PROPOSED REGULATION OF THE ADMINISTRATOR OF THE

EMPLOYMENT SECURITY DIVISION OF THE DEPARTMENT

OF EMPLOYMENT, TRAINING AND REHABILITATION

LCB File No. R118-15

October 26, 2015

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 2016; 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. Each year the Administrator prescribes the contribution rate schedule for each such class of employers. (NRS 612.550) This regulation prescribes the contribution rate schedule for calendar year 2016.

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 ~~[2015:]~~ ***2016:***

1. Class 1: A rate of 0.25 percent is assigned to each employer whose reserve ratio is ~~[11.9]~~ ***12.2*** percent or more;

2. Class 2: A rate of 0.55 percent is assigned to each employer whose reserve ratio is at least ~~[10.3]~~ ***10.6*** percent but less than ~~[11.9]~~ ***12.2*** percent;

3. Class 3: A rate of 0.85 percent is assigned to each employer whose reserve ratio is at least ~~[8.7]~~ ***9.0*** percent but less than ~~[10.3]~~ ***10.6*** percent;

4. Class 4: A rate of 1.15 percent is assigned to each employer whose reserve ratio is at least ~~[7.1]~~ ***7.4*** percent but less than ~~[8.7]~~ ***9.0*** percent;

5. Class 5: A rate of 1.45 percent is assigned to each employer whose reserve ratio is at least ~~[5.5]~~ ***5.8*** percent but less than ~~[7.1]~~ ***7.4*** percent;

6. Class 6: A rate of 1.75 percent is assigned to each employer whose reserve ratio is at least ~~[3.9]~~ ***4.2*** percent but less than ~~[5.5]~~ ***5.8*** percent;

7. Class 7: A rate of 2.05 percent is assigned to each employer whose reserve ratio is at least ~~[2.3]~~ ***2.6*** percent but less than ~~[3.9]~~ ***4.2*** percent;

8. Class 8: A rate of 2.35 percent is assigned to each employer whose reserve ratio is at least ~~[0.7]~~ ***1.0*** percent but less than ~~[2.3]~~ ***2.6*** percent;

9. Class 9: A rate of 2.65 percent is assigned to each employer whose reserve ratio is at least ~~[-0.9]~~ ***-0.6*** percent but less than ~~[0.7]~~ ***1.0*** percent;

10. Class 10: A rate of 2.95 percent is assigned to each employer whose reserve ratio is at least ~~[-2.5]~~ ***-2.2*** percent but less than ~~[-0.9]~~ ***-0.6*** percent;

11. Class 11: A rate of 3.25 percent is assigned to each employer whose reserve ratio is at least ~~[-4.1]~~ ***-3.8*** percent but less than ~~[-2.5]~~ ***-2.2*** percent;

12. Class 12: A rate of 3.55 percent is assigned to each employer whose reserve ratio is at least ~~[-5.7]~~ ***-5.4*** percent but less than ~~[-4.1]~~ ***-3.8*** percent;

13. Class 13: A rate of 3.85 percent is assigned to each employer whose reserve ratio is at least ~~[-7.3]~~ ***-7.0*** percent but less than ~~[-5.7]~~ ***-5.4*** percent;

14. Class 14: A rate of 4.15 percent is assigned to each employer whose reserve ratio is at least ~~[-8.9]~~ ***-8.6*** percent but less than ~~[-7.3]~~ ***-7.0*** percent;

15. Class 15: A rate of 4.45 percent is assigned to each employer whose reserve ratio is at least ~~[-10.5]~~ ***-10.2*** percent but less than ~~[-8.9]~~ ***-8.6*** percent;

16. Class 16: A rate of 4.75 percent is assigned to each employer whose reserve ratio is at least ~~[-12.1]~~ ***-11.8*** percent but less than ~~[-10.5]~~ ***-10.2*** percent;

17. Class 17: A rate of 5.05 percent is assigned to each employer whose reserve ratio is at least ~~[-13.7]~~ ***-13.4*** percent but less than ~~[-12.1]~~ ***-11.8*** percent; and

18. Class 18: A rate of 5.4 percent is assigned to each employer whose reserve ratio is less than ~~[-13.7]~~ ***-13.4*** percent.

Sec. 2. This regulation becomes effective on January 1, 2016.