

# Economic Projections & Overview

## Department of Employment, Training & Rehabilitation

Don Soderberg, Director

Dennis Perea, Deputy Director

Bill Anderson, Chief Economist

David Schmidt, Supervising Economist

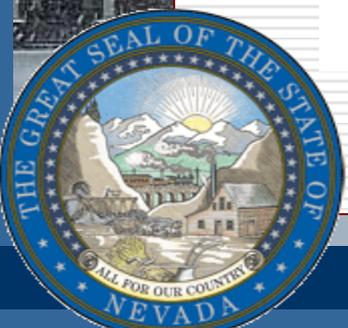
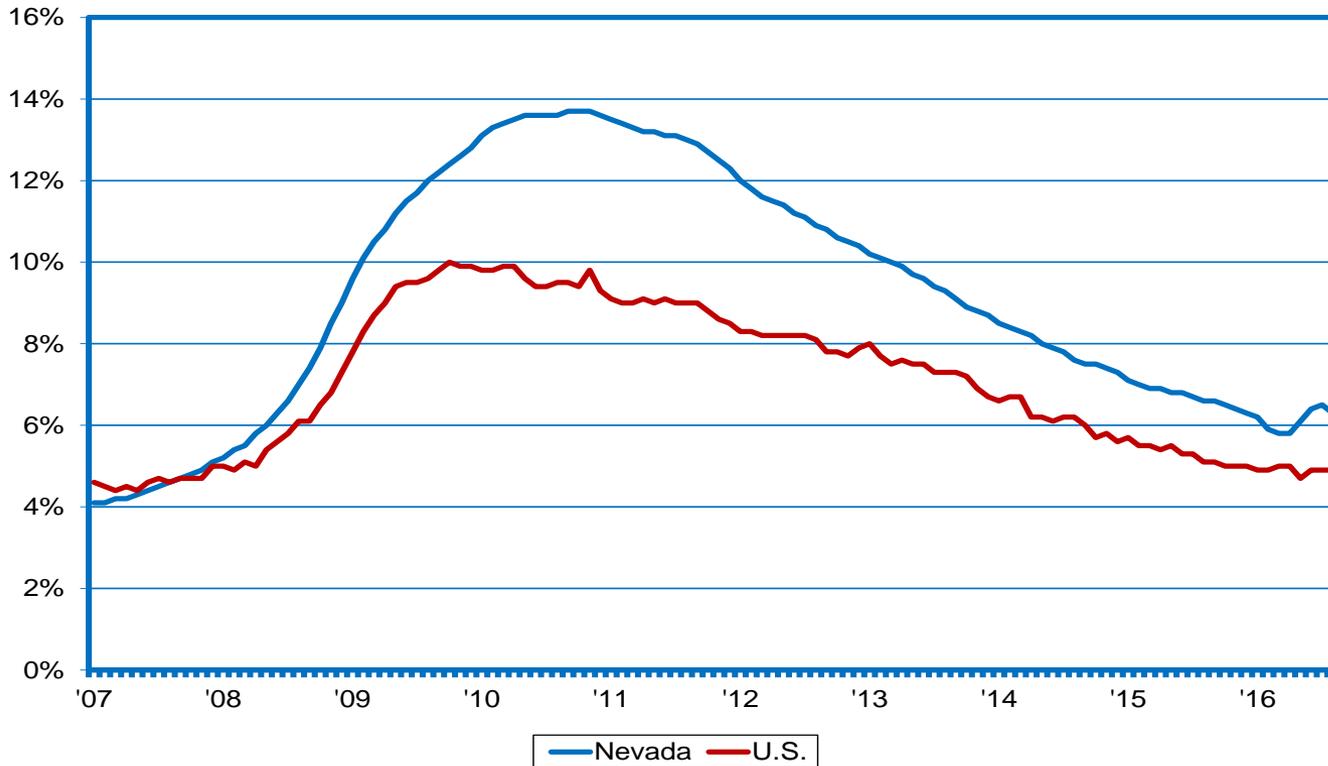
Alex Capello, Economist

Prepared by the Research and Analysis Bureau and  
presented to the Employment Security Council, Oct. 2016



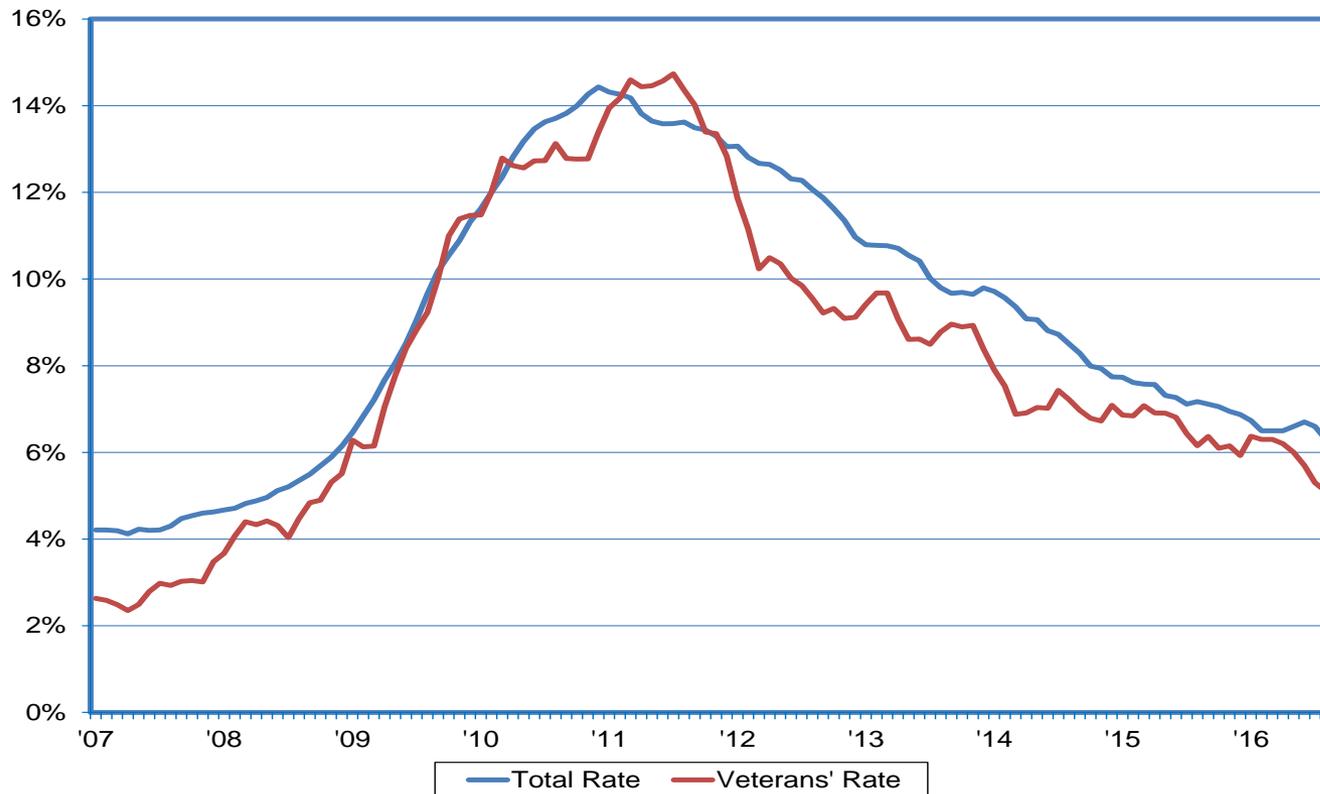
# Following 3 Months of Increases, Jobless Rate Heads Down in August

NV vs. the U.S. unemployment rate (SA)

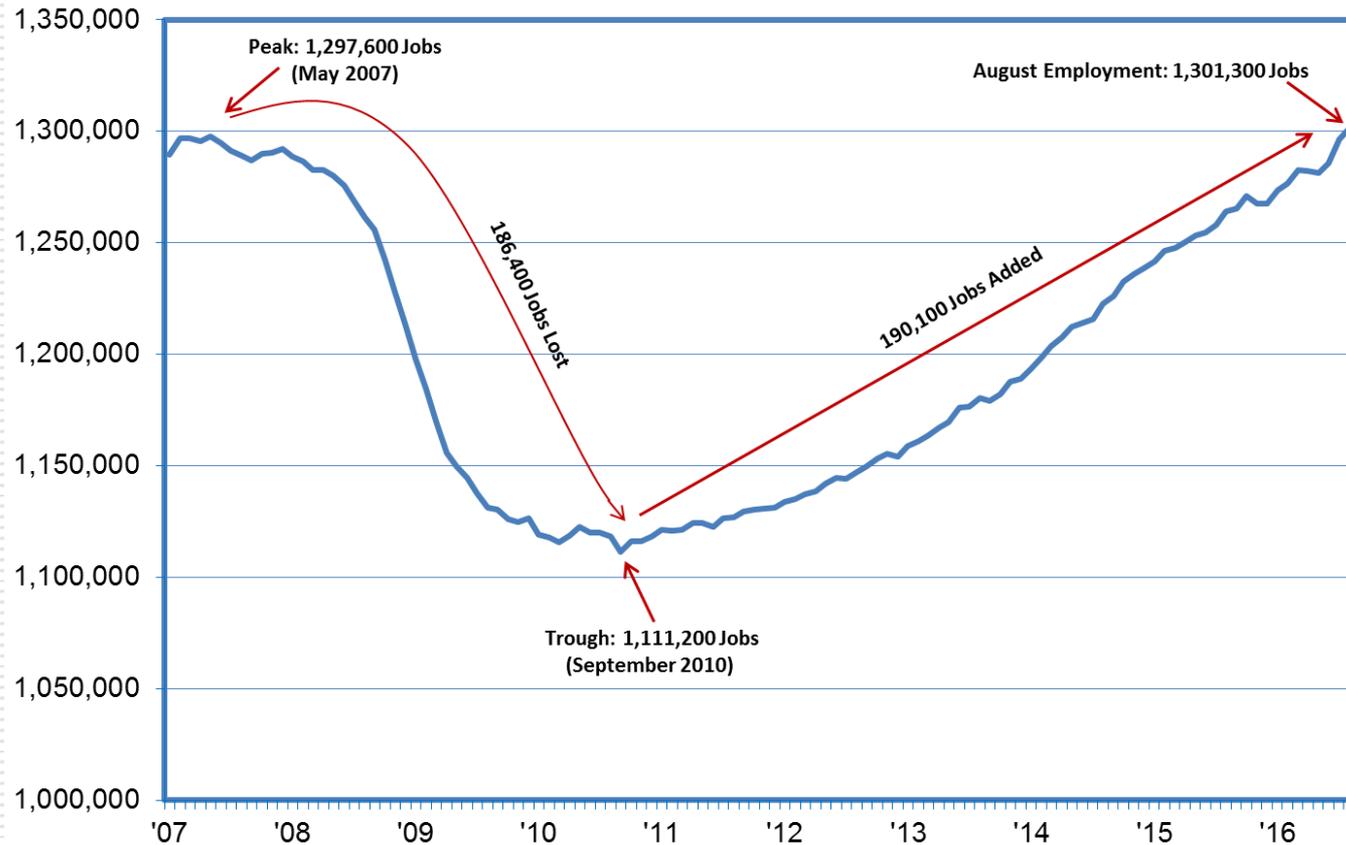


# The Jobless Rate for Vets has been Lower than the Total Rate During the Recovery

unemployment rate for Nevada Vets vs. total (12-month moving average)

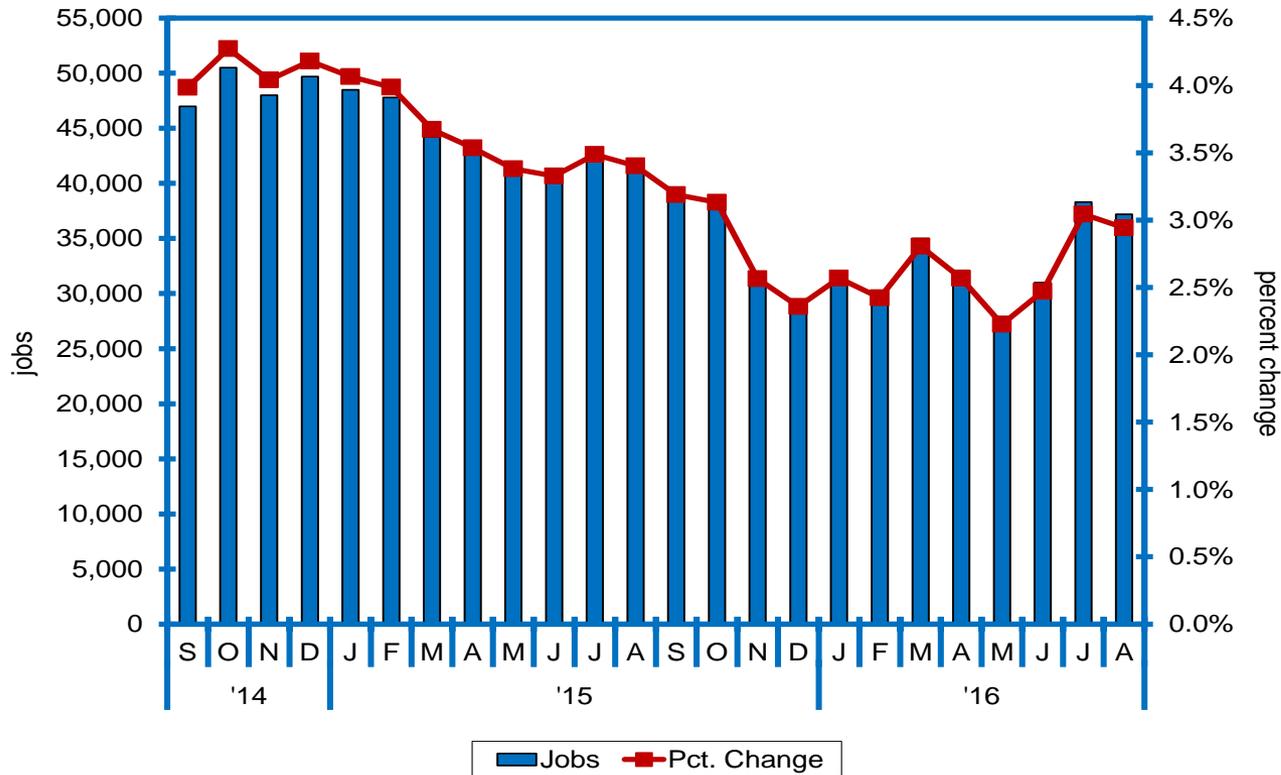


# Nearly Six Years of Consistent Growth Pushes Nevada Employment to a Record High



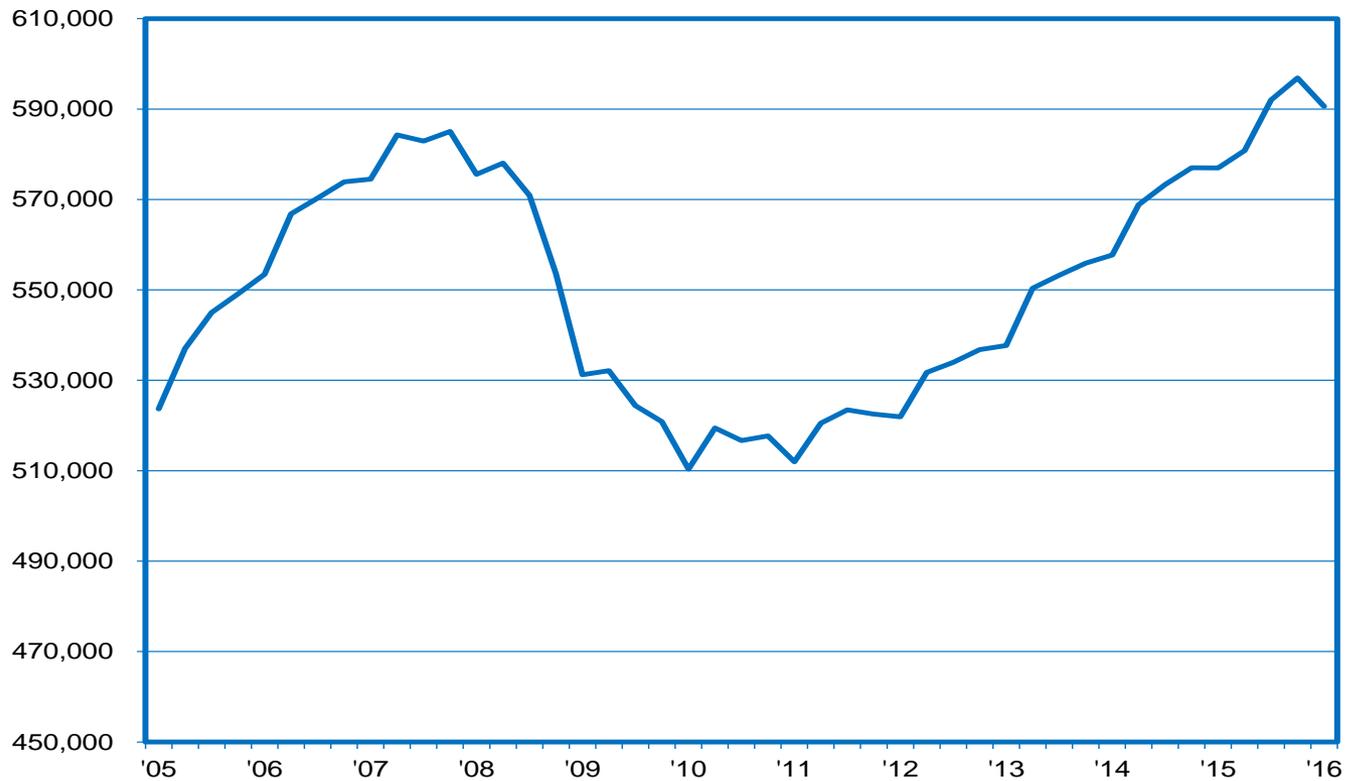
# Job Growth at Strongest Pace in Nearly a Year

job growth (SA; year-over-year)



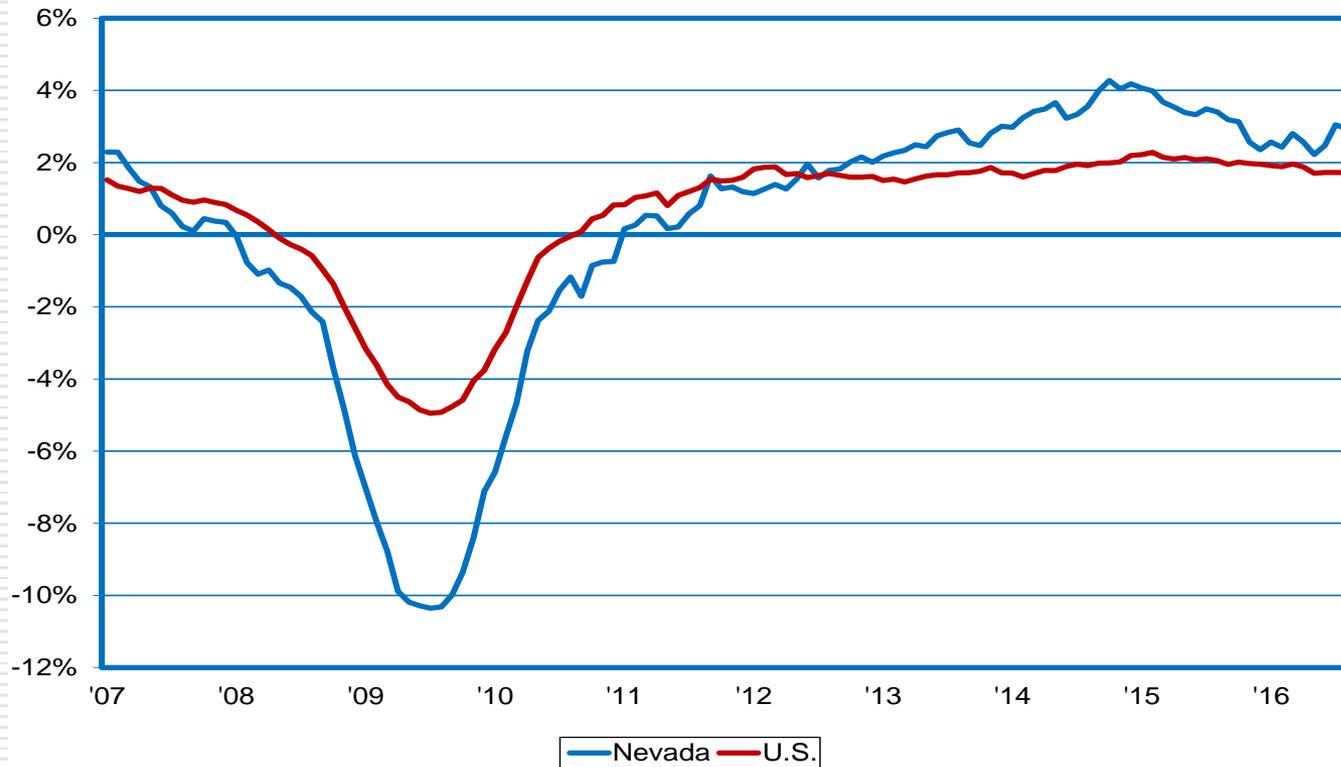
# Small Biz Jobs at All-Time High for IQ; Gains Recorded in Each of Past 21 Quarters

employment in establishments with less than 100 workers



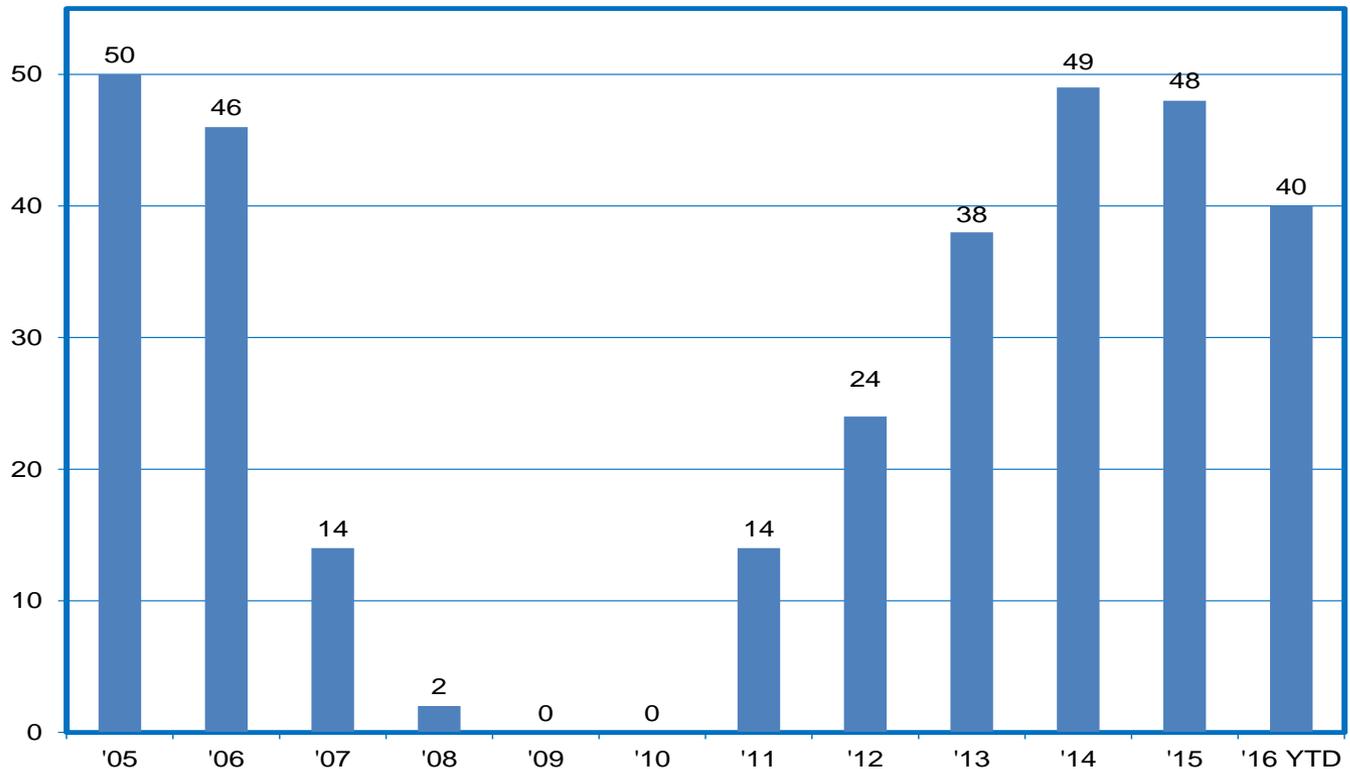
# Nevada Job Growth Exceeds Nation in 49 Straight Months; 2.9% vs. 1.7% in August

job growth (year-over-year)



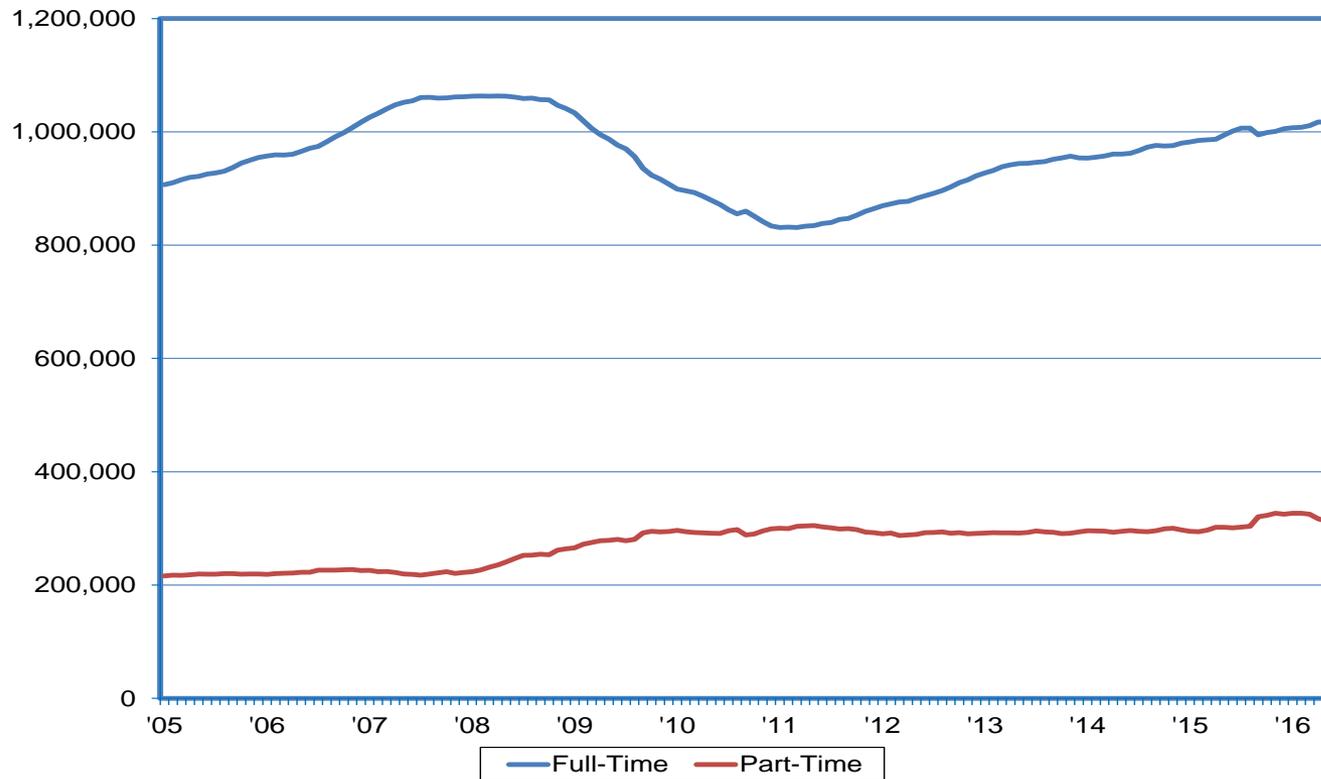
# Silver State Job Growth Stronger than in 40 Other States in IQ

job growth rankings (# of states with slower private sector job growth than NV)



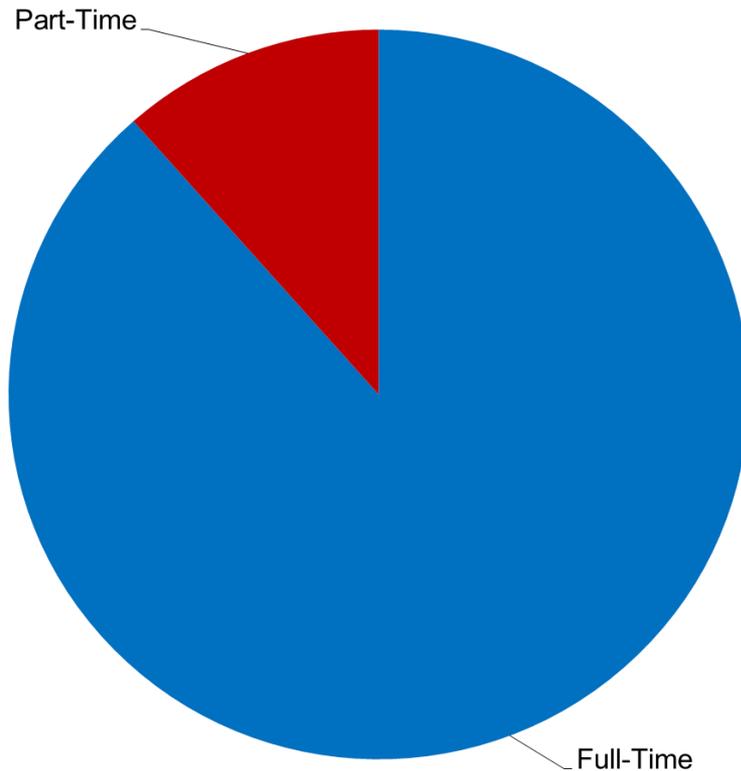
# Vast Majority of Employment Growth Concentrated in Full-Time Positions

FT vs. PT employment; (12-month moving average)



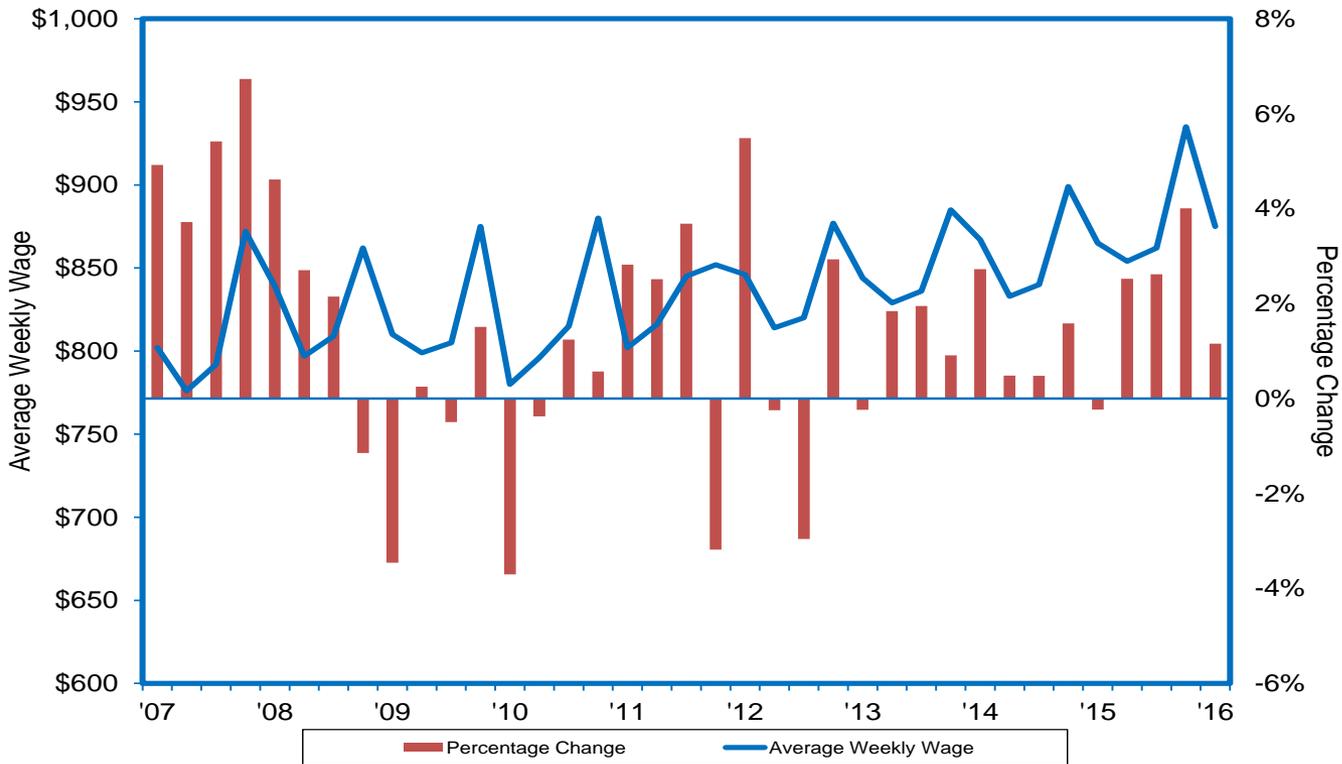
# 107,500 Full-Time Job Ads vs. 14,000 Part-Time

Online Job Postings in Nevada (last twelve months, from Burning Glass/Labor Insight)



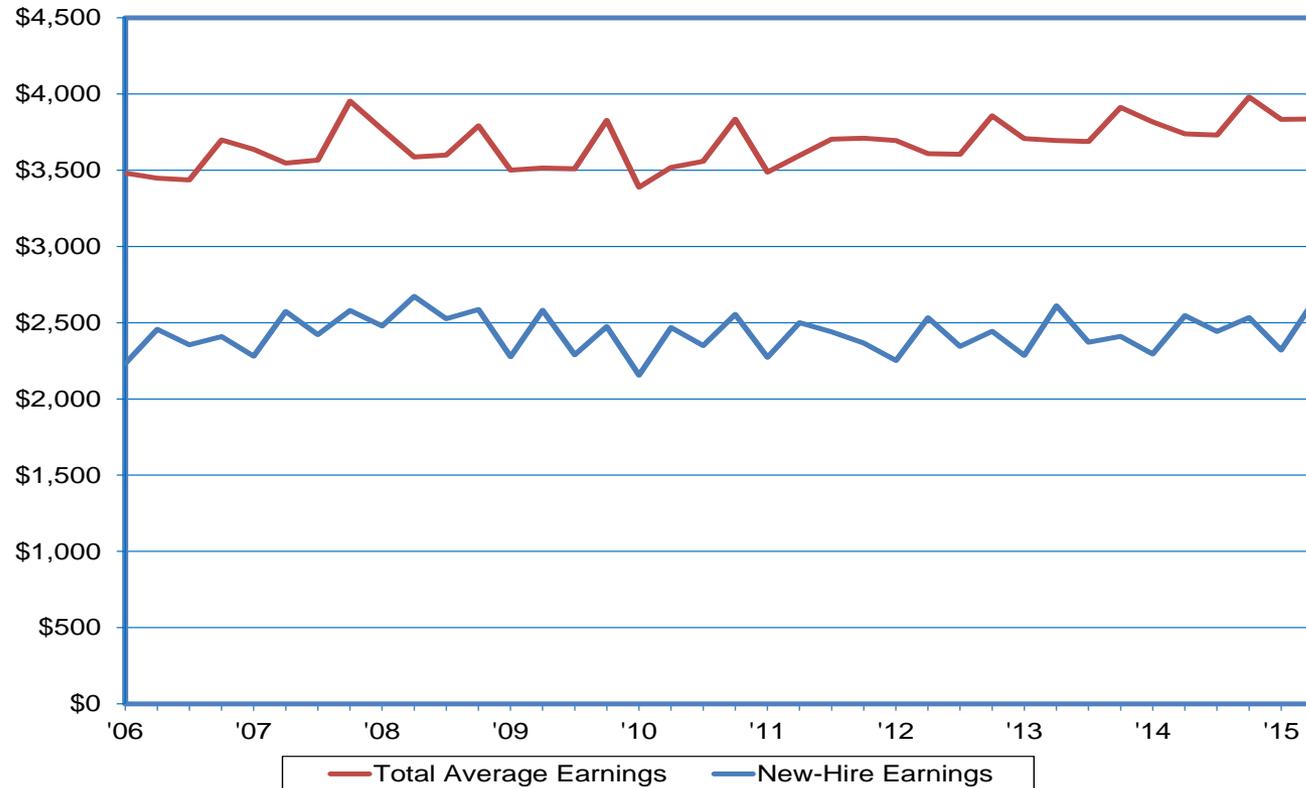
# Nevada Wages at \$875/Week in 2016:IQ; A Record-High for the Qtr.; Up 1.2% Over 2015

Nevada average weekly wages



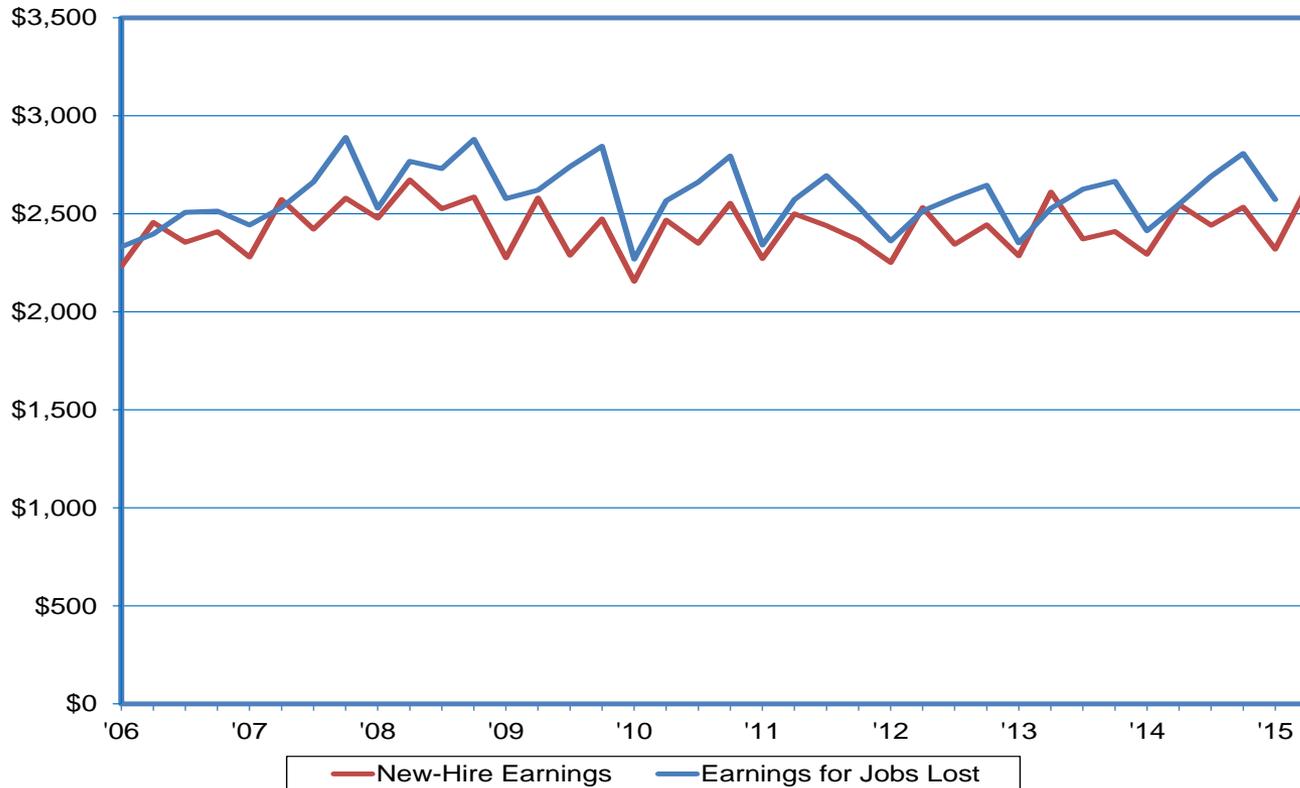
# New-Hire Earnings Approximately 2/3rds of Overall Average...a Consistent Relationship

new-hire monthly earnings vs. total average earnings



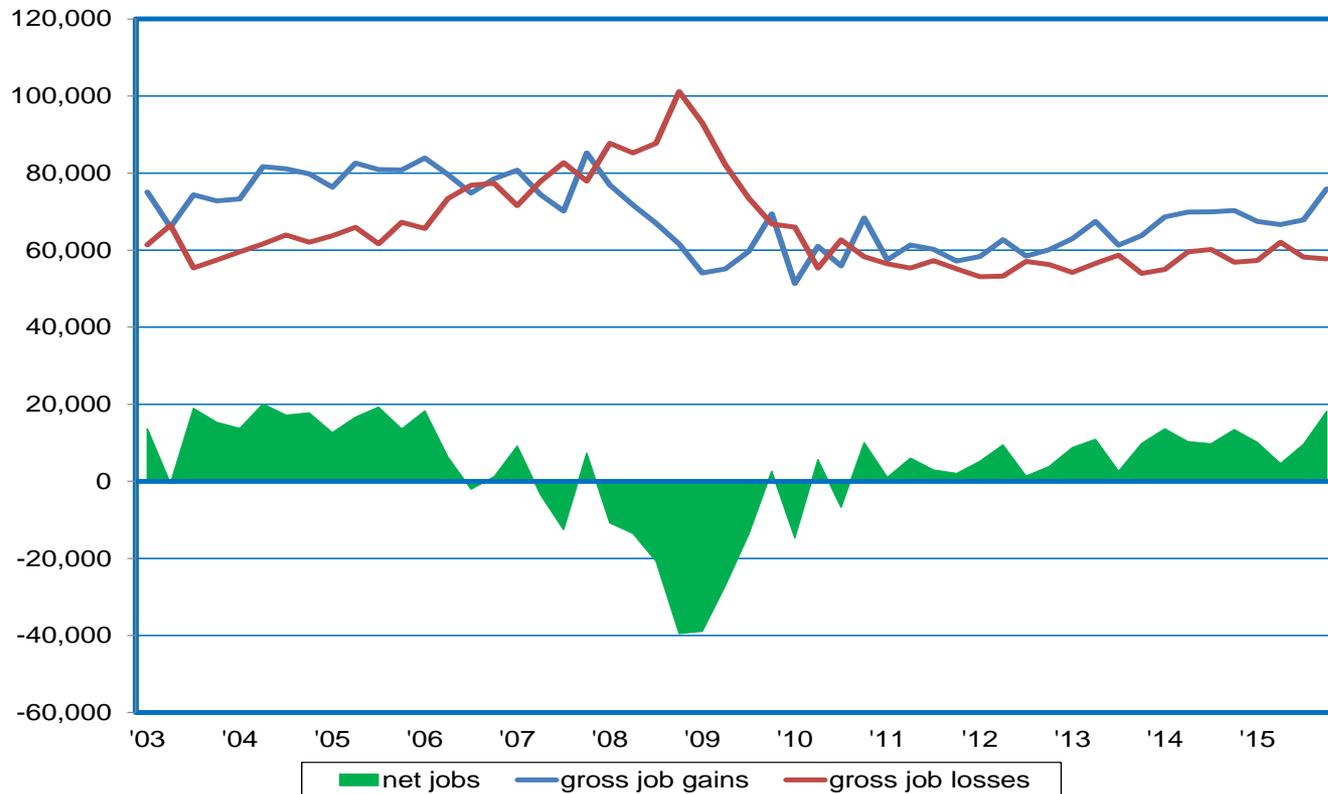
# Earnings for Jobs Lost are Just Slightly Higher than Those for New Hires

average monthly earnings for jobs lost vs. new-hire earnings



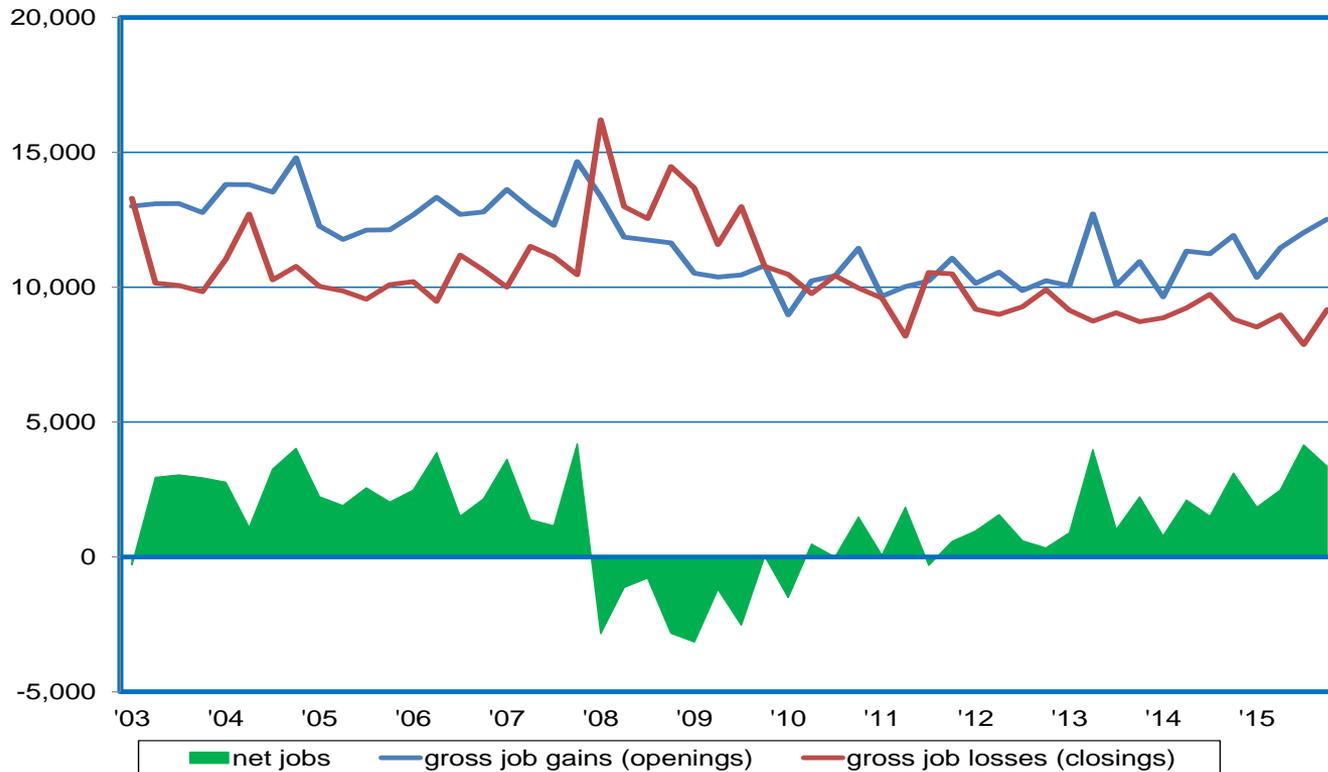
# Job Gains > Losses in 21 Straight Quarters; 2015:IVQ Net Gain Strongest in a Decade

private sector gross job gains vs. gross job losses (SA)



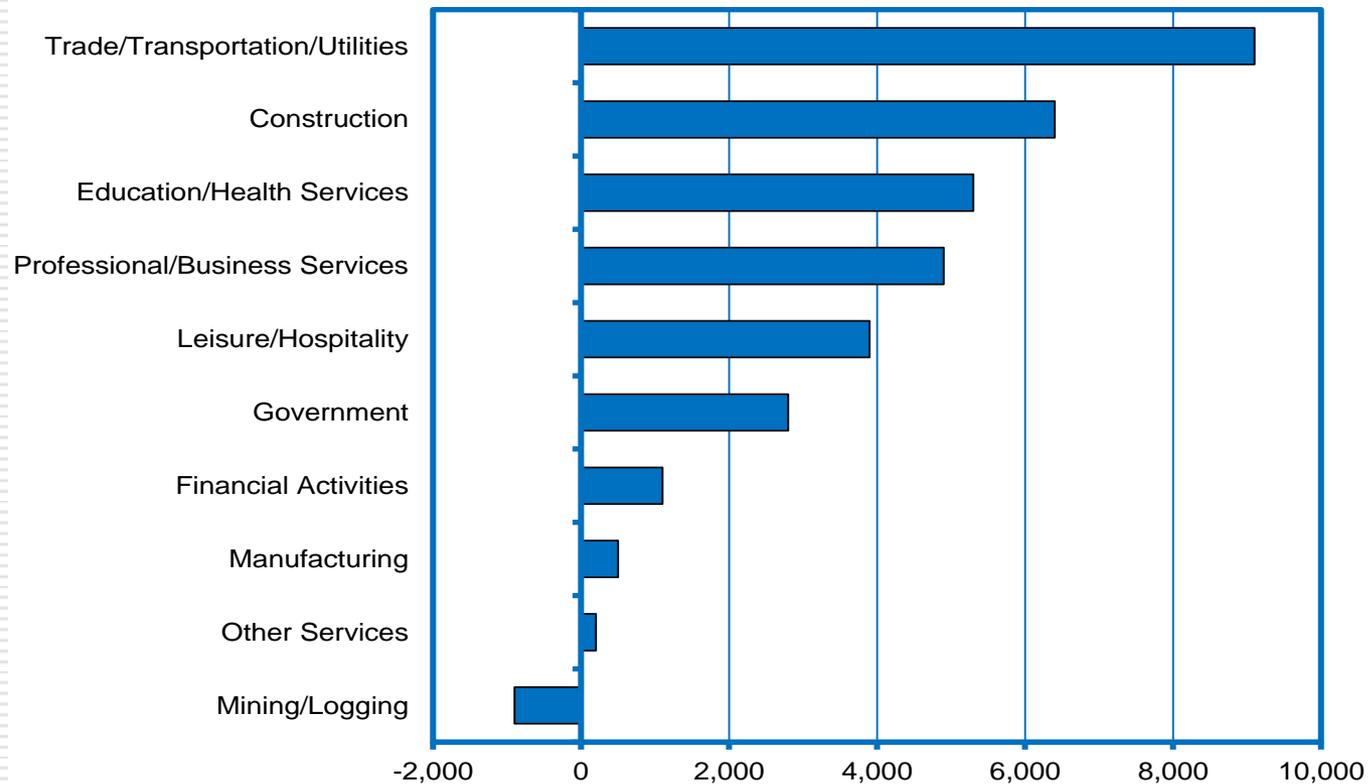
# Opening Gains > Closing Losses Last 17 Quarters; Net Gain=3,400 in 2015:IVQ

gross job gains vs. gross job losses in opening & closing establishments (SA)



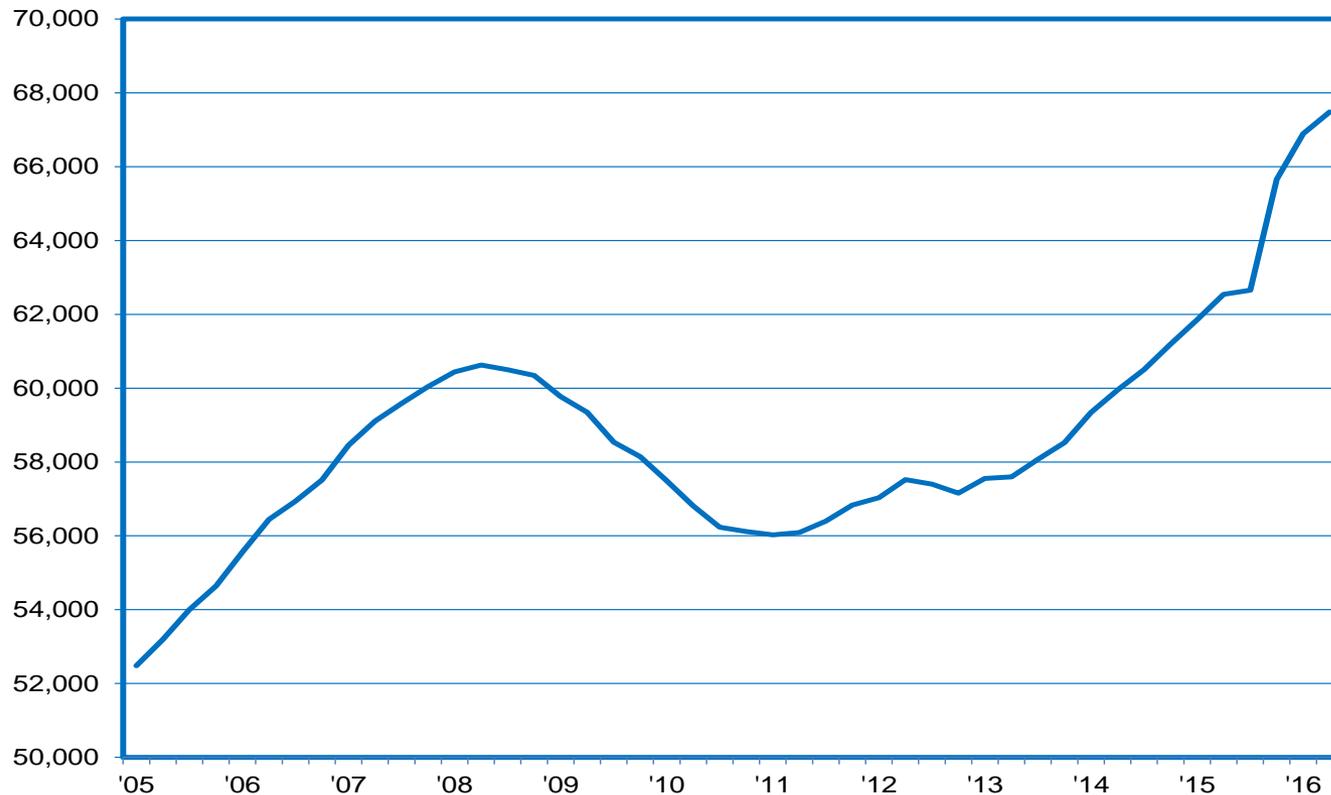
# Trade/Transportation, Construction, Healthcare, and PBS Lead the Way

YTD job growth by supersector (year-over-year)



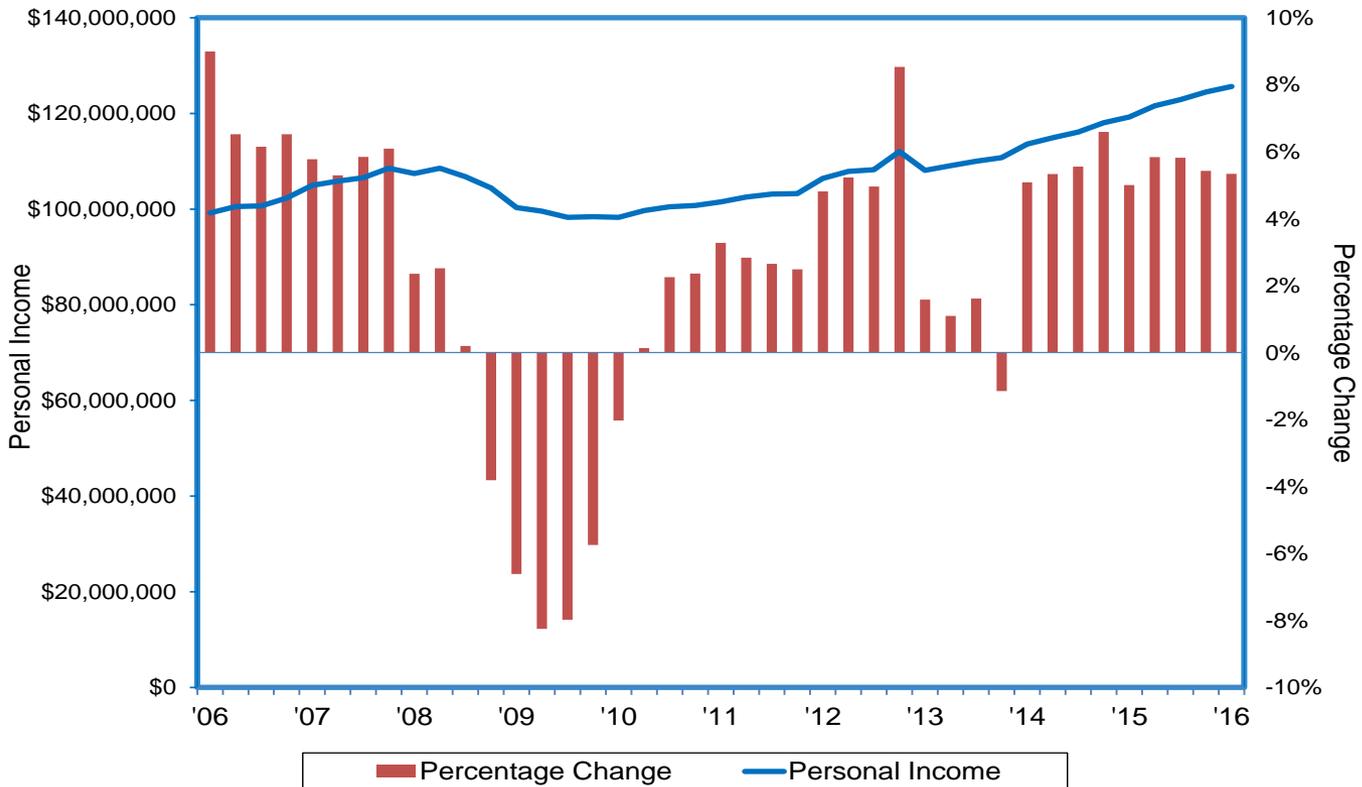
# At Nearly 68K, # of Employers at Record High; Up vs. Yr.-Ago in 20 Straight Qtrs.

number of Nevada employers



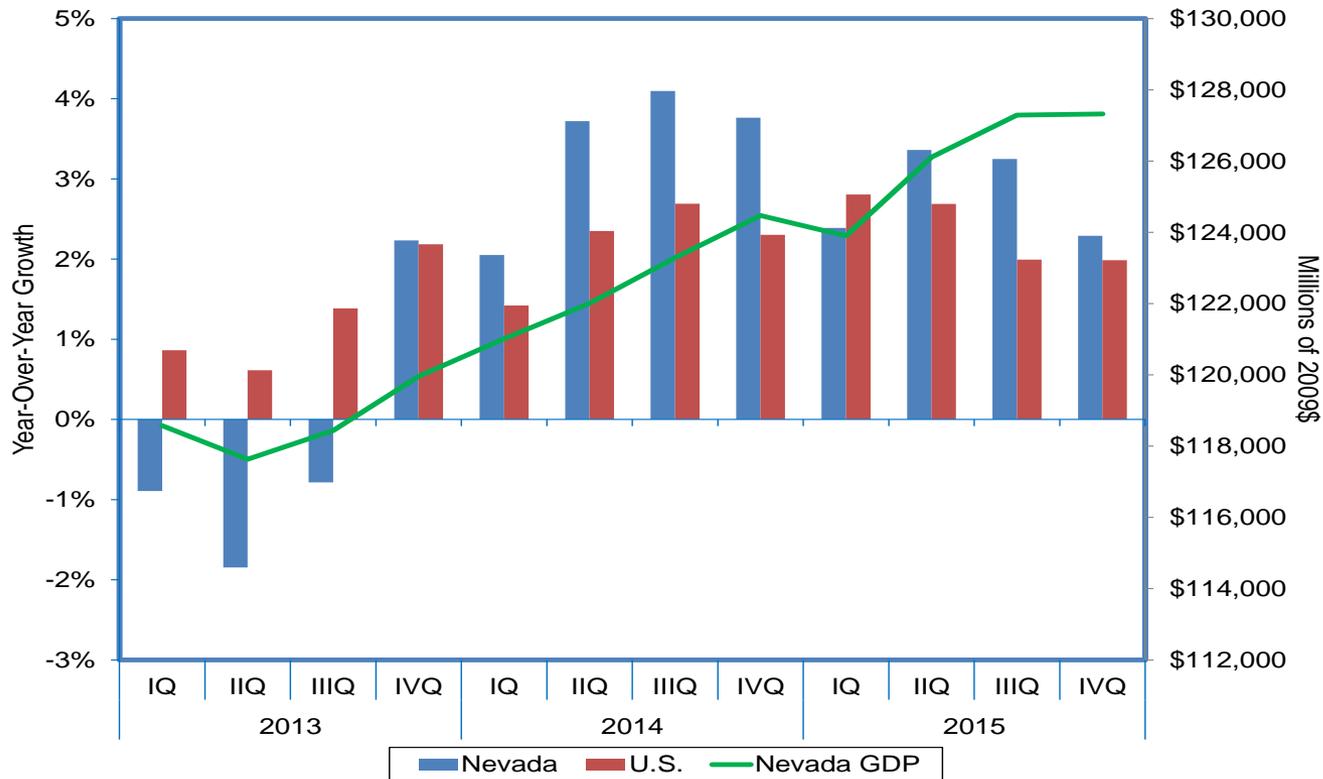
# Personal Income Growth Hovering in the Mid-Single Digits in the Silver State

Nevada personal income



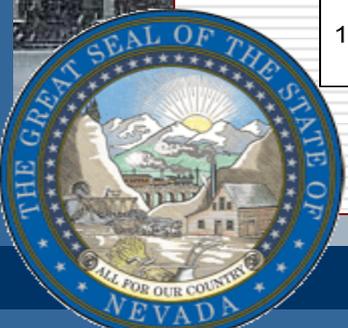
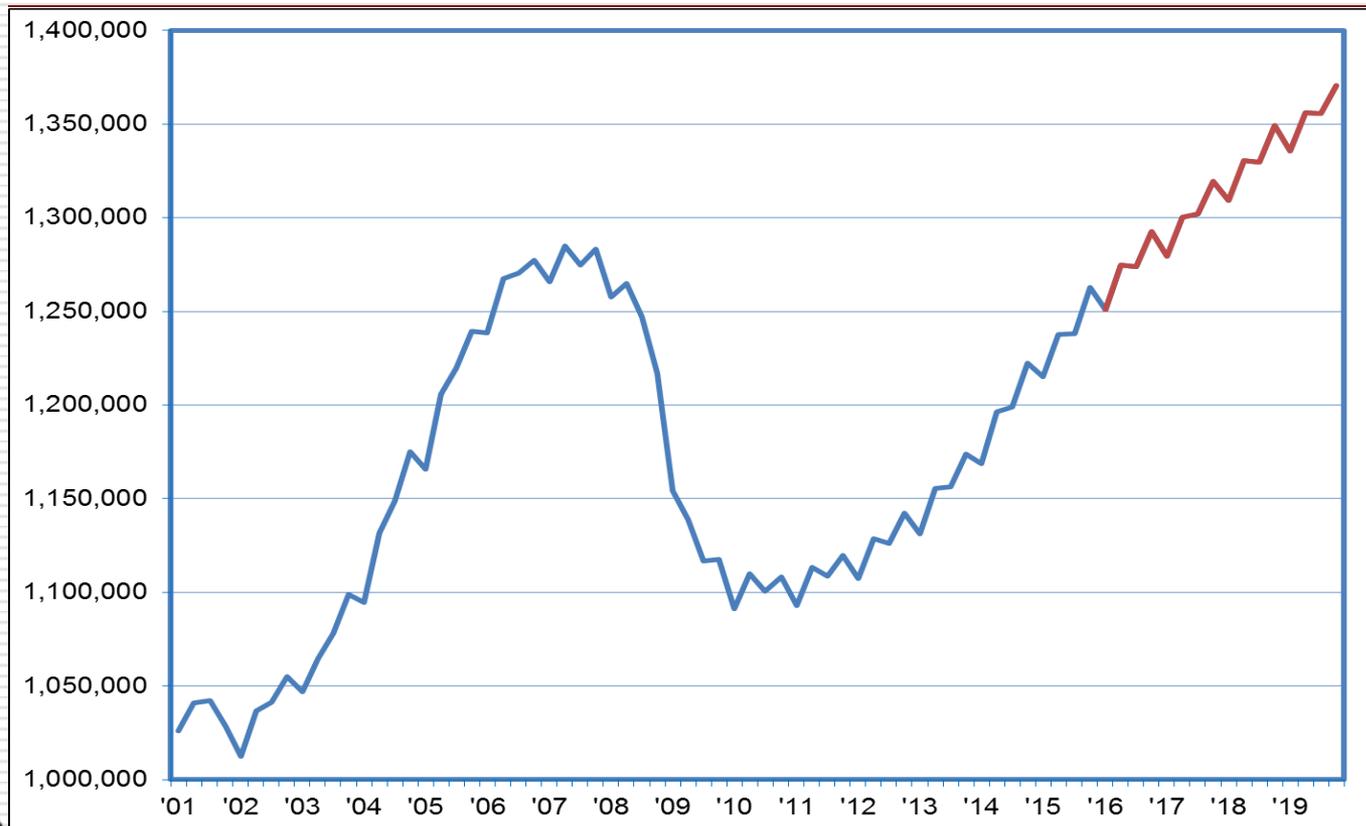
# The Silver State's GDP Growth Exceeded the Nation's in Eight of the Past Nine Quarters

gross domestic product



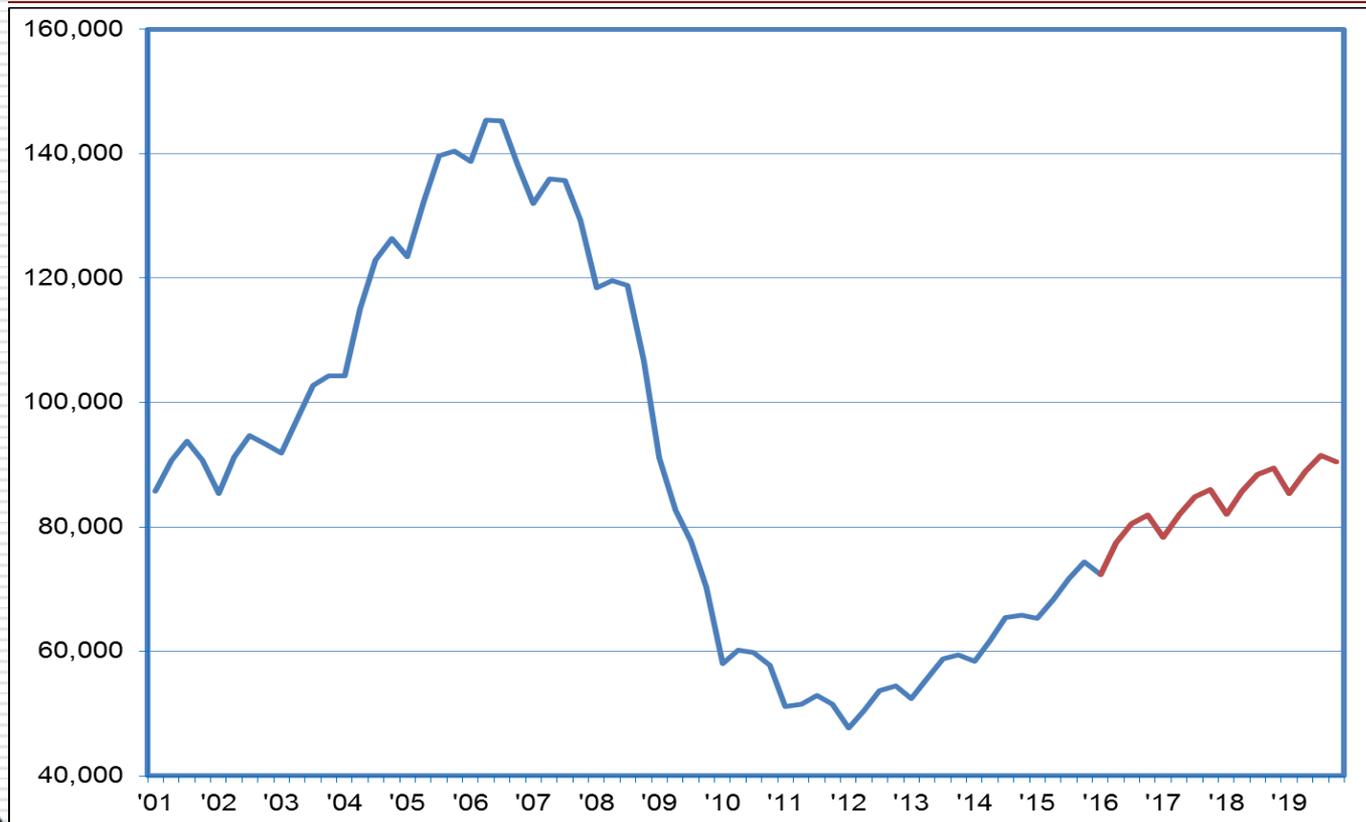
# Job Levels Exceed Pre-Recession Peak by 86K at Year-End 2019

Total Jobs: History and Forecast



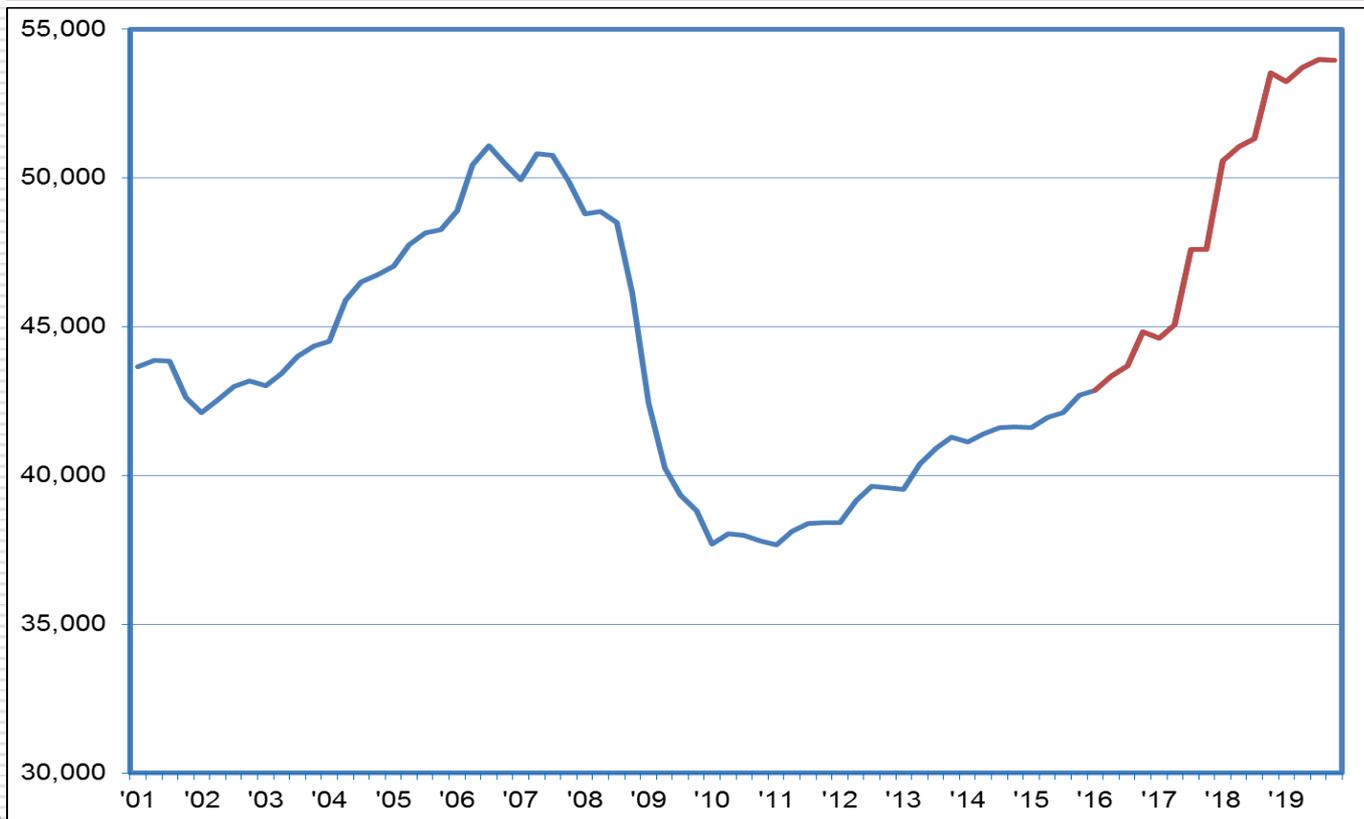
# By the End of 2019, 43K Construction Jobs Added Since Bottoming Out

## Construction Jobs: History and Forecast



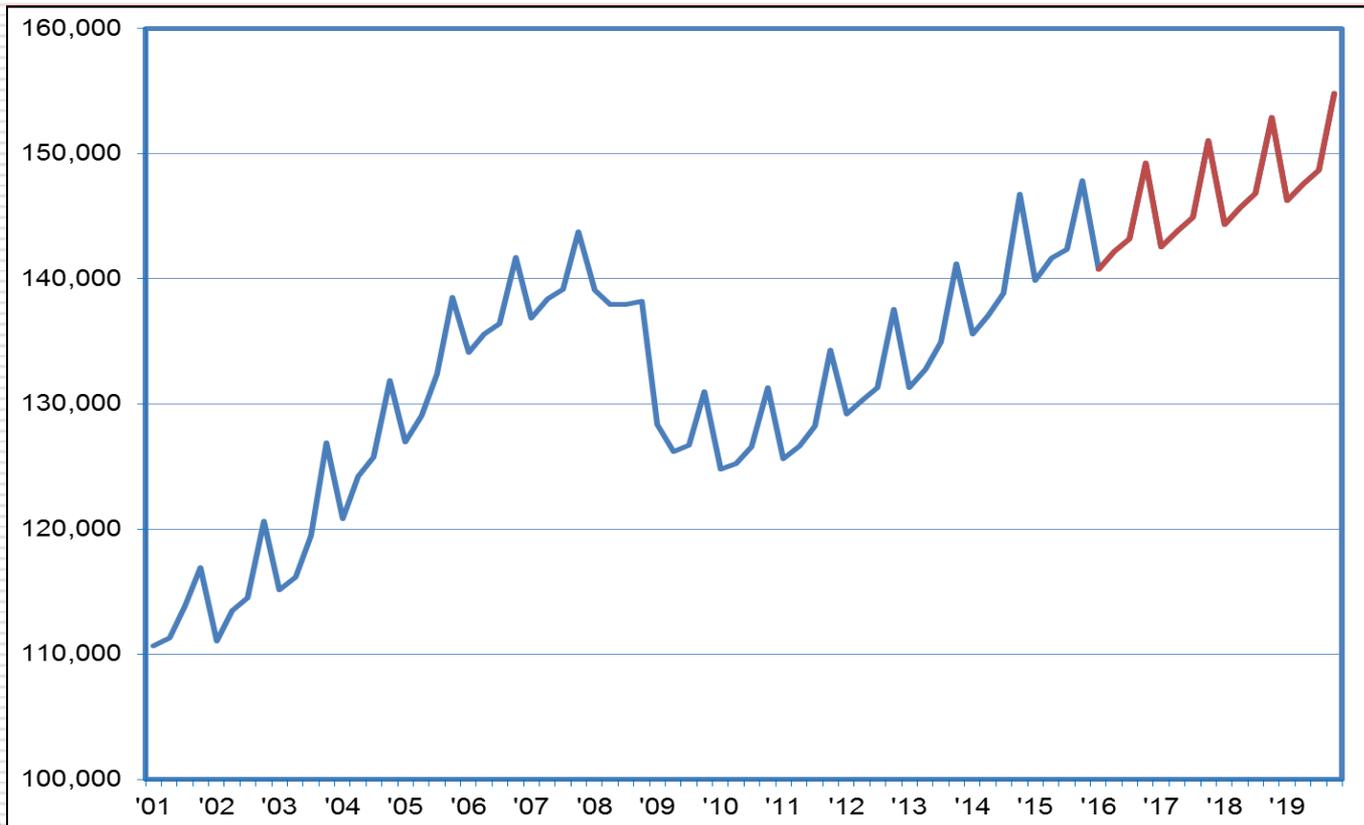
# Growth to Strengthen for Manufacturing Jobs; 10,600 New Jobs through 2019

Manufacturing Jobs: History and Forecast



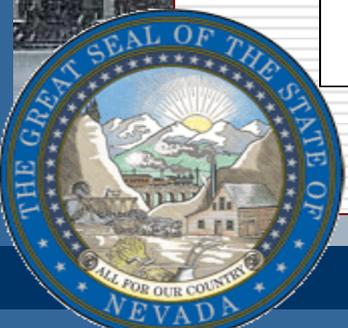
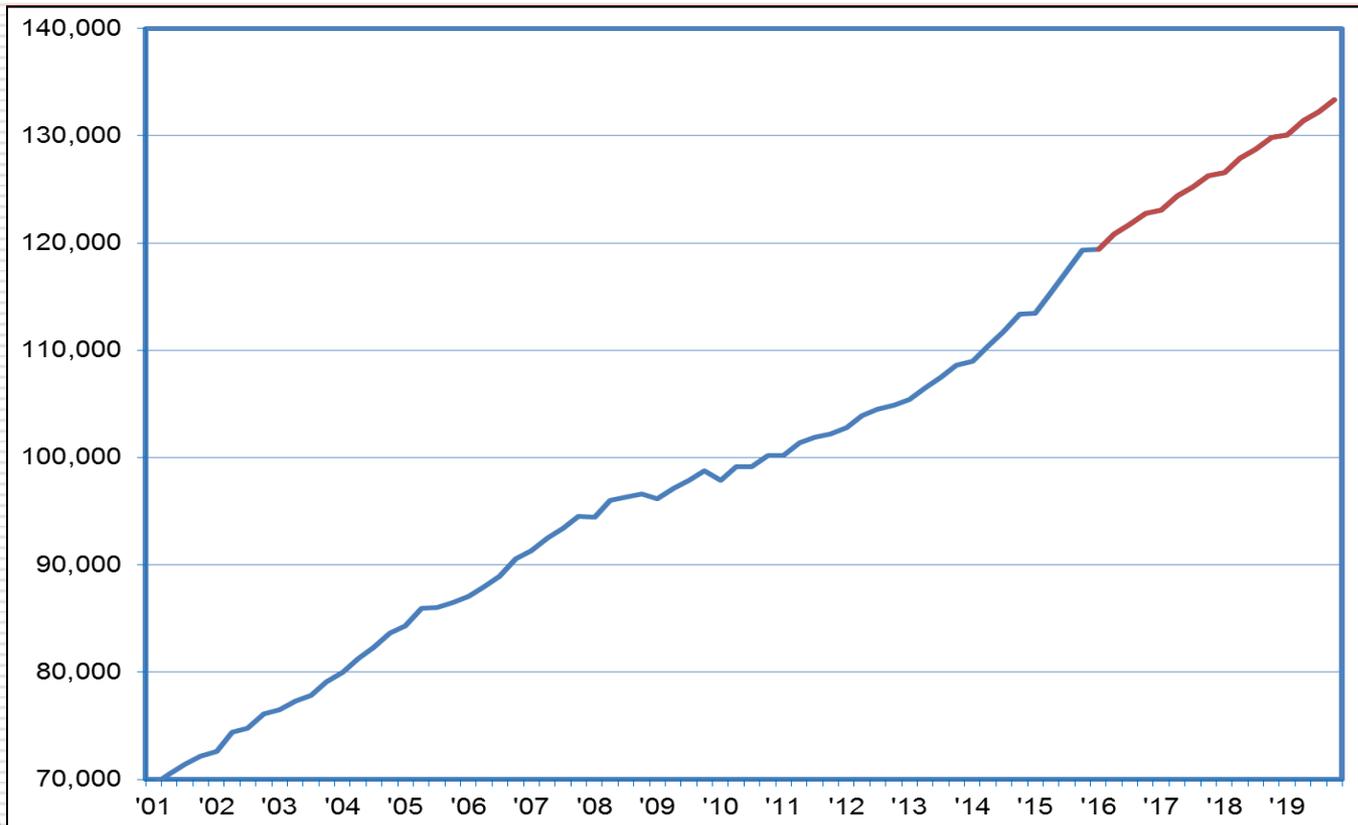
# Retail Trade Should Continue Adding About 1,600 Jobs Annually

## Retail Trade Jobs: History and Forecast



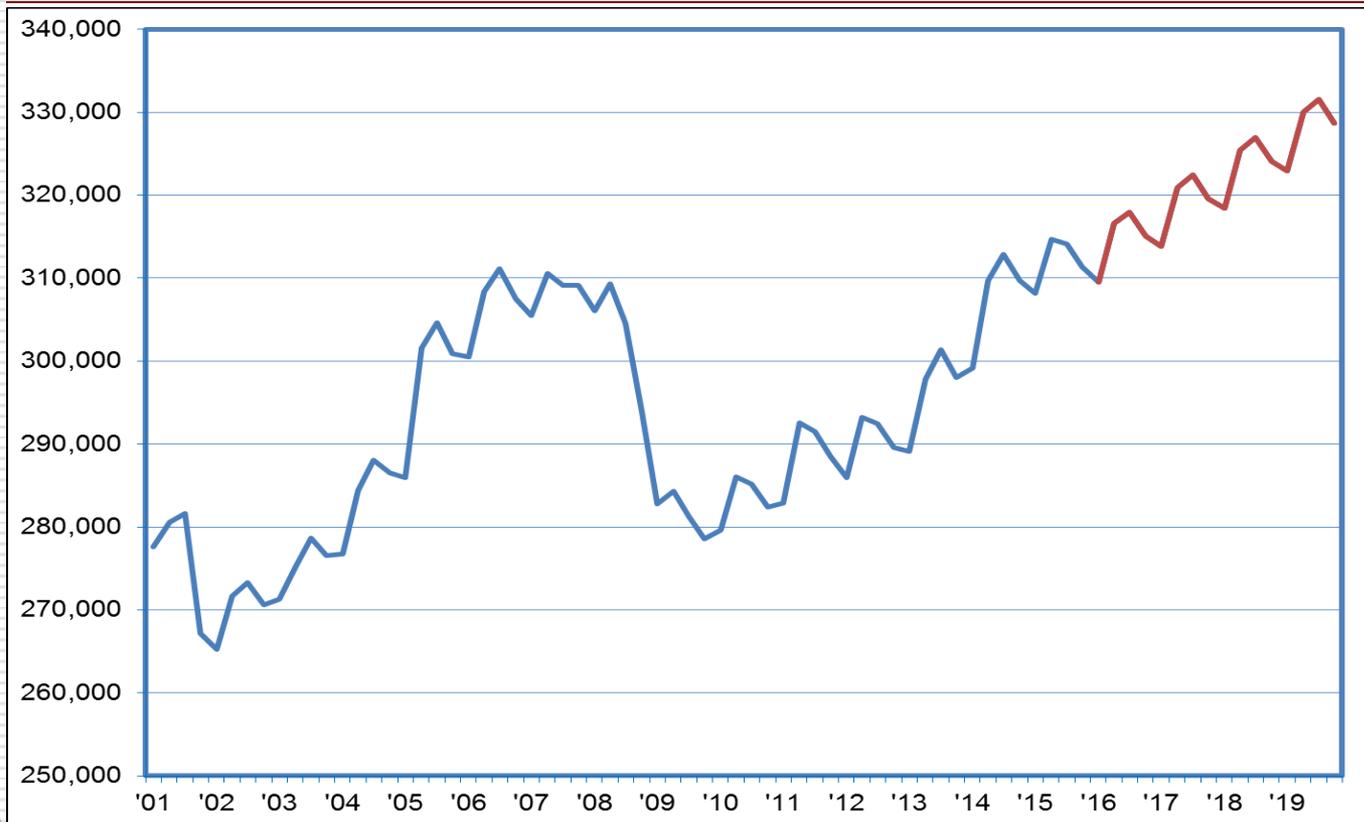
# Expectations are for an Additional 3,800 Healthcare Jobs per Year

## Healthcare/Social Assistance Jobs: History and Forecast



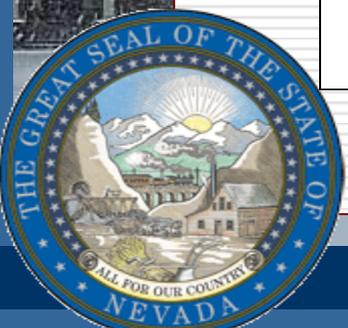
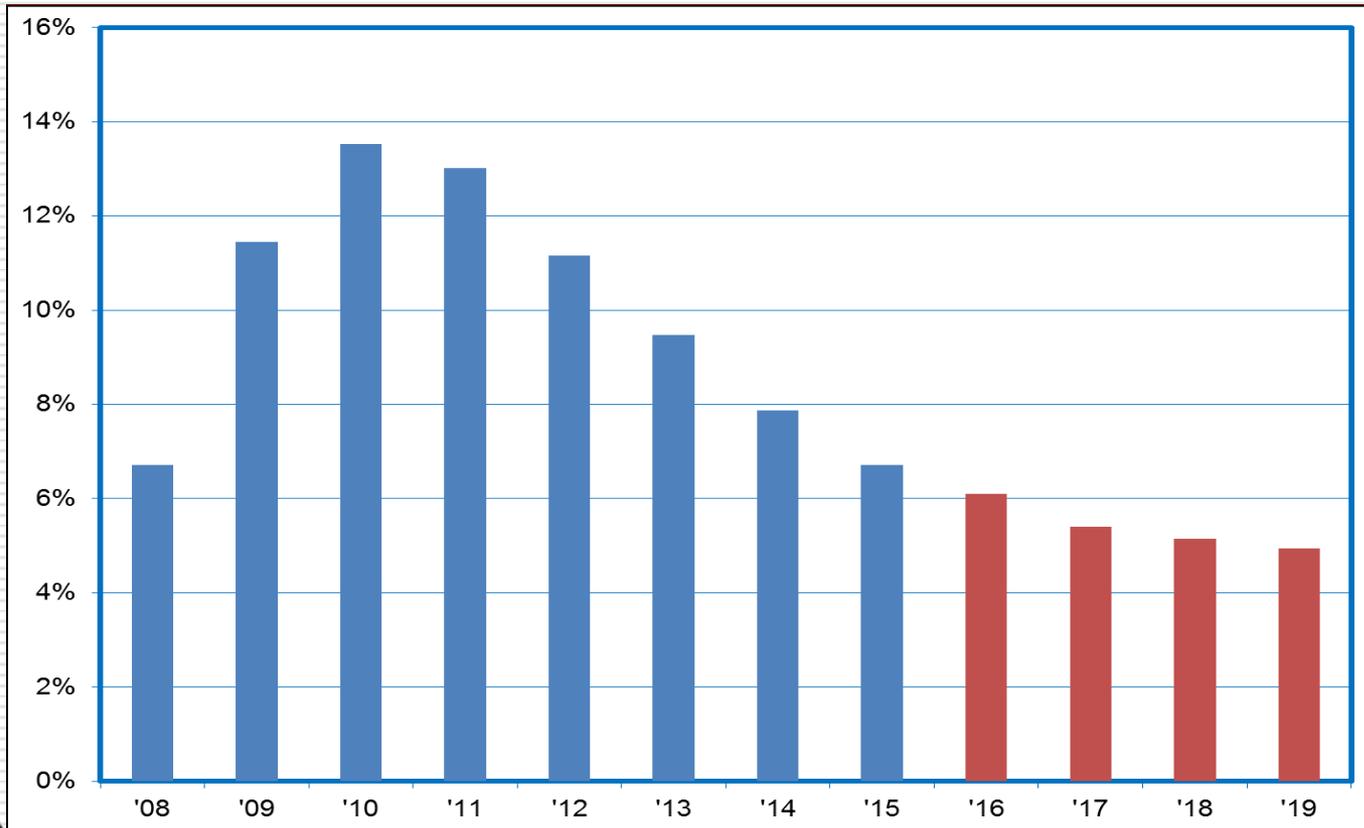
# AFS Jobs Have Reached Historical High; More than 16K Additional Jobs Expected

Accommodation/Food Services Jobs: History and Forecast



# NV's Unemployment Rate Trending Down...6.1% in '16; 5.4% in '17; 5.1% in '18

Unemployment Rate: History and Forecast



# UI Bond Status Update

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Presented to Employment  
Security Council

October 3, 2016

Research & Analysis Bureau



# Bond Refresher

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- ❑ **Recessionary Impact on UI Trust Fund**
  - ❑ Trust Fund Balance fell below -\$800 million
- ❑ **Issued November 2013**
  - ❑ Bond cheaper than borrowing from Federal Govt.
  - ❑ Bond Proceeds of \$592 million
  - ❑ Semi-annual payments
  - ❑ 4.5 Year Term with callable final payment
  - ❑ Expected final payment December 2017



# Overview of UI Bond Payments

- ❑ Payments: 5 to Date
  - ❑ \$269.8 million Principal
  - ❑ \$55.9 million Interest
- ❑ Next payment: Dec. 2016
  - ❑ \$63.1 million Principal
  - ❑ \$7.0 million Interest
- ❑ Current Account Balances
  - ❑ Principal Account: \$73.8 million
  - ❑ Interest Account: \$14.1 million



# Step 1: Upcoming Obligations

- ❑ What payments are due in 2017?
  - ❑ Principal: \$160.2 million x 1.5 = \$240.3 million
  - ❑ Interest & Expenses: \$10.1 million x 1.5 = \$15.1 million
- ❑ What reserves will be available to make those payments?
  - ❑ Principal: \$60.4 million
  - ❑ Interest & Expenses: \$13.2 million
- ❑ What do we need to collect to make those payments and meet our bond obligations?
  - ❑ Principal: \$179.9 million
  - ❑ Interest & Expenses: \$1.9 million



## Step 2: Baseline Bond Rates

- ❑ What are the estimated taxable wages?
  - ❑ \$30.6 billion x 95% = \$29.1 billion
- ❑ What are the baseline rates?
  - ❑ Principal: \$ 179.9 million ÷ \$29.1 billion = **0.62%**
  - ❑ I & E: \$ 1.9 million ÷ \$29.1 billion = **0.01%**
  - ❑ **2017 Total Rate: 0.63%**
  - ❑ 2016 Total Rate: 0.62%



## Step 3: Tiers Defined in Regulation

- ❑ What are the four tiers?
  - ❑ Tier 1: New employers
  - ❑ Tier 2: Negative Reserve Ratio employers
  - ❑ Tier 3: Bottom 90% of Positive Reserve Ratio wages
  - ❑ Tier 4: Top 10% of Positive Reserve Ratio wages
- ❑ What is the distribution of wages within tiers?
  - ❑ Tier 1: 10.5% of wages; 36.0% of employers
  - ❑ Tier 2: 9.2% of wages; 9.2% of employers
  - ❑ Tier 3: 72.3% of wages; 30.7% of employers
  - ❑ Tier 4: 8.0% of wages; 24.1% of employers



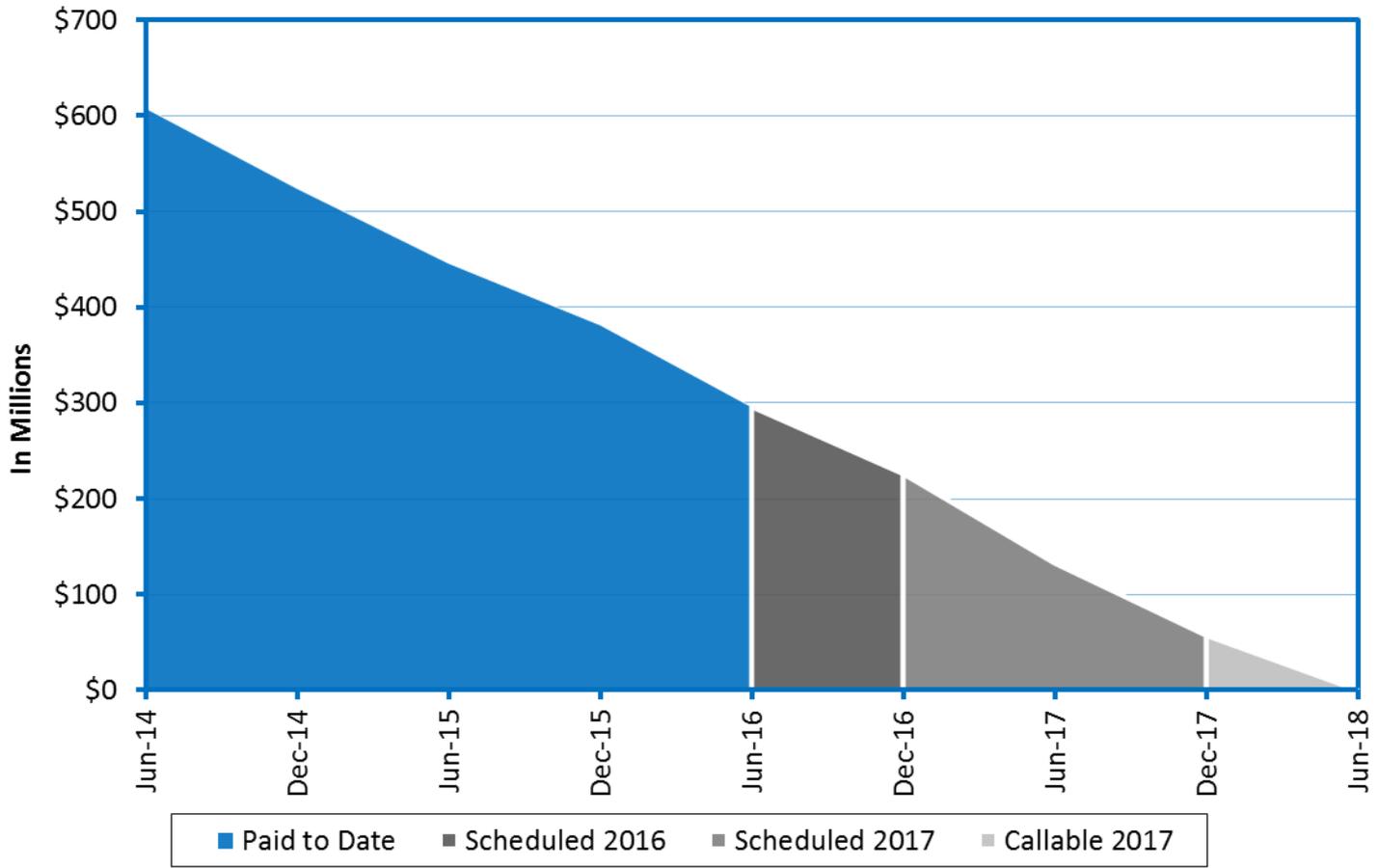
## Step 4: Calculating Rates by Tier

- What are the rates for each tier?

Tier and Multiplier	2016	2017	2017 Reserve Ratio Range
Tier 1: Baseline x 0.45	<b>0.62%</b>	<b>0.28%</b>	<b>New</b>
Tier 2: Baseline x 1.4	<b>0.87%</b>	<b>0.87%</b>	<b>Less than 0</b>
Tier 3: Derived	<b>0.67%</b>	<b>0.69%</b>	<b>0 to 8.99</b>
Tier 4: Baseline x 0.25	<b>0.16%</b>	<b>0.16%</b>	<b>9.00 or Higher</b>
Average Cost per Employee at Taxable Wage Limit:	<b>\$174.84</b>	<b>\$185.85</b>	



# Bond Payment Progress



# Review of UI Trust Fund

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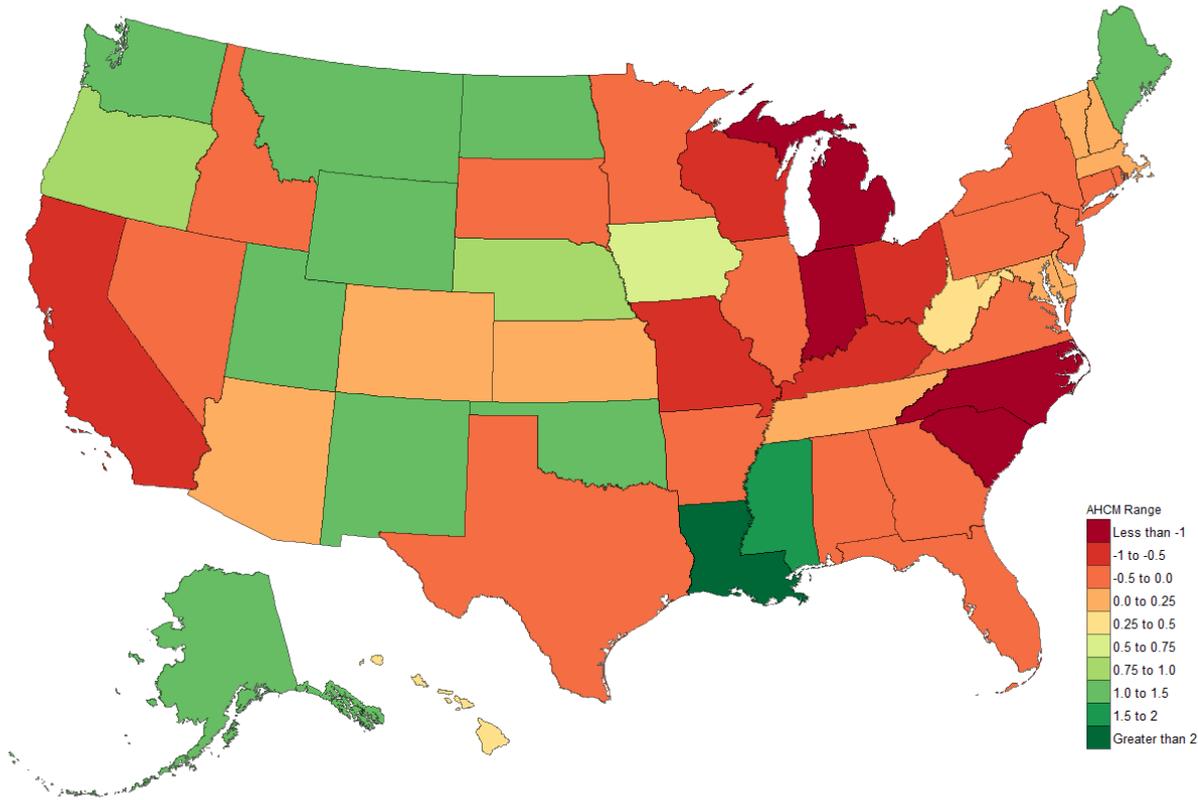
Employment Security Council  
October 3, 2016

Research & Analysis Bureau



# National Perspective: Then...

Average High Cost Multiple By State  
As of 1/1/2010



\*AHCM is calculated by dividing the Reserve Ratio (UITF balance divided by the previous year of Total Wages) by the Average High Cost Rate

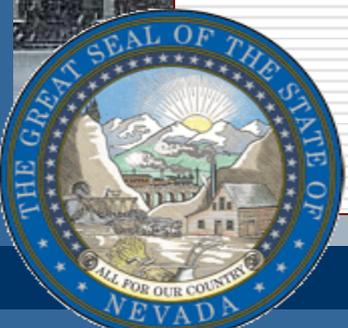
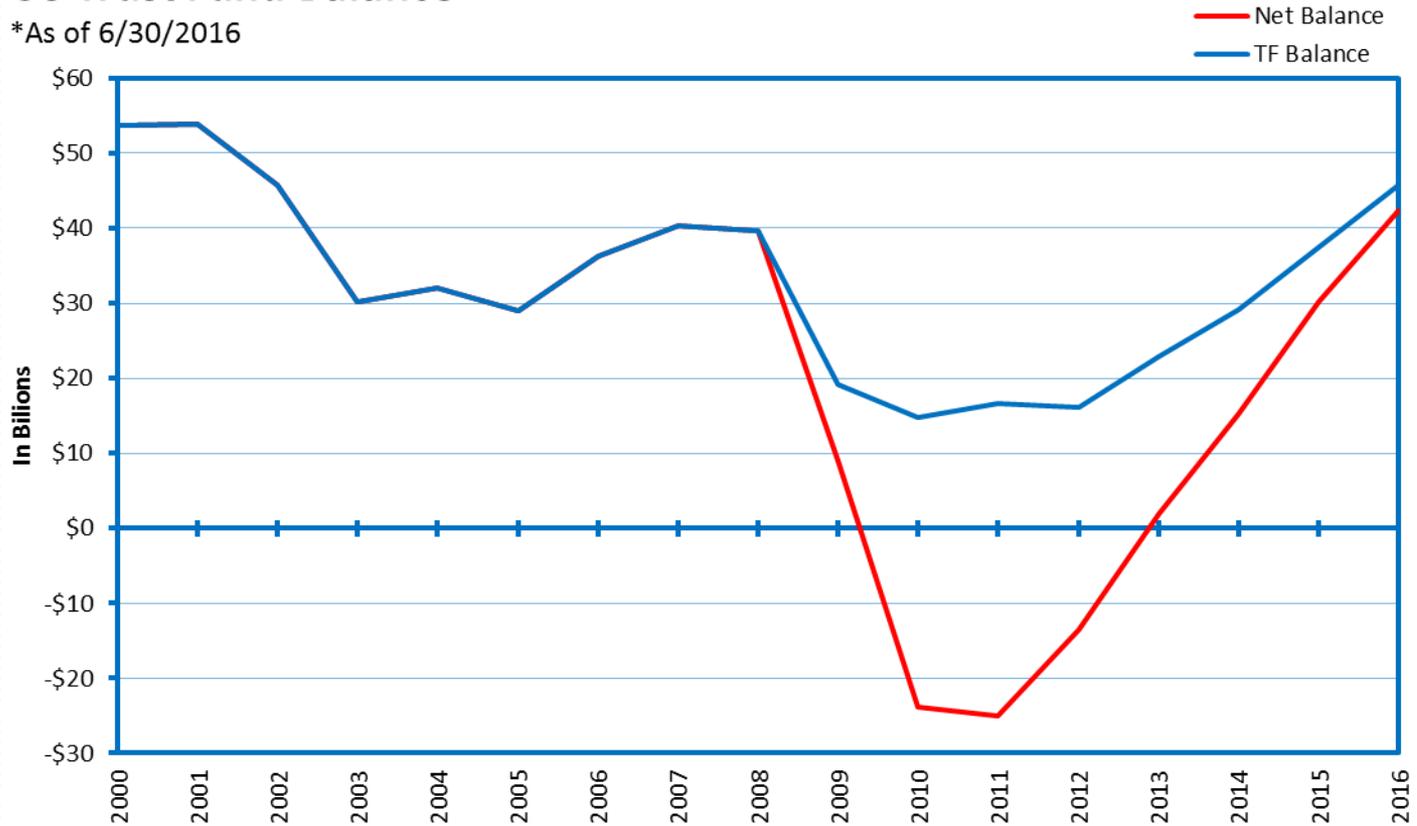




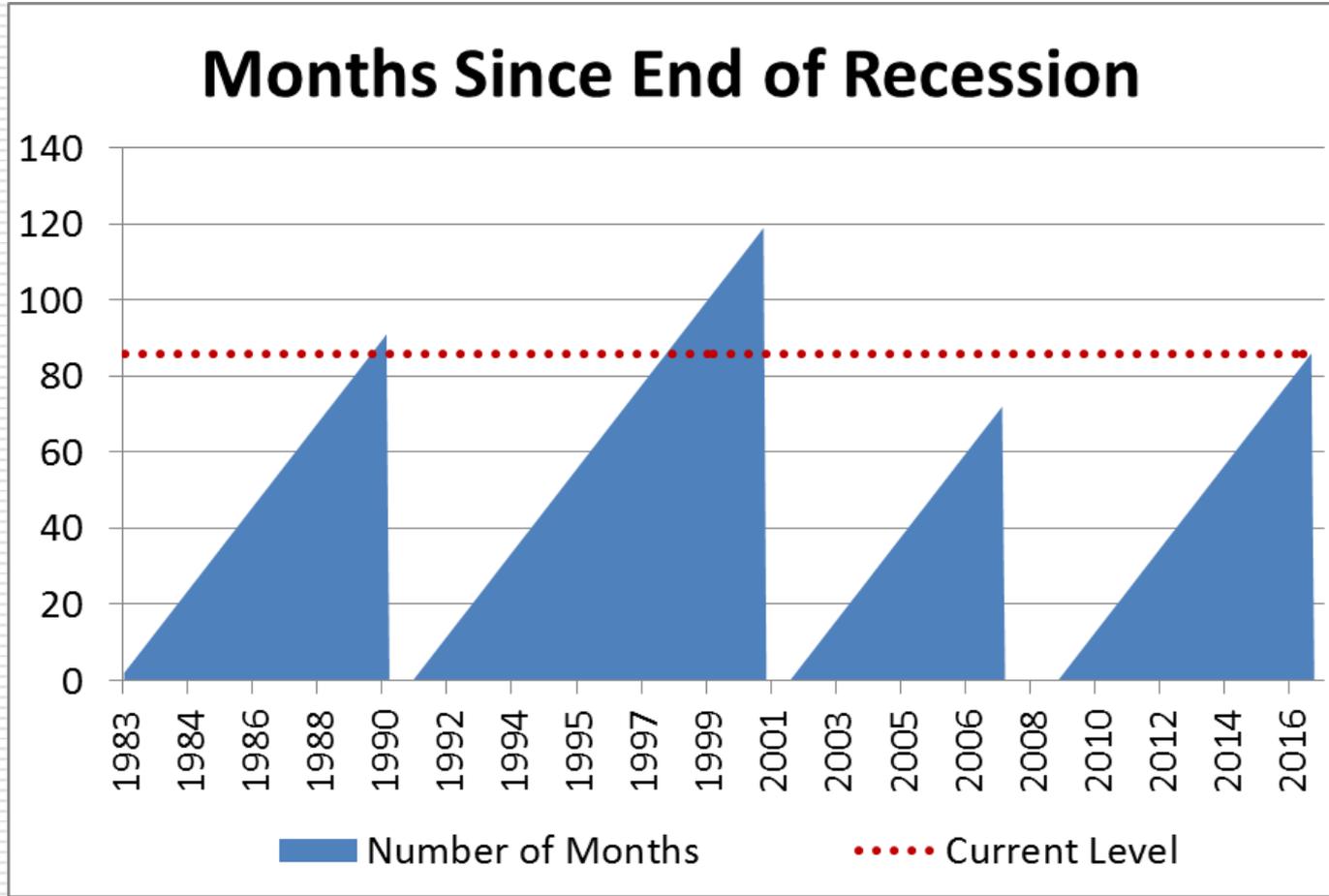
# National Perspective: Improving Fund Balance

## US Trust Fund Balance

\*As of 6/30/2016



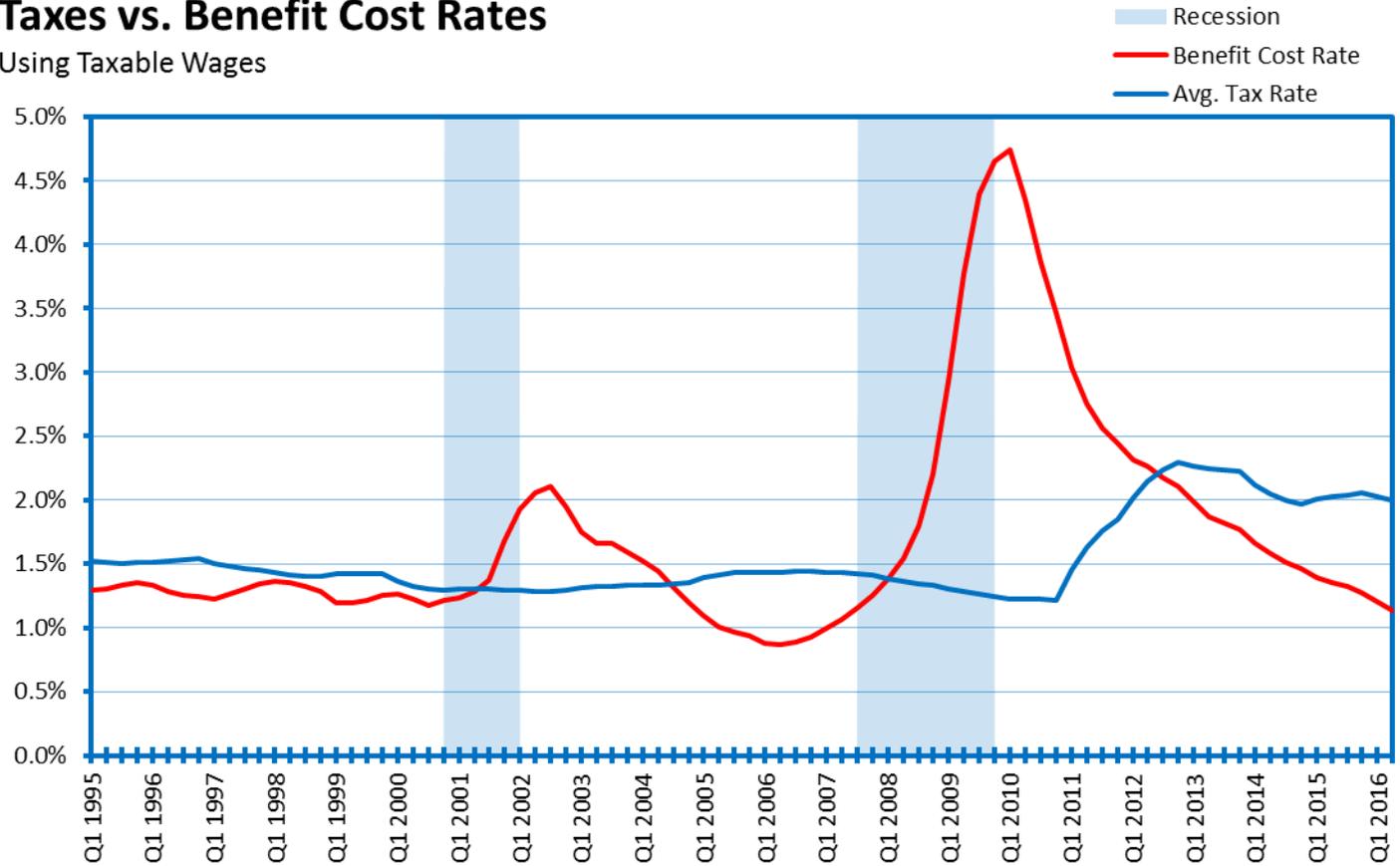
# National Perspective: Long Economic Recovery Ongoing



# Nevada's Trust Fund: Contribution Rates and Benefit Costs

## Taxes vs. Benefit Cost Rates

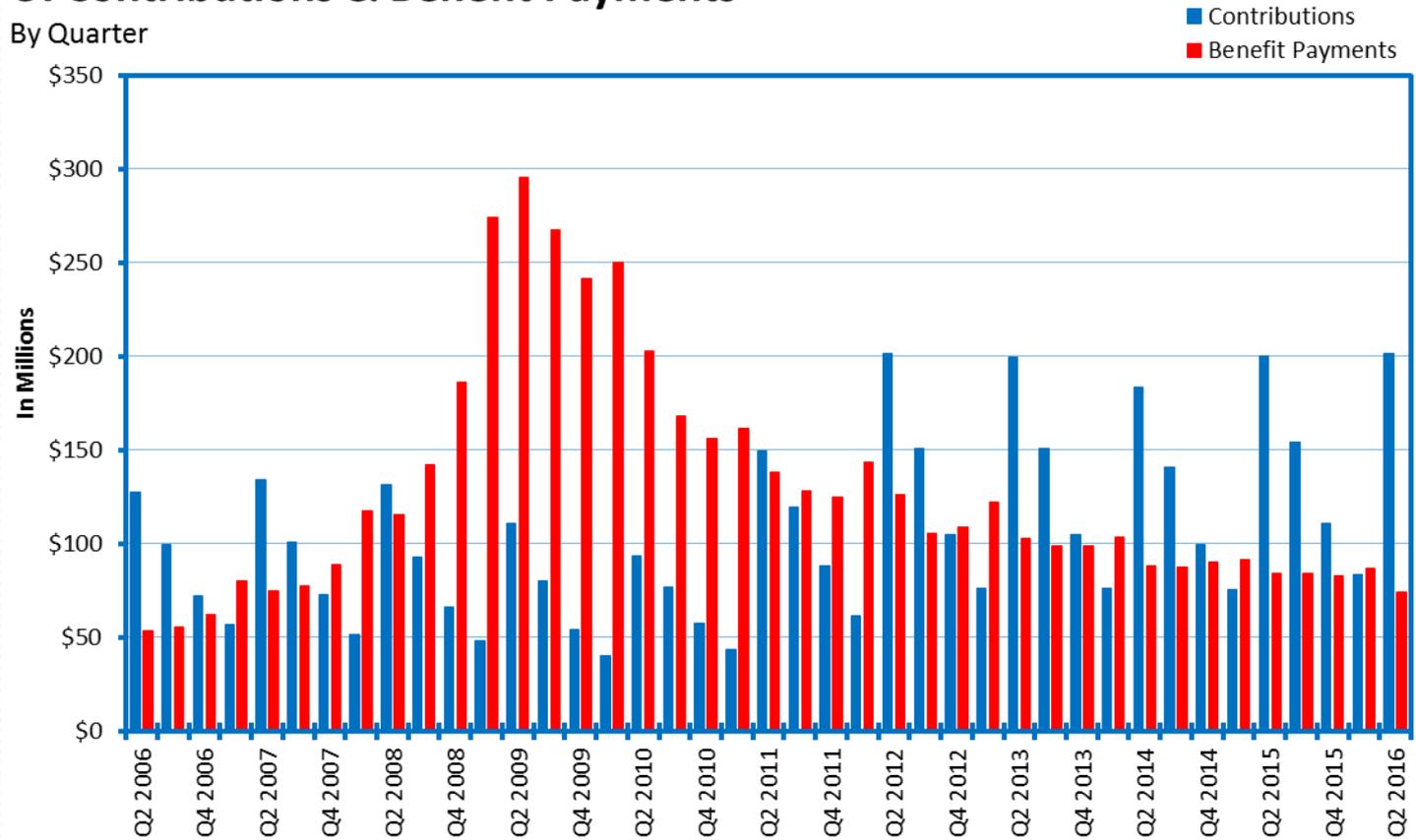
Using Taxable Wages



# Nevada's Trust Fund: Rebuilding Trust Fund Reserves

## UI Contributions & Benefit Payments

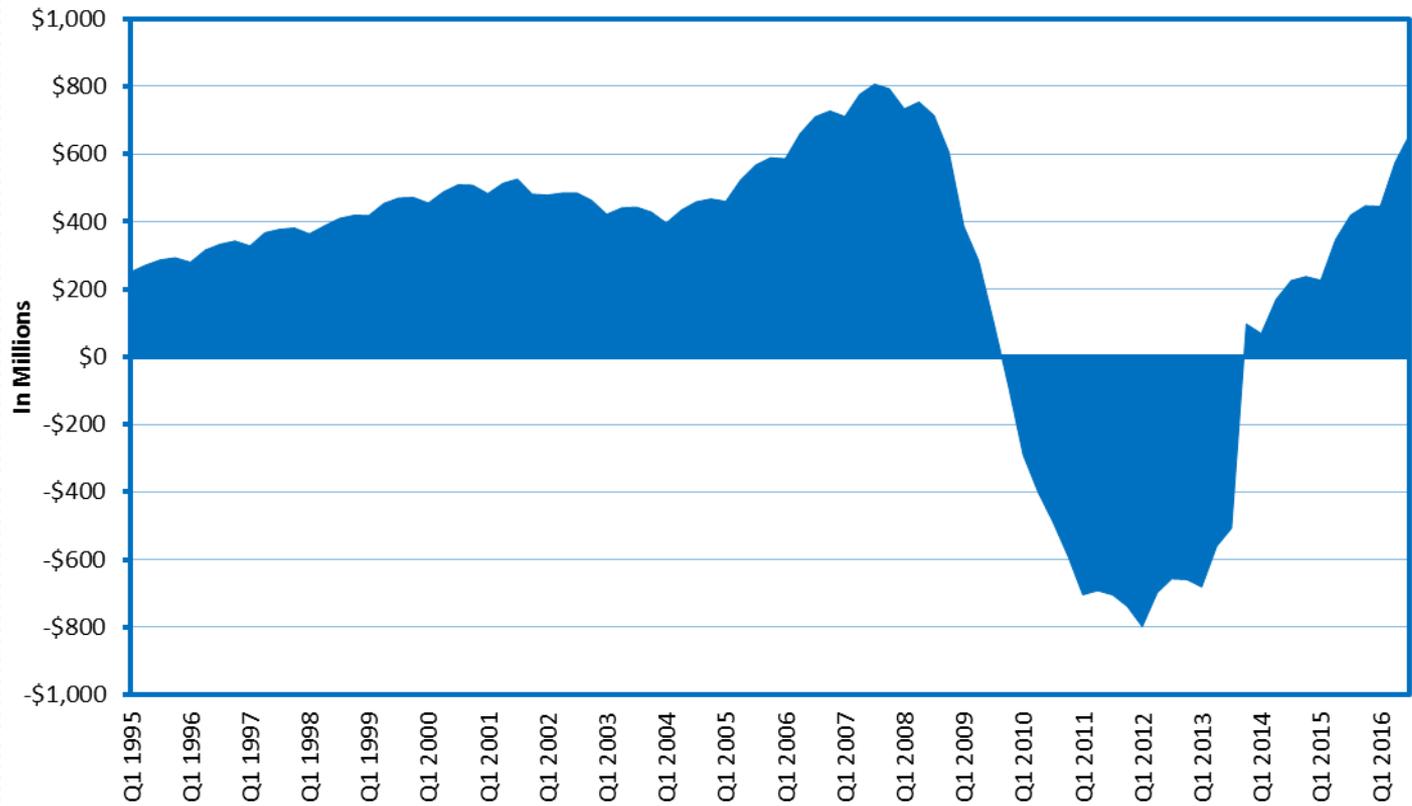
By Quarter



# Nevada's Trust Fund: Rebuilding Trust Fund Reserves

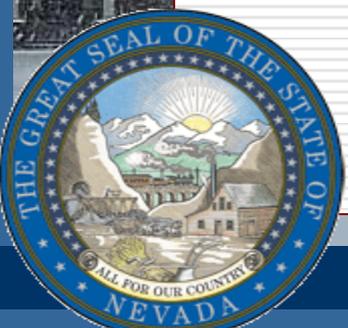
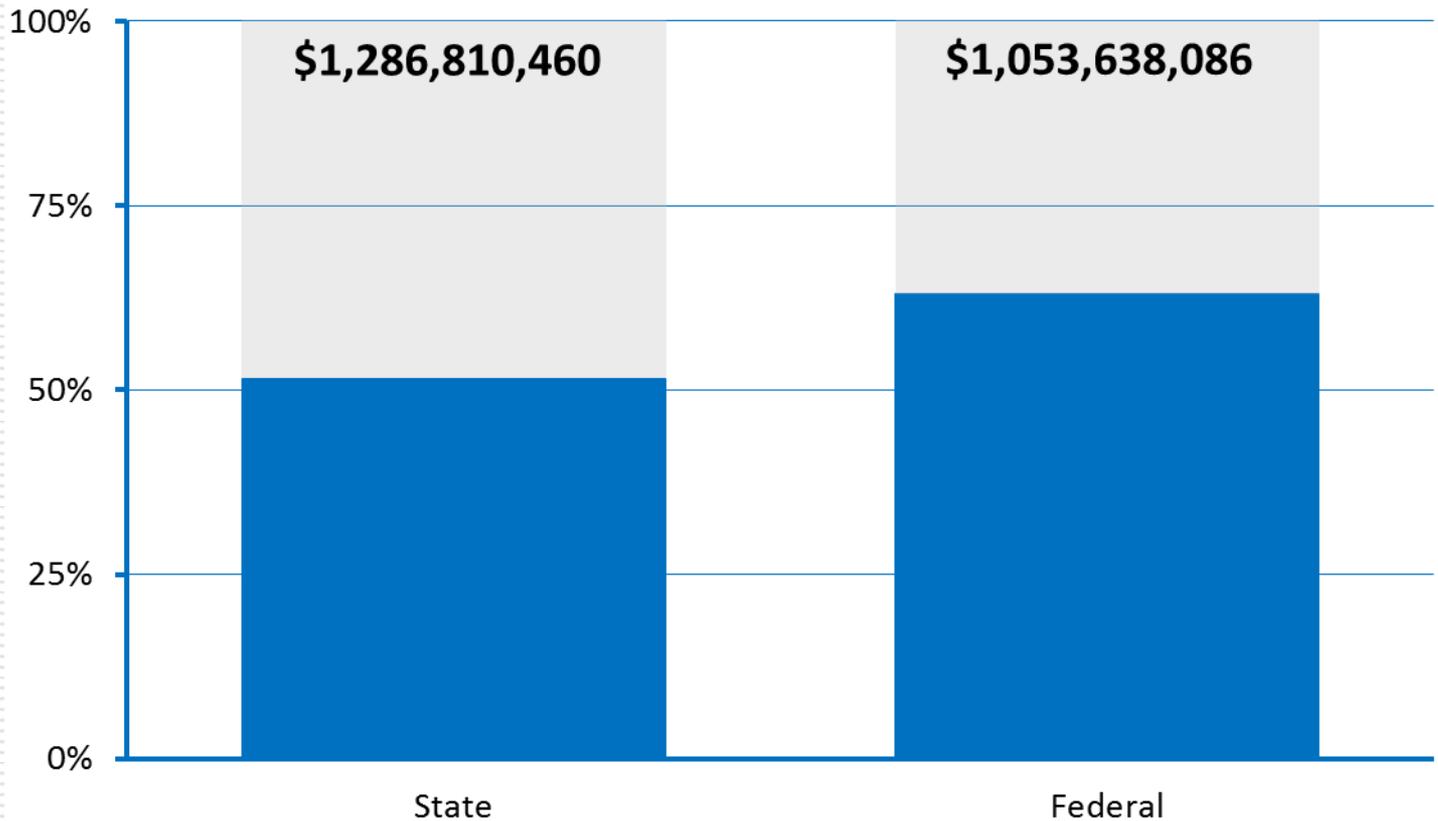
## Nevada Trust Fund Balance

By Quarter



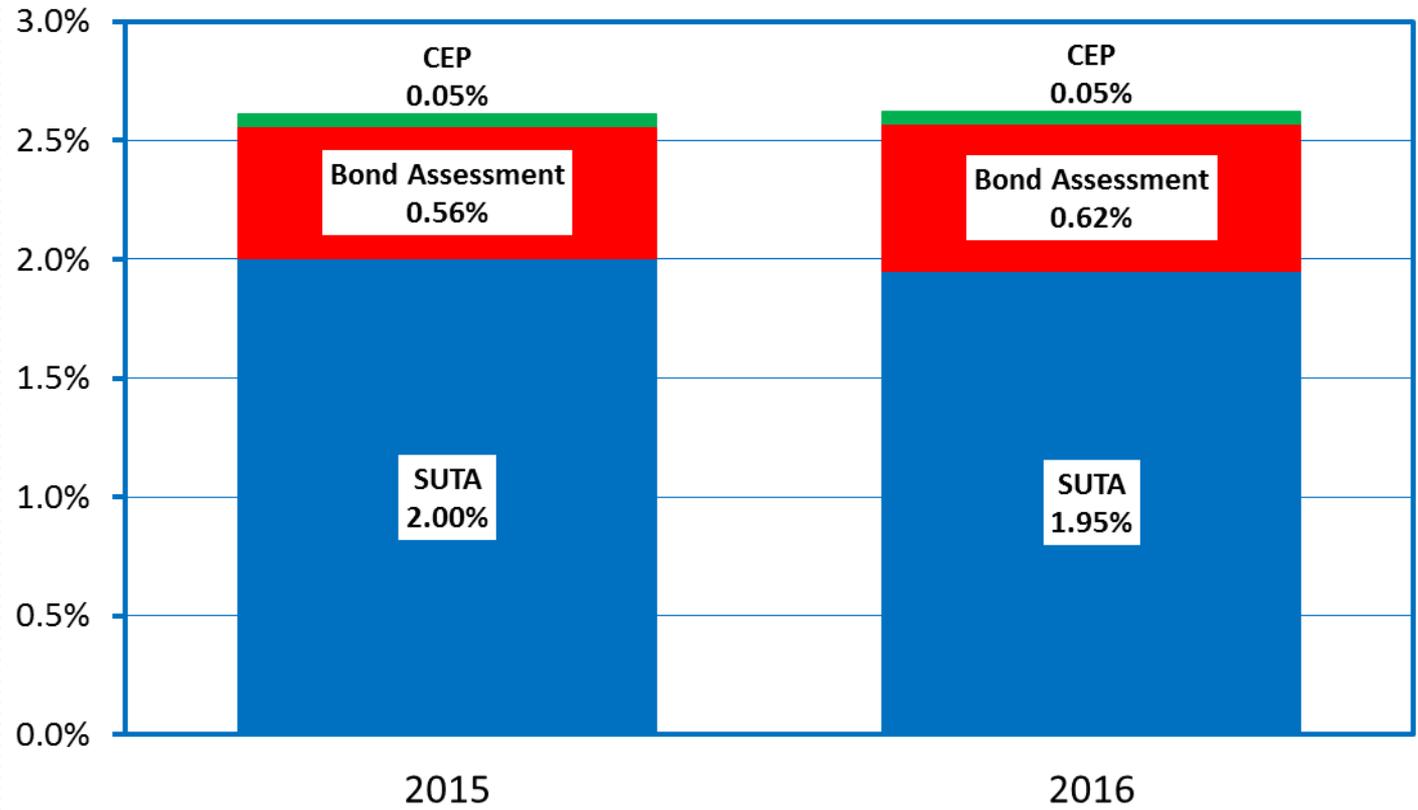
# Nevada's Trust Fund: Rebuilding Trust Fund Reserves

## 2016 Trust Fund Solvency Levels



# Nevada's Trust Fund: Total Employers Costs

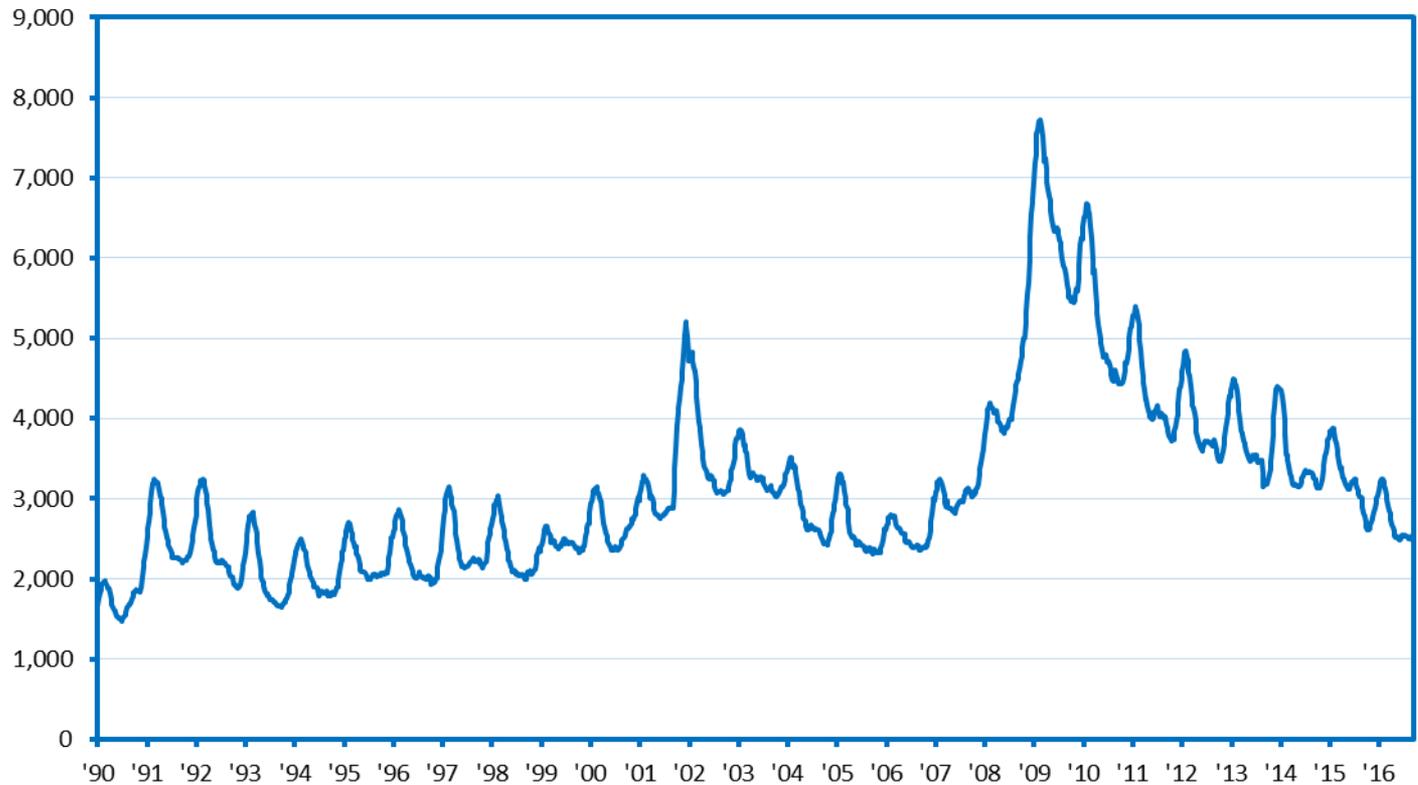
### Employer Cost Breakdown



# 2017 Trends: Initial Claims Nearing Boom Levels

## Weekly Initial Claims

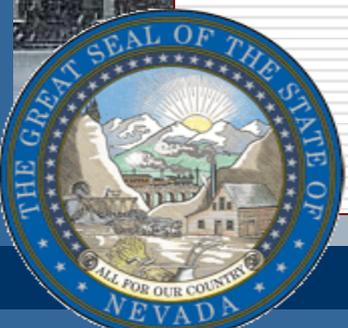
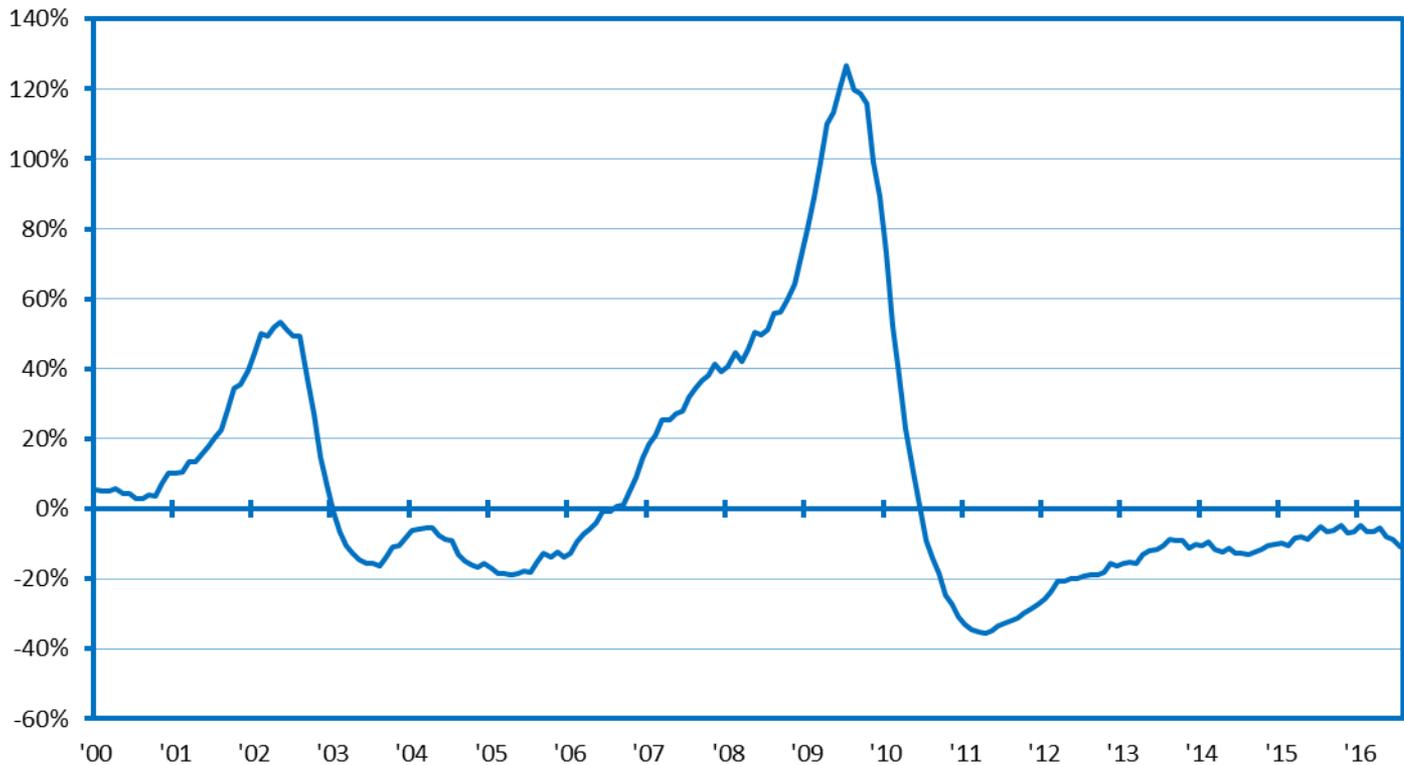
13 Week Moving Average



# 2017 Trends: Benefit Payments Still Declining

## % Change UI Benefits Paid

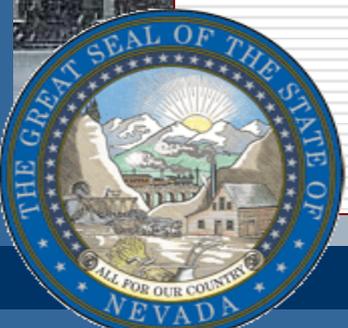
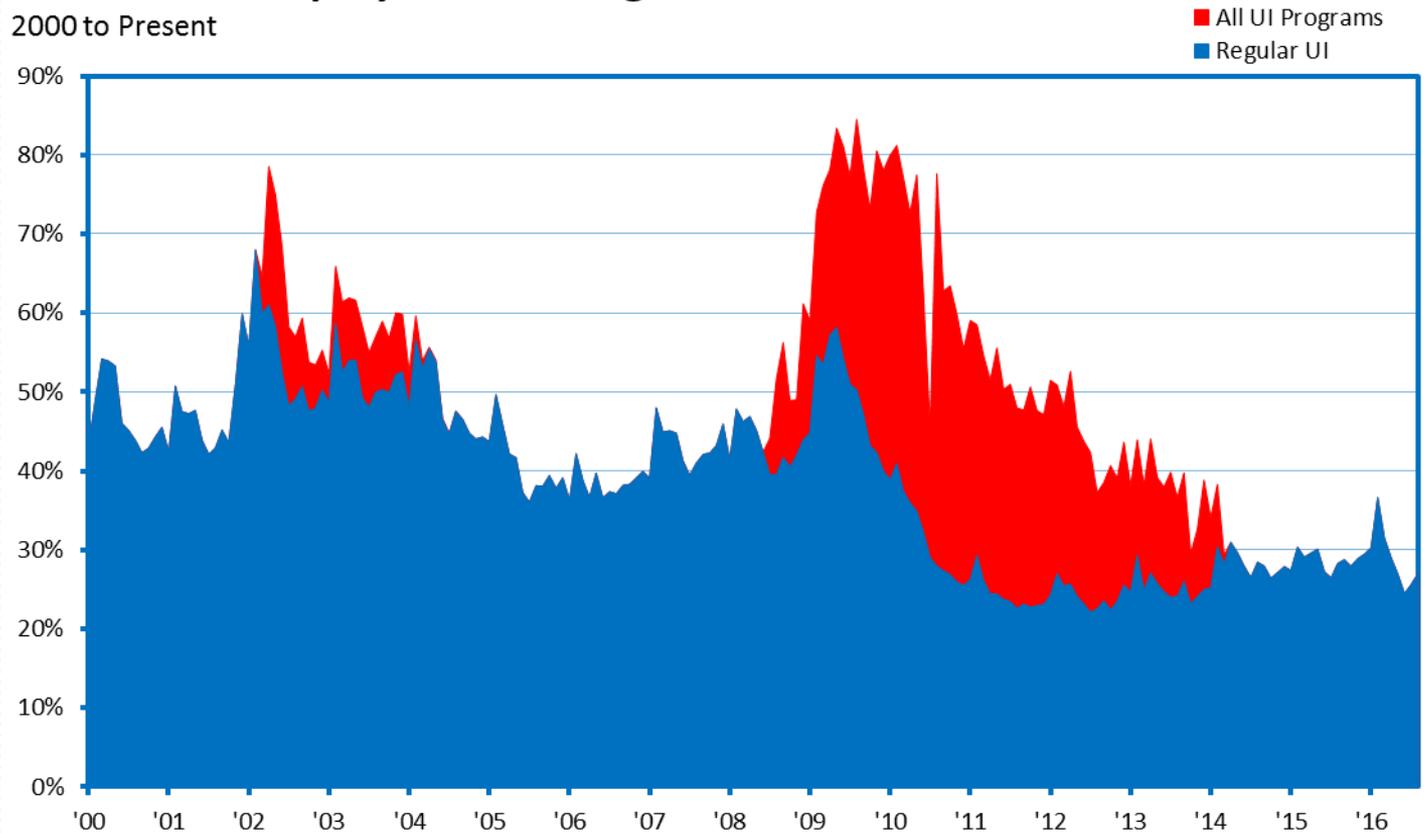
Using 12 Month Moving Average



# 2017 Trends: Fewer Unemployed Receiving Benefits

## Share of Unemployed Receiving Benefits

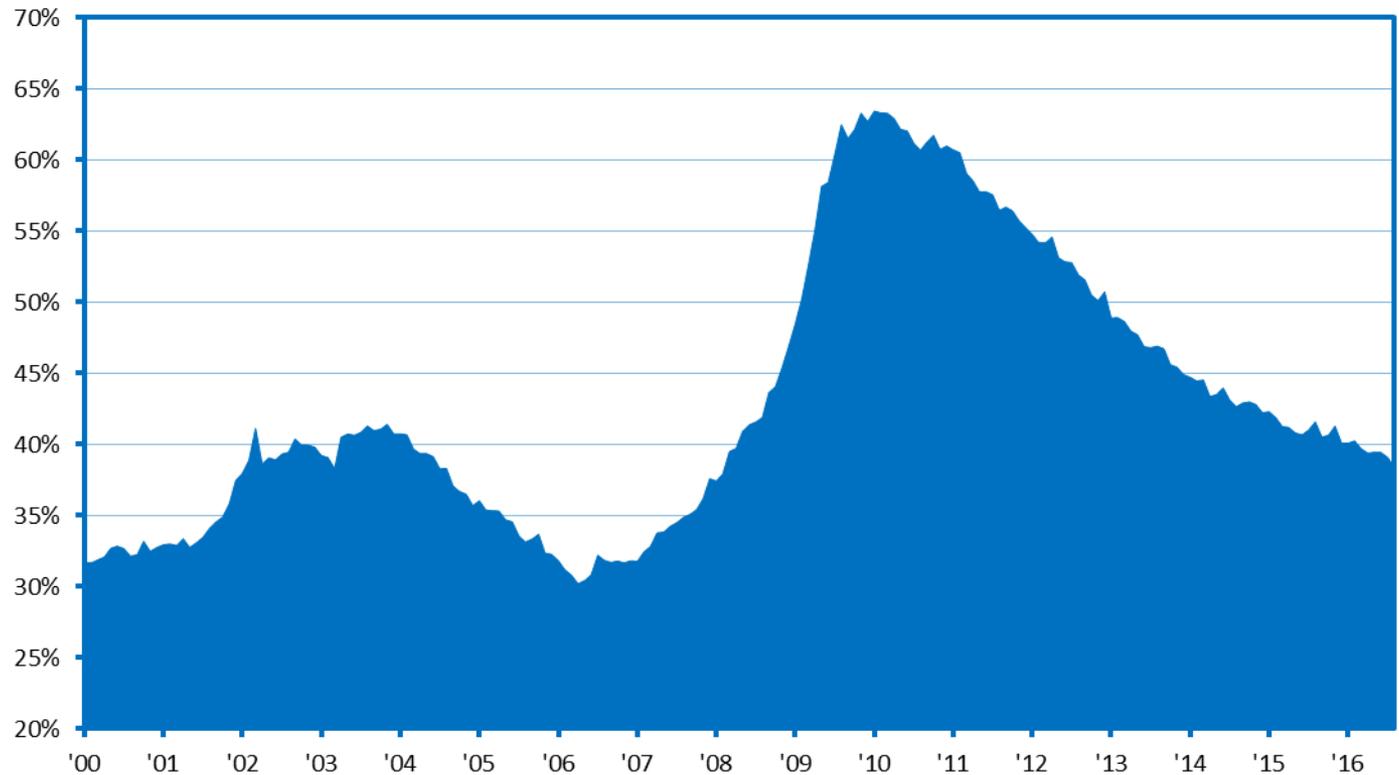
2000 to Present



# 2017 Trends: Exhaustion Rate Continues to Fall

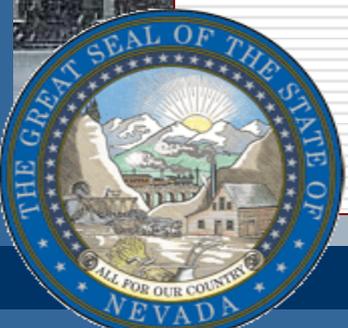
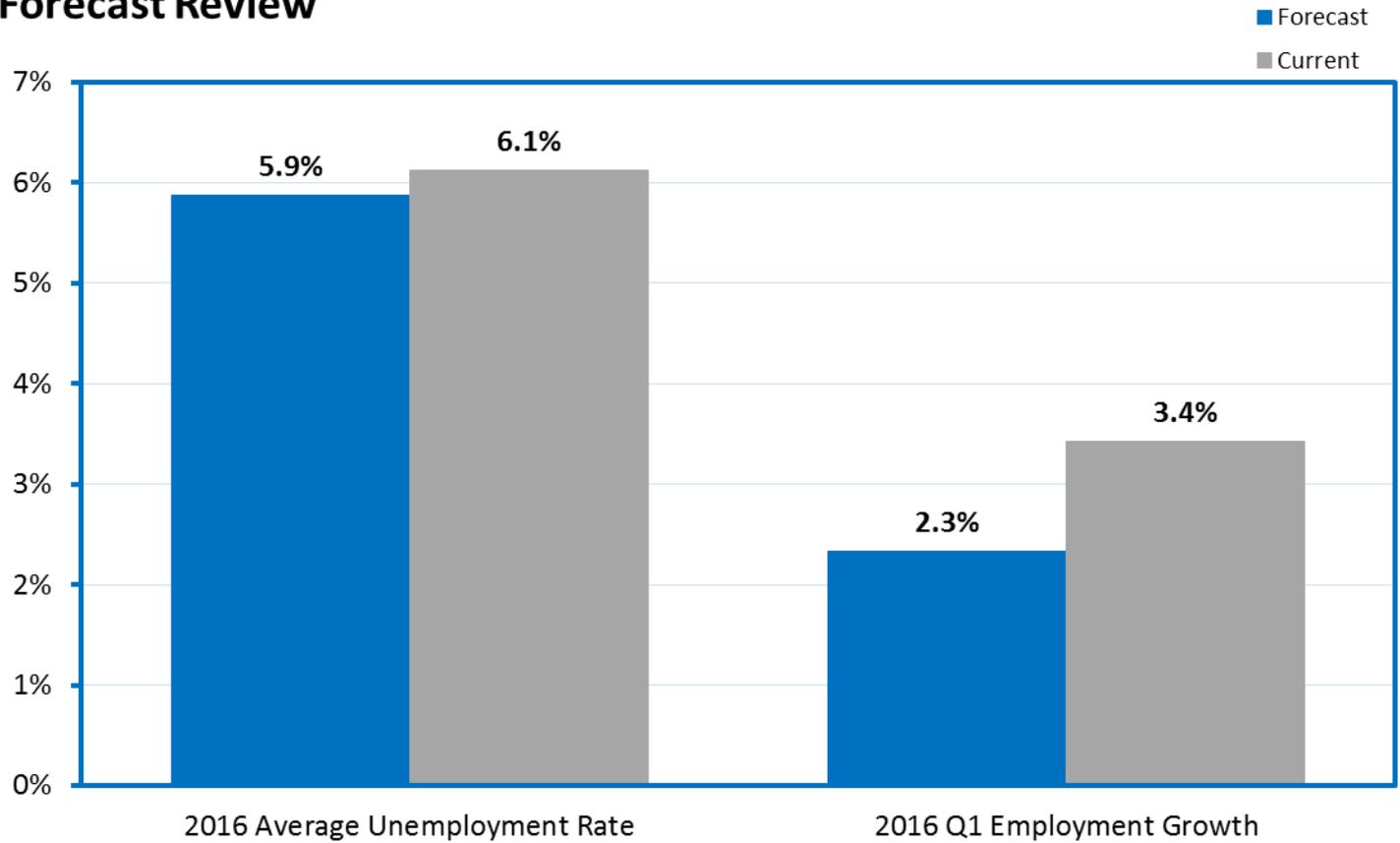
## Exhaustion Rate

2000 to Present



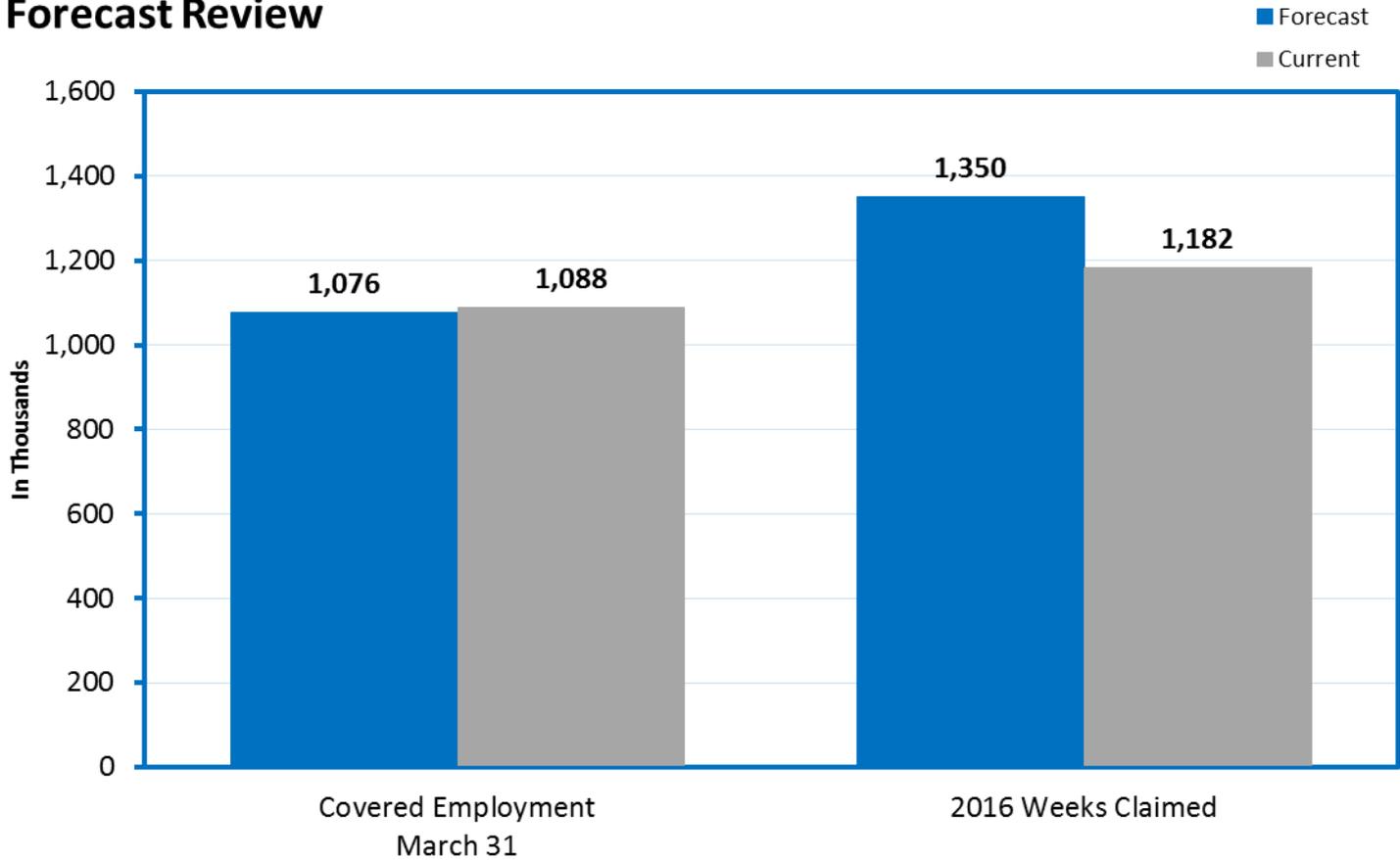
# 2017 Forecast: Review of Forecast for 2016

Forecast Review



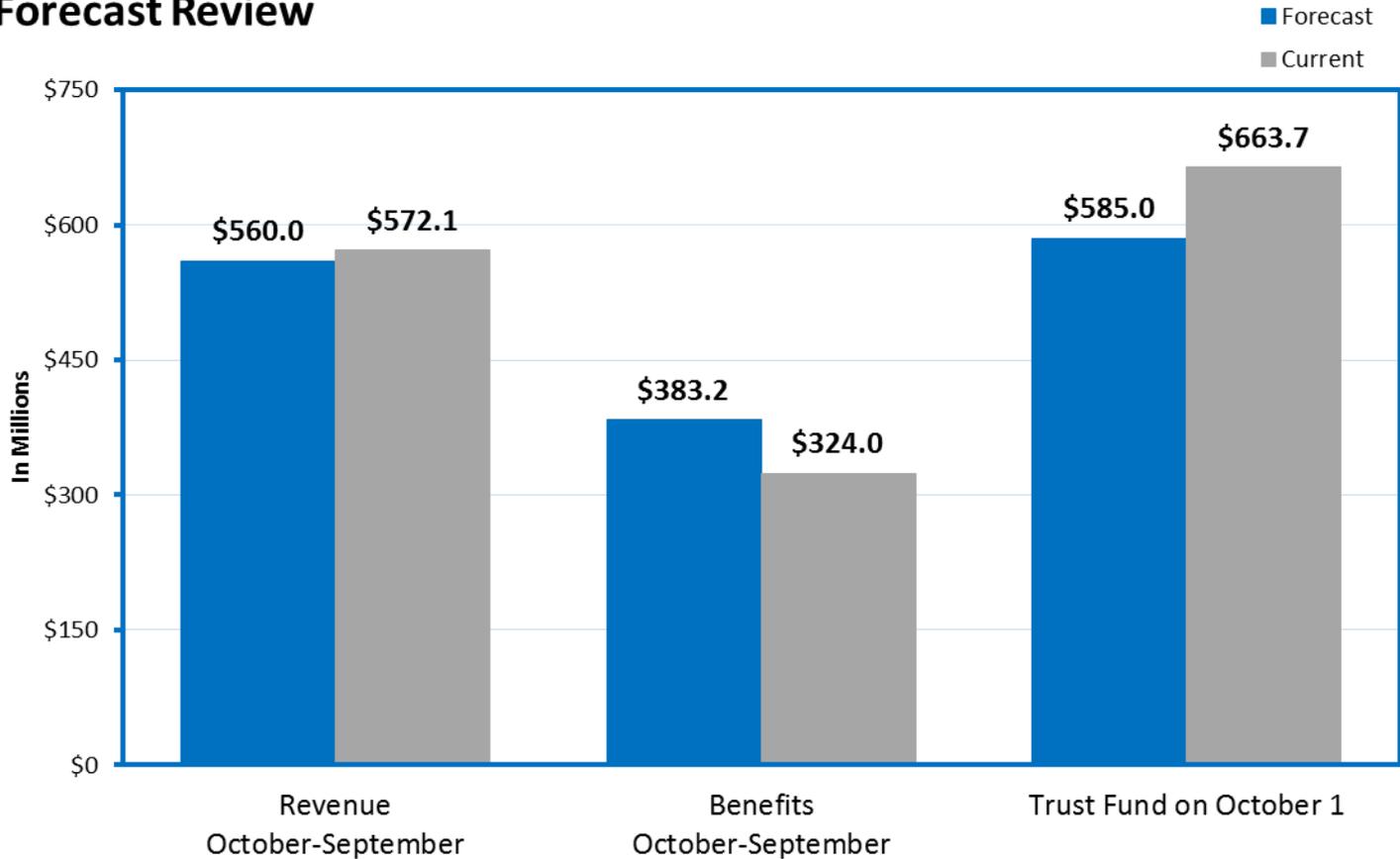
# 2017 Forecast: Review of Forecast for 2016

## Forecast Review



# 2017 Forecast: Review of Forecast for 2016

## Forecast Review



# 2017 Forecast: Historical Solvency Review

<b>Nevada Solvency Calculation</b> NRS 612.550	<b>Actual</b> <u>2012</u>	<b>Actual</b> <u>2013</u>	<b>Actual</b> <u>2014</u>	<b>Actual</b> <u>2015</u>	<b>Preliminary</b> <u>2016</u>
Covered Employment	958,866	979,091	1,009,195	1,051,719	1,087,749
Highest Risk Ratio	18.98%	18.98%	18.98%	18.98%	18.98%
Highest Weeks Duration	19.12	19.12	19.12	19.12	19.12
Average Weekly Payment	\$302.90	\$307.85	\$310.18	\$318.88	\$326.00
<b>Solvency Target (Millions)</b>	<b>\$1,054.0</b>	<b>\$1,093.8</b>	<b>\$1,136.0</b>	<b>\$1,217.0</b>	<b>\$1,286.8</b>
<b>Beginning Fund Balance (Millions)</b>	<b>(\$704.2)</b>	<b>(\$656.7)</b>	<b>(\$507.8)</b>	<b>\$225.5</b>	<b>\$419.3</b>
Intake to Fund	502.0	531.2	1693.3	535.9	572.1
Taxes	502.0	531.2	1097.8	528.8	560.3
Bond Proceeds	0.0	0.0	592.4	0.0	0.0
Interest	0.0	0.0	3.1	7.1	11.8
Payout From Fund	499.9	433.2	379.1	350.3	324.0
Regular Benefits	499.9	433.2	379.1	350.3	324.0
Net Change in Fund	47.5	148.9	1314.2	193.8	244.4
<b>Ending Fund Balance (Millions)</b>	<b>(\$656.7)</b>	<b>(\$507.8)</b>	<b>\$225.5</b>	<b>\$419.3</b>	<b>\$663.7</b>
<b>Solvency Level (Millions)</b>	<b>(1,710.7)</b>	<b>(1,601.6)</b>	<b>(910.4)</b>	<b>(797.7)</b>	<b>(\$623.1)</b>
Multiple	-0.62	-0.46	0.20	0.34	0.52
Average High Cost Multiple	-0.81	-0.59	0.25	0.43	0.63
<b>Average Tax Rate</b>	<b>2.00%</b>	<b>2.25%</b>	<b>1.95%</b>	<b>2.00%</b>	<b>1.95%</b>
Average Bond Assessment			0.63%	0.56%	0.62%
CEP Rate	0.05%	0.05%	0.05%	0.05%	0.05%
<b>Total Cost to Employers</b>	<b>2.05%</b>	<b>2.30%</b>	<b>2.63%</b>	<b>2.61%</b>	<b>2.62%</b>
<b>Average Cost per Employee at Max Taxable Wage (excl FUTA &amp; Interest)</b>	<b>\$541.20</b>	<b>\$618.70</b>	<b>\$720.62</b>	<b>\$725.58</b>	<b>\$738.84</b>



# 2017 Forecast: Potential 2017 Tax Rates

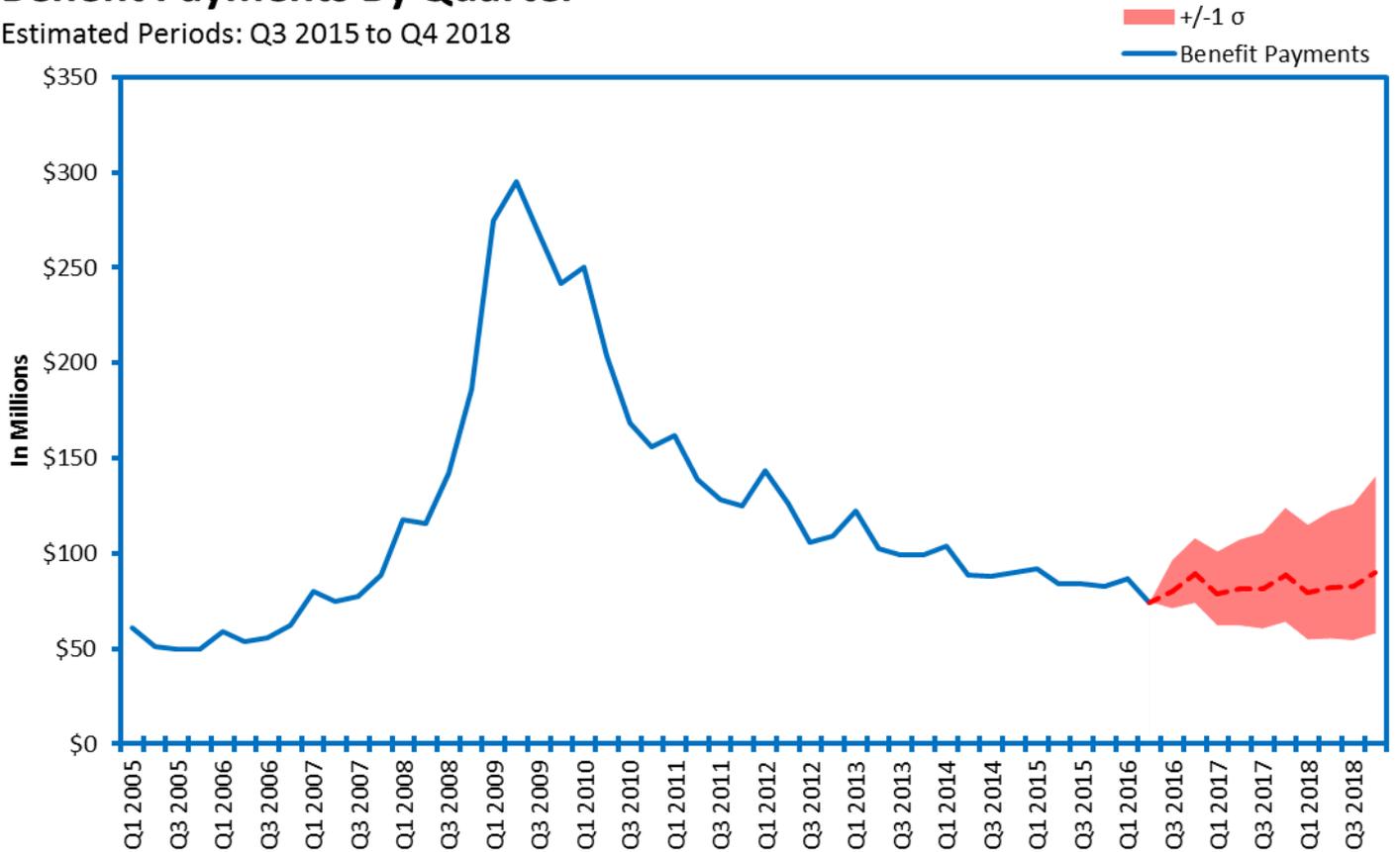
Nevada Solvency Calculation	2017	2017	2017	2017	2017
Covered Employment	1,115,458	1,115,458	1,115,458	1,115,458	1,115,458
Highest Risk Ratio - 11/2009	18.98%	18.98%	18.98%	18.98%	18.98%
Highest Weeks Duration - 05/2010	19.12	19.12	19.12	19.12	19.12
Average Weekly Payment	\$336.18	\$336.18	\$336.18	\$336.18	\$336.18
<b>Solvency Target (Millions)</b>	<b>\$1,360.8</b>	<b>\$1,360.8</b>	<b>\$1,360.8</b>	<b>\$1,360.8</b>	<b>\$1,360.8</b>
<b>UI Trust Fund Level</b>					
<b>10/1/2016 Fund Balance (Millions)</b>	<b>\$663.7</b>	<b>\$663.7</b>	<b>\$663.7</b>	<b>\$663.7</b>	<b>\$663.7</b>
Intake to Fund	607.6	618.1	628.5	639.0	649.4
Taxes	590.1	600.5	610.8	621.2	631.5
Interest	17.5	17.6	17.7	17.8	17.9
Payout From Fund	331.3	331.3	331.3	331.3	331.3
Regular Benefits	331.3	331.3	331.3	331.3	331.3
Net Change in Fund	276.3	286.7	297.2	307.6	318.1
<b>9/30/2017 Fund Balance (Millions)</b>	<b>\$940.0</b>	<b>\$950.5</b>	<b>\$960.91</b>	<b>\$971.35</b>	<b>\$981.8</b>
State Solvency Gap (Millions)	(420.8)	(410.3)	(399.9)	(389.5)	(379.0)
State Solvency Multiple	0.69	0.70	0.71	0.71	0.72
AHCM Solvency Gap (Millions)	(144.8)	(134.3)	(123.9)	(113.4)	(103.0)
Average High Cost Multiple	0.85	0.86	0.87	0.88	0.89
<b>Average Tax Rate</b>	<b>1.90%</b>	<b>1.95%</b>	<b>2.00%</b>	<b>2.05%</b>	<b>2.10%</b>
Average Bond Assessment	0.63%	0.63%	0.63%	0.63%	0.63%
CEP Assessment	0.05%	0.05%	0.05%	0.05%	0.05%
<b>Total Cost to Employers</b>	<b>2.58%</b>	<b>2.63%</b>	<b>2.68%</b>	<b>2.73%</b>	<b>2.78%</b>
<b>Average Cost Per Employee at Taxable Wage Base</b>	<b>\$761.10</b>	<b>\$775.85</b>	<b>\$790.60</b>	<b>\$805.35</b>	<b>\$820.10</b>



# 2017 Forecast: Benefit Payments to Stabilize

## Benefit Payments By Quarter

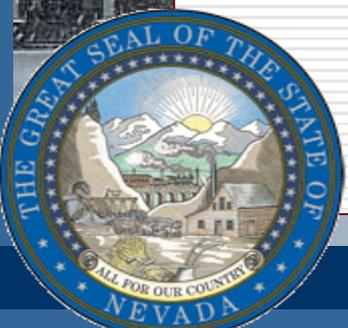
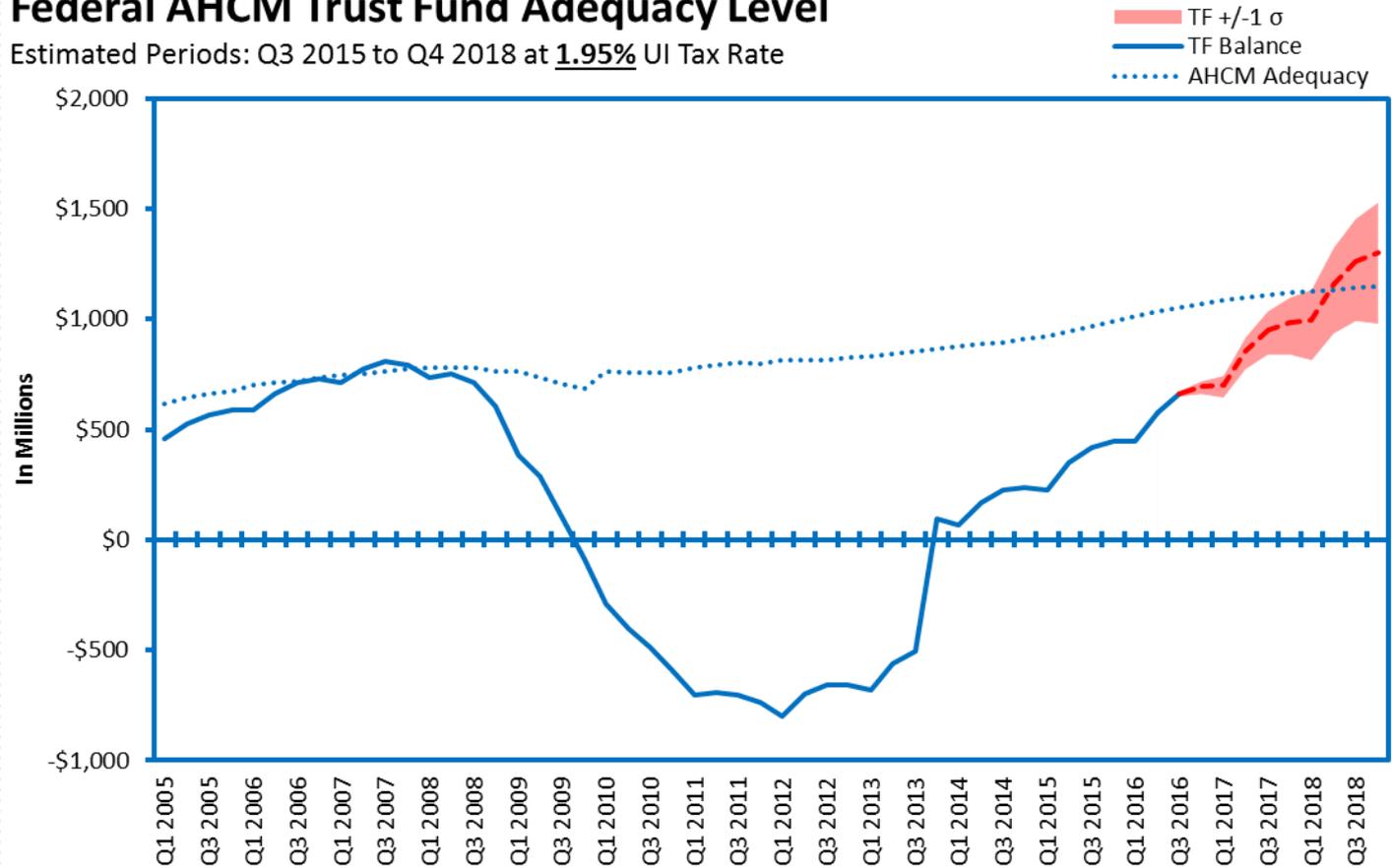
Estimated Periods: Q3 2015 to Q4 2018



# 2017 Forecast: AHCM Solvency Measure

## Federal AHCM Trust Fund Adequacy Level

Estimated Periods: Q3 2015 to Q4 2018 at 1.95% UI Tax Rate



# 2017 Forecast: Long Term Effect of Different Rates

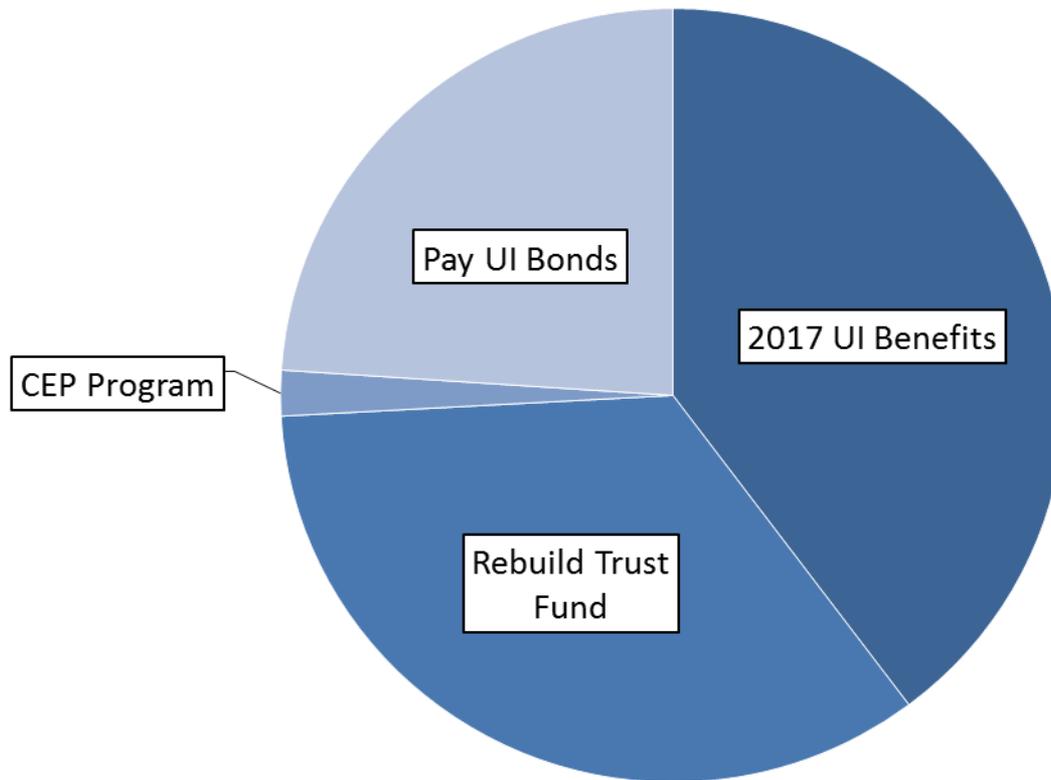
Tax Rate	2016 AHCM	2017 AHCM	2018 AHCM	2019 AHCM	2020 AHCM
1.90%	0.63	0.85	1.08	1.33	1.59
1.95%	0.63	0.86	1.11	1.37	1.37
2.00%	0.63	0.87	1.13	1.41	1.69
2.05%	0.63	0.88	1.15	1.44	1.74
2.10%	0.63	0.89	1.18	1.48	1.80

- ❑ Average time from end of one recession to start of the next during the last 50 years: 5.4 years (December 2014)
- ❑ Longest time from end of one recession to start of the next during the last 50 years: 10 years (June 2019)
- ❑ Estimates reflect constant tax rate for all years
- ❑ State solvency reached in 2019



# 2017 Forecast: Where do UI Contributions Go?

Distribution of UI Contributions



# 2017 Forecast: Other Considerations

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- ❑ When will a future recession hit?
  - ❑ 5.4 years = December 2014 (average recovery)
  - ❑ 10 years = June 2019 (longest recovery)
  - ❑ National projections for a long, slow recovery
- ❑ National and International Economic Concerns
  - ❑ Federal Reserve Rate Increases
  - ❑ Europe, China, South America
  - ❑ Worldwide Instability
- ❑ Bringing Stability to Employers
  - ❑ 1.95% average rate maintains overall rate stability



# STATE OF NEVADA

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Department of Employment, Training and Rehabilitation

## **EMPLOYMENT SECURITY DIVISION**

**2017**

## **TAX SCHEDULE EXPLANATION**

For

Unemployment Insurance

Edgar Roberts – Chief of Contributions

**Employment Security Council Meeting and Regulation Workshop**

**October 3, 2016**



# Employment Security Council

- ❑ ESD Administrator sets the tax rates each year by adopting a regulation. (NRS 612.550.5)
- ❑ The role of the Employment Security Council is to recommend a change in contribution rates whenever it becomes necessary to protect the solvency of the Unemployment Compensation Fund. (NRS 612.310)



# Regulatory Process

- ❑ October 3, 2016 – Employment Security Council Meeting and Regulation Workshop to provide a recommendation for the 2017 tax schedule to ESD Administrator
- ❑ ESD will submit a proposed regulation to LCB
- ❑ October 27, 2016 – Small Business Workshop
- ❑ December 8, 2016 – Public Hearing Adoption of annual regulation (NAC 612.270) by December 31, 2016



# FEDERAL UNEMPLOYMENT TAX = FUTA

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- ❑ **FUTA imposes a federal payroll tax on all employers of 6.0% of each employee's wages, up to \$7,000 (\$420 per year)**
- ❑ **Employers receive a credit of 5.4%, if the employer participates in a state unemployment program approved by the U.S. Secretary of Labor**
- ❑ **Net cost under normal circumstances is 0.6% X \$7,000 = \$42 per employee**
- ❑ **As of 2013, Nevada's bonding solution has restored the full FUTA credit for Nevada employers.**
- ❑ **State UI programs perform a certification process with the IRS to validate SUTA payments for FUTA credits.**



# STATE UNEMPLOYMENT TAX = SUTA

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**THE ONLY PURPOSE OF THE STATE TAX IS TO PAY UNEMPLOYMENT BENEFITS. ANY OTHER USE IS PROHIBITED.**

- Paid entirely by employers.**
- Tax rates vary based on the employer's previous experience with unemployment.**
- Funds must be deposited with the U.S. Treasury.**



# Experience Rating System

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- ❑ **NEW EMPLOYER RATE**  
**2.95% of Taxable Wages**
  
- ❑ **ANNUAL TAXABLE WAGE BASE**  
**2015 - \$27,800**  
**2016 - \$28,200**  
**2017 - \$29,500**
  
- ❑ **EXPERIENCE RATING**  
**3½ to 4 YEARS**



# Eligible Employer Rates

Rate Class	Rate	2016 Maximum Cost Per Employee Taxable Limit \$28,200	2017 Maximum Cost Per Employee Taxable Limit \$29,500
18	5.40%	\$1,522.80	\$1,593.00
17	5.05%	\$1,424.10	\$1,489.75
16	4.75%	\$1,339.50	\$1,401.25
15	4.45%	\$1,254.90	\$1,312.75
14	4.15%	\$1,170.30	\$1,224.25
13	3.85%	\$1,085.70	\$1,135.75
12	3.55%	\$1,001.10	\$1,047.25
11	3.25%	\$ 916.50	\$ 958.75
10	2.95%	\$ 831.90	\$ 870.25
9	2.65%	\$ 747.30	\$ 781.75
8	2.35%	\$ 662.70	\$ 693.25
7	2.05%	\$ 578.10	\$ 604.75
6	1.75%	\$ 493.50	\$ 516.25
5	1.45%	\$ 408.90	\$ 427.75
4	1.15%	\$ 324.30	\$ 339.25
3	0.85%	\$ 239.70	\$ 250.75
2	0.55%	\$ 155.10	\$ 162.25
1	0.25%	\$ 70.50	\$ 73.75



# RESERVE RATIO

**CONTRIBUTIONS PAID (MINUS) BENEFITS CHARGED**

**(DIVIDED BY)**

**AVERAGE TAXABLE PAYROLL FOR PRIOR 3 YEARS**

**(2013, 2014, 2015)**

**=**

**RESERVE RATIO**

## EXAMPLE

**\$60,000 - \$20,000 = \$40,000 / \$400,000 = .10 or 10% Reserve Ratio**



# Setting the Annual Rate Schedule

- ❑ Solvency of the state UI Trust Fund is measured on September 30<sup>th</sup>
- ❑ Projections are calculated for the next calendar year
  - ❑ Number of active employers
  - ❑ Amount of taxable payroll
  - ❑ Amount of state UI benefits that will be paid
  - ❑ Estimated revenues required for benefit payouts and trust fund solvency in the next calendar year
  - ❑ Optional schedules are developed with variable average tax rates and revenue projections



**ESTIMATED REVENUE AND EMPLOYER DISTRIBUTION  
CALENDAR YEAR 2017**

Class	RESERVE RATIO		TAX RATE	EMPLOYERS		TAXABLE WAGES		REVENUE (\$MILL)
	From	To		#	%	(\$MILL)	%	
18	<	-12.1	5.40%	2987	6.7%	\$1,169.24	4.1%	\$63.14
17	-12.1	-10.5	5.05%	225	0.5%	\$68.35	0.2%	\$3.45
16	-10.5	-8.9	4.75%	242	0.5%	\$114.60	0.4%	\$5.44
15	-8.9	-7.3	4.45%	293	0.7%	\$86.82	0.3%	\$3.86
14	-7.3	-5.7	4.15%	395	0.9%	\$181.75	0.6%	\$7.54
13	-5.7	-4.2	3.85%	458	1.0%	\$179.12	0.6%	\$6.90
12	-4.2	-2.6	3.55%	579	1.3%	\$368.90	1.3%	\$13.10
11	-2.6	-1.0	3.25%	714	1.6%	\$398.32	1.4%	\$12.95
10	-1.0	0.6	2.95%	1198	2.7%	\$679.36	2.4%	\$20.04
9	0.6	2.2	2.65%	1318	2.9%	\$989.19	3.5%	\$26.21
8	2.2	3.8	2.35%	2011	4.5%	\$1,427.34	5.0%	\$33.54
7	3.8	5.4	2.05%	2715	6.1%	\$3,648.46	12.8%	\$74.79
6	5.4	7.0	1.75%	3904	8.7%	\$5,210.08	18.3%	\$91.18
5	7.0	8.6	1.45%	4796	10.7%	\$7,045.22	24.8%	\$102.16
4	8.6	10.2	1.15%	5913	13.2%	\$4,368.43	15.4%	\$50.24
3	10.2	11.8	0.85%	6039	13.5%	\$1,629.33	5.7%	\$13.85
2	11.8	13.3	0.55%	5254	11.7%	\$490.58	1.7%	\$2.70
1	13.3	>	0.25%	5790	12.9%	\$344.91	1.2%	\$0.86

Total Eligible Employers		44,831	100.0%	\$28,400.00	100.0%	\$531.95
New Employers	2.95%	23,558		\$2200.00		\$64.90
<b>TOTAL</b>		<b>68,389</b>		<b>\$30,600.00</b>		<b>\$596.85</b>

**Average UI Rate: 1.95%    C.E.P.: 0.05%    Bond Rate: 0.63%    TOTAL TAX RATE: 2.63%**



**ESTIMATED REVENUE AND EMPLOYER DISTRIBUTION  
CALENDAR YEAR 2017**

Class	RESERVE RATIO		TAX RATE	EMPLOYERS		TAXABLE WAGES		REVENUE (\$MILL)
	From	To		#	%	(\$MILL)	%	
18	<	-11.2	5.40%	3113	6.9%	\$1,207.44	4.3%	\$65.20
17	-11.2	-9.6	5.05%	228	0.5%	\$99.91	0.4%	\$5.05
16	-9.6	-8.0	4.75%	268	0.6%	\$92.95	0.3%	\$4.42
15	-8.0	-6.4	4.45%	353	0.8%	\$133.26	0.5%	\$5.93
14	-6.4	-4.8	4.15%	411	0.9%	\$154.87	0.5%	\$6.43
13	-4.8	-3.3	3.85%	540	1.2%	\$362.21	1.3%	\$13.95
12	-3.3	-1.7	3.55%	647	1.4%	\$338.31	1.2%	\$12.01
11	-1.7	-0.1	3.25%	859	1.9%	\$484.35	1.7%	\$15.74
10	-0.1	1.5	2.95%	1349	3.0%	\$717.50	2.5%	\$21.17
9	1.5	3.1	2.65%	1727	3.9%	\$1,398.51	4.9%	\$37.06
8	3.1	4.7	2.35%	2333	5.2%	\$2,067.76	7.3%	\$48.59
7	4.7	6.3	2.05%	3382	7.5%	\$4,932.95	17.4%	\$101.13
6	6.3	7.9	1.75%	4530	10.1%	\$6,775.12	23.9%	\$118.56
5	7.9	9.5	1.45%	5468	12.2%	\$5,655.93	19.9%	\$82.01
4	9.5	11.1	1.15%	6103	13.6%	\$2,700.74	9.5%	\$31.06
3	11.1	12.7	0.85%	6388	14.2%	\$798.39	2.8%	\$6.79
2	12.7	14.2	0.55%	2466	5.5%	\$211.01	0.7%	\$1.16
1	14.2	>	0.25%	4666	10.4%	\$268.78	0.9%	\$0.67

Total Eligible Employers		44,831	100.0%	\$28,400.00	100.0%	\$576.93
New Employers	2.95%	23,558		\$2,200.00		\$64.90

<b>TOTAL</b>		<b>68,389</b>		<b>\$30,600.00</b>		<b>\$641.83</b>
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**Average UI Rate: 2.10%    C.E.P.: 0.05%    Bond Rate: 0.63%    TOTAL TAX RATE: 2.78%**



**SUMMARY**

Estimated Distribution of Employers  
Calendar Year 2017

Page #	1	2	3	4	5
Range of	-12.4	-12.1	-11.8	-11.5	-11.2
Reserve Ratios	13.0	13.3	13.6	13.9	14.2
Increments	1.6	1.6	1.6	1.6	1.6
Average UI Rate	1.90%	1.95%	2.00%	2.05%	2.10%
CEP	0.05%	0.05%	0.05%	0.05%	0.05%
Bond Rate	0.63%	0.63%	0.63%	0.63%	0.63%
Total	2.58%	2.63%	2.68%	2.73%	2.78%

<b>REVENUE (mil)</b>	<b>\$580.59</b>	<b>\$596.85</b>	<b>\$611.73</b>	<b>\$628.34</b>	<b>\$641.83</b>
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**ELIGIBLE EMPLOYERS**

5.40%	2942.0	2987.0	3041.0	3075.0	3113.0
5.05%	225.0	225.0	218.0	219.0	228.0
4.75%	237.0	242.0	246.0	259.0	268.0
4.45%	282.0	293.0	319.0	342.0	353.0
4.15%	379.0	395.0	398.0	397.0	411.0
3.85%	445	458.0	469.0	507.0	540.0
3.55%	538	579.0	618.0	629.0	647.0
3.25%	678	714.0	759.0	813.0	859.0
2.95%	1121	1198.0	1250.0	1296.0	1349.0
2.65%	1270	1318.0	1435.0	1570.0	1727.0
2.35%	1885	2011.0	2127.0	2227.0	2333.0
2.05%	2565	2715.0	2875.0	3081.0	3382.0
1.75%	3688	3904.0	4144.0	4408.0	4530.0
1.45%	4640	4796.0	5194.0	5250.0	5468.0
1.15%	5745	5913.0	5814.0	6012.0	6103.0
0.85%	6093	6039.0	6084.0	6190.0	6388.0
0.55%	5834	5254.0	4473.0	3552.0	2466.0
0.25%	6264	5790.0	5367.0	5004.0	4666.0
<b>Total</b>	<b>44,831</b>	<b>44,831</b>	<b>44,831</b>	<b>44,831</b>	<b>44,831</b>



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

**LCB File N0. R**

October 3, 2016

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 2017 and providing other matters properly relating thereto.

**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 ~~[2016:]~~ *2017:*

1. Class 1: A rate of 0.25 percent is assigned to each employer whose reserve ratio is ~~[11.9]~~ *13.0* 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]~~ *11.5* percent but less than ~~[11.9]~~ *13.0* percent;
3. Class 3: A rate of 0.85 percent is assigned to each employer whose reserve ratio is at least ~~[8.7]~~ *9.9* percent but less than ~~[10.3]~~ *11.5* percent;
4. Class 4: A rate of 1.15 percent is assigned to each employer whose reserve ratio is at least ~~[7.1]~~ *8.3* percent but less than ~~[8.7]~~ *9.9* percent;
5. Class 5: A rate of 1.45 percent is assigned to each employer whose reserve ratio is at least ~~[5.5]~~ *6.7* percent but less than ~~[7.1]~~ *8.3* percent;

6. Class 6: A rate of 1.75 percent is assigned to each employer whose reserve ratio is at least ~~[3.9]~~ 5.1 percent but less than ~~[5.5]~~ 6.7 percent;

7. Class 7: A rate of 2.05 percent is assigned to each employer whose reserve ratio is at least ~~[2.3]~~ 3.5 percent but less than ~~[3.9]~~ 5.1 percent;

8. Class 8: A rate of 2.35 percent is assigned to each employer whose reserve ratio is at least ~~[0.7]~~ 1.9 percent but less than ~~[2.3]~~ 3.5 percent;

9. Class 9: A rate of 2.65 percent is assigned to each employer whose reserve ratio is at least ~~[-0.9]~~ 0.3 percent but less than ~~[0.7]~~ 1.9 percent;

10. Class 10: A rate of 2.95 percent is assigned to each employer whose reserve ratio is at least ~~[-2.5]~~ -1.3 percent but less than ~~[-0.9]~~ 0.3 percent;

11. Class 11: A rate of 3.25 percent is assigned to each employer whose reserve ratio is at least ~~[-4.1]~~ -2.9 percent but less than ~~[-2.5]~~ -1.3 percent;

12. Class 12: A rate of 3.55 percent is assigned to each employer whose reserve ratio is at least ~~[-5.7]~~ -4.5 percent but less than ~~[-4.1]~~ -2.9 percent;

13. Class 13: A rate of 3.85 percent is assigned to each employer whose reserve ratio is at least ~~[-7.3]~~ -6.0 percent but less than ~~[-5.7]~~ -4.5 percent;

14. Class 14: A rate of 4.15 percent is assigned to each employer whose reserve ratio is at least ~~[-8.9]~~ -7.6 percent but less than ~~[-7.3]~~ -6.0 percent;

15. Class 15: A rate of 4.45 percent is assigned to each employer whose reserve ratio is at least ~~[-10.5]~~ -9.2 percent but less than ~~[-8.9]~~ -7.6 percent;

16. Class 16: A rate of 4.75 percent is assigned to each employer whose reserve ratio is at least ~~[-12.1]~~ -10.8 percent but less than ~~[-10.5]~~ -9.2 percent;

17. Class 17: A rate of 5.05 percent is assigned to each employer whose reserve ratio is at least ~~[-13.7]~~ -12.4 percent but less than ~~[-12.1]~~ -10.8 percent; and

18. Class 18: A rate of 5.4 percent is assigned to each employer whose reserve ratio is less than ~~[-13.7]~~ -12.4 percent.

**Sec. 2.** This regulation becomes effective on January 1, 2017.

---

Renee L Olson, Administrator  
Employment Security Division

**PROPOSED REGULATION OF THE ADMINISTRATOR OF THE  
EMPLOYMENT SECURITY DIVISION OF THE DEPARTMENT  
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6. Class 6: A rate of 1.75 percent is assigned to each employer whose reserve ratio is at least ~~[4.2]~~ 5.4 percent but less than ~~[5.8]~~ 7.0 percent;

7. Class 7: A rate of 2.05 percent is assigned to each employer whose reserve ratio is at least ~~[2.6]~~ 3.8 percent but less than ~~[4.2]~~ 5.4 percent;

8. Class 8: A rate of 2.35 percent is assigned to each employer whose reserve ratio is at least ~~[1.0]~~ 2.2 percent but less than ~~[2.6]~~ 3.8 percent;

9. Class 9: A rate of 2.65 percent is assigned to each employer whose reserve ratio is at least ~~[-0.6]~~ 0.6 percent but less than ~~[1.0]~~ 2.2 percent;

10. Class 10: A rate of 2.95 percent is assigned to each employer whose reserve ratio is at least ~~[-2.2]~~ -1.0 percent but less than ~~[-0.6]~~ 0.6 percent;

11. Class 11: A rate of 3.25 percent is assigned to each employer whose reserve ratio is at least ~~[-3.8]~~ -2.6 percent but less than ~~[-2.2]~~ -1.0 percent;

12. Class 12: A rate of 3.55 percent is assigned to each employer whose reserve ratio is at least ~~[-5.4]~~ -4.2 percent but less than ~~[-3.8]~~ -2.6 percent;

13. Class 13: A rate of 3.85 percent is assigned to each employer whose reserve ratio is at least ~~[-7.0]~~ -5.7 percent but less than ~~[-5.4]~~ -4.2 percent;

14. Class 14: A rate of 4.15 percent is assigned to each employer whose reserve ratio is at least ~~[-8.6]~~ -7.3 percent but less than ~~[-7.0]~~ -5.7 percent;

15. Class 15: A rate of 4.45 percent is assigned to each employer whose reserve ratio is at least ~~[-10.2]~~ -8.9 percent but less than ~~[-8.6]~~ -7.3 percent;

16. Class 16: A rate of 4.75 percent is assigned to each employer whose reserve ratio is at least ~~[-11.8]~~ -10.5 percent but less than ~~[-10.2]~~ -8.9 percent;

17. Class 17: A rate of 5.05 percent is assigned to each employer whose reserve ratio is at least ~~[-13.4]~~ -12.1 percent but less than ~~[-11.8]~~ -10.5 percent; and

18. Class 18: A rate of 5.4 percent is assigned to each employer whose reserve ratio is less than ~~[-13.4]~~ -12.1 percent.

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Renee L Olson, Administrator  
Employment Security Division

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1. Class 1: A rate of 0.25 percent is assigned to each employer whose reserve ratio is ~~[12.5]~~ *13.6* percent or more;
2. Class 2: A rate of 0.55 percent is assigned to each employer whose reserve ratio is at least ~~[10.9]~~ *12.1* percent but less than ~~[12.5]~~ *13.6* percent;
3. Class 3: A rate of 0.85 percent is assigned to each employer whose reserve ratio is at least ~~[9.3]~~ *10.5* percent but less than ~~[10.9]~~ *12.1* percent;
4. Class 4: A rate of 1.15 percent is assigned to each employer whose reserve ratio is at least ~~[7.7]~~ *8.9* percent but less than ~~[9.3]~~ *10.5* percent;
5. Class 5: A rate of 1.45 percent is assigned to each employer whose reserve ratio is at least ~~[6.1]~~ *7.3* percent but less than ~~[7.7]~~ *8.9* percent;

6. Class 6: A rate of 1.75 percent is assigned to each employer whose reserve ratio is at least ~~[4.5]~~ 5.7 percent but less than ~~[6.1]~~ 7.3 percent;

7. Class 7: A rate of 2.05 percent is assigned to each employer whose reserve ratio is at least ~~[2.9]~~ 4.1 percent but less than ~~[4.5]~~ 5.7 percent;

8. Class 8: A rate of 2.35 percent is assigned to each employer whose reserve ratio is at least ~~[1.3]~~ 2.5 percent but less than ~~[2.9]~~ 4.1 percent;

9. Class 9: A rate of 2.65 percent is assigned to each employer whose reserve ratio is at least ~~[-0.3]~~ 0.9 percent but less than ~~[1.3]~~ 2.5 percent;

10. Class 10: A rate of 2.95 percent is assigned to each employer whose reserve ratio is at least ~~[-1.9]~~ -0.7 percent but less than ~~[-0.3]~~ 0.9 percent;

11. Class 11: A rate of 3.25 percent is assigned to each employer whose reserve ratio is at least ~~[-3.5]~~ -2.3 percent but less than ~~[-1.9]~~ -0.7 percent;

12. Class 12: A rate of 3.55 percent is assigned to each employer whose reserve ratio is at least ~~[-5.1]~~ -3.9 percent but less than ~~[-3.5]~~ -2.3 percent;

13. Class 13: A rate of 3.85 percent is assigned to each employer whose reserve ratio is at least ~~[-6.7]~~ -5.4 percent but less than ~~[-5.1]~~ -3.9 percent;

14. Class 14: A rate of 4.15 percent is assigned to each employer whose reserve ratio is at least ~~[-8.3]~~ -7.0 percent but less than ~~[-6.7]~~ -5.4 percent;

15. Class 15: A rate of 4.45 percent is assigned to each employer whose reserve ratio is at least ~~[-9.9]~~ -8.6 percent but less than ~~[-8.3]~~ -7.0 percent;

16. Class 16: A rate of 4.75 percent is assigned to each employer whose reserve ratio is at least ~~[-11.5]~~ -10.2 percent but less than ~~[-9.9]~~ -8.6 percent;

17. Class 17: A rate of 5.05 percent is assigned to each employer whose reserve ratio is at least ~~[-13.1]~~ -11.8 percent but less than ~~[-11.5]~~ -10.2 percent; and

18. Class 18: A rate of 5.4 percent is assigned to each employer whose reserve ratio is less than ~~[-13.1]~~ -11.8 percent.

**Sec. 2.** This regulation becomes effective on January 1, 2017.

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Renee L Olson, Administrator  
Employment Security Division

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

**LCB File N0. R**

October 3, 2016

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 2017 and providing other matters properly relating thereto.

**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 ~~2016;~~ *2017*:

1. Class 1: A rate of 0.25 percent is assigned to each employer whose reserve ratio is ~~12.8~~ *13.9* percent or more;
2. Class 2: A rate of 0.55 percent is assigned to each employer whose reserve ratio is at least ~~11.2~~ *12.4* percent but less than ~~12.8~~ *13.9* percent;
3. Class 3: A rate of 0.85 percent is assigned to each employer whose reserve ratio is at least ~~9.6~~ *10.8* percent but less than ~~11.2~~ *12.4* percent;
4. Class 4: A rate of 1.15 percent is assigned to each employer whose reserve ratio is at least ~~8.0~~ *9.2* percent but less than ~~9.6~~ *10.8* percent;
5. Class 5: A rate of 1.45 percent is assigned to each employer whose reserve ratio is at least ~~6.4~~ *7.6* percent but less than ~~8.0~~ *9.2* percent;

6. Class 6: A rate of 1.75 percent is assigned to each employer whose reserve ratio is at least ~~[4.8]~~ 6.0 percent but less than ~~[6.4]~~ 7.6 percent;

7. Class 7: A rate of 2.05 percent is assigned to each employer whose reserve ratio is at least ~~[3.2]~~ 4.4 percent but less than ~~[4.8]~~ 6.0 percent;

8. Class 8: A rate of 2.35 percent is assigned to each employer whose reserve ratio is at least ~~[1.6]~~ 2.8 percent but less than ~~[3.2]~~ 4.4 percent;

9. Class 9: A rate of 2.65 percent is assigned to each employer whose reserve ratio is at least ~~[-0.0]~~ 1.2 percent but less than ~~[1.6]~~ 2.8 percent;

10. Class 10: A rate of 2.95 percent is assigned to each employer whose reserve ratio is at least ~~[-1.6]~~ -0.4 percent but less than ~~[-0.0]~~ 1.2 percent;

11. Class 11: A rate of 3.25 percent is assigned to each employer whose reserve ratio is at least ~~[-3.2]~~ -2.0 percent but less than ~~[-1.6]~~ -0.4 percent;

12. Class 12: A rate of 3.55 percent is assigned to each employer whose reserve ratio is at least ~~[-4.8]~~ -3.6 percent but less than ~~[-3.2]~~ -2.0 percent;

13. Class 13: A rate of 3.85 percent is assigned to each employer whose reserve ratio is at least ~~[-6.4]~~ -5.1 percent but less than ~~[-4.8]~~ -3.6 percent;

14. Class 14: A rate of 4.15 percent is assigned to each employer whose reserve ratio is at least ~~[-8.0]~~ -6.7 percent but less than ~~[-6.4]~~ -5.1 percent;

15. Class 15: A rate of 4.45 percent is assigned to each employer whose reserve ratio is at least ~~[-9.6]~~ -8.3 percent but less than ~~[-8.0]~~ -6.7 percent;

16. Class 16: A rate of 4.75 percent is assigned to each employer whose reserve ratio is at least ~~[-11.2]~~ -9.9 percent but less than ~~[-9.6]~~ -8.3 percent;

17. Class 17: A rate of 5.05 percent is assigned to each employer whose reserve ratio is at least ~~[-12.8]~~ -11.5 percent but less than ~~[-11.2]~~ -9.9 percent; and

18. Class 18: A rate of 5.4 percent is assigned to each employer whose reserve ratio is less than ~~[-12.8]~~ -11.5 percent.

**Sec. 2.** This regulation becomes effective on January 1, 2017.

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Renee L Olson, Administrator  
Employment Security Division

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

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October 3, 2016

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 2017 and providing other matters properly relating thereto.

**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 ~~[2016:]~~ *2017:*

1. Class 1: A rate of 0.25 percent is assigned to each employer whose reserve ratio is ~~[13.1]~~ *14.2* percent or more;
2. Class 2: A rate of 0.55 percent is assigned to each employer whose reserve ratio is at least ~~[11.5]~~ *12.7* percent but less than ~~[13.1]~~ *14.2* percent;
3. Class 3: A rate of 0.85 percent is assigned to each employer whose reserve ratio is at least ~~[8.9]~~ *11.1* percent but less than ~~[11.5]~~ *12.7* percent;
4. Class 4: A rate of 1.15 percent is assigned to each employer whose reserve ratio is at least ~~[8.3]~~ *9.5* percent but less than ~~[9.9]~~ *11.1* percent;
5. Class 5: A rate of 1.45 percent is assigned to each employer whose reserve ratio is at least ~~[6.7]~~ *7.9* percent but less than ~~[8.3]~~ *9.5* percent;

6. Class 6: A rate of 1.75 percent is assigned to each employer whose reserve ratio is at least ~~[5.1]~~ 6.3 percent but less than ~~[6.7]~~ 7.9 percent;

7. Class 7: A rate of 2.05 percent is assigned to each employer whose reserve ratio is at least ~~[3.5]~~ 4.7 percent but less than ~~[5.1]~~ 6.3 percent;

8. Class 8: A rate of 2.35 percent is assigned to each employer whose reserve ratio is at least ~~[1.9]~~ 3.1 percent but less than ~~[3.5]~~ 4.7 percent;

9. Class 9: A rate of 2.65 percent is assigned to each employer whose reserve ratio is at least ~~[0.3]~~ 1.5 percent but less than ~~[1.9]~~ 3.1 percent;

10. Class 10: A rate of 2.95 percent is assigned to each employer whose reserve ratio is at least ~~[-1.3]~~ -0.1 percent but less than ~~[0.3]~~ 1.5 percent;

11. Class 11: A rate of 3.25 percent is assigned to each employer whose reserve ratio is at least ~~[-2.9]~~ -1.7 percent but less than ~~[-1.3]~~ -0.1 percent;

12. Class 12: A rate of 3.55 percent is assigned to each employer whose reserve ratio is at least ~~[-4.5]~~ -3.3 percent but less than ~~[-2.9]~~ -1.7 percent;

13. Class 13: A rate of 3.85 percent is assigned to each employer whose reserve ratio is at least ~~[-6.1]~~ -4.8 percent but less than ~~[-4.5]~~ -3.3 percent;

14. Class 14: A rate of 4.15 percent is assigned to each employer whose reserve ratio is at least ~~[-7.7]~~ -6.4 percent but less than ~~[-6.1]~~ -4.8 percent;

15. Class 15: A rate of 4.45 percent is assigned to each employer whose reserve ratio is at least ~~[-9.3]~~ -8.0 percent but less than ~~[-7.7]~~ -6.4 percent;

16. Class 16: A rate of 4.75 percent is assigned to each employer whose reserve ratio is at least ~~[-10.9]~~ -9.6 percent but less than ~~[-9.3]~~ -8.0 percent;

17. Class 17: A rate of 5.05 percent is assigned to each employer whose reserve ratio is at least ~~[-12.5]~~ -11.2 percent but less than ~~[-10.9]~~ -9.6 percent; and

18. Class 18: A rate of 5.4 percent is assigned to each employer whose reserve ratio is less than ~~[-12.5]~~ -11.2 percent.

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