

STATE OF NEVADA
EMPLOYMENT SECURITY DIVISION (ESD)

LISTENING SESSION TO SOLICIT PUBLIC COMMENTS
ON PROPOSED REGULATION AMENDMENT TO NAC
612

**EMPLOYER SELF SERVICES (ESS) AND ELECTRONIC FILING OF
UNEMPLOYMENT INSURANCE CONTRIBUTION AND WAGE REPORTS**

Tuesday, July 18, 2017; 9:00 A.M.

Place of Meeting:

Live Meeting:

State Capitol Building
Old Assembly Chambers
101 N. Carson Street, 2nd Floor
Carson City, NV 89701

Department of Employment, Training and Rehabilitation (DETR) Staff Present

Renee Olson, Employment Security Division (ESD) Administrator

Jeffrey Frischmann, Employment Security Division (ESD) Deputy Administrator

Christina Guzman, ESD/DETR

Mikki Reed, ESD/DETR

Amy Yukish, ESD/DETR

Marko Markovic, ESD/DETR

Members of the Public, Media and Other Agencies Present

Cheryl Blomstrom, Nevada Taxpayers Association

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1 OLSON: Good Morning. My name is Renee Olson. I
2 serve as the Administrator of the Employment Security Division
3 for the Department of Employment, Training and Rehabilitation. I
4 would like to call this meeting to order and welcome you to
5 today's Listening Session regarding Employer Self-Service and
6 Electronic Filing of Unemployment Insurance Contribution and Wage
7 Reports.

8 The purpose of this session is for us to hear your
9 thoughts, ideas, and suggestions about the regulation that we are
10 purposing to adopt next year. This will help us to craft
11 effective and appropriate public policy that is well thought out
12 and helps us improve the operations of the UI Program, and
13 hopefully the customer service experience of our clients and
14 customers. This regulation would require Employers to submit
15 quarterly Contribution and Wage reports electronically. Copies
16 of the purposed regulations were posted to our website and we
17 have provided copies here for your convenience. I will be
18 taking Agenda Item 6 out of order to proceed Item 5. In this
19 order, you will first hear a brief explanation of the purposed
20 regulation, and then we will be giving a demonstration of the
21 system, tools, and options available to employers that will
22 enable compliance with the purposed regulation.

23 Our Agenda today is extensive and we want to provide ample
24 time to hear from you today. We have two opportunities for
25 public comment, one at the beginning of our meeting and another

1 at the end. Please allow us to work our way through the
2 information we have prepared for you today, and then we will take
3 all of your comments and recommendations into the record during
4 the Public Comment periods as indicated on the agenda. As a
5 matter of housekeeping, I would just like to remind everyone to
6 silence your electronics, and please when you testify, please use
7 the microphone provided.

8 We are recording today's Listening Session and will
9 transcribe the meeting so that we can accurately track and
10 consider all information and comments we receive here today. We
11 are also happy to accept any written comments you wish to provide
12 staff. There are several sessions scheduled throughout the State
13 and we welcome additional comments and suggestions at any time.

14 So, with that, I will go to Agenda Item No. 2, and open the
15 meeting with the first session for public comment. We will have
16 another opportunity for public comment at the end of the meeting
17 as well. Seeing no one here to provide public comment, I will
18 move on to Agenda Item No. 3, Confirmation of Posting. Ms.
19 Guzman, was proper notice provided for this meeting pursuant to
20 Nevada's Open Meeting Law, NRS241.020?

21 GUZMAN: Christina Guzman for the record,
22 Management Analysis for the Employment Security Division. Yes.
23 Proper notice for this meeting was posted pursuant to Nevada's
24 Open Meeting Law NRS241.020.

1 OLSON: Thank you. Under Agenda Item 4, Review
2 Written Comments. Ms. Guzman, if any—were any comments received?
3 Please read them to the record if so.

4 GUZMAN: Christina Guzman for the record. No
5 written comments were received.

6 OLSON: Thank you. With that, we will now move on
7 to Agenda Item 6, Discussion of the Purposed Regulation, and this
8 will be presented by Mr. Jeff Frischmann.

9 FRISCHMANN: Good Morning. My name is Jeffrey
10 Frischmann, I am the Deputy Administrator of the Employment
11 Security Division of the Department of Employment, Training and
12 Rehabilitation. I would like to thank each of you for attending
13 this Listening Session, and I look forward to hearing your
14 feedback.

15 In September of 2015, the UI Program implemented the final
16 phase for a new state-of-the-art computer system that boasts the
17 secured, user-friendly, self-service portal. Currently,
18 approximately 62 percent of Nevada employers are taking advantage
19 of the self-service portal and are regularly filing their
20 quarterly reports electronically. Approximately 81 percent of
21 the paper reports received are from employers with less than 10
22 employees. The purpose of the regulations is to mandate
23 electronic filing which will ultimately make the filing process
24 more efficient, cost effective, and improve accuracy.

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1 In the three-years since implementing the new system, we
2 have regularly received positive feedback from the 62 percent of
3 employers that voluntarily file electronically. This is not
4 unlike individuals that file their personal federal income tax
5 returns electronically, where studies show that almost 75 percent
6 of tax payers voluntarily elect to file their personal income tax
7 returns online.

8 This approach is currently being used successfully in a
9 number of states that have recently modernized their systems.
10 Those states have shifted staffing resources to focus on customer
11 service, to assist in educating employers on electronic filing,
12 opposed to rekeying information from paper forms into the system.
13 In the long term, it has benefited both the State and the
14 employer community and has created a win-win situation for all of
15 the stakeholders.

16 The purposed regulation will not become effective until
17 July of 2018, allowing sufficient time for employers that are not
18 currently filing electronically to comply. The purposed
19 regulation also allows for employers to request a waiver in
20 instances where electronic filing could cause a hardship. We
21 have included two additional topics for today's session, self-
22 service registration and electronic payment of UI Contributions.
23 Although we have not drafted a regulation for either of these
24 items, we're in the process of evaluating and analyzing the
25 possibility of crafting similar regulation to mandate employers

1 to complete initial registration and pay through the self-service
2 portal.

3 Currently, employers are permitted to register with UI
4 Contributions using a paper Registration Form. When the
5 Registration Form is received by the Division, staff are required
6 to manually enter the information into the system. Consideration
7 is being given to draft the future regulation requiring employers
8 to register online, effectively eliminating paper registration.
9 Approximately 78 percent of all monies collected by the Division
10 is through an electronic transfer, either ACH Credit, or ACH
11 Debit. Consideration is being given to draft a future regulation
12 requiring employers to pay through an electronic transfer.

13 While we are here to primarily focus on the purposed
14 regulation to require electronic filing, if you have any
15 initially thoughts regarding electronic payment or electronic
16 registration, please feel free to share your thoughts. I would
17 like to thank all of you for attending this Listening Session. I
18 would like to introduce Amy Yukish, she will provide a quick
19 demonstration of the self-service portal and will file a
20 Quarterly Report online. We will then ask for public comments.
21 We decided to conduct this as a Listening Session rather than a
22 question and answer, so that we can listen to what you, our
23 customer, have to tell us. Again, thank you for attending.

24 OLSON: Thank you, Jeff. This is Renee Olson again
25 for the record. Amy, before you get started I would like to just

1 clarify for the record that we are moving back now to Agenda Item
2 5, Presentation of Unemployment Insurance Employer Self-Service.

3 So, with that, Amy, I will turn it over to you. Thank you.

4 YUKISH: Good morning. My name is Amy Yukish, I am
5 a Business Process Analysis of Employment Security Division. The
6 Employer Self-Service Electronic Filing can be satisfied in one
7 of three ways. Enter Report using UINV as manual data entry of
8 the Contribution Report and Wage Report. Electronic Filing W2-
9 EFW2, is a file upload containing both the Contribution Report
10 and Wage Report. Comma or tagged delineated files containing Wage
11 Records only. If this file upload is preformed, the Contribution
12 Report will need to be entered using E-Filing Option, and to
13 Report using UINV.

14 As Jeff Frischmann mentioned, approximately 81 percent of
15 employers filing paper returns have less than 10 employees. At
16 this time, I would like to demonstrate the recommended E-Filing
17 method for these employers, showing exactly how efficient and
18 easy it is to submit to the Contribution and Wage Report through
19 ESS.

20 The Employer Summary Screen alerts employers of all
21 Contribution and Wage Reports due. I am now going to file the
22 first quarter of the 2017 Report. I am going to be using Enter
23 Report using UINV. As you can see, the employee's SSN and names
24 have been pre-populated to assist with completion of the report.
25 The system will automatically load the employees listed on the

1 last Wage Report filed with the Division. If there is any
2 employee movement during the quarter, you would simply delete the
3 employees that are no longer working. You would add any new
4 employees that have worked during the quarter, and then complete
5 the Wage Reports for the remaining employees by entering the
6 gross wages and tips.

7 ESS populates the gross wages and taxable wages based on
8 the Wage Report. The employer should double check the figures to
9 their records. The employer will enter in the number of
10 employees per month. An electronic signature is required prior
11 to submitting the Contribution Wage Report. The employer is also
12 encouraged to print the reports for their records. As you can
13 see by the demonstration, E-filing method is user-friendly and
14 can be completed in less than five minutes.

15 OLSON: Thank you, Amy. So, at this point, we are
16 just going to move to the final Public Comment Session for the
17 meeting. Please come forward if you would like to provide public
18 comment. As a reminder, please state your name, title, and who
19 you represent and proceed with your comments.

20 BLOMSTROM: I have a question. Does that count?

21 FRISCHMANN: Come on up.

22 OLSON: Come on up. Yes.

23 BLOMSTROM: Just a single question please. My name is
24 Cheryl Blomstrom, I am the President of the Nevada Tax Payers
25 Association. No hat. Nice to meet you. My question is, when

1 you initially register electronically, is that when the capture
2 of the electronic signature happens? There are various ways to
3 do that, I'm just—I'm going to be reporting this back to my
4 members and I want to make sure that I give them the directions.

5 OLSON: I am going to let our Subject Matter
6 Expert, Amy, answer your question.

7 YUKISH: Good morning.

8 BLOMSTROM: Good morning.

9 YUKISH: The electronic signature is captured when
10 you create your online account, it collects data. That's where
11 you choose your login and your password, and at that time, that's
12 when the electronic signature is captured.

13 BLOMSTROM: Perfect. Thank you so much.

14 OLSON: Seeing no one else coming forward for
15 public comment, I will go ahead and close Public Comment under
16 Agenda Item 8. I just want to thank everyone who participated
17 today. If you later find that you would like to offer additional
18 comments or suggestions, you can forward those comments to
19 Christina Guzman at CMGUZMAN@NVDETR.org. You can also submit
20 written comments and inquiries to the attention of my Office at
21 500 East Third Street, Carson City, Nevada, 81713. Future
22 sessions and pertinent documents are all posted to the DETR
23 website. I should just say that this is Renee Olsen again for
24 the record, which I failed to do. With that, I will adjourn this
25 meeting. Thank you.