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### **Nevada Unemployment Trust Fund Healthy Enough to Handle Increase in Unemployment Claims**

Nevada residents who are eligible for unemployment payments can rest assured that the state's unemployment trust fund has enough money to pay benefits as more and more people find themselves out of work, said Paul Havas, chairman of Nevada's Employment Security Council.

Compared to the same period in 2007, the Unemployment system has paid out 49.69 percent more benefits over the first half of the year. This is also an increase of 95.94 percent from the first half of 2006.

The Department of Employment, Training & Rehabilitation conducts a solvency test of the trust fund annually to help determine what tax rate employers need to pay in order to ensure the fund levels are adequate to pay unemployment insurance benefits while ensuring the fund remains solvent, Havas said. The state unemployment tax is deposited into a trust fund, which is used to pay benefits to unemployed workers.

"The responsibility of the council through the years has been to protect the trust fund for individuals who find themselves unemployed through no fault of their own," said Havas. "We've been committed to maintaining a countercyclical tax policy for Nevada employers, which means they have paid more than needed to maintain a minimum balance in the good times, so during the lean times, we would have adequate solvency."

The trust fund balance is currently \$754 million.

"The projected fund balance is expected to be strong enough to handle dire situations that lead to an unusual number of unemployment insurance payments," Cynthia Jones, DETR Deputy Director and administrator for DETR's Employment Security Division said.

Approximately 28,000 of Nevada's nearly 60,000 employers will pay contributions at the new employer rate 2.95 percent. However, about 32,000 or 53% of Nevada employers are

eligible for experience rating based upon their experience record with the program, Jones said. Of those eligible for experience rating, approximately 44 percent will pay contributions at lowest tax rate of .25 percent.

The taxable wage base for calendar year 2008 is \$25,400, which means employers only pay taxes on the first \$25,400 earned by each individual employee during the calendar year. People will be able to claim Emergency Unemployment Compensation benefits during the effective dates of July 6, 2008 through March 31, 2009. These claims are 100% federally funding, therefore, do not impact the state's Unemployment Insurance trust fund.



*DETR is comprised of the Employment Security Division, Equal Rights Commission, Rehabilitation Division, the Information Development and Processing Division and the Research and Analysis Bureau.*

*DETR works in partnership with the Nevada JobConnect System to connect businesses and workers.*