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PRESS RELEASE

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Employment Security Division administrator accepts council's recommendation to hold the line on employers unemployment taxes

CARSON CITY— In a time when most business costs, including taxes, seem to keep inching ever higher, Nevada Employment Security Division Administrator Cynthia Jones accepted the Employment Security Council's recommendation in a public hearing this morning to hold the line on unemployment taxes paid by employers. The 2006 unemployment tax rate for employers will mirror the average 1.38 percent tax of 2005.

In Nevada, the Department of Employment, Training and Rehabilitation's (DETR) Employment Security Division (ESD) and its Unemployment Insurance Contributions unit oversees the Unemployment Insurance Trust Fund, which is estimated at nearly \$565 million. The trust fund is created wholly through quarterly payroll taxes paid by employers that do business in Nevada to enable payment of Unemployment Insurance benefits for eligible unemployed workers.

Every year DETR's Research and Analysis Bureau runs a solvency test to determine if the trust fund can continue to maintain current benefit payments and withstand mild employment fluctuations. The bureau reports its solvency findings to the ESD and its nine-member council. The council is charged with making policy recommendations regarding trust fund solvency, and the delivery of ESD programs and services.

Employment Security Council Chairman Paul Havas said he is pleased that the council could recommend holding the line on how much employers pay for Unemployment Insurance taxes in 2006. The council unanimously voted at its October 3rd meeting to recommend that Jones keep the tax rate at its current level.

That October meeting marked the 32nd time Havas called the annual council meeting to order. He was appointed to sit on the council by Governor Michael O'Callaghan in 1972, and has been chairman of the nine-member council for the past 18 years.



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