

SENATE BILL NO. 11—COMMITTEE ON COMMERCE AND LABOR

(ON BEHALF OF THE EMPLOYMENT SECURITY
DIVISION OF THE DEPARTMENT OF
EMPLOYMENT, TRAINING AND REHABILITATION)

PREFILED OCTOBER 30, 2024

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to the payment of extended unemployment benefits. (BDR 53-306)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to unemployment compensation; requiring that weekly and total extended benefit amounts payable to a person be reduced under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

The Unemployment Compensation Law, in general, makes persons who have become unemployed and comply with certain requirements eligible for benefits from the Unemployment Compensation Fund in an amount based on the person’s previous wages for employment. (Chapter 612 of NRS) Existing law provides for the payment of extended unemployment benefits to a person who has exhausted his or her regular unemployment benefits and who meets certain eligibility requirements during an extended benefit period. (NRS 612.377, 612.3774)

The Balanced Budget and Emergency Deficit Control Act of 1985 requires the President of the United States to issue an order triggering certain automatic spending reductions, known as sequestration, if certain budgetary goals have not been met. (Pub. L. No. 99-177, as amended) While certain federal payments relating to unemployment compensation are exempt from sequestration, federal payments to a state for the federal share of extended unemployment benefits are not exempt. (2 U.S.C. § 906(i)(1)) Existing federal law authorizes a state to reduce each weekly payment of extended unemployment benefits for any week of unemployment during any period in which federal payments to the state are reduced under a sequestration order by a percentage not to exceed the percentage by which the federal payment to the state is to be reduced for the week as a result of the order. (2 U.S.C. § 906(i)(2))



20 **Section 2** of this bill requires that the weekly extended benefit amount payable
21 to a person be reduced for any week during a period in which federal payments to
22 this State are reduced as a result of sequestration by a percentage equal to the
23 percentage of the reduction in the federal payment. **Section 3** of this bill requires
24 that the total extended benefit amount payable to a person for a benefit year be
25 reduced by an amount equal to the aggregate of the reductions made to the person's
26 weekly extended benefit amounts pursuant to **section 2**. **Section 1** of this bill makes
27 a conforming change to update an internal reference renumbered by **section 3**.

28 The United States Department of Labor has issued guidance concerning the
29 amendment of state law to provide for reductions to extended unemployment
30 benefits due to sequestration. The guidance specifies that a state which provides for
31 such reductions is required to provide notice to a claimant and an opportunity to
32 appeal the calculation of the amounts. The guidance additionally provides that the
33 required notice should inform claimants that an appeal of the sequestration
34 reduction itself will not succeed, as sequestration is mandated by federal law. (U.S.
35 Dept. of Labor UIPL 7-24 (2024))

36 **Section 2** requires the Administrator of the Employment Security Division of
37 the Department of Employment, Training and Rehabilitation to provide a notice
38 containing certain information to any person whose weekly extended benefit
39 amount has been reduced as a result of sequestration. **Section 2** also authorizes
40 such a person to appeal the calculation of the amount of the reduced weekly
41 extended benefit amount. Under **section 2**, such an appeal is limited to the
42 calculation of the amount of the reduced weekly benefit amount and is prohibited
43 from addressing the reduction itself.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** NRS 612.377 is hereby amended to read as follows:
2 612.377 As used in NRS 612.377 to 612.3786, inclusive,
3 unless the context clearly requires otherwise:

4 1. "Extended benefit period" means a period which begins with
5 the third week after a week for which there is a Nevada "on"
6 indicator and ends with the third week after the first week for which
7 there is a Nevada "off" indicator or the 13th consecutive week after
8 it began, except that no extended benefit period may begin by
9 reason of a Nevada "on" indicator before the 14th week following
10 the end of a prior extended benefit period which was in effect for
11 Nevada, unless federal law authorizes an extended benefit period to
12 begin before the 14th week following the end of a prior extended
13 benefit period.

14 2. There is a "Nevada 'on' indicator" for a week if the
15 Administrator determines, in accordance with the regulations of the
16 Secretary of Labor, that:

17 (a) For the period consisting of that week and the immediately
18 preceding 12 weeks, the rate of insured unemployment in Nevada
19 (not seasonally adjusted) under NRS 612.377 to 612.3786,
20 inclusive:



1 (1) Equaled or exceeded 120 percent of the average of those
2 rates for the corresponding 13-week period ending in each of the
3 preceding 2 calendar years and equaled or exceeded 5 percent; or

4 (2) Equaled or exceeded 6 percent; or

5 (b) For weeks of unemployment beginning on or after March 18,
6 2020, and ending on or before the week ending 4 weeks before the
7 last week for which full federal sharing is authorized by section
8 4105(a) of Public Law No. 116-127, or which occur during a period
9 of time specified by the Governor in a proclamation issued pursuant
10 to subsection ~~4~~ 5 of NRS 612.378, the average rate of total
11 seasonally adjusted unemployment in Nevada, as determined by the
12 Secretary of Labor, for the period consisting of the most recent 3
13 months for which data for all states are published before the close of
14 such week:

15 (1) Equaled or exceeded 6.5 percent; and

16 (2) Equaled or exceeded 110 percent of the average rate for
17 the corresponding 3-month period ending in either of the 2
18 preceding calendar years.

19 3. There is a "Nevada 'off' indicator" for a week if the
20 Administrator determines, in accordance with the regulations of the
21 Secretary of Labor, that for the period consisting of that week and
22 the immediately preceding 12 weeks, the rate of insured
23 unemployment in Nevada (not seasonally adjusted):

24 (a) Was less than 120 percent of the average of those rates for
25 the corresponding 13-week period ending in each of the preceding 2
26 calendar years; or

27 (b) Was less than 5 percent.

28 4. "Rate of insured unemployment," for purposes of
29 subsections 2 and 3, means the percentage derived by dividing the
30 average weekly number of persons filing claims in this State for the
31 weeks of unemployment for the most recent period of 13
32 consecutive weeks, as determined by the Administrator on the basis
33 of the Administrator's reports to the Secretary of Labor using the
34 average monthly employment covered under this chapter as
35 determined by the Administrator and recorded in the records of the
36 Division for the first four of the most recent six completed calendar
37 quarters ending before the end of the 13-week period.

38 5. "Regular benefits" means benefits payable to a person under
39 this chapter or under any other state law (including benefits payable
40 to federal civilian employees and to ex-servicemen or ex-
41 servicewomen pursuant to 5 U.S.C. §§ 8501 et seq.) other than
42 extended benefits.

43 6. "Extended benefits" means benefits (including benefits
44 payable to federal civilian employees and to ex-servicemen or ex-
45 servicewomen pursuant to 5 U.S.C. §§ 8501 et seq.) payable to a



1 person under the provisions of NRS 612.377 to 612.3786, inclusive,
2 for the weeks of unemployment in the person's eligibility period.

3 7. "Additional benefits" means benefits payable to exhaustees
4 by reason of conditions of high unemployment or by reason of other
5 special factors under the provisions of any state law. Any person
6 who is entitled to both additional and extended benefits for the same
7 week must be given the choice of electing which type of benefit to
8 claim regardless of whether his or her rights to additional and
9 extended benefits arise under the law of the same state or different
10 states.

11 8. "Eligibility period" of a person means the period consisting
12 of the weeks in the person's benefit year under this chapter which
13 begin in an extended benefit period and, if that benefit year ends
14 within the extended benefit period, any weeks thereafter which
15 begin in that period.

16 9. "Exhaustee" means a person who, with respect to any week
17 of unemployment in the person's eligibility period:

18 (a) Has received, before that week, all of the regular, seasonal or
19 nonseasonal benefits that were available to him or her under this
20 chapter or any other state law (including augmented weekly benefits
21 for dependents and benefits payable to federal civilian employees
22 and ex-servicemen or ex-servicewomen under 5 U.S.C. §§ 8501 et
23 seq.) in the person's current benefit year which includes that week,
24 except that, for the purposes of this paragraph, a person shall be
25 deemed to have received all of the regular benefits that were
26 available to him or her, although as a result of a pending appeal with
27 respect to wages that were not considered in the original monetary
28 determination in that benefit year, the person may subsequently be
29 determined to be entitled to added regular benefits; or

30 (b) His or her benefit year having expired before that week, has
31 no, or insufficient, wages on the basis of which the person could
32 establish a new benefit year which would include that week,

33 ↪ and has no right to unemployment benefits or allowances, as the
34 case may be, under the Railroad Unemployment Insurance Act, 45
35 U.S.C. §§ 351 et seq., the Trade Expansion Act of 1962, 19 U.S.C.
36 §§ 1801 et seq., the Automotive Products Trade Act of 1965, 19
37 U.S.C. §§ 2001 et seq. and such other federal laws as are specified
38 in regulations issued by the Secretary of Labor, and has not received
39 and is not seeking unemployment benefits under the unemployment
40 compensation law of Canada. If the person is seeking such benefits
41 and the appropriate agency finally determines that the person is not
42 entitled to benefits under that law the person is considered an
43 exhaustee.



1 10. "State law" means the unemployment insurance law of any
2 state, approved by the Secretary of Labor under Section 3304 of the
3 Internal Revenue Code of 1954.

4 **Sec. 2.** NRS 612.3776 is hereby amended to read as follows:
5 612.3776 ~~{The}~~

6 *1. Except as otherwise provided in subsection 2, the weekly*
7 *extended benefit amount payable to a person for a week of total*
8 *unemployment in the person's eligibility period is:*

9 ~~{1.}~~ *(a) The basic weekly benefit amount or the augmented*
10 *weekly benefit amount, whichever is appropriate, payable to the*
11 *person for the applicable benefit year; or*

12 ~~{2.}~~ *(b) The average of the weekly benefit amounts for weeks of*
13 *total unemployment payable in the applicable benefit year if the*
14 *person was entitled to more than one weekly rate. If the amount*
15 *computed in accordance with this ~~{subsection}~~ paragraph is not a*
16 *multiple of \$1 it must be computed to the next lower multiple of \$1.*

17 *2. For any week during a period in which federal payments*
18 *made to this State pursuant to section 204 of the Federal-State*
19 *Extended Unemployment Compensation Act of 1970, Public Law*
20 *91-373, as amended, are reduced pursuant to an order issued*
21 *pursuant to section 254 of the Balanced Budget and Emergency*
22 *Deficit Control Act of 1985, Public Law 99-177, as amended, the*
23 *weekly extended benefit amount payable to a person for a week of*
24 *total unemployment in the person's eligibility period must be*
25 *reduced by a percentage equal to the percentage of the reduction*
26 *in the federal payment. If the reduced weekly extended benefit*
27 *amount computed in accordance with this subsection is not a*
28 *multiple of \$1 it must be computed to the next lower multiple*
29 *of \$1.*

30 *3. The Administrator shall provide timely notice to any*
31 *person whose weekly extended benefit amount is reduced pursuant*
32 *to subsection 2. The notice must:*

33 *(a) Inform the person of the reduction in his or her weekly*
34 *extended benefit amount;*

35 *(b) Include the specific calculation of the reduced weekly*
36 *extended benefit amount;*

37 *(c) Inform the person of his or her right to appeal the*
38 *calculation of the reduced weekly benefit amount pursuant to*
39 *subsection 4; and*

40 *(d) State that an appeal of the reduction itself, which is*
41 *required by sequestration pursuant to the order issued pursuant to*
42 *section 254 of the Balanced Budget and Emergency Deficit*
43 *Control Act of 1985, Public Law 99-177, as amended, will not*
44 *succeed, as such a reduction is mandated by federal law.*



1 *4. A person whose weekly extended benefit amount has been*
2 *reduced pursuant to subsection 2 may appeal the calculation of*
3 *the reduced weekly extended benefit amount. The appeal must be*
4 *made in the manner provided in this chapter for the appeals from*
5 *determinations of benefit status. Such an appeal must be limited to*
6 *the calculation of the reduced weekly extended benefit amount*
7 *and may not address the reduction itself.*

8 **Sec. 3.** NRS 612.378 is hereby amended to read as follows:

9 612.378 1. Except as otherwise provided in ~~subsection~~
10 *subsections 2 ~~4~~ and 3*, the total extended benefit amount payable to
11 any eligible person for the person's applicable benefit year is the
12 lesser of the following amounts:

13 (a) Fifty percent of the basic benefits which were payable to him
14 or her in the benefit year. If the amount computed is not a multiple
15 of \$1, it must be computed to the next lower multiple of \$1.

16 (b) Thirteen times the person's average weekly benefit amount
17 which was payable to him or her under this chapter for a week of
18 total unemployment in the applicable benefit year. If the amount
19 computed is not a multiple of \$1, it must be computed to the next
20 lower multiple of \$1.

21 (c) Thirty-nine times the person's average weekly benefit
22 amount which was payable to him or her under this chapter for a
23 week of total unemployment in the applicable benefit year, reduced
24 by the basic benefits which were payable to him or her in the benefit
25 year. If the amount computed is not a multiple of \$1, it must be
26 computed to the next lower multiple of \$1.

27 2. In weeks beginning in a high unemployment period on or
28 after March 18, 2020, and ending on or before the week ending 3
29 weeks before the last week for which full federal sharing is
30 authorized by section 4105(a) of Public Law No. 116-127, or which
31 occur during a period of time specified by the Governor in a
32 proclamation issued pursuant to subsection ~~4~~ 5, the total extended
33 benefit amount payable to any eligible person for the person's
34 applicable benefit year is the lesser of the following amounts:

35 (a) Eighty percent of the basic benefits which were payable to
36 him or her in the benefit year. If the amount computed is not a
37 multiple of \$1, it must be computed to the next lower multiple of \$1.

38 (b) Twenty times the person's average weekly benefit amount
39 which was payable to him or her under this chapter for a week of
40 total unemployment in the applicable benefit year. If the amount
41 computed is not a multiple of \$1, it must be computed to the next
42 lower multiple of \$1.

43 (c) Forty-six times the person's average weekly benefit amount
44 which was payable to him or her under this chapter for a week of
45 total unemployment in the applicable benefit year, reduced by the



1 basic benefits which were payable to him or her in the benefit year.
2 If the amount computed is not a multiple of \$1, it must be computed
3 to the next lower multiple of \$1.

4 3. *During any fiscal year in which federal payments made to*
5 *this State pursuant to section 204 of the Federal-State Extended*
6 *Unemployment Compensation Act of 1970, Public Law No. 91-*
7 *373, as amended, are reduced pursuant to an order issued*
8 *pursuant to section 254 of the Balanced Budget and Emergency*
9 *Deficit Control Act of 1985, Public Law No. 99-177, as amended,*
10 *the total extended benefit amount payable to an eligible person for*
11 *the person's applicable benefit year pursuant to subsection 1 must*
12 *be reduced by an amount equal to the aggregate of the reductions*
13 *made to his or her weekly extended benefit amounts pursuant to*
14 *subsection 2 of NRS 612.3776.*

15 4. If the benefit year of any person ends within an extended
16 benefit period, the remaining balance of extended benefits that the
17 person would, but for this subsection, be entitled to receive in that
18 period, with respect to weeks of unemployment beginning after the
19 end of the benefit year, must be reduced by the product of the
20 number of weeks for which the person received any amounts as
21 trade readjustment allowances pursuant to 19 U.S.C. § 2291 within
22 that benefit year, multiplied by the weekly benefit amount of
23 extended benefits, but the balance must not be reduced below zero.

24 ~~[4.]~~ 5. If the Governor determines that a federal law authorizes
25 full federal sharing for one or more weeks to cover the costs of
26 extended benefits incurred pursuant to subsection 2, the Governor
27 shall issue a proclamation stating that determination and specifying
28 the weeks during which the extended benefits are available.

29 ~~[5.]~~ 6. As used in this section, "high unemployment period"
30 means any period during which the average rate of total seasonally
31 adjusted unemployment in Nevada, as determined by the Secretary
32 of Labor, for the period consisting of the most recent 3 months for
33 which data for all states are published before the close of such week:

34 (a) Equaled or exceeded 8 percent; and

35 (b) Equaled or exceeded 110 percent of the average rate for the
36 corresponding 3-month period ending in either of the 2 preceding
37 calendar years.

38 **Sec. 4.** This act becomes effective upon passage and approval.



