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**Form For Filing  
Administrative Regulations**

**Agency:** Nevada Department of  
Employment, Training and  
Rehabilitation, Employment Security  
Division  
*RO64-25*

FOR EMERGENCY  
REGULATIONS ONLY

Effective date \_\_\_\_\_

Expiration date \_\_\_\_\_

\_\_\_\_\_  
**Governor's signature**

**Classification:** • PROPOSED  ADOPTED BY AGENCY • EMERGENCY • TEMPORARY

**Brief description of action:** This hearing is a culmination of DETR's regulatory rulemaking process for the changing of verbiage defining the word "payrolling" to mean the practice of designating one employing unit to report the wages of an employee who performs services for another employing unit.

**Authority citation other than 233B:** NRS 612.220

**Notice date:** October 23, 2025

**Date of Adoption by Agency:** November 24, 2025

**Hearing date:** November 24, 2025



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

**LCB File No. R064-25**

Filed December 18, 2025

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

AUTHORITY: § 1, NRS 612.220.

A REGULATION relating to unemployment compensation; requiring each employing unit that wishes to engage in payrolling to first submit a written request to and receive written approval from the Administrator of the Employment Security Division of the Department of Employment, Training and Rehabilitation; 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. In general, existing law requires employers to pay contributions to the Fund at a certain rate of the wages paid by the employer for employment. (Chapter 612 of NRS)

Existing regulations define the term “payrolling” to mean the practice of designating one employing unit to report the wages of an employee who performs services for another employing unit. Existing regulations prohibit an employing unit from engaging in payrolling unless: (1) the employing unit reporting the wages of an employee pays certain contribution rates; and (2) the contribution rate paid by the employing unit reporting the wages of an employee is equal to or greater than the contribution rate paid by the employing unit for whom the employee performs services. (NAC 612.258) This regulation additionally requires each employing unit that wishes to engage in payrolling to first submit a written request to and receive written approval from the Administrator of the Employment Security Division of the Department of Employment, Training and Rehabilitation.

**Section 1.** NAC 612.258 is hereby amended to read as follows:

612.258 1. Except as otherwise provided in subsection 2:

(a) An employing unit shall not engage in payrolling.

(b) Wages must be reported by the employing unit:

(1) That has the right to hire and fire the employee;

(2) That has the responsibility to control and direct the employee; and

(3) For which the employee performs services.

2. The provisions of subsection 1 do not apply to an employing unit that reports the wages of an employee who performs services for another employing unit if:

(a) *The employing unit has submitted a written request to and received written approval to do so from the Administrator;*

(b) The employing unit pays the standard contribution rate or is assigned a contribution rate in classes 10 to 18, inclusive, pursuant to NAC 612.270; and

~~(b)~~ (c) The contribution rate paid by the employing unit reporting the wages of the employee is equal to or greater than the contribution rate paid by the employing unit for whom the employee performs services.

3. As used in this section:

(a) “Payrolling” means the practice of designating one employing unit to report the wages of an employee who performs services for another employing unit.

(b) “Standard contribution rate” means the rate of contributions prescribed by NRS 612.540.

**LEGISLATIVE REVIEW OF ADOPTED  
PERMANENT REGULATIONS AS REQUIRED BY  
NRS 233B.066**

**LCB FILE R064-25**

The following statement is submitted for adopted amendment to Nevada Administrative code (NAC) Chapter 612.258.

**1. A clear and concise explanation of the need for the adopted regulation.**

The proposed amendment to the regulation pertaining to NAC 612.258 relates to Payrolling and is an additional non-substantive internal control in section (c) that provides an approval procedure that would enable a reporting and tracking mechanism for DETR ESD for employing units that opt in to the Payrolling process, ensuring the integrity of the UI program and protecting both employers and claimants against fraud and/or abuse of the process.

**2. A description of how public comment was solicited, a summary of public response, and an explanation of how other interested persons may obtain a copy of the summary.**

On September 10, 2025, the Employment Security Division publicly notified the State that it would be holding a **Small Business Workshop on October 6, 2025** to solicit public comment on proposed regulation **R064-25**. Said notification was provided more than 15 days as required in Nevada's Rulemaking process. Pursuant to NRS 233B.0608(3), the Small Business Impact Statement on proposed regulation amendments for **NAC 612.258** was reviewed by DETR ESD staff, were noticed with the Small Business Workshop Agenda, and were reviewed before the public during the Small Business Workshop. Furthermore, DETR staff provided additional information to the public which included: an overview of the regulation amendment and the Small Business Impact Statement.

The Division received no written public comment pursuant to its Agenda posting as of October 5, 2025, nor were any public comments made at the **October 6, 2025** Small Business Workshop during the workshop's two public comment periods as published on the Agenda.

**R064-25** was formerly drafted by LCB on October 16, 2025, and on **October 23, 2025** the Employment Security Division publicly notified the State that it would be holding a public meeting on **November 24, 2025, 2:00 PM** via its posting of a **Notice of Intent to Act Upon and Adopt Regulations** to solicit public comments on proposed regulation **R064-25**. Said notification, which included the meeting Agenda and the proposed regulation **R064-25** as formerly drafted by Nevada's Legislative Counsel Bureau (LCB) was provided and posted both physically at the locations listed below and on DETR's Public Meetings website <https://detr.nv.gov/publicmeetings> and Nevada's Public Notice website at <https://notice.nv.gov/> within 30 days of the public meeting.

The Division received no written public comment as of November 21, 2025, nor were any public comments made at the **November 24, 2025** public meeting during the meeting's two public comment periods as published on the public meeting's Agenda.

In compliance with NRS 233B.0608, the live public meeting on the Intent to Act Upon and Adopt Regulations was held on **November 24, 2025 at 2:00 PM** at DETR's State Administrative Office

(SAO) Auditorium, 500 E. Third Street, Carson City, Nevada 89713, and made available in person via live broadcast from DETR's St. Louis Auditorium, 2800 St. Louis Avenue, Las Vegas, Nevada 89104 and via ZOOM meeting to members of the public who wished to participate virtually. The purpose of this hearing was to receive public comments from all interested persons regarding the adoption of this regulation pertaining to Chapter 612, of the Nevada Administrative Code.

The transcript of the Hearing been requested and will post to DETR's Public Meetings page within 30 days of the Hearing at the following link; <https://deir.nv.gov/publicmeetings>.

**Posting 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
- Public Notices website
- 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
- Constituent Services Office of the Governor
- Employ NV Career Hub, 121 Industrial Way, Fallon, NV 89406
- Employ NV Career Hub, 3405 S. Maryland Parkway., Las Vegas, NV 89169
- Employ NV Career Hub, 2827 Las Vegas Blvd N., North Las Vegas, NV 89030
- Employ NV Career Hub, 4001 South Virginia St. Suite H., Reno, NV 89502
- Employ NV Career Hub, Carson City, 1929 North Carson Street, Carson City, NV 89701
- Employ NV Career Hub, Elko, 172 Sixth Street, Elko, NV 89801
- Nevada EmployNV Hub -Winnemucca, 475 Haskell St., Suite 1, Winnemucca, NV 89445

**3. The number of persons who:**

**a. Attended at each meeting:**

**Small Business Workshop:**

October 6, 2025: Carson City: 12

October 6, 2025: Las Vegas: 1

**Hearing:**

November 24, 2025: Carson City: 5

November 24, 2025: Las Vegas: 1

**b. Testified at each meeting:**

**Small Business Workshop:**

October 6, 2025

- No public comment

**Hearing:**

November 24, 2025

- No public comment

**c. Submitted to the agency written comments:**

**Small Business Workshop:** No written comments were received.

**Hearing:** No written comments were submitted

**4. A description of how comments were solicited from affected businesses, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.**

Comments were solicited from affected businesses in the same manner as they were solicited from the public via notification and process for submitting written comments included on the agendas for both the Small Business Workshop held on October 6, 2025 and the Notice of Intent to Act Upon and Adopt Regulations public meeting held on November 24, 2025. In addition to the two (2) periods for public comment included on the agendas for both the Small Business Workshop and the Notice of Intent to Act Upon and Adopt Regulations public meeting.

**5. If, after consideration of public comment, the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.**

The ESD Administrator adopted regulation R064-25 without change following the engagement with the public and business community based on the valid intent that said regulation amendment would establish in the form of internal control to ensure the integrity of the UI program and protecting both employers and claimants against fraud and/or abuse of the Payrolling process. In addition, said adoption was made pursuant to the assessment of the minimal impact that said regulation would have on small businesses.

**6. The estimated economic effect of the adopted regulation on the business which it is to regulate and on the public. These must be stated separately, and each case must include:**

**a. Both adverse and beneficial effects; and**

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.

**Adverse Impacts**

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

**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.

**b. Both immediate and long-term effects.**

**Immediate Effect:**

Immediate effects through the adoption of this regulation would ensure protection to both employers and claimants against abuse from employers who opt in to the Payrolling process through the exemption provided in NAC 612.258.

**Long-Term Effect:**

Long-term effects through the adoption of this regulation result from employers who opt in to this process 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.

**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.

**7. The estimated cost to the agency for enforcement of the adopted regulation.**

This regulation will be enforced as a regular part of ongoing DETR Employment Security Division operations and does not represent any additional burden on staff time. Funding for the administration of the unemployment insurance (UI) program is provided to DETR by the U.S. Department of Labor (USDOL).

**Anticipated Revenue Increase and Use**

There is no anticipated revenue increase and/or use as a result of this regulation.

**8. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.**

This regulation represents an amendment to the current regulation in NAC 612.258, which was enrolled in 2024, LCB File No. **R086-24**, adding an additional non-substantive section (c) that


provides 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. Said regulation does not duplicate or provide a more stringent standard than any other regulation of federal, state, or local governments.

9. **If the regulation includes provisions that are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.**

This regulation is not required pursuant to federal law, nor is there a federal regulation that regulates the same activity.

10. **If the regulation establishes a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.**

This Regulation does not impose any new or increased fees on employers.

Signed by:  
  
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Kristine Nelson, ESD Administrator  
DETR

11/26/2025  
Date

