Nevada--Senate Bill 317--Change to the Payroll Cap for Workers Compensation Premium Calculations

Note: This circular has been updated to include revised information related to policy applicability, the Fiscal Year 2026 maximum wage for October 1, 2026, and clarification of unimpacted employees.

Background

Senate Bill 317, which passed during Nevada's 2025 Regular Legislative Session, introduced a change to workers compensation premium calculations. Effective **October 1, 2026**, the bill eliminates the fixed $36,000 annual payroll cap per employee for private employers. In its place, the maximum annual payroll, indexed annually, will be equal to 12 times the state's maximum average monthly wage, as determined by the Nevada Department of Employment, Training and Rehabilitation (DETR) and published by the Nevada Department of Business & Industry Industrial Relations (DIR).

According to the Nevada DIR, the Fiscal Year 2026 maximum wage applies for determining the maximum annual payroll amount for October 1, 2026. As a result, the maximum annual payroll figure has been updated to $98,433.60. The maximum annual payroll will be updated annually, with the next update expected on January 1, 2027.

Action Needed

Stakeholders, including carriers, vendors, and service providers, should begin assessing potential impacts to their systems and processes. Impact considerations may include:

- System programming updates to accommodate the maximum annual payroll change
- Data reporting system or procedural updates, as payroll exposures are reported to NCCI for Policy and Unit Statistical Data subject to the maximum annual payroll amounts
- Policy administration adjustments to reflect new premium calculation rules
- A review of underwriting and rating procedures in accordance with the revised maximum annual payroll amounts

Anticipated NCCI Action

In response to this legislative change, NCCI is evaluating the implications of the payroll adjustment, which is effective **October 1, 2026**, for new and renewal policies, as determined by the DIR, and will involve changes related to NCCI's manuals, rules, loss costs, rates, rating values, or other NCCI-maintained workers compensation infrastructure. Additional research as to impacts from the legislative changes is ongoing. NCCI anticipates making proposed filings to address such changes, as appropriate. NCCI recognizes the lead time that will be required by carriers to make any potential process or system updates related to these impacts and will communicate as appropriate and as early as possible.

NCCI's Residual Market Application Processing System (***RMAPS® Online Application Service***) will be updated to enforce the appropriate limits and the maximum annual payroll amount per employee.

Impact

NCCI's legislative impact analysis of Nevada Senate Bill 317, including the maximum annual payroll increase, has been posted on **ncci.com** on the Industry Information tab in the Legislative Activity section. Please note that authentication is required to access this content. The change in the maximum annual payroll is anticipated to be premium-neutral on an overall statewide basis.

Maximum pay rules for officers of quasi-public, private, and nonprofit corporations and managers of limited liability companies, according to NRS 616B.624, will not be impacted by Senate Bill 317. In addition, sole proprietors, working partners, and members of working associations subject to NRS 616A.210 and NRS 616B.659 will not be impacted by Senate Bill 317.

Additional research as to impacts is ongoing.

Additional Background

Nevada Revised Statute 616B.222, as amended by Nevada Senate Bill 317, effective **October 1, 2026**, states:

1. To determine the total amount paid to employees for services performed, the maximum amount paid to any one employee during a policy year shall be deemed to be:

(a) Except as otherwise provided in subsection 2, for an employee who is employed by the State of Nevada or any agency or political subdivision of the State, $36,000.

(b) For an employee other than an employee described in paragraph (a), an amount equal to 12 times the maximum average monthly wage. On or before January 1 of each year, the Administrator shall establish the amount of the maximum average monthly wage to take effect on January 1 of that year.

2. The State of Nevada or any agency or political subdivision of the State may elect to be subject to the provisions of paragraph (b) of subsection 1 in accordance with any procedures that may be established by the Administrator for the making of such an election.

3. As used in this section, "maximum average monthly wage" means 150 percent of the state average weekly wage as most recently computed by the Employment Security Division of the Department of Employment, Training and Rehabilitation, multiplied by 4.33.

Contact

For questions or additional information, please contact NCCI's Customer Service Center at 800-**NCCI**-123 (800-622-4123), Monday–Friday, 8:00 a.m.–8:00 p.m. ET, or email us at customer_service@ncci.com.