

STATE OF NEVADA

Department of Employment, Training and Rehabilitation
Employment Security Division

Unemployment Insurance Tax Rate Schedule 2025

Small Business Impact Statement

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Small Business Workshop

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Small Business Workshop

- The purpose of this workshop is to discuss the proposed Unemployment Insurance Tax Rate for calendar year 2025 on small businesses
- A small business is defined by NRS 233B as having 149 employees or less
- The Employment Security Division Administrator recommends the average tax rate remain at 1.65%



Proposed Regulation

- This regulation affects all employers subject to Nevada's Unemployment Compensation Law with a tax rate based on the experience rating system
- Small business constitute 62,639 employers or approximately 98% of the eligible experience rated employers



Proposed Regulation Continued

- This regulation will continue to increase the reserves of the Unemployment Insurance Fund. The projected growth is \$1.15 billion from September 2024 to September 2025, bringing the state closer to the solvency target specified in NRS 612.550. Small businesses account for over \$1 billion of the projected revenue
- This regulation will continue to allow the majority of experience-rated employers to pay contributions at a rate lower than the new employer rate of 2.95%



Direct Impact

- Each year the tax rate schedule is adjusted through regulatory process to adopt the reserve ratios that apply to the rates.
- The impact of the proposed 1.65% average tax rate will continue the stability of the overall tax employers pay
- The annual taxable wage increase from \$40,600 in 2024 to \$41,800 in 2025 will cause the average cost per employee to increase from \$2,192.40 to \$2,257.20



ESTIMATED REVENUE AND EMPLOYER DISTRIBUTION CALENDAR YEAR 2025

Class	Reserve Ratio From	Reserve Ratio To	Tax Rate	# of Total Eligible Employers	% Wages	Taxable (\$mill)	%	Revenue (\$mill)
18	-10,000.00	-7.60	5.4%	1,563	2.50%	\$817.78	2.50%	\$44.16
17	-7.60	-6.00	5.05%	171	0.27%	\$89.47	0.27%	\$4.52
16	-6.00	-4.40	4.75%	225	0.36%	\$117.72	0.36%	\$5.59
15	-4.40	-2.80	4.45%	258	0.41%	\$134.99	0.41%	\$6.01
14	-2.80	-1.20	4.15%	308	0.49%	\$161.15	0.49%	\$6.69
13	-1.20	0.40	3.85%	452	0.72%	\$236.49	0.72%	\$9.10
12	0.40	2.00	3.55%	531	0.85%	\$277.83	0.85%	\$9.86
11	2.00	3.60	3.25%	717	1.14%	\$375.14	1.14%	\$12.19
10	3.60	5.20	2.95%	1,022	1.63%	\$534.72	1.63%	\$15.77
9	5.20	6.80	2.65%	1,645	2.63%	\$860.68	2.63%	\$22.81
8	6.80	8.40	2.35%	2,921	4.66%	\$1,528.30	4.66%	\$35.92
7	8.40	10.00	2.05%	6,980	11.14%	\$3,652.02	11.14%	\$74.87
6	10.00	11.60	1.75%	11,671	18.63%	\$6,106.42	18.63%	\$106.86
5	11.60	13.20	1.45%	12,612	20.13%	\$6,598.76	20.13%	\$95.68
4	13.20	14.80	1.15%	9,885	15.78%	\$5,171.96	15.78%	\$59.48
3	14.80	16.40	.85%	4,229	6.75%	\$2,212.67	6.75%	\$18.81
2	16.40	18.00	.55%	2,112	3.37%	\$1,105.03	3.37%	\$6.08
1	18.00	10,000.00	.25%	5,337	8.52%	\$2,792.39	8.52%	\$6.98
				62,639	99.98%	\$32,773.52	99.98%	\$541.38
New Employers			2.95%	38323		\$20,051.08		\$591.51
TOTAL				100962		\$52,824.60		\$1,132.88
AVERAGE UI							1.65%	
CEP							0.05%	
TOTAL TAX							1.70%	



Rate Impact on Small Businesses

- The tax methodology used for Nevada's Unemployment Compensation Program is based on an experience rating system approved by the U.S. Department of Labor
- This rating system is designed to ensure that employers are rated fairly based on their unique experience with unemployment, regardless of size or industry type



Estimated Cost of Enforcement

- There is no additional cost for the enforcement of this regulation. Funding for the administration of the UI program is provided to the department by the US Department of Labor
- NAC 612.270 is adopted each year to set employer contribution rates and is required by NRS 612.550
- This regulation complies with the federal compliance regulations governing unemployment insurance contribution rates



Summary

- The average UI tax rate of 1.65% is expected to produce \$1.15 billion for the trust fund in calendar year 2025. Small businesses will account for over \$1 billion of the total revenue

