%, in increments of 0.35%.
- All newly established contributory employers pay 2.95% of taxable wages for the first 3.5 - 4 years in business.

- After 3.5 - 4 years, employers are eligible for an Experience Rating based on their previous experience with unemployment.

## **NEVADA UI TRUST FUND**

- The Trust Fund balance reached \$2 billion in February 2020.
  - This was due to building the financial health of the Nevada Trust Fund during the economic recovery following the Great Recession.
- From March 2020 through September 2021 \$13 billion in claimant unemployment benefits were paid.
  - Less than \$3 billion of this total was from the state UI Trust Fund. Most of these benefits were paid through temporary federally funded unemployment programs created through federal legislation.
- Nevada was able to borrow, interest free, \$333 million from the federal government to continue to pay unemployment benefits. This loan was paid off using American Rescue Plan (ARP) funds before interest began accruing in September 2021.

## **PANDEMIC RELIEF FOR BUSINESSES**

- Contributory Employers, businesses making quarterly contributions to the UI trust fund, have been relieved of the cost of unemployment benefits from the second, third and fourth quarters of 2020 and the first, second and third quarters of 2021 and will not be charged for those benefits when determining future UI tax rates.
- Reimbursable Employers, who reimburse DETR dollar for dollar for any unemployment benefits charged to their UI account, were not charged or billed for the second, third and fourth quarters of 2020, or the first, second and third quarters of 2021.
- Using ARP funds to repay the federal loan resulted in no outstanding loans, no interest for the Trust Fund to repay, and no federal unemployment tax increases in 2022 on Nevada's employers.
  - After the Great Recession there were bond payments added to the Average Tax Rate to repay federal loans used to pay unemployment benefits.

Employers can access their UI Tax Rate information in their Employer Self Service account on [UI.NV.gov](https://ui.nv.gov).

There are myriad ways DETR partners with employers, including collaboration with state elected officials to ensure ongoing support for Nevada businesses. From [EmployNV.gov](https://employnv.gov) which is the largest job bank in Nevada and a direct link to thousands of job seekers, to Silver State Works which provides financial incentives to hire qualified individuals, you can find more details with this [Business Resource Guide](#).