STATE OF NEVADA 1 EMPLOYMENT SECURITY DIVISION (ESD) 2 LISTENING SESSION TO SOLICIT PUBLIC COMMENTS ON PROPOSED REGULATION AMENDMENT TO NAC 3 612 4 EMPLOYER SELF SERVICES (ESS) AND ELECTRONIC FILING OF UNEMPLOYMENT INSURANCE CONTRIBUTION AND WAGE REPORTS 5 6 Wednesday, July 19, 2017; 9:30 A.M. 7 **Place of Meeting: Live Meeting:** 8 Washoe County Manager's Office 9 **Commission Chambers** 10 1001 E. Ninth Street, Building A 11 Reno, NV 89512 12 Department of Employment, Training and Rehabilitation (DETR) Staff Present 13 14 Renee Olson, Employment Security Division (ESD) Administrator 15 Jeffrey Frischmann, Employment Security Division (ESD) Deputy Administrator 16 Christina Guzman, ESD/DETR 17 Amy Yukish, ESD/DETR 18 19 Members of the Public, Media and Other Agencies Present 20 None 21 22 23 24

OLSON: Maybe we will wait an extra couple of minutes.

YUKISH: Okay. It is 9:30. We'll wait another minute.

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

The purpose of this session is for us to hear your thoughts, ideas, and suggestions about the regulation that we are purposing to adopt next year. This will help us to craft effective and appropriate public policy that is well thought out and helps us to improve the operations of the UI Program, and hopefully the customer service experience for our clients and customers. This regulation would require Employers to submit quarterly Contribution and Wage reports electronically. Copies of the purposed regulations were posted to our website and we have provided copies here for your convenience.

I will be taking Agenda Item 6 out of order. Agenda Item 6 will proceed Item 5. In this order, you will first hear a brief explanation of the purposed regulation, and then we will be giving a demonstration of the system, tools, and options

available to employers that will enable compliance with the purposed regulation.

Our Agenda today is extensive and we want to provide ample time to hear from you today. We have two opportunities for public comment, one at the beginning of our meeting and another at the end. Please allow us to work our way through the information we have prepared for you today, and then we will take all of your comments and recommendations into the record during the Public Comment periods indicated on the agenda. Please remember to silence your electronics, and use the microphone when you speak.

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

With that, I will go to Agenda Item No. 2, and open the meeting with the first session for public comment. I see nobody to provide public comment at this time. With that, I will move on to Agenda Item No. 3, Confirmation of Posting. Ms. Guzman, was proper notice provided for this meeting pursuant to Nevada's Open Meeting Law, NRS241.020?

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1 Christina Guzman for the record, Management GUZMAN: 2 Analysis with the Employment Security Division. Yes. Proper notice was provided for this meeting pursuant to Nevada's Open 3 4 Meeting Law, NRS241.020. Thank you. Agenda Item 4, Review of 5 OLSON: Written Comments. Ms. Guzman, were any written comments 6 7 received? If so, please read them into the record. 8 **GUZMAN:** Christina Guzman again for the record. written comments were received. 9 10 OLSON: Thank you. We will now move on to Agenda 11 Item 6, Discussion of Purposed Regulation, this will be presented 12 by Mr. Jeffrey Frischmann. 13 FRISCHMANN: Good Morning. My name is Jeffrey 14 Frischmann, I am the Deputy Administrator of the Employment 15 Security Division of the Department of Employment, Training and Rehabilitation. I would like to thank each of you for attending 16 17 this Listening Session and I look forward to hearing your feedback. 18 19 In September of 2015, the UI Program implemented the final 20 phase for a new state-of-the-art computer system that boasts a secured, user-friendly, self-service portal. Currently, 21 22 approximately 62 percent of Nevada employers are taking advantage 23 of the self-service portal and are regularly filing their

quarterly reports electronically. Approximately 81 percent of

the paper reports received are from employers with less than 10

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employees. The purpose of the regulations is to mandate electronic filing which will ultimately make the filing process more efficient, cost effective, and improve accuracy.

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

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

The purposed regulation will not become effective until July of 2018, allowing sufficient time for employers that are not currently filing electronically to comply. The purposed regulation also allows for employers to request a waiver in instances where electronic filing could cause a hardship. We have included two additional topics for today's session, self-service registration and electronic payment of UI Contributions.

Although we have not drafted a regulation for either of these items, we're in the process of evaluating and analyzing the possibility of crafting a similar regulation to mandate employers to complete initial registration and pay through the self-service portal.

Currently, employers are permitted to register with UI

Contributions using a paper Registration Form. When the

Registration Form is received by the Division, staff are required

to manually enter the information into the system. Consideration

is being given to draft a future regulation requiring employers

to register online, effectively eliminating paper registration.

Approximately 78 percent of all monies collected by the Division

is through an electronic transfer, either ACH Credit, or ACH

Debit. Consideration is being given to draft a future regulation

requiring employers to pay through an electronic transfer.

While we are here to primarily focus on the purposed regulation to require electronic filing, if you have any initial thoughts regarding electronic payment or electronic registration, please feel free to share those thoughts. I would like to thank all of you for attending this Listening Session. I would like to introduce Amy Yukish, who will provide a quick demonstration of the self-service portal and will file a Quarterly Report online. We will then ask for public comment. We decided to conduct this as a Listening Session rather than a question and answer, so that we can listen to what you, our customer, have to tell us.

OLSON: Thank you, Jeff. Renee Olson for the record. Amy, before you get started, just to clarify on the record that we are now moving back now to Agenda Item 5, Presentation of Unemployment Insurance Employer Self-Service.

YUKISH: Good morning. My name is Amy Yukish, I am a Business Process Analysis of the Employment Security Division. Employer Self-Service Electronic Filing can be satisfied in one of three ways. Enter Report using UINV as manual data entry of the Contribution Report and Wage Report. Electronic Filing W2—EFW2, is a file upload containing both the Contribution Report and Wage Report. Comma or tagged delaminated files contain Wage Records only. If this file upload is performed, the Contribution Report will need to be entered using E-Filing Option, and to Report using UINV.

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

So, now I am logging in to Employer Self Service as my Employer. [Inaudible] I do apologize. We are running into technical difficulties.

FRISCHMANN: Is the caps lock on?

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YUKISH: I know, but you can tell that it's not recognizing my answers because it's not giving my security code.

FRISCHMANN: Got you. Just talk through it.

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3 4 YUKISH: Okay. So, filing Contribution and 5 Wage Report, you would choose the Report and enter UINV. It would choose Contribution and Wage Report, and you would click Next. б For any employee movement, you would simply delete the Wage 7 Records. You would new employees that worked for you during the 8 9 quarter, and you would complete the gross wages and tips for the 10 remaining employees. As soon as you are done completing the Wage 11 Records, you would click Next. The system will automatically 12 populate the gross wages and excess wages based on the Wage 13 Report that was entered. Employers are required to confirm that 14 those Wage Records do match their records. An electronic 15 signature is required prior to submitting the Contribution and Wage Report. The employer is also encouraged to print the 16 17 reports for their records. As you can see, if the demonstration 18 worked, the E-filing method is user-friendly and can be completed in less than five minutes. 19

OLSON: Okay. Thank you. With that, we're going to move on to Closing Public Comment. Seeing no one coming forward for public comment, we will close that agenda item.

Moving on to adjournment, I would like to thank everyone who participated today. If later you find that you would like to offer additional comments or suggestions, you can forward those

comments to Christina Guzman at, CMGUZMAN@NVDETR.org. You can submit written comments and inquiries to my attention at 500 East Third Street, Carson City, Nevada, 89713. Future sessions and pertinent documents are posted to the DETR website. With that, we will adjourn this meeting. Thank you. б