

**STATE OF NEVADA
EMPLOYMENT SECURITY
DIVISION (ESD)
WORKSHOP TO ADDRESS THE IMPACT OF
A PROPOSED REGULATION ON SMALL
BUSINESSES**

**2018 E-FILING SMALL
BUSINESS WORKSHOP**

Thursday, March 22, 2018; 11:00 A.M.

Place of Meeting:	<u>Live Meeting:</u>	<u>Video Conference to:</u>
	Legislative Building	Grant Sawyer Building
	401 S. Carson Street, Room 3137	555 E. Washington Ave., Room 4412E
	Carson City, Nevada 89701	Las Vegas, Nevada 89101

Department of Employment, Training and Rehabilitation (DETR) Staff

Present in Carson City

Jeffrey Frischmann, ESD/DETR
Laurie Trotter, ESD Senior Attorney
Edgar Roberts, Chief of Contributions, ESD/DETR
Alessandro Capello, Bureau of Research & Analysis, DETR
Brian Bracken, ESD/DETR
Christina Guzman, ESD/DETR
Joyce Golden, Administrative Office, ESD/DETR
JoAnne Wiley, ESD/DETR
Mikki Reed, ESD/DETR
Stewart Terry, ESD/DETR
Tiffani Silva, ESD/DETR
Amy Yukish, ESD/DETR
Scott Kennedy, ESD/DETR

Department of Employment, Training and Rehabilitation (DETR) Staff

Present in Las Vegas

Art Martinez, Contributions, ESD/DETR

Members of the Public, Media and Other Agencies

Present in Carson City

None

Members of the Public, Media and Other Agencies

Present in Las Vegas

None

1 FRISCHMANN: Good morning, my name is Jeffrey
2 Frischmann. I am the Employment Security Division Deputy
3 Administrator for the Unemployment Insurance Program. I will be
4 speaking on behalf of Renee Olson, Administrator of the
5 Employment Security Division. I will go ahead and start with
6 Agenda Item Number 1 and call this meeting to order.

7 The purpose of this public small business workshop is to
8 present and solicit public comment on a proposed amendment of a
9 regulation pertaining to Chapter 612 of the Nevada Administrative
10 Code, pursuant to Nevada Revised Statute 233B.061. The proposed
11 amendment will establish the electronic filing of Unemployment
12 Insurance Contribution and Wage Reports for Nevada Employers
13 effective July 1, 2018.

14 I'd like to introduce, to my right is our Division Senior
15 Attorney, Laurie Trotter. We will also have several other
16 members of the Division Staff available here in the North and in
17 the South as well. Please ask for assistance if you need it. I
18 would like to thank all of you for attending this small business
19 workshop.

20 Under Agenda Item 2, we will start with the opportunity for
21 public comment. If you would like to provide public comment,
22 please come forward. Please limit your comments to five minutes
23 each and if you have any written testimony to present, you can
24 provide that to staff. When speaking, please identify yourself

25

1 by stating your name, who you represent and then proceed with
2 your comments.

3 Is there anybody that would like to provide public comment
4 in Las Vegas at this time? I see nobody coming forward from Las
5 Vegas. Is there anyone in Carson City who would like to comment?
6 We will go ahead and close the first opportunity for public
7 comment.

8 I will move on to Agenda Item Number 3, Confirmation of
9 Posting. Mr. Terry, for the record, was proper notice for this
10 meeting given and did you receive proper confirmation of posting
11 in accordance with Nevada Revised Statute 241.0203?

12 TERRY: Stewart Terry, for the record, Management
13 Analyst for the Employment Security Division and Management and
14 Administration Support Services Unit. Yes, proper notice was
15 provided for this meeting pursuant to Nevada's Open Meeting Law,
16 NRS 241.020 and confirmation of posting was received.

17 FRISCHMANN: Thank you Mr. Terry. Agenda Item Number 4.
18 Under Agenda Item Number 4, review of written comments. Mrs.
19 Golden, have any written comments been received in regard to this
20 Small Business Workshop.

21 GOLDEN: Joyce Golden, for the record. Assistant to
22 the Administrator. No written comments were received for this
23 meeting.

24 FRISCHMANN: Thank you Mrs. Golden. Moving on to Agenda
25 Item Number 5. The Administrator Review of the Regulation. With

1 the Administrator Review of the Regulation, I will be providing
2 this review on Mrs. Olson's behalf.

3 This small business workshop is being held to review the
4 proposed regulation to amend Chapter 612 of the Nevada
5 Administrative Code. This regulation requires Employers to file
6 all reports required by NRS 612.535 through 612.580
7 electronically.

8 In September of 2015, the UI Program implemented the final
9 phase for a new state-of-the-art computer system that boasts a
10 secured user-friendly self-service portal. Currently,
11 approximately 67% of Nevada Employers are taking advantage of the
12 self-service portal and are regularly filing their quarterly
13 reports electronically. Approximately 84% of the paper reports
14 received from Employers are Employers that have less than 10
15 employees.

16 The purpose of the regulation is to mandate electronic
17 filing which will ultimately make the filing process more
18 efficient, cost-effective and improve accuracy. In the three
19 years since implementing the new UI computer system, we have
20 regularly received positive feedback from the 66% of Employers
21 that voluntarily file electronically.

22 This is not unlike individuals that file their personal
23 federal income tax returns electronically. Studies show that
24 almost 85% of taxpayers voluntarily elect to file their personal
25 income tax returns online.

1 This approach is currently being used successfully in a
2 number of states that have recently modernized their systems.
3 Those states have shifted staffing resources to focus on customer
4 service, to assist in educating Employers on electronic filing,
5 opposed to rekeying information from paper forms into the system.

6 In the long term, it has benefited both the State and the
7 Employer community and has created a win-win situation for all of
8 the stakeholders.

9 The proposed regulation will become effective July 1, 2018,
10 allowing sufficient time for Employers that are not currently
11 filing electronically to comply. The proposed regulation also
12 allows for Employers to request a waiver in instances where
13 electronic filing could cause a hardship.

14 I'd like to provide a summary of the listening sessions
15 that were conducted. On July 18, 2017, the Employment Security
16 Division Administrator held the first listening session in Carson
17 City to discuss and solicit comment on the proposed regulation.
18 No written comments were received for this meeting. At the July
19 18th meeting-listening session, only one member of the public
20 provided public comment, asking for clarification on the capture
21 of an electronic signature in Nevada's Unemployment Insurance
22 System, UINV. No other public comment was provided.

23 The Division held 15 additional listening sessions
24 throughout Nevada in an effort to solicit public comment. No
25 written comments or public comment was provided for any of these

1 additional sessions. Minutes from these meetings are available
2 on the Division's website.

3 Moving on to Item Number—Agenda Item Number 6. I would
4 like—I would like to move on to Agenda Item Number 6 and move on
5 to our workshop to consider the proposed regulation to establish
6 the electronic filing of Unemployment Insurance Contribution and
7 Wage Reports for Nevada. Employers and others—from Nevada—I'm
8 sorry. For Nevada Employers and introduce our presenters for
9 today.

10 Under Item 6A and 6B, Ms. Amy Yukish, ESD Business Process
11 Analyst will present Unemployment Insurance, Employer's Self-
12 Service and Electronic Filing for ESS. She will then hand off to
13 Mr. Alex Capello, Economist II with the Department's Research and
14 Analysis Bureau for the presentation of the Small Business Impact
15 Statement. Ms. Yukish?

16 YUKISH: Good morning. My name is Amy Yukish and
17 I'm a Business Process Analyst with the Employment Security
18 Division. The following slides incorporate Agenda Item 6A and 6B
19 providing a brief overview of Employer Self-Service, also known
20 as ESS and how Employers can electronically file the Contribution
21 and Wage Report.

22 After the Employer creates their online credentials and
23 logs into ESS, the system displays the Employer summary page.
24 The Employer summary provides the Employer with up-to-date
25 account information including Employer's UI and CEP rate for the

1 current year; account balance with a total amount due; along with
2 a breakdown by UI, CEP and penalties and interests. Recent
3 payments shows the Employer all payments received and processed
4 by ESD. Quarterly Report Summary displays the most recent
5 quarterly contribution reports that have been filed with the
6 Division and payment allocation. Smart Links notify the Employer
7 of any missing contribution reports, wage reports or payments due
8 which leads us right into the next topic, Electronic Filing of
9 the Unemployment Insurance Contribution and Wage Report.

10 The Employer can either click on the Smart Link for the
11 quarter they want to file or use the left navigation link to file
12 reports. The recommended electronic filing method for small
13 Employers is Enter Report using UINV. The Employer is provided
14 with the following reporting options. For the presentation, I
15 have selected both contribution and wage reports. To continue
16 filing the report, select the Next button.

17 The Employee's SSN and names are prepopulated to assist
18 with the completion of the report. The system will automatically
19 load the Employees listed on the Wage Report, filed-last Wage
20 Report filed with the Division. If there has been any employee
21 movement during the quarter, the Employer would simply select the
22 employees who did not work during the quarter and delete, add any
23 new employees and then complete the Wage Record for the remaining
24 employees by entering gross wages and tips.

1 ESS calculates the total gross wages and total taxable
2 wages when the update button is selected. Once all wages have
3 been entered and the figures for total gross and taxable wages
4 have been confirmed, the Employer will select the next button.

5 ESS populates the contribution report, gross wages and
6 taxable wages based on the wage report. The Employer will enter
7 in the number of employees per month and click the next button.

8 ESS provides the Employer with the amount due based on the
9 Contribution Report, Total Taxable Wages. The Employer is
10 encouraged to print the reports for the records an electronic
11 signature is required prior to submitting the contribution and
12 wage report.

13 ESS provides the Employer with a confirmation number on
14 successful completion of the Contribution and Wage Report. As
15 you can see by the presentation, the e-filing method is user
16 friendly and can be completed in less than five minutes.

17 I would now like to introduce Alex Capello who will present
18 Agenda Item 6C.

19 CAPELLO: Thank you, Amy. For the record, my name is
20 Alessandro Capello, I'm an Economist with the Research and
21 Analysis Bureau within DETR.

22 The purpose of this small business workshop is to discuss
23 and solicit comment from Employers on the regulation requiring
24 those Employers to file their Wage and Contribution Reports
25 electronically.

1 This impact statement, we're supposed to—we try to estimate
2 the economic impact. So, we first look at who it affects. So,
3 it affects all Nevada Employers that submit Contribution and Wage
4 Reports. As Jeff mentioned, 67% of Employers already file
5 electronically. Most of which are—most of the remaining are
6 actually small Employers. So, those manual filers will need to
7 find a new method for filing reports.

8 When it came to estimating a hard number for the economic
9 impact, we didn't really have enough data or knowledge to have an
10 estimable number. So, there is no real dollar amount that we can
11 estimate.

12 So, the beneficial impacts, as Jeff mentioned, we expect to
13 see Employers with improved efficiency and accuracy. It's
14 unlikely that a lot of these Employers know of the electronic
15 filing system, especially since 84% of the Employers with 10 or
16 less employees are filing manually. We expect to see improved
17 accuracy and efficiency from those Employers.

18 The adverse impacts—so, some of the Employers that file may
19 be filing manually because they do—because they lack
20 technological resources and access to the internet. So, they
21 will need to acquire that or possibly, they may need to hire an
22 employment service or payroll service to complete their reports.
23 We looked at kind of average cost for 10 employees. That ranged
24 between \$820 and \$3,080 per year. Then, so one of the additional
25 parts of the regulation—if an Employer can demonstrate that the

1 regulation is a hardship, they may request a waiver from the
2 Administrator.

3 The direct impacts. The regulation will require all
4 Employers that are not already electronically filing their
5 reports to begin doing so by July 1, 2018. As far as indirect
6 impacts, kind of associated with the adverse impacts; Employers
7 may have to acquire some sort of technology or internet
8 connectivity to support their reports or they may choose to hire
9 a service to do so on their behalf.

10 The estimated cost of enforcement and revenue increases
11 from the regulation. Because it's already enforced—the
12 regulation will be enforced through the existing UI system, there
13 will not be any additional costs and because there's no revenue
14 generated, it's net neutral.

15 Then as far as—the last slide, duplication of existing
16 standards and laws or regulations rather because it only
17 modifies, that's the only affect. Again, as I mentioned, if
18 that—the modification can be demonstrated as a hardship, a waiver
19 can be requested from the Administrator.

20 That's all I have for you.

21 FRISCHMANN: Thank you Ms. Yukish and Mr. Capello for
22 your presentations. With that, we will move on to Agenda Item 7.
23 We have the final opportunity for public comment. If anybody
24 would like to come forward at this time. Is there anybody that
25 would like to provide public comment in Las Vegas? I see nobody

1 coming forward. Is there anyone in Carson City who would like to
2 comment. Again, I see nobody coming forward, so we will go ahead
3 and close this opportunity for public comment.

4 With that, the final Agenda Item, I'd like to thank
5 everybody, and particularly the Staff for the presentations they
6 put together and the rest of the Staff for helping set this up
7 and arrange this. Special shout out to Art down there in South.
8 Thank you again for your help down there.

9 And I hereby adjourn this meeting.

10 [end of meeting 11:17]

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