

Chapter 612 of NAC

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

LCB File No. E001-15

(Effective for 120 days after January 29, 2015)

December 19, 2014

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

Filing of an Emergency Administrative Regulation

AUTHORITY citation other than 233B; NRS 612.220; 612.115

A REGULATION relating to unemployment compensation; prescribing the definition of employment for full-time active duty Nevada National Guard or Nevada Air National Guard members.

Section 1. Chapter 612 of the Nevada Administrative Code (NAC), Unemployment Compensation, Claims for Benefits section is hereby amended to add NAC 612.115 to read as follows:

NAC 612.115: Full-time active duty Nevada National Guard or Nevada Air National Guard members with 90 days of continuous service will be considered as “employment”. (NRS 612.220, 612.115)

Active National or Air National Guard/Reserve members who are ordered to 90 days or more of continuous active duty or full-time National or Air National Guard duty will be considered employed and upon separation will be eligible to use the wages for an unemployment compensation for Ex-servicemembers (UCX) claim. The federal government will fund any UCX compensation paid to an unemployed worker whose base period wages include federal military wages.

Section 2. This regulation becomes effective on approval by the governor and upon filing with the Secretary of State and expires 120 days after its effective date.

Statement of Emergency

Due to the downsizing of the United States Military, several honorably discharged Nevada National Guard or Nevada Air National Guard members who were ordered to active duty and who served the federal government for at least 90 days of continuous service, have filed for unemployment insurance (UI) compensation. However, the wording of Section 612.115.1 of the Nevada Revised Statutes, which states in part, "Employment includes service performed in the employ of this State . . . except service: (c) As a member of the Nevada National Guard or Nevada Air National Guard", excludes these individuals from using their military wages to establish a UI claim. Unemployment Compensation for Ex-servicemembers (UCX) provides income support while former

Dated this 19th day of December, 2014:

/s/
Renee L. Olson, Administrator
Employment Security Division

I hereby endorse the Statement of Emergency prepared by the Administrator of the Employment Security Division, Department of Employment, Training and Rehabilitation.

Dated this 23rd day of January 2015:

/s/
Brian Sandoval, Governor
State of Nevada

**LEGISLATIVE REVIEW OF ADOPTED EMERGENCY REGULATION
AS REQUIRED BY NRS 233B.066**

**Regulation Informational Statement Department of Employment, Training
and Rehabilitation Emergency Regulation Concerning UI Eligibility of
Certain National Guard Members**

The following informational statement is submitted for adopted amendments to Nevada Revised Statutes (NRS) 612.115(1)(c).

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

Amend the “Claims for Benefits” section of NAC to consider members of the Nevada National Guard or Nevada Air National Guard as “employed” if the following conditions are met:

- a. Member is ordered to full-time active duty for at least 90 continuous days.
- b. Member is paid under Title 32.
- c. Member is released from military service under unemployment compensation for Ex-servicemembers (UCX) eligibility separation reasons.
- d. Member is otherwise entitled to receive unemployment benefits per UI regulations.

At the time of the regulation, the Division had identified 24 individuals discharged by the Nevada National Guard and Nevada Air National Guard.

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

Estimated Economic Impact

Unemployment Insurance (UI) benefits provide assistance to individuals who lose their jobs through no fault of their own, providing temporary & limited income replacement during a transition between jobs. Estimates of the economic impact of UI payments suggest that between \$2 and \$2.15 in economic activity is produced for each \$1 of benefits paid. Looking only at the federally funded military benefits impacted by this regulation, total benefits payable are estimated between \$25,000 and \$169,000, with a positive economic impact of \$50,000 to \$361,000.

Beneficial Impacts

The primary beneficial impact of this regulation is for the individuals directly affected by it. Over a 17-week period, (the number of weeks within the regulation’s 120-day period), at the \$412 maximum weekly benefit payable, this may provide up to \$7,000 to each affected individual (less, if they have insufficient National Guard wages to qualify for this full benefit).

Adverse Impacts

The individuals that did file for Unemployment Compensation for Ex-servicemembers (UCX), only have military wages in their base period and the federal government will be

billed for any benefits paid. At this time, there would be no adverse impact on private Nevada employers. However, it is possible that this regulation will cause some individuals with wages from private Nevada employers to become eligible for benefits when they would otherwise be ineligible for any benefits. If this is the case, and the Nevada employer is chargeable for their share of the claimant's benefits, then these employers' UI reserve ratios would be negatively impacted. Such effects would be small, and unlikely to affect the UI contribution rates paid by such employers, but it is remotely possible.

Immediate Impacts

The direct, immediate impact of the regulation would be the UI benefit eligibility of, at the time of the regulation, 24 individuals discharged by the Nevada National Guard and Nevada Air National Guard. This would provide those individuals with eligibility for immediate payment of Unemployment Compensation for Ex-servicemembers (UCX), with total benefits payable estimated between \$25,000 and \$169,000 and a total economic impact of \$50,000 to \$361,000.

Long Term Impacts

Absent any permanent changes to Nevada's laws and regulations, no long-term impact is expected due to this regulation.

3. The estimated cost to the agency for enforcement of the proposed regulation.

This regulation will be enforced as a regular part of ongoing UI operations, and does not represent a significant burden on staff time. Funding for the administration of the UI program is provided to the Department by the US Department of Labor.

4. 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 does not overlap or duplicate any regulation of other state or government agencies.

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

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

6. If the regulation provides 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.

The regulation does not provide or involve a new fee.