

1 AMENDMENT TO HOUSE BILL 810

2 AMENDMENT NO. _____. Amend House Bill 810 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 Illinois Unemployment Insurance Trust Fund Financing Act.

6 Section 2. Findings and Declaration of Policy. It is
7 hereby found and declared that:

8 A. It is an essential governmental function to maintain
9 funds in an amount sufficient to pay unemployment benefits
10 when due;

11 B. At the time of the enactment of this Act,
12 unemployment benefits payments are made from Illinois'
13 account in the Unemployment Trust Fund of the United States
14 Treasury and are funded by employer contributions;

15 C. At the time of the enactment of this Act, borrowing
16 from the Federal government is the only option available to
17 obtain sufficient funds to pay benefits when the balance in
18 Illinois' account in the Unemployment Trust Fund of the
19 United States Treasury is insufficient to make necessary
20 payments;

21 D. Alternative methods of replenishing Illinois' account
22 in the Unemployment Trust Fund of the United States Treasury

1 may reduce the costs of providing unemployment benefits and
2 employers' cost of doing business in the State;

3 E. It is in the State's best interests to authorize the
4 issuance of bonds when appropriate for the purpose of
5 continuing the unemployment insurance program at the lowest
6 possible cost to the State and employers in Illinois; and

7 F. It is the public policy of this State to promote and
8 encourage the full participation of female- and
9 minority-owned firms with regard to bonds issued by State
10 departments, agencies, and authorities. The Director shall,
11 therefore, ensure that the process for procuring contracts
12 with regard to Bonds includes outreach to female- and
13 minority-owned firms and gives due consideration to those
14 firms in the selection and approval of any contracts with any
15 parties necessary to issue Bonds.

16 Section 3. Definitions. For purposes of this Act:

17 A. "Act" shall mean the Illinois Unemployment Insurance
18 Trust Fund Financing Act.

19 B. "Benefits" shall have the meaning provided in the
20 Unemployment Insurance Act.

21 C. "Bond" means any type of revenue obligation,
22 including, without limitation, fixed rate, variable rate,
23 auction rate or similar bond, note, certificate, or other
24 instrument, including, without limitation, an interest rate
25 exchange agreement, an interest rate lock agreement, a
26 currency exchange agreement, a forward payment conversion
27 agreement, an agreement to provide payments based on levels
28 of or changes in interest rates or currency exchange rates,
29 an agreement to exchange cash flows or a series of payments,
30 an option, put, or call to hedge payment, currency, interest
31 rate, or other exposure, payable from and secured by a pledge
32 of Fund Building Receipts collected pursuant to the
33 Unemployment Insurance Act, and all interest and other

1 earnings upon such amounts held in the Master Bond Fund, to
2 the extent provided in the proceedings authorizing the
3 obligation.

4 D. "Bond Administrative Expenses" means expenses and
5 fees incurred to administer and issue, upon a conversion of
6 any of the Bonds from one mode to another and from taxable to
7 tax-exempt, the Bonds issued pursuant to this Act, including
8 fees for paying agents, trustees, financial advisors,
9 underwriters, remarketing agents, attorneys and for other
10 professional services necessary to ensure compliance with
11 applicable state or federal law.

12 E. "Bond Obligations" means the principal of a Bond and
13 any premium and interest on a Bond issued pursuant to this
14 Act, together with any amount owed under a related Credit
15 Agreement.

16 F. "Credit Agreement" means, without limitation, a loan
17 agreement, a revolving credit agreement, an agreement
18 establishing a line of credit, a letter of credit, notes,
19 municipal bond insurance, standby bond purchase agreements,
20 surety bonds, remarketing agreements and the like, by which
21 the Department may borrow funds to pay or redeem or purchase
22 and hold its bonds, agreements for the purchase or
23 remarketing of bonds or any other agreement that enhances the
24 marketability, security, or creditworthiness of a Bond issued
25 under this Act.

26 1. Such Credit Agreement shall provide the
27 following:

28 a. The choice of law for the obligations of a
29 financial provider may be made for any state of
30 these United States, but the law which shall apply
31 to the Bonds shall be the law of the State of
32 Illinois, and jurisdiction to enforce such Credit
33 Agreement as against the Department shall be
34 exclusively in the courts of the State of Illinois

1 or in the applicable federal court having
2 jurisdiction and located within the State of
3 Illinois.

4 b. Any such Credit Agreement shall be fully
5 enforceable as a valid and binding contract as and
6 to the extent provided by applicable law.

7 2. Without limiting the foregoing, such Credit
8 Agreement, may include any of the following:

9 a. Interest rates on the Bonds may vary from
10 time to time depending upon criteria established by
11 the Director, which may include, without limitation:

12 (i) A variation in interest rates as may
13 be necessary to cause the Bonds to be
14 remarketed from time to time at a price equal
15 to their principal amount plus any accrued
16 interest;

17 (ii) Rates set by auctions; or

18 (iii) Rates set by formula.

19 b. A national banking association, bank, trust
20 company, investment banker or other financial
21 institution may be appointed to serve as a
22 remarketing agent in that connection, and such
23 remarketing agent may be delegated authority by the
24 Department to determine interest rates in accordance
25 with criteria established by the Department.

26 c. Alternative interest rates or provisions
27 may apply during such times as the Bonds are held by
28 the financial providers or similar persons or
29 entities providing a Credit Agreement for those
30 Bonds and, during such times, the interest on the
31 Bonds may be deemed not exempt from income taxation
32 under the Internal Revenue Code for purposes of
33 State law, as contained in the Bond Authorization
34 Act, relating to the permissible rate of interest to

1 be borne thereon.

2 d. Fees may be paid to the financial providers
3 or similar persons or entities providing a Credit
4 Agreement, including all reasonably related costs,
5 including therein costs of enforcement and
6 litigation (all such fees and costs being financial
7 provider payments) and financial provider payments
8 may be paid, without limitation, from proceeds of
9 the Bonds being the subject of such agreements, or
10 from Bonds issued to refund such Bonds, provided
11 that such financial provider payments shall be made
12 subordinate to the payments on the Bonds.

13 e. The Bonds need not be held in physical form
14 by the financial providers or similar persons or
15 entities providing a Credit Agreement when providing
16 funds to purchase or carry the Bonds from others but
17 may be represented in uncertificated form in the
18 Credit Agreement.

19 f. The debt or obligation of the Department
20 represented by a Bond tendered for purchase to or
21 otherwise made available to the Department thereupon
22 acquired by either the Department or a financial
23 provider shall not be deemed to be extinguished for
24 purposes of State law until cancelled by the
25 Department or its agent.

26 g. Such Credit Agreement may provide for
27 acceleration of the principal amounts due on the
28 Bonds.

29 G. "Department" means the Illinois Department of
30 Employment Security.

31 H. "Director" means the Director of the Illinois
32 Department of Employment Security.

33 I. "Fund Building Rates" are those rates imposed
34 pursuant to Section 1506.3 of the Unemployment Insurance Act.

1 J. "Fund Building Receipts" shall have the meaning
2 provided in the Unemployment Insurance Act.

3 K. "Master Bond Fund" shall mean, for any particular
4 issuance of Bonds under this Act, the fund established for
5 the deposit of Fund Building Receipts upon or prior to the
6 issuance of Bonds under this Act, and during the time that
7 any Bonds are outstanding under this Act and from which the
8 payment of Bond Obligations and the related Bond
9 Administrative Expenses incurred in connection with such
10 Bonds shall be made. That portion of the Master Bond Fund
11 containing the Required Fund Building Receipts Amount shall
12 be irrevocably pledged to the timely payment of Bond
13 Obligations and Bond Administrative Expenses due on any Bonds
14 issued pursuant to this Act and any Credit Agreement entered
15 in connection with the Bonds. The Master Bond Fund shall be
16 held separate and apart from all other State funds. Moneys in
17 the Master Bond Fund shall not be commingled with other State
18 funds, but they shall be deposited as required by law and
19 maintained in a separate account on the books of a savings
20 and loan association, bank or other qualified financial
21 institution. All interest earnings on amounts within the
22 Master Bond Fund shall accrue to the Master Bond Fund. The
23 Master Bond Fund may include such funds and accounts as are
24 necessary for the deposit of bond proceeds, Fund Building
25 Receipts, payment of principal, interest, administrative
26 expenses, costs of issuance, in the case of bonds which are
27 exempt from Federal taxation, rebate payments, and such other
28 funds and accounts which may be necessary for the
29 implementation and administration of this Act. The Director
30 shall be liable on her or his general official bond for the
31 faithful performance of her or his duties as custodian of the
32 Master Bond Fund. Such liability on her or his official bond
33 shall exist in addition to the liability upon any separate
34 bond given by her or him. All sums recovered for losses

1 sustained by the Master Bond Fund shall be deposited into the
2 Fund.

3 The Director shall report quarterly in writing to the
4 Employment Security Advisory Board concerning the actual and
5 anticipated deposits into and expenditures and transfers made
6 from the Master Bond Fund.

7 L. "Required Fund Building Receipts Amount" means the
8 aggregate amount of Fund Building Receipts required to be
9 maintained in the Master Bond Fund as set forth in Section 4I
10 of this Act.

11 Section 4. Authority to Issue Revenue Bonds.

12 A. The Department shall have the continuing power to
13 borrow money for the purpose of carrying out the following:

14 1. To reduce or avoid the need to borrow or obtain
15 a federal advance under Section 1201, et seq., of the
16 Social Security Act (42 U.S.C. Section 1321), as amended,
17 or any similar federal law; or

18 2. To refinance a previous advance received by the
19 Department with respect to the payment of Benefits; or

20 3. To refinance, purchase, redeem, refund, advance
21 refund or defease (including, any combination of the
22 foregoing) any outstanding Bonds issued pursuant to this
23 Act; or

24 4. To fund a surplus in Illinois' account in the
25 Unemployment Trust Fund of the United States Treasury.

26 Paragraphs 1, 2 and 4 are inoperative on and after
27 January 1, 2010.

28 B. As evidence of the obligation of the Department to
29 repay money borrowed for the purposes set forth in Section 4A
30 above, the Department may issue and dispose of its interest
31 bearing revenue Bonds and may also, from time-to-time, issue
32 and dispose of its interest bearing revenue Bonds to
33 purchase, redeem, refund, advance refund or defease

1 (including, any combination of the foregoing) any Bonds at
2 maturity or pursuant to redemption provisions or at any time
3 before maturity. The Director, in consultation with the
4 Department's Employment Security Advisory Board, shall have
5 the power to direct that the Bonds be issued. Bonds may be
6 issued in one or more series and under terms and conditions
7 as needed in furtherance of the purposes of this Act. The
8 Illinois Finance Authority shall provide any technical,
9 legal, or administrative services if and when requested by
10 the Director and the Employment Security Advisory Board with
11 regard to the issuance of Bonds. Such Bonds shall be issued
12 in the name of the State of Illinois for the benefit of the
13 Department and shall be executed by the Director. In case any
14 Director whose signature appears on any Bond ceases (after
15 attaching his or her signature) to hold that office, her or
16 his signature shall nevertheless be valid and effective for
17 all purposes.

18 C. No Bonds shall be issued without the Director's
19 written certification that, based upon a reasonable financial
20 analysis, the issuance of Bonds is reasonably expected to:

21 (i) Result in a savings to the State as
22 compared to the cost of borrowing or obtaining an
23 advance under Section 1201, et seq., Social Security
24 Act (42 U.S.C. Section 1321), as amended, or any
25 similar federal law;

26 (ii) Result in terms which are advantageous to
27 the State through refunding, advance refunding or
28 other similar restructuring of outstanding Bonds; or

29 (iii) Allow the State to avoid an anticipated
30 deficiency in the State's account in the
31 Unemployment Trust Fund of the United States
32 Treasury by funding a surplus in the State's account
33 in the Unemployment Trust Fund of the United States
34 Treasury.

1 D. All such Bonds shall be payable from Fund Building
2 Receipts. Bonds may also be paid from (i) to the extent
3 allowable by law, from monies in the State's account in the
4 Unemployment Trust Fund of the United States Treasury; and
5 (ii) to the extent allowable by law, a federal advance under
6 Section 1201, et seq., of the Social Security Act (42 U.S.C.
7 Section 1321); and (iii) proceeds of Bonds and receipts from
8 related credit and exchange agreements to the extent allowed
9 by this Act and applicable legal requirements.

10 E. The maximum principal amount of the Bonds, when
11 combined with the outstanding principal of all other Bonds
12 issued pursuant to this Act, shall not at any time exceed
13 \$1,400,000,000, excluding all of the outstanding principal of
14 any other Bonds issued pursuant to this Act for which payment
15 has been irrevocably provided by refunding or other manner of
16 defeasance. It is the intent of this Act that the outstanding
17 Bond authorization limits provided for in this Section 4E
18 shall be revolving in nature, such that the amount of Bonds
19 outstanding that are not refunded or otherwise defeased shall
20 be included in determining the maximum amount of Bonds
21 authorized to be issued pursuant to the Act.

22 F. Such Bonds and refunding Bonds issued pursuant to
23 this Act may bear such date or dates, may mature at such time
24 or times not exceeding 10 years from their respective dates
25 of issuance, and may bear interest at such rate or rates not
26 exceeding the maximum rate authorized by the Bond
27 Authorization Act, as amended and in effect at the time of
28 the issuance of the Bonds.

29 G. The Department may enter into a Credit Agreement
30 pertaining to the issuance of the Bonds, upon terms which are
31 not inconsistent with this Act and any other laws, provided
32 that the term of such Credit Agreement shall not exceed the
33 term of the Bonds, plus any time period necessary to cure any
34 defaults under such Credit Agreement.

1 H. Interest earnings paid to holders of the Bonds shall
2 not be exempt from income taxes imposed by the State.

3 I. While any Bond Obligations are outstanding or
4 anticipated to come due as a result of Bonds expected to be
5 issued in either or both of the 2 immediately succeeding
6 calendar quarters, the Department shall collect and deposit
7 Fund Building Receipts into the Master Bond Fund in an amount
8 necessary to satisfy the Required Fund Building Receipts
9 Amount prior to expending Fund Building Receipts for any
10 other purpose. The Required Fund Building Receipts Amount
11 shall be that amount necessary to ensure the marketability of
12 the Bonds, which shall be specified in the Bond Sale Order
13 executed by the Director in connection with the issuance of
14 the Bonds.

15 J. Holders of the Bonds shall have a first and priority
16 claim on all Fund Building Receipts in the Master Bond Fund
17 in parity with all other holders of the Bonds, provided that
18 such claim may be subordinated to the provider of any Credit
19 Agreement for any of the Bonds.

20 K. To the extent that Fund Building Receipts in the
21 Master Bond Fund are not otherwise needed to satisfy the
22 requirements of this Act and the instruments authorizing the
23 issuance of the Bonds, such monies shall be used by the
24 Department, in such amounts as determined by the Director to
25 do either or both of the following:

26 1. To purchase, refinance, redeem, refund, advance
27 refund or defease (or any combination of the foregoing)
28 outstanding Bonds, to the extent such action is legally
29 available and does not impair the tax exempt status of
30 any of the Bonds which are, in fact, exempt from Federal
31 income taxation; or

32 2. As a deposit in the State's account in the
33 Unemployment Trust Fund of the United States Treasury.

34 L. The Director shall determine the method of sale, type

1 of bond, bond form, redemption provisions and other terms of
2 the Bonds that, in the Director's judgment, best achieve the
3 purposes of this Act and effect the borrowing at the lowest
4 practicable cost, provided that those determinations are not
5 inconsistent with this Act or other applicable legal
6 requirements. Those determinations shall be set forth in a
7 document entitled "Bond Sale Order" acceptable, in form and
8 substance, to the attorney or attorneys acting as bond
9 counsel for the Bonds in connection with the rendering of
10 opinions necessary for the issuance of the Bonds and executed
11 by the Director.

12 Section 5. Bond Proceeds.

13 A. The proceeds of any Bonds issued pursuant to this
14 Act, including investment income thereon, shall be held in
15 trust in the Master Bond Fund for the following purpose and
16 in such amounts as determined by the Director:

17 1. Paying the principal and interest on any
18 outstanding federal advance received by the Department
19 under Section 1201, et seq., of the Social Security Act
20 (42 U.S.C. Section 1321), as amended, or any similar
21 federal law;

22 2. Being deposited into the State's account in the
23 Unemployment Trust Fund of the United States Treasury for
24 the purpose of: (i) avoiding anticipated deficiencies in
25 that account or (ii) funding a surplus in that account,
26 when doing either (i) or (ii) will result in a savings to
27 the State or employers or both;

28 3. Paying the costs of issuing or refinancing any
29 such Bonds;

30 4. Providing an appropriate reserve for any such
31 Bonds to the extent that the Department determines that
32 an appropriate reserve is warranted; and

33 5. Paying capitalized interest on the Bonds for the

1 period determined necessary by the Department, not to
2 exceed 2 years.

3 B. Excess Bond proceeds remaining available after the
4 payments and deposits required pursuant to Section 5A1
5 through 5A5 above have been made, may be used in the
6 following manner as determined by the Director:

7 1. To purchase, redeem or defease outstanding
8 Bonds, to the extent such action is legally available and
9 does not impair the tax-exempt status of any of the Bonds
10 which are, in fact, tax-exempt; or

11 2. To pay any scheduled interest payment or
12 payments due on any outstanding Bonds; or

13 3. Deposited in the State's account in the
14 Unemployment Trust Fund of the United States Treasury.

15 Section 6. Bonds Not A Pledge of the State.

16 A. Any Bonds issued under this Act, and any related
17 Credit Agreement, are not a pledge of the faith and credit or
18 moral obligation of the State or any State agency or
19 political subdivision of the State. All Bonds, Bond
20 Obligations and payment obligations deriving from any Credit
21 Agreement are payable solely as provided in Section 4D.

22 B. Any Bonds and any related Credit Agreement issued
23 under this Act must contain a conspicuous statement to the
24 effect that:

25 1. Neither the State, nor any State agency,
26 political corporation, or political subdivision of the
27 State, is obligated to pay the principal of or interest
28 on the Bonds except as provided by this Act; and

29 2. Neither the faith and credit of the State or any
30 State agency, political corporation, or political
31 subdivision of the State, nor the moral obligation of any
32 of them, is pledged to the payment of the principal of or
33 interest on the Bonds.

1 Section 7. State Not to Impair Bond Obligations. While
2 Bonds under this Act are outstanding, the State irrevocably
3 pledges and covenants that it shall not:

4 A. Take action to limit or restrict the rights of the
5 Department to fulfill its responsibilities to pay Bond
6 Obligations, Bond Administrative Expenses or otherwise comply
7 with instruments entered by the Department pertaining to the
8 issuance of the Bonds;

9 B. In any way impair the rights and remedies of the
10 holders of the Bonds until the Bonds are fully discharged; or

11 C. Reduce:

12 1. The Fund Building Rates below the levels in
13 existence effective January 1, 2004;

14 2. The maximum amount includable as wages pursuant
15 to Section 235 of the Unemployment Insurance Act below
16 the levels in existence effective January 1, 2004; and

17 3. The Solvency Adjustments imposed pursuant to
18 Section 1400.1 of the Unemployment Insurance Act below
19 the levels in existence effective January 1, 2004.

20 Section 8. Continuing appropriation. This Act shall
21 constitute an irrevocable and continuing appropriation of all
22 amounts necessary in respect to use of Fund Building Receipts
23 and Bond Proceeds for purposes specified in this Act,
24 including, without limitation, for the provision for payment
25 of principal and interest on the Bonds and other amounts due
26 in connection with the issuance of the Bonds pursuant to this
27 Act, to the fullest extent such appropriation is required.

28 Section 9. Director's Supplemental Authority. The
29 Director, on behalf of the Department, is authorized to enter
30 into the covenants and agreements required by this Act, make
31 any determinations, calculations, rules or other
32 promulgations required by this Act and engage or hire the

1 necessary attorneys, financial advisors, consultants,
2 verification agents, trustees, underwriters, remarketing
3 agents and other professionals necessary to carry out the
4 purposes and intent of this Act, unless otherwise expressly
5 specified or required under this Act.

6 Section 10. No Personal Liability. No director, officer
7 or employee of the Department or the State shall be
8 personally liable as a result of exercising the rights and
9 responsibilities granted under this Act.

10 Section 11. Omnibus Bonds Acts. With respect to
11 instruments for the payment of money issued under this Act,
12 it is and always has been the intention of the General
13 Assembly (i) that the Omnibus Bond Acts are and always have
14 been supplementary grants of power to issue instruments in
15 accordance with the Omnibus Bond Acts, regardless of any
16 provision of this Act that may appear to be or to have been
17 more restrictive than those Omnibus Bond Acts, (ii) that the
18 provisions of this Act are not a limitation on the
19 supplementary authority granted by the Omnibus Bond Acts, and
20 (iii) that instruments issued under this Act within the
21 supplementary authority granted by the Omnibus Bond Acts are
22 not invalid because of any provision of this Act that may
23 appear to be or to have been more restrictive than those
24 Omnibus Bond Acts.

25 Section 12. Mandatory Provisions. The provisions of this
26 Act are mandatory and not directory.

27 Section 13. Severability and inseverability. If any
28 provision of this Act or its application to any person or
29 circumstance is held invalid, the invalidity of that
30 provision or application does not affect other provisions or

1 applications of the Act that can be given effect without the
 2 invalid provision or application, except that this Act is
 3 inseverable to the extent that if all or any substantial and
 4 material part of Sections 1 through 12 are held invalid, then
 5 the entire Act (including both new and amendatory provisions)
 6 is invalid.

7 Section 13.1. The Civil Administrative Code of Illinois
 8 is amended by changing Section 5-540 as follows:

9 (20 ILCS 5/5-540) (was 20 ILCS 5/6.28 and 5/7.01)

10 Sec. 5-540. In the Department of Employment Security.
 11 An Employment Security Advisory Board, composed of 12 9
 12 persons. Of the 12 9 members of the Employment Security
 13 Advisory Board, 4 3 members shall be representative citizens
 14 chosen from the employee class, 4 3 members shall be
 15 representative citizens chosen from the employing class, and
 16 4 3 members shall be representative citizens not identified
 17 with either the employing class or the employee class.

18 (Source: P.A. 90-372, eff. 7-1-98; 91-239, eff. 1-1-00.)

19 Section 13.2. The Illinois Income Tax Act is amended by
 20 changing Section 701 as follows:

21 (35 ILCS 5/701) (from Ch. 120, par. 7-701)

22 Sec. 701. Requirement and Amount of Withholding.

23 (a) In General. Every employer maintaining an office or
 24 transacting business within this State and required under the
 25 provisions of the Internal Revenue Code to withhold a tax on:

26 (1) compensation paid in this State (as determined
 27 under Section 304(a)(2)(B) to an individual; or

28 (2) payments described in subsection (b) shall
 29 deduct and withhold from such compensation for each
 30 payroll period (as defined in Section 3401 of the

1 Internal Revenue Code) an amount equal to the amount by
2 which such individual's compensation exceeds the
3 proportionate part of this withholding exemption
4 (computed as provided in Section 702) attributable to the
5 payroll period for which such compensation is payable
6 multiplied by a percentage equal to the percentage tax
7 rate for individuals provided in subsection (b) of
8 Section 201.

9 (b) Payment to Residents. Any payment (including
10 compensation) to a resident by a payor maintaining an office
11 or transacting business within this State (including any
12 agency, officer, or employee of this State or of any
13 political subdivision of this State) and on which withholding
14 of tax is required under the provisions of the Internal
15 Revenue Code shall be deemed to be compensation paid in this
16 State by an employer to an employee for the purposes of
17 Article 7 and Section 601(b)(1) to the extent such payment is
18 included in the recipient's base income and not subjected to
19 withholding by another state. Notwithstanding any other
20 provision to the contrary, no amount shall be withheld from
21 unemployment insurance benefit payments made to an individual
22 pursuant to the Unemployment Insurance Act unless the
23 individual has voluntarily elected the withholding pursuant
24 to rules promulgated by the Director of Employment Security.

25 (c) Special Definitions. Withholding shall be
26 considered required under the provisions of the Internal
27 Revenue Code to the extent the Internal Revenue Code either
28 requires withholding or allows for voluntary withholding the
29 payor and recipient have entered into such a voluntary
30 withholding agreement. For the purposes of Article 7 and
31 Section 1002(c) the term "employer" includes any payor who is
32 required to withhold tax pursuant to this Section.

33 (d) Reciprocal Exemption. The Director may enter into
34 an agreement with the taxing authorities of any state which

1 imposes a tax on or measured by income to provide that
2 compensation paid in such state to residents of this State
3 shall be exempt from withholding of such tax; in such case,
4 any compensation paid in this State to residents of such
5 state shall be exempt from withholding. All reciprocal
6 agreements shall be subject to the requirements of Section
7 2505-575 of the Department of Revenue Law (20 ILCS
8 2505/2505-575).

9 (e) Notwithstanding subsection (a)(2) of this Section,
10 no withholding is required on payments for which withholding
11 is required under Section 3405 or 3406 of the Internal
12 Revenue Code of 1954.

13 (Source: P.A. 91-239, eff. 1-1-00; 92-846, eff. 8-23-02.)

14 Section 13.3. The Unemployment Insurance Act is amended
15 by changing Sections 235, 237, 401, 601, 1401, 1502.1, 1505,
16 1506.3, 1507, and 2100 and adding Sections 240.1, 1400.1,
17 1511.1, and 2106.1 as follows:

18 (820 ILCS 405/235) (from Ch. 48, par. 345)

19 Sec. 235. The term "wages" does not include:

20 A. That part of the remuneration which, after
21 remuneration equal to \$6,000 with respect to employment has
22 been paid to an individual by an employer during any calendar
23 year after 1977 and before 1980, is paid to such individual
24 by such employer during such calendar year; and that part of
25 the remuneration which, after remuneration equal to \$6,500
26 with respect to employment has been paid to an individual by
27 an employer during each calendar year 1980 and 1981, is paid
28 to such individual by such employer during that calendar
29 year; and that part of the remuneration which, after
30 remuneration equal to \$7,000 with respect to employment has
31 been paid to an individual by an employer during the calendar
32 year 1982 is paid to such individual by such employer during

1 that calendar year.

2 With respect to the first calendar quarter of 1983, the
3 term "wages" shall include only the remuneration paid to an
4 individual by an employer during such quarter with respect to
5 employment which does not exceed \$7,000. With respect to the
6 three calendar quarters, beginning April 1, 1983, the term
7 "wages" shall include only the remuneration paid to an
8 individual by an employer during such period with respect to
9 employment which when added to the "wages" (as defined in the
10 preceding sentence) paid to such individual by such employer
11 during the first calendar quarter of 1983, does not exceed
12 \$8,000.

13 With respect to the calendar year 1984, the term "wages"
14 shall include only the remuneration paid to an individual by
15 an employer during that period with respect to employment
16 which does not exceed \$8,000; with respect to calendar years
17 1985, 1986 and 1987, the term "wages" shall include only the
18 remuneration paid to such individual by such employer during
19 that calendar year with respect to employment which does not
20 exceed \$8,500.

21 With respect to the calendar years 1988 through 2003 and
22 calendar year 2005 and each calendar year thereafter, the
23 term "wages" shall include only the remuneration paid to an
24 individual by an employer during that period with respect to
25 employment which does not exceed \$9,000.

26 With respect to the calendar year 2004, the term "wages"
27 shall include only the remuneration paid to an individual by
28 an employer during that period with respect to employment
29 which does not exceed \$9,800 ~~\$10,000~~. With respect to the
30 calendar years 2005 through 2009, the term "wages" shall
31 include only the remuneration paid to an individual by an
32 employer during that period with respect to employment which
33 does not exceed the following amounts: \$10,500 with respect
34 to the calendar year 2005; \$11,000 with respect to the

1 calendar year 2006; \$11,500 with respect to the calendar year
 2 2007; \$12,000 with respect to the calendar year 2008; and
 3 \$12,300 with respect to the calendar year 2009.

4 With respect to the calendar year 2010 and each calendar
 5 year thereafter, the term "wages" shall include only the
 6 remuneration paid to an individual by an employer during that
 7 period with respect to employment which does not exceed the
 8 sum of the wage base adjustment applicable to that year
 9 pursuant to Section 1400.1, plus the maximum amount
 10 includable as "wages" pursuant to this subsection with
 11 respect to the immediately preceding calendar year.
 12 Notwithstanding any provision to the contrary, the maximum
 13 amount includable as "wages" pursuant to this Section shall
 14 not be less than \$12,300 or greater than \$12,960 with respect
 15 to any calendar year after calendar year 2009.

16 The remuneration paid to an individual by an employer
 17 with respect to employment in another State or States, upon
 18 which contributions were required of such employer under an
 19 unemployment compensation law of such other State or States,
 20 shall be included as a part of the remuneration equal--to
 21 \$6,000,--\$6,500,--\$7,000,--\$8,000,--\$8,500,--\$9,000,--or--\$10,000,
 22 as-the-ease-may-be, herein referred to. For the purposes of
 23 this subsection, any employing unit which succeeds to the
 24 organization, trade, or business, or to substantially all of
 25 the assets of another employing unit, or to the organization,
 26 trade, or business, or to substantially all of the assets of
 27 a distinct severable portion of another employing unit, shall
 28 be treated as a single unit with its predecessor for the
 29 calendar year in which such succession occurs, and any
 30 employing unit which is owned or controlled by the same
 31 interests which own or control another employing unit shall
 32 be treated as a single unit with the unit so owned or
 33 controlled by such interests for any calendar year throughout
 34 which such ownership or control exists. This subsection

1 applies only to Sections 1400, 1405A, and 1500.

2 B. The amount of any payment (including any amount paid
3 by an employer for insurance or annuities, or into a fund, to
4 provide for any such payment), made to, or on behalf of, an
5 individual or any of his dependents under a plan or system
6 established by an employer which makes provision generally
7 for individuals performing services for him (or for such
8 individuals generally and their dependents) or for a class or
9 classes of such individuals (or for a class or classes of
10 such individuals and their dependents), on account of (1)
11 sickness or accident disability (except those sickness or
12 accident disability payments which would be includable as
13 "wages" in Section 3306(b)(2)(A) of the Federal Internal
14 Revenue Code of 1954, in effect on January 1, 1985, such
15 includable payments to be attributable in such manner as
16 provided by Section 3306(b) of the Federal Internal Revenue
17 Code of 1954, in effect on January 1, 1985), or (2) medical
18 or hospitalization expenses in connection with sickness or
19 accident disability, or (3) death.

20 C. Any payment made to, or on behalf of, an employee or
21 his beneficiary which would be excluded from "wages" by
22 subparagraph (A), (B), (C), (D), (E), (F) or (G), of Section
23 3306(b)(5) of the Federal Internal Revenue Code of 1954, in
24 effect on January 1, 1985.

25 D. The amount of any payment on account of sickness or
26 accident disability, or medical or hospitalization expenses
27 in connection with sickness or accident disability, made by
28 an employer to, or on behalf of, an individual performing
29 services for him after the expiration of six calendar months
30 following the last calendar month in which the individual
31 performed services for such employer.

32 E. Remuneration paid in any medium other than cash by an
33 employing unit to an individual for service in agricultural
34 labor as defined in Section 214.

1 F. The amount of any supplemental payment made by an
 2 employer to an individual performing services for him, other
 3 than remuneration for services performed, under a shared work
 4 plan approved by the Director pursuant to Section 407.1.

5 (Source: P.A. 90-554, eff. 12-12-97; 91-342, eff. 7-29-99.)

6 (820 ILCS 405/237) (from Ch. 48, par. 347)

7 Sec. 237. A. "Base period" means---(1)---the---four
 8 eonsecutive-calendar-quarters-ended-on-the-preceding-December
 9 31,--for--benefit--years--beginning--in--May,--June,--or--July;--(2)
 10 the-four-consecutive-calendar-quarters-ended-on-the-preceding
 11 March-31,--for--benefit--years--beginning--in--August,--September,
 12 or--October;--(3)--the-four-consecutive-calendar-quarters-ended
 13 on-the-preceding-June-30,--for--benefit--years--beginning--in
 14 November,--December,--or--January;--and--(4)--the-four-consecutive
 15 calendar-quarters-ended-on-the-preceding--September--30,--for
 16 benefit--years--beginning--in--February,--March,--or--April.--This
 17 paragraph-shall-apply-to-benefit--years--beginning--prior--to
 18 November-1,--1981.

19 For--each--benefit-year--beginning--on--or--after--November-1,
 20 1981,--"base-period" means the first four of the last five
 21 completed calendar quarters immediately preceding the benefit
 22 year. Further, any wages which had previously been used to
 23 establish a valid claim pursuant to Section 242 and with
 24 respect to which benefits have been paid shall not be
 25 included in the base period provided for in this subsection.

26 B. Notwithstanding subsection A the-foregoing-paragraph,
 27 with-respect-to--any--benefit--year--beginning--on--or--after
 28 January---1,--1988, an individual, who has been awarded
 29 temporary total disability under any workers' compensation
 30 act or any occupational diseases act and does not qualify for
 31 the maximum weekly benefit amount under Section 401 because
 32 he was unemployed and awarded temporary total disability
 33 during the base period determined in accordance with

1 subsection A ~~the preceding paragraph~~, shall have his weekly
2 benefit amount, if it is greater than the weekly benefit
3 amount determined in accordance with subsection A ~~the~~
4 ~~preceding--~~paragraph, determined by the base period of a
5 benefit year which began on the date of the beginning of the
6 first week for which he was awarded temporary total
7 disability under any workers' compensation act or
8 occupational diseases act, provided, however, that such base
9 period shall not begin more than one year prior to the
10 individual's base period as determined under subsection A ~~the~~
11 ~~preceding~~-paragraph. Further, any wages which had previously
12 been used to establish a valid claim pursuant to Section 242
13 and with respect to which benefits have been paid shall not
14 be included in the base period provided for in this
15 subsection paragraph.

16 C. With respect to an individual who is ineligible to
17 receive benefits under this Act by reason of the provisions
18 of Section 500E during the base periods determined in
19 accordance with subsections A and B, "base period" means the
20 last 4 completed calendar quarters immediately preceding the
21 benefit year. This subsection shall not apply to establish
22 any benefit year beginning prior to January 1, 2008.

23 D. Notwithstanding the foregoing provisions of this
24 Section, "base period" means the base period as defined in
25 the unemployment compensation law of any State under which
26 benefits are payable to an individual on the basis of a
27 combination of his wages pursuant to an arrangement described
28 in Section 2700 F.

29 (Source: P.A. 85-956; 85-1009.)

30 (820 ILCS 405/240.1 new)

31 Sec. 240.1. "Fund Building Receipts" means amounts
32 directed for deposit into the Master Bond Fund pursuant to
33 Section 1506.3.

1 (820 ILCS 405/401) (from Ch. 48, par. 401)

2 Sec. 401. Weekly Benefit Amount - Dependents'
3 Allowances.

4 A. With respect to any week beginning prior to April 24,
5 1983, an individual's weekly benefit amount shall be an
6 amount equal to the weekly benefit amount as defined in this
7 Act as in effect on November 30, 1982.

8 B. 1. With respect to any week beginning on or after
9 April 24, 1983 and before January 3, 1988, an individual's
10 weekly benefit amount shall be 48% of his prior average
11 weekly wage, rounded (if not already a multiple of one
12 dollar) to the next higher dollar; provided, however, that
13 the weekly benefit amount cannot exceed the maximum weekly
14 benefit amount, and cannot be less than 15% of the statewide
15 average weekly wage, rounded (if not already a multiple of
16 one dollar) to the next higher dollar. However, the weekly
17 benefit amount for an individual who has established a
18 benefit year beginning before April 24, 1983, shall be
19 determined, for weeks beginning on or after April 24, 1983
20 claimed with respect to that benefit year, as provided under
21 this Act as in effect on November 30, 1982. With respect to
22 any week beginning on or after January 3, 1988 and before
23 January 1, 1993, an individual's weekly benefit amount shall
24 be 49% of his prior average weekly wage, rounded (if not
25 already a multiple of one dollar) to the next higher dollar;
26 provided, however, that the weekly benefit amount cannot
27 exceed the maximum weekly benefit amount, and cannot be less
28 than \$51. With respect to any week beginning on or after
29 January 3, 1993 and during a benefit year beginning before
30 January 4, 2004, an individual's weekly benefit amount shall
31 be 49.5% of his prior average weekly wage, rounded (if not
32 already a multiple of one dollar) to the next higher dollar;
33 provided, however, that the weekly benefit amount cannot
34 exceed the maximum weekly benefit amount and cannot be less

1 than \$51. With respect to any benefit year beginning on or
2 after January 4, 2004 and before January 6, 2008, an
3 individual's weekly benefit amount shall be 48% of his or her
4 prior average weekly wage, rounded (if not already a multiple
5 of one dollar) to the next higher dollar; provided, however,
6 that the weekly benefit amount cannot exceed the maximum
7 weekly benefit amount and cannot be less than \$51. With
8 respect to any benefit year beginning on or after January 6,
9 2008, an individual's weekly benefit amount shall be 47% of
10 his or her prior average weekly wage, rounded (if not already
11 a multiple of one dollar) to the next higher dollar;
12 provided, however, that the weekly benefit amount cannot
13 exceed the maximum weekly benefit amount and cannot be less
14 than \$51.

15 2. For the purposes of this subsection:

16 With respect to any week beginning on or after April 24,
17 1983, an individual's "prior average weekly wage" means the
18 total wages for insured work paid to that individual during
19 the 2 calendar quarters of his base period in which such
20 total wages were highest, divided by 26. If the quotient is
21 not already a multiple of one dollar, it shall be rounded to
22 the nearest dollar; however if the quotient is equally near 2
23 multiples of one dollar, it shall be rounded to the higher
24 multiple of one dollar.

25 "Determination date" means June 1, 1982, December 1, 1982
26 and December 1 of each succeeding calendar year thereafter.
27 However, if as of June 30, 1982, or any June 30 thereafter,
28 the net amount standing to the credit of this State's account
29 in the unemployment trust fund (less all outstanding advances
30 to that account, including advances pursuant to Title XII of
31 the federal Social Security Act) is greater than
32 \$100,000,000, "determination date" shall mean December 1 of
33 that year and June 1 of the succeeding year. Notwithstanding
34 the preceding sentence, for the purposes of this Act only,

1 there shall be no June 1 determination date in any year after
2 1986.

3 "Determination period" means, with respect to each June 1
4 determination date, the 12 consecutive calendar months ending
5 on the immediately preceding December 31 and, with respect to
6 each December 1 determination date, the 12 consecutive
7 calendar months ending on the immediately preceding June 30.

8 "Benefit period" means the 12 consecutive calendar month
9 period beginning on the first day of the first calendar month
10 immediately following a determination date, except that, with
11 respect to any calendar year in which there is a June 1
12 determination date, "benefit period" shall mean the 6
13 consecutive calendar month period beginning on the first day
14 of the first calendar month immediately following the
15 preceding December 1 determination date and the 6 consecutive
16 calendar month period beginning on the first day of the first
17 calendar month immediately following the June 1 determination
18 date. Notwithstanding the foregoing sentence, the 6 calendar
19 months beginning January 1, 1982 and ending June 30, 1982
20 shall be deemed a benefit period with respect to which the
21 determination date shall be June 1, 1981.

22 "Gross wages" means all the wages paid to individuals
23 during the determination period immediately preceding a
24 determination date for insured work, and reported to the
25 Director by employers prior to the first day of the third
26 calendar month preceding that date.

27 "Covered employment" for any calendar month means the
28 total number of individuals, as determined by the Director,
29 engaged in insured work at mid-month.

30 "Average monthly covered employment" means one-twelfth of
31 the sum of the covered employment for the 12 months of a
32 determination period.

33 "Statewide average annual wage" means the quotient,
34 obtained by dividing gross wages by average monthly covered

1 employment for the same determination period, rounded (if not
2 already a multiple of one cent) to the nearest cent.

3 "Statewide average weekly wage" means the quotient,
4 obtained by dividing the statewide average annual wage by 52,
5 rounded (if not already a multiple of one cent) to the
6 nearest cent. Notwithstanding any provisions of this Section
7 to the contrary, the statewide average weekly wage for the
8 benefit period beginning July 1, 1982 and ending December 31,
9 1982 shall be the statewide average weekly wage in effect for
10 the immediately preceding benefit period plus one-half of the
11 result obtained by subtracting the statewide average weekly
12 wage for the immediately preceding benefit period from the
13 statewide average weekly wage for the benefit period
14 beginning July 1, 1982 and ending December 31, 1982 as such
15 statewide average weekly wage would have been determined but
16 for the provisions of this paragraph. Notwithstanding any
17 provisions of this Section to the contrary, the statewide
18 average weekly wage for the benefit period beginning April
19 24, 1983 and ending January 31, 1984 shall be \$321 and for
20 the benefit period beginning February 1, 1984 and ending
21 December 31, 1986 shall be \$335, and for the benefit period
22 beginning January 1, 1987, and ending December 31, 1987,
23 shall be \$350, except that for an individual who has
24 established a benefit year beginning before April 24, 1983,
25 the statewide average weekly wage used in determining
26 benefits, for any week beginning on or after April 24, 1983,
27 claimed with respect to that benefit year, shall be \$334.80,
28 except that, for the purpose of determining the minimum
29 weekly benefit amount under subsection B(1) for the benefit
30 period beginning January 1, 1987, and ending December 31,
31 1987, the statewide average weekly wage shall be \$335; for
32 the benefit periods January 1, 1988 through December 31,
33 1988, January 1, 1989 through December 31, 1989, and January
34 1, 1990 through December 31, 1990, the statewide average

1 weekly wage shall be \$359, \$381, and \$406, respectively.
2 Notwithstanding the preceding sentences of this paragraph,
3 for the benefit period of calendar year 1991, the statewide
4 average weekly wage shall be \$406 plus (or minus) an amount
5 equal to the percentage change in the statewide average
6 weekly wage, as computed in accordance with the preceding
7 sentences of this paragraph, between the benefit periods of
8 calendar years 1989 and 1990, multiplied by \$406; and, for
9 the benefit periods of calendar years 1992 through 2003 and
10 calendar year 2005 and each calendar year thereafter, the
11 statewide average weekly wage, shall be the statewide average
12 weekly wage, as determined in accordance with this sentence,
13 for the immediately preceding benefit period plus (or minus)
14 an amount equal to the percentage change in the statewide
15 average weekly wage, as computed in accordance with the
16 preceding sentences of this paragraph, between the 2
17 immediately preceding benefit periods, multiplied by the
18 statewide average weekly wage, as determined in accordance
19 with this sentence, for the immediately preceding benefit
20 period. ~~For the benefit period of 2004, the statewide average~~
21 ~~weekly wage shall be \$600. Provided however, that for any~~
22 ~~benefit period after December 31, 1990, if 2 of the following~~
23 ~~3 factors occur, then the statewide average weekly wage shall~~
24 ~~be the statewide average weekly wage in effect for the~~
25 ~~immediately preceding benefit period: (a) the average~~
26 ~~contribution rate for all employers in this State for the~~
27 ~~calendar year 2 years prior to the benefit period, as a ratio~~
28 ~~of total contribution payments (including payments in lieu of~~
29 ~~contributions) to total wages reported by employers in this~~
30 ~~State for that same period is 0.2% greater than the national~~
31 ~~average of this ratio, the foregoing to be determined in~~
32 ~~accordance with rules promulgated by the Director; (b) the~~
33 ~~balance in this State's account in the unemployment trust~~
34 ~~fund, as of March 31 of the prior calendar year, is less than~~

1 \$250,000,000; or (c) the number of first payments of initial
2 claims, as determined in accordance with rules promulgated by
3 the Director, for the one-year period ending on June 30 of
4 the prior year, has increased more than 25% over the average
5 number of such payments during the 5-year period ending that
6 same June 30; and provided further that if (a), (b) and (c)
7 occur, then the statewide average weekly wage, as determined
8 in accordance with the preceding sentence, shall be 10% less
9 than it would have been but for these provisions. If the
10 reduced amount, computed in accordance with the preceding
11 sentence, is not already a multiple of one dollar, it shall
12 be rounded to the nearest dollar. The 10% reduction in the
13 statewide average weekly wage in the preceding sentence shall
14 not be in effect for more than 2 benefit periods of any 5
15 consecutive benefit periods. This 10% reduction shall not be
16 cumulative from year to year. Neither the freeze nor the
17 reduction shall be considered in the determination of
18 subsequent years' calculations of statewide average weekly
19 wage. However, for purposes of the Workers' Compensation Act,
20 the statewide average weekly wage will be computed using June
21 1 and December 1 determination dates of each calendar year
22 and such determination shall not be subject to the limitation
23 of \$321, \$335, \$350, \$359, \$381, \$406 or the statewide
24 average weekly wage as computed in accordance with the
25 preceding sentence 7-sentences of this paragraph.

26 With respect to any week beginning on or after April 24,
27 1983 and before January 3, 1988, "maximum weekly benefit
28 amount" means 48% of the statewide average weekly wage,
29 rounded (if not already a multiple of one dollar) to the
30 nearest dollar, provided however, that the maximum weekly
31 benefit amount for an individual who has established a
32 benefit year beginning before April 24, 1983, shall be
33 determined, for weeks beginning on or after April 24, 1983
34 claimed with respect to that benefit year, as provided under

1 this Act as amended and in effect on November 30, 1982,
2 except that the statewide average weekly wage used in such
3 determination shall be \$334.80.

4 With respect to any week beginning after January 2, 1988
5 and before January 1, 1993, "maximum weekly benefit amount"
6 with respect to each week beginning within a benefit period
7 means 49% of the statewide average weekly wage, rounded (if
8 not already a multiple of one dollar) to the next higher
9 dollar.

10 With respect to any week beginning on or after January 3,
11 1993 and during a benefit year beginning before January 4,
12 2004, "maximum weekly benefit amount" with respect to each
13 week beginning within a benefit period means 49.5% of the
14 statewide average weekly wage, rounded (if not already a
15 multiple of one dollar) to the next higher dollar.

16 With respect to any benefit year beginning on or after
17 January 4, 2004 and before January 6, 2008, "maximum weekly
18 benefit amount" with respect to each week beginning within a
19 benefit period means 48% of the statewide average weekly
20 wage, rounded (if not already a multiple of one dollar) to
21 the next higher dollar.

22 With respect to any benefit year beginning on or after
23 January 6, 2008, "maximum weekly benefit amount" with respect
24 to each week beginning within a benefit period means 47% of
25 the statewide average weekly wage, rounded (if not already a
26 multiple of one dollar) to the next higher dollar.

27 C. With respect to any week beginning on or after April
28 24, 1983 and before January 3, 1988, an individual to whom
29 benefits are payable with respect to any week shall, in
30 addition to such benefits, be paid, with respect to such
31 week, as follows: in the case of an individual with a
32 nonworking spouse, 7% of his prior average weekly wage,
33 rounded (if not already a multiple of one dollar) to the
34 higher dollar; provided, that the total amount payable to the

1 individual with respect to a week shall not exceed 55% of the
2 statewide average weekly wage, rounded (if not already a
3 multiple of one dollar) to the nearest dollar; and in the
4 case of an individual with a dependent child or dependent
5 children, 14.4% of his prior average weekly wage, rounded (if
6 not already a multiple of one dollar) to the higher dollar;
7 provided, that the total amount payable to the individual
8 with respect to a week shall not exceed 62.4% of the
9 statewide average weekly wage, rounded (if not already a
10 multiple of one dollar) to the next higher dollar with
11 respect to the benefit period beginning January 1, 1987 and
12 ending December 31, 1987, and otherwise to the nearest
13 dollar. However, for an individual with a nonworking spouse
14 or with a dependent child or children who has established a
15 benefit year beginning before April 24, 1983, the amount of
16 additional benefits payable on account of the nonworking
17 spouse or dependent child or children shall be determined,
18 for weeks beginning on or after April 24, 1983 claimed with
19 respect to that benefit year, as provided under this Act as
20 in effect on November 30, 1982, except that the statewide
21 average weekly wage used in such determination shall be
22 \$334.80.

23 With respect to any week beginning on or after January 2,
24 1988 and before January 1, 1991 and any week beginning on or
25 after January 1, 1992, and before January 1, 1993, an
26 individual to whom benefits are payable with respect to any
27 week shall, in addition to those benefits, be paid, with
28 respect to such week, as follows: in the case of an
29 individual with a nonworking spouse, 8% of his prior average
30 weekly wage, rounded (if not already a multiple of one
31 dollar) to the next higher dollar, provided, that the total
32 amount payable to the individual with respect to a week
33 shall not exceed 57% of the statewide average weekly wage,
34 rounded (if not already a multiple of one dollar) to the next

1 higher dollar; and in the case of an individual with a
2 dependent child or dependent children, 15% of his prior
3 average weekly wage, rounded (if not already a multiple of
4 one dollar) to the next higher dollar, provided that the
5 total amount payable to the individual with respect to a week
6 shall not exceed 64% of the statewide average weekly wage,
7 rounded (if not already a multiple of one dollar) to the next
8 higher dollar.

9 With respect to any week beginning on or after January 1,
10 1991 and before January 1, 1992, an individual to whom
11 benefits are payable with respect to any week shall, in
12 addition to the benefits, be paid, with respect to such week,
13 as follows: in the case of an individual with a nonworking
14 spouse, 8.3% of his prior average weekly wage, rounded (if
15 not already a multiple of one dollar) to the next higher
16 dollar, provided, that the total amount payable to the
17 individual with respect to a week shall not exceed 57.3% of
18 the statewide average weekly wage, rounded (if not already a
19 multiple of one dollar) to the next higher dollar; and in the
20 case of an individual with a dependent child or dependent
21 children, 15.3% of his prior average weekly wage, rounded (if
22 not already a multiple of one dollar) to the next higher
23 dollar, provided that the total amount payable to the
24 individual with respect to a week shall not exceed 64.3% of
25 the statewide average weekly wage, rounded (if not already a
26 multiple of one dollar) to the next higher dollar.

27 With respect to any week beginning on or after January 3,
28 1993, during a benefit year beginning before January 4, 2004,
29 an individual to whom benefits are payable with respect to
30 any week shall, in addition to those benefits, be paid, with
31 respect to such week, as follows: in the case of an
32 individual with a nonworking spouse, 9% of his prior average
33 weekly wage, rounded (if not already a multiple of one
34 dollar) to the next higher dollar, provided, that the total

1 amount payable to the individual with respect to a week
2 shall not exceed 58.5% of the statewide average weekly wage,
3 rounded (if not already a multiple of one dollar) to the next
4 higher dollar; and in the case of an individual with a
5 dependent child or dependent children, 16% of his prior
6 average weekly wage, rounded (if not already a multiple of
7 one dollar) to the next higher dollar, provided that the
8 total amount payable to the individual with respect to a week
9 shall not exceed 65.5% of the statewide average weekly wage,
10 rounded (if not already a multiple of one dollar) to the next
11 higher dollar.

12 With respect to any benefit year beginning on or after
13 January 4, 2004 and before January 6, 2008, an individual to
14 whom benefits are payable with respect to any week shall, in
15 addition to those benefits, be paid, with respect to such
16 week, as follows: in the case of an individual with a
17 nonworking spouse, 9% of his or her prior average weekly
18 wage, rounded (if not already a multiple of one dollar) to
19 the next higher dollar, provided, that the total amount
20 payable to the individual with respect to a week shall not
21 exceed 57% of the statewide average weekly wage, rounded (if
22 not already a multiple of one dollar) to the next higher
23 dollar; and in the case of an individual with a dependent
24 child or dependent children, 17.2% of his or her prior
25 average weekly wage, rounded (if not already a multiple of
26 one dollar) to the next higher dollar, provided that the
27 total amount payable to the individual with respect to a week
28 shall not exceed 65.2% of the statewide average weekly wage,
29 rounded (if not already a multiple of one dollar) to the next
30 higher dollar.

31 With respect to any benefit year beginning on or after
32 January 6, 2008, an individual to whom benefits are payable
33 with respect to any week shall, in addition to those
34 benefits, be paid, with respect to such week, as follows: in

1 the case of an individual with a nonworking spouse, 9% of his
2 or her prior average weekly wage, rounded (if not already a
3 multiple of one dollar) to the next higher dollar, provided,
4 that the total amount payable to the individual with respect
5 to a week shall not exceed 56% of the statewide average
6 weekly wage, rounded (if not already a multiple of one
7 dollar) to the next higher dollar; and with respect to any
8 benefit year beginning before January 1, 2010, in the case of
9 an individual with a dependent child or dependent children,
10 18.2% of his or her prior average weekly wage, rounded (if
11 not already a multiple of one dollar) to the next higher
12 dollar, provided that the total amount payable to the
13 individual with respect to a week shall not exceed 65.2% of
14 the statewide average weekly wage, rounded (if not already a
15 multiple of one dollar) to the next higher dollar. The
16 additional amount paid pursuant to this subsection in the
17 case of an individual with a dependent child or dependent
18 children shall be referred to as the "dependent child
19 allowance". With respect to each benefit year beginning in a
20 calendar year after calendar year 2009, the percentage rate
21 used to calculate the dependent child allowance shall be the
22 sum of the allowance adjustment applicable pursuant to
23 Section 1400.1 to the calendar year in which the benefit year
24 begins, plus the percentage rate used to calculate the
25 dependent child allowance with respect to each benefit year
26 beginning in the immediately preceding calendar year,
27 provided that the total amount payable to the individual with
28 respect to a week beginning in such benefit year shall not
29 exceed the product of the statewide average weekly wage,
30 rounded (if not already a multiple of one dollar) to the next
31 higher dollar and the sum of 47% plus the percentage rate
32 used to calculate the individual's dependent child allowance.
33 Notwithstanding any provision to the contrary, the percentage
34 rate used to calculate the dependent child allowance with

1 respect to any benefit year beginning on or after January 1,
2 2010, shall not be less than 17.3% or greater than 18.2%.

3 For the purposes of this subsection:

4 "Dependent" means a child or a nonworking spouse.

5 "Child" means a natural child, stepchild, or adopted
6 child of an individual claiming benefits under this Act or a
7 child who is in the custody of any such individual by court
8 order, for whom the individual is supplying and, for at least
9 90 consecutive days (or for the duration of the parental
10 relationship if it has existed for less than 90 days)
11 immediately preceding any week with respect to which the
12 individual has filed a claim, has supplied more than one-half
13 the cost of support, or has supplied at least 1/4 of the cost
14 of support if the individual and the other parent, together,
15 are supplying and, during the aforesaid period, have supplied
16 more than one-half the cost of support, and are, and were
17 during the aforesaid period, members of the same household;
18 and who, on the first day of such week (a) is under 18 years
19 of age, or (b) is, and has been during the immediately
20 preceding 90 days, unable to work because of illness or other
21 disability: provided, that no person who has been determined
22 to be a child of an individual who has been allowed benefits
23 with respect to a week in the individual's benefit year shall
24 be deemed to be a child of the other parent, and no other
25 person shall be determined to be a child of such other
26 parent, during the remainder of that benefit year.

27 "Nonworking spouse" means the lawful husband or wife of
28 an individual claiming benefits under this Act, for whom more
29 than one-half the cost of support has been supplied by the
30 individual for at least 90 consecutive days (or for the
31 duration of the marital relationship if it has existed for
32 less than 90 days) immediately preceding any week with
33 respect to which the individual has filed a claim, but only
34 if the nonworking spouse is currently ineligible to receive

1 benefits under this Act by reason of the provisions of
2 Section 500E.

3 An individual who was obligated by law to provide for the
4 support of a child or of a nonworking spouse for the
5 aforesaid period of 90 consecutive days, but was prevented by
6 illness or injury from doing so, shall be deemed to have
7 provided more than one-half the cost of supporting the child
8 or nonworking spouse for that period.

9 (Source: P.A. 90-554, eff. 12-12-97; 91-342, eff. 7-29-99.)

10 (820 ILCS 405/601) (from Ch. 48, par. 431)

11 Sec. 601. Voluntary leaving. A. An individual shall be
12 ineligible for benefits for the week in which he has left
13 work voluntarily without good cause attributable to the
14 employing unit and, thereafter, until he has become
15 reemployed and has had earnings equal to or in excess of his
16 current weekly benefit amount in each of four calendar weeks
17 which are either for services in employment, or have been or
18 will be reported pursuant to the provisions of the Federal
19 Insurance Contributions Act by each employing unit for which
20 such services are performed and which submits a statement
21 certifying to that fact.

22 B. The provisions of this Section shall not apply to an
23 individual who has left work voluntarily:

24 1. Because he is deemed physically unable to perform his
25 work by a licensed and practicing physician, or has left work
26 voluntarily upon the advice of a licensed and practicing
27 physician that assistance is necessary for the purpose of
28 caring for his spouse, child, or parent who is in poor
29 physical health and such assistance will not allow him to
30 perform the usual and customary duties of his employment, and
31 he has notified the employing unit of the reasons for his
32 absence;

33 2. To accept other bona fide work and, after such

1 acceptance, the individual is either not unemployed in each
2 of 2 weeks, or earns remuneration for such work equal to at
3 least twice his current weekly benefit amount;

4 3. In lieu of accepting a transfer to other work offered
5 to the individual by the employing unit under the terms of a
6 collective bargaining agreement or pursuant to an established
7 employer plan, program, or policy, if the acceptance of such
8 other work by the individual would require the separation
9 from that work of another individual currently performing it;

10 4. Solely because of the sexual harassment of the
11 individual by another employee. Sexual harassment means (1)
12 unwelcome sexual advances, requests for sexual favors,
13 sexually motivated physical contact or other conduct or
14 communication which is made a term or condition of the
15 employment or (2) the employee's submission to or rejection
16 of such conduct or communication which is the basis for
17 decisions affecting employment, or (3) when such conduct or
18 communication has the purpose or effect of substantially
19 interfering with an individual's work performance or creating
20 an intimidating, hostile, or offensive working environment
21 and the employer knows or should know of the existence of the
22 harassment and fails to take timely and appropriate action;

23 5. Which he had accepted after separation from other
24 work, and the work which he left voluntarily would be deemed
25 unsuitable under the provisions of Section 603*i*:-

26 6. (a) Because the individual left work due to
27 circumstances resulting from the individual being a victim of
28 domestic violence as defined in Section 103 of the Illinois
29 Domestic Violence Act of 1986; and provided, such individual
30 has made reasonable efforts to preserve the employment.

31 For the purposes of this paragraph 6, the individual
32 shall be treated as being a victim of domestic violence if
33 the individual provides the following:

34 (i) written notice to the employing unit of the

1 reason for the individual's voluntarily leaving; and

2 (ii) to the Department provides:

3 (A) an order of protection or other
4 documentation of equitable relief issued by a court
5 of competent jurisdiction; or

6 (B) a police report or criminal charges
7 documenting the domestic violence; or

8 (C) medical documentation of the domestic
9 violence; or

10 (D) evidence of domestic violence from a
11 counselor, social worker, health worker or domestic
12 violence shelter worker.

13 (b) If the individual does not meet the provisions of
14 subparagraph (a), the individual shall be held to have
15 voluntarily terminated employment for the purpose of
16 determining the individual's eligibility for benefits
17 pursuant to subsection A.

18 (c) Notwithstanding any other provision to the contrary,
19 evidence of domestic violence experienced by an individual,
20 including the individual's statement and corroborating
21 evidence, shall not be disclosed by the Department unless
22 consent for disclosure is given by the individual.

23 (Source: P.A. 83-197.)

24 (820 ILCS 405/1400.1 new)

25 Sec. 1400.1. Solvency Adjustments. As used in this
26 Section, "prior year's trust fund balance" means the net
27 amount standing to the credit of this State's account in the
28 unemployment trust fund (less all outstanding advances to
29 that account, including but not limited to advances pursuant
30 to Title XII of the federal Social Security Act) as of June
31 30 of the immediately preceding calendar year.

32 The wage base adjustment, rate adjustment, and allowance
33 adjustment applicable to any calendar year after calendar

1 year 2009 shall be as follows:

2 If the prior year's trust fund balance is less than
3 \$300,000,000, the wage base adjustment shall be \$220, the
4 rate adjustment shall be 0.05%, and the allowance adjustment
5 shall be -0.3% absolute.

6 If the prior year's trust fund balance is equal to or
7 greater than \$300,000,000 but less than \$700,000,000, the
8 wage base adjustment shall be \$150, the rate adjustment shall
9 be 0.025%, and the allowance adjustment shall be -0.2%
10 absolute.

11 If the prior year's trust fund balance is equal to or
12 greater than \$700,000,000 but less than \$1,000,000,000, the
13 wage base adjustment shall be \$75, the rate adjustment shall
14 be 0, and the allowance adjustment shall be -0.1% absolute.

15 If the prior year's trust fund balance is equal to or
16 greater than \$1,000,000,000 but less than \$1,300,000,000, the
17 wage base adjustment shall be -\$75, the rate adjustment shall
18 be 0, and the allowance adjustment shall be 0.1% absolute.

19 If the prior year's trust fund balance is equal to or
20 greater than \$1,300,000,000 but less than \$1,700,000,000, the
21 wage base adjustment shall be -\$150, the rate adjustment
22 shall be -0.025%, and the allowance adjustment shall be 0.2%
23 absolute.

24 If the prior year's trust fund balance is equal to or
25 greater than \$1,700,000,000, the wage base adjustment shall
26 be -\$220, the rate adjustment shall be -0.05%, and the
27 allowance adjustment shall be 0.3% absolute.

28 (820 ILCS 405/1401) (from Ch. 48, par. 551)

29 Sec. 1401. Interest. Any employer who shall fail to pay
30 any contributions (including any amounts due pursuant to
31 Section 1506.3 ~~or Section 1506.4~~) when required of him by the
32 provisions of this Act and the rules and regulations of the
33 Director, whether or not the amount thereof has been

1 determined and assessed by the Director, shall pay to the
 2 Director, in addition to such contribution, interest thereon
 3 at the rate of one percent (1%) per month and one-thirtieth
 4 (1/30) of one percent (1%) for each day or fraction thereof
 5 computed from the day upon which said contribution became
 6 due. After 1981, such interest shall accrue at the rate of 2%
 7 per month, computed at the rate of 12/365 of 2% for each day
 8 or fraction thereof, upon any unpaid contributions which
 9 become due, provided that, after 1987, for the purposes of
 10 calculating interest due under this Section only, payments
 11 received more than 30 days after such contributions become
 12 due shall be deemed received on the last day of the month
 13 preceding the month in which they were received except that,
 14 if the last day of such preceding month is less than 30 days
 15 after the date that such contributions became due, then such
 16 payments shall be deemed to have been received on the 30th
 17 day after the date such contributions became due.

18 However, all or part of any interest may be waived by the
 19 Director for good cause shown.

20 (Source: P.A. 85-956; 86-1367.)

21 (820 ILCS 405/1502.1) (from Ch. 48, par. 572.1)

22 Sec. 1502.1. Employer's benefit charges.

23 A. Benefit charges which result from payments to any
 24 claimant made on or after July 1, 1989 shall be charged:

25 1. For benefit years beginning prior to July 1,
 26 1989, to each employer who paid wages to the claimant
 27 during his base period;

28 2. For benefit years beginning on or after July 1,
 29 1989 but before January 1, 1993, to the later of:

30 a. the last employer prior to the beginning of
 31 the claimant's benefit year:

32 i. from whom the claimant was separated
 33 or who, by reduction of work offered, caused

1 the claimant to become unemployed as defined in
2 Section 239, and,

3 ii. for whom the claimant performed
4 services in employment, on each of 30 days
5 whether or not such days are consecutive,
6 provided that the wages for such services were
7 earned during the period from the beginning of
8 the claimant's base period to the beginning of
9 the claimant's benefit year; but that employer
10 shall not be charged if:

11 (1) the claimant's last separation
12 from that employer was a voluntary leaving
13 without good cause, as the term is used in
14 Section 601A or under the circumstances
15 described in paragraphs 1 and 2 of Section
16 601B; or

17 (2) the claimant's last separation
18 from that employer was a discharge for
19 misconduct or a felony or theft connected
20 with his work from that employer, as these
21 terms are used in Section 602; or

22 (3) after his last separation from
23 that employer, prior to the beginning of
24 his benefit year, the claimant refused to
25 accept an offer of or to apply for
26 suitable work from that employer without
27 good cause, as these terms are used in
28 Section 603; or

29 (4) the claimant, following his last
30 separation from that employer, prior to
31 the beginning of his benefit year, is
32 ineligible or would have been ineligible
33 under Section 612 if he has or had had
34 base period wages from the employers to

1 which that Section applies; or

2 (5) the claimant subsequently
3 performed services for at least 30 days
4 for an individual or organization which
5 is not an employer subject to this Act; or

6 b. the single employer who pays wages to the
7 claimant that allow him to requalify for benefits
8 after disqualification under Section 601, 602 or
9 603, if:

10 i. the disqualifying event occurred prior
11 to the beginning of the claimant's benefit
12 year, and

13 ii. the requalification occurred after
14 the beginning of the claimant's benefit year,
15 and

16 iii. even if the 30 day requirement given
17 in this paragraph is not satisfied; but

18 iv. the requalifying employer shall not
19 be charged if the claimant is held ineligible
20 with respect to that requalifying employer
21 under Section 601, 602 or 603.

22 3. For benefit years beginning on or after January
23 1, 1993, with respect to each week for which benefits are
24 paid, to the later of:

25 a. the last employer:

26 i. from whom the claimant was separated
27 or who, by reduction of work offered, caused
28 the claimant to become unemployed as defined in
29 Section 239, and

30 ii. for whom the claimant performed
31 services in employment, on each of 30 days
32 whether or not such days are consecutive,
33 provided that the wages for such services were
34 earned since the beginning of the claimant's

1 base period; but that employer shall not be
2 charged if:

3 (1) the claimant's separation from
4 that employer was a voluntary leaving
5 without good cause, as the term is used in
6 Section 601A or under the circumstances
7 described in paragraphs 1, and 2, and 6 of
8 Section 601B; or

9 (2) the claimant's separation from
10 that employer was a discharge for
11 misconduct or a felony or theft connected
12 with his work from that employer, as these
13 terms are used in Section 602; or

14 (3) the claimant refused to accept
15 an offer of or to apply for suitable work
16 from that employer without good cause, as
17 these terms are used in Section 603 (but
18 only for weeks following the refusal of
19 work); or

20 (4) the claimant subsequently
21 performed services for at least 30 days
22 for an individual or organization which is
23 not an employer subject to this Act; or

24 (5) the claimant, following his
25 separation from that employer, is
26 ineligible or would have been ineligible
27 under Section 612 if he has or had had
28 base period wages from the employers to
29 which that Section applies (but only for
30 the period of ineligibility or potential
31 ineligibility); or

32 b. the single employer who pays wages to the
33 claimant that allow him to requalify for benefits
34 after disqualification under Section 601, 602, or

1 603, even if the 30 day requirement given in this
2 paragraph is not satisfied; but the requalifying
3 employer shall not be charged if the claimant is
4 held ineligible with respect to that requalifying
5 employer under Section 601, 602, or 603.

6 B. Whenever a claimant is ineligible pursuant to Section
7 614 on the basis of wages paid during his base period, any
8 days on which such wages were earned shall not be counted in
9 determining whether that claimant performed services during
10 at least 30 days for the employer that paid such wages as
11 required by paragraphs 2 and 3 of subsection A.

12 C. If no employer meets the requirements of paragraph 2
13 or 3 of subsection A, then no employer will be chargeable for
14 any benefit charges which result from the payment of benefits
15 to the claimant for that benefit year.

16 D. Notwithstanding the preceding provisions of this
17 Section, no employer shall be chargeable for any benefit
18 charges which result from the payment of benefits to any
19 claimant after the effective date of this amendatory Act of
20 1992 where the claimant's separation from that employer
21 occurred as a result of his detention, incarceration, or
22 imprisonment under State, local, or federal law.

23 E. For the purposes of Sections 302, 409, 701, 1403,
24 1404, 1405 and 1508.1, last employer means the employer that:

- 25 1. is charged for benefit payments which become
- 26 benefit charges under this Section, or
- 27 2. would have been liable for such benefit charges
- 28 if it had not elected to make payments in lieu of
- 29 contributions.

30 (Source: P.A. 86-3; 87-1178.)

31 (820 ILCS 405/1505) (from Ch. 48, par. 575)
32 Sec. 1505. Adjustment of state experience factor. The
33 state experience factor shall be adjusted in accordance with

1 the following provisions:

2 A. This subsection shall apply to each calendar year
3 prior to 1980 for which a state experience factor is being
4 determined.

5 For every \$7,000,000 (or fraction thereof) by which the
6 amount standing to the credit of this State's account in the
7 unemployment trust fund as of June 30 of the calendar year
8 immediately preceding the calendar year for which the state
9 experience factor is being determined falls below
10 \$450,000,000, the state experience factor for the succeeding
11 calendar year shall be increased 1 percent absolute.

12 For every \$7,000,000 (or fraction thereof) by which the
13 amount standing to the credit of this State's account in the
14 unemployment trust fund as of June 30 of the calendar year
15 immediately preceding the calendar year for which the state
16 experience factor is being determined exceeds \$450,000,000,
17 the state experience factor for the succeeding year shall be
18 reduced 1 percent absolute.

19 B. This subsection shall apply to the calendar years
20 1980 through 1987, for which the state experience factor is
21 being determined.

22 For every \$12,000,000 (or fraction thereof) by which the
23 amount standing to the credit of this State's account in the
24 unemployment trust fund as of June 30 of the calendar year
25 immediately preceding the calendar year for which the state
26 experience factor is being determined falls below
27 \$750,000,000, the state experience factor for the succeeding
28 calendar year shall be increased 1 percent absolute.

29 For every \$12,000,000 (or fraction thereof) by which the
30 amount standing to the credit of this State's account in the
31 unemployment trust fund as of June 30 of the calendar year
32 immediately preceding the calendar year for which the state
33 experience factor is being determined exceeds \$750,000,000,
34 the state experience factor for the succeeding year shall be

1 reduced 1 percent absolute.

2 C. This subsection shall apply to the calendar year 1988
3 and each calendar year thereafter, for which the state
4 experience factor is being determined.

5 1. For every \$50,000,000 (or fraction thereof) by
6 which the adjusted trust fund balance falls below the
7 target balance set forth in this subsection \$750,000,000,
8 the state experience factor for the succeeding year shall
9 be increased one percent absolute.

10 For every \$50,000,000 (or fraction thereof) by which
11 the adjusted trust fund balance exceeds the target
12 balance set forth in this subsection \$750,000,000, the
13 state experience factor for the succeeding year shall be
14 decreased by one percent absolute.

15 The target balance in each calendar year prior to
16 2003 is \$750,000,000. The target balance in calendar year
17 2003 is \$920,000,000. The target balance in calendar year
18 2004 is \$960,000,000. The target balance in calendar year
19 2005 and each calendar year thereafter is \$1,000,000,000.

20 2. For the purposes of this subsection:

21 "Net trust fund balance" is the amount standing to
22 the credit of this State's account in the unemployment
23 trust fund as of June 30 of the calendar year immediately
24 preceding the year for which a state experience factor is
25 being determined.

26 "Adjusted trust fund balance" is the net trust fund
27 balance minus the sum of the benefit reserves for fund
28 building for July 1, 1987 through June 30 of the year
29 prior to the year for which the state experience factor
30 is being determined. The adjusted trust fund balance
31 shall not be less than zero. If the preceding
32 calculation results in a number which is less than zero,
33 the amount by which it is less than zero shall reduce the
34 sum of the benefit reserves for fund building for

1 subsequent years.

2 For the purpose of determining the state experience
3 factor for 1989 and for each calendar year thereafter,
4 the following "benefit reserves for fund building" shall
5 apply for each state experience factor calculation in
6 which that 12 month period is applicable:

7 a. For the 12 month period ending on June 30,
8 1988, the "benefit reserve for fund building" shall
9 be 8/104th of the total benefits paid from January
10 1, 1988 through June 30, 1988.

11 b. For the 12 month period ending on June 30,
12 1989, the "benefit reserve for fund building" shall
13 be the sum of:

14 i. 8/104ths of the total benefits paid
15 from July 1, 1988 through December 31, 1988,
16 plus

17 ii. 4/108ths of the total benefits paid
18 from January 1, 1989 through June 30, 1989.

19 c. For the 12 month period ending on June 30,
20 1990, the "benefit reserve for fund building" shall
21 be 4/108ths of the total benefits paid from July 1,
22 1989 through December 31, 1989.

23 d. For 1992 and for each calendar year
24 thereafter, the "benefit reserve for fund building"
25 for the 12 month period ending on June 30, 1991 and
26 for each subsequent 12 month period shall be zero.

27 3. Notwithstanding the preceding provisions of this
28 subsection, for calendar years 1988 through 2003, the
29 state experience factor shall not be increased or
30 decreased by more than 15 percent absolute.

31 D. Notwithstanding the provisions of subsection C, the
32 adjusted state experience factor:

- 33 1. Shall be 111 percent for calendar year 1988;
- 34 2. Shall not be less than 75 percent nor greater

1 than 135 percent for calendar years year 1989 through
2 2003; and shall not be less than 75% nor greater than
3 150% for calendar year 2004 and each calendar year
4 thereafter;

5 3. Shall not be decreased by more than 5 percent
6 absolute for any calendar year, beginning in calendar
7 year 1989 and through calendar year 1992, by more than 6%
8 absolute for calendar years 1993 through 1995, and by
9 more than 10% absolute for calendar years year 1999
10 through 2003 and by more than 12% absolute for calendar
11 year 2004 and each calendar year thereafter, from the
12 adjusted state experience factor of the calendar year
13 preceding the calendar year for which the adjusted state
14 experience factor is being determined;

15 4. Shall not be increased by more than 15% absolute
16 for calendar year 1993, by more than 14% absolute for
17 calendar years 1994 and 1995, and by more than 10%
18 absolute for calendar years year 1999 through 2003 and by
19 more than 16% absolute for calendar year 2004 and each
20 calendar year thereafter, from the adjusted state
21 experience factor for the calendar year preceding the
22 calendar year for which the adjusted state experience
23 factor is being determined;

24 5. Shall be 100% for calendar years 1996, 1997, and
25 1998.

26 E. The amount standing to the credit of this State's
27 account in the unemployment trust fund as of June 30 shall be
28 deemed to include as part thereof (a) any amount receivable
29 on that date from any Federal governmental agency, or as a
30 payment in lieu of contributions under the provisions of
31 Sections 1403 and 1405 B and paragraph 2 of Section 302C, in
32 reimbursement of benefits paid to individuals, and (b)
33 amounts credited by the Secretary of the Treasury of the
34 United States to this State's account in the unemployment

1 trust fund pursuant to Section 903 of the Federal Social
 2 Security Act, as amended, including any such amounts which
 3 have been appropriated by the General Assembly in accordance
 4 with the provisions of Section 2100 B for expenses of
 5 administration, except any amounts which have been obligated
 6 on or before that date pursuant to such appropriation.

7 (Source: P.A. 89-446, eff. 2-8-96.)

8 (820 ILCS 405/1506.3) (from Ch. 48, par. 576.3)

9 Sec. 1506.3. Fund building rates - Temporary
 10 Administrative Funding.

11 A. Notwithstanding any other provision of this Act, the
 12 following fund building rates shall be in effect for the
 13 following calendar years:

14 For each employer whose contribution rate for 1988, 1989,
 15 1990, the first, third, and fourth quarters of 1991, 1992,
 16 1993, 1994, 1995, and 1997 through 2003 and ~~any calendar year~~
 17 ~~thereafter~~ would, in the absence of this Section, be 0.2% or
 18 higher, a contribution rate which is the sum of such rate and
 19 a fund building rate of 0.4%;

20 For each employer whose contribution rate for the second
 21 quarter of 1991 would, in the absence of this Section, be
 22 0.2% or higher, a contribution rate which is the sum of such
 23 rate and 0.3%;

24 For each employer whose contribution rate for 1996 would,
 25 in the absence of this Section, be 0.1% or higher, a
 26 contribution rate which is the sum of such rate and 0.4%;

27 For each employer whose contribution rate for 2004
 28 through 2009 would, in the absence of this Section, be 0.2%
 29 or higher, a contribution rate which is the sum of such rate
 30 and the following: a fund building rate of 0.7% for 2004; a
 31 fund building rate of 0.9% for 2005; a fund building rate of
 32 0.8% for 2006 and 2007; a fund building rate of 0.6% for
 33 2008; a fund building rate of 0.4% for 2009.

1 For each employer whose contribution rate for 2010 and
2 any calendar year thereafter would, in the absence of this
3 Section, be 0.2% or higher, a contribution rate which is the
4 sum of such rate and a fund building rate equal to the sum of
5 the rate adjustment applicable to that year pursuant to
6 Section 1400.1, plus the fund building rate in effect
7 pursuant to this Section for the immediately preceding
8 calendar year. Notwithstanding any provision to the contrary,
9 the fund building rate in effect for any calendar year after
10 calendar year 2009 shall not be less than 0.4% or greater
11 than 0.55%.

12 Notwithstanding the preceding paragraphs of this Section
13 or any other provision of this Act, except for the provisions
14 contained in Section 1500 pertaining to rates applicable to
15 employers classified under the Standard Industrial Code, or
16 another classification system sanctioned by the United States
17 Department of Labor and prescribed by the Director by rule,
18 no employer whose total wages for insured work paid by him
19 during any calendar quarter in 1988 and any calendar year
20 thereafter are less than \$50,000 shall pay contributions at a
21 rate with respect to such quarter which exceeds the
22 following: with respect to calendar year 1988, 5%; with
23 respect to 1989 and any calendar year thereafter, 5.4%.

24 Notwithstanding the preceding paragraph of this Section,
25 or any other provision of this Act, no employer's
26 contribution rate with respect to calendar years 1993 through
27 1995 shall exceed 5.4% if the employer ceased operations at
28 an Illinois manufacturing facility in 1991 and remained
29 closed at that facility during all of 1992, and the employer
30 in 1993 commits to invest at least \$5,000,000 for the purpose
31 of resuming operations at that facility, and the employer
32 rehires during 1993 at least 250 of the individuals employed
33 by it at that facility during the one year period prior to
34 the cessation of its operations, provided that, within 30

1 days after the effective date of this amendatory Act of 1993,
2 the employer makes application to the Department to have the
3 provisions of this paragraph apply to it. The immediately
4 preceding sentence shall be null and void with respect to an
5 employer which by December 31, 1993 has not satisfied the
6 rehiring requirement specified by this paragraph or which by
7 December 31, 1994 has not made the investment specified by
8 this paragraph. All payments attributable to the fund
9 building rate established pursuant to this Section with
10 respect to the fourth quarter of calendar year 2003, the
11 first quarter of calendar year 2004 and any calendar quarter
12 thereafter as of the close of which there are either bond
13 obligations outstanding pursuant to the Illinois Unemployment
14 Insurance Trust Fund Financing Act, or bond obligations
15 anticipated to be outstanding as of either or both of the 2
16 immediately succeeding calendar quarters, shall be directed
17 for deposit into the Master Bond Fund.

18 B. Notwithstanding any other provision of this Act, for
19 the second quarter of 1991, the contribution rate of each
20 employer as determined in accordance with Sections 1500,
21 1506.1, and subsection A of this Section shall be equal to
22 the sum of such rate and 0.1%; provided that this subsection
23 shall not apply to any employer whose rate computed under
24 Section 1506.1 for such quarter is between 5.1% and 5.3%,
25 inclusive, and who qualifies for the 5.4% rate ceiling
26 imposed by the last paragraph of subsection A for such
27 quarter. All payments made pursuant to this subsection shall
28 be deposited in the Employment Security Administrative Fund
29 established under Section 2103.1 and used for the
30 administration of this Act.

31 C. Payments received by the Director which are
32 insufficient to pay the total contributions due under the Act
33 shall be first applied to satisfy the amount due pursuant to
34 subsection B.

1 C-1. Payments received by the Director with respect to
2 the fourth quarter of calendar year 2003, the first quarter
3 of calendar year 2004 and any calendar quarter thereafter as
4 of the close of which there are either bond obligations
5 outstanding pursuant to the Illinois Unemployment Insurance
6 Trust Fund Financing Act, or bond obligations anticipated to
7 be outstanding as of either or both of the 2 immediately
8 succeeding calendar quarters, shall, to the extent they are
9 insufficient to pay the total amount due under the Act with
10 respect to the quarter, be first applied to satisfy the
11 amount due with respect to that quarter and attributable to
12 the fund building rate established pursuant to this Section.
13 Notwithstanding any other provision to the contrary, with
14 respect to an employer whose contribution rate with respect
15 to a quarter subject to this subsection would have exceeded
16 5.4% but for the 5.4% rate ceiling imposed pursuant to
17 subsection A, the amount due from the employer with respect
18 to that quarter and attributable to the fund building rate
19 established pursuant to subsection A shall equal the amount,
20 if any, by which the amount due and attributable to the 5.4%
21 rate exceeds the amount that would have been due and
22 attributable to the employer's rate determined pursuant to
23 Sections 1500 and 1506.1, without regard to the fund building
24 rate established pursuant to subsection A.

25 D. All provisions of this Act applicable to the
26 collection or refund of any contribution due under this Act
27 shall be applicable to the collection or refund of amounts
28 due pursuant to subsection B and amounts directed pursuant to
29 this Section for deposit into the Master Bond Fund to the
30 extent they would not otherwise be considered as
31 contributions.

32 (Source: P.A. 91-342, eff. 1-1-00.)

33 (820 ILCS 405/1507) (from Ch. 48, par. 577)

1 Sec. 1507. Contribution rates of successor and
2 predecessor employing units.

3 A. Whenever any employing unit succeeds to substantially
4 all of the employing enterprises of another employing unit,
5 then in determining contribution rates for any calendar year,
6 the experience rating record of the predecessor prior to the
7 succession shall be transferred to the successor and
8 thereafter it shall not be treated as the experience rating
9 record of the predecessor, except as provided in subsection
10 B. For the purposes of this Section, such experience rating
11 record shall consist of all years during which liability for
12 the payment of contributions was incurred by the predecessor
13 prior to the succession, all benefit wages based upon wages
14 paid by the predecessor prior to the succession, all benefit
15 charges based on separations from, or reductions in work
16 initiated by, benefits-paid-by the predecessor prior to the
17 succession, and all wages for insured work paid by the
18 predecessor prior to the succession. This amendatory Act of
19 the 93rd General Assembly is intended to be a continuation of
20 prior law.

21 B. The provisions of this subsection shall be applicable
22 only to the determination of contribution rates for the
23 calendar year 1956 and for each calendar year thereafter.
24 Whenever any employing unit has succeeded to substantially
25 all of the employing enterprises of another employing unit,
26 but the predecessor employing unit has retained a distinct
27 severable portion of its employing enterprises or whenever
28 any employing unit has succeeded to a distinct severable
29 portion which is less than substantially all of the employing
30 enterprises of another employing unit, the successor
31 employing unit shall acquire the experience rating record
32 attributable to the portion to which it has succeeded, and
33 the predecessor employing unit shall retain the experience
34 rating record attributable to the portion which it has

1 retained, if--

2 1. It files a written application for such
3 experience rating record which is joined in by the
4 employing unit which is then entitled to such experience
5 rating record; and

6 2. The joint application contains such information
7 as the Director shall by regulation prescribe which will
8 show that such experience rating record is identifiable
9 and segregable and, therefore, capable of being
10 transferred; and

11 3. The joint application is filed prior to
12 whichever of the following dates is the latest: (a) July
13 1, 1956; (b) one year after the date of the succession;
14 or (c) the date that the rate determination of the
15 employing unit which has applied for such experience
16 rating record has become final for the calendar year
17 immediately following the calendar year in which the
18 succession occurs. The filing of a timely joint
19 application shall not affect any rate determination which
20 has become final, as provided by Section 1509.

21 If all of the foregoing requirements are met, then the
22 Director shall transfer such experience rating record to the
23 employing unit which has applied therefor, and it shall not
24 be treated as the experience rating record of the employing
25 unit which has joined in the application.

26 Whenever any employing unit is reorganized into two or
27 more employing units, and any of such employing units are
28 owned or controlled by the same interests which owned or
29 controlled the predecessor prior to the reorganization, and
30 the provisions of this subsection become applicable thereto,
31 then such affiliated employing units during the period of
32 their affiliation shall be treated as a single employing unit
33 for the purpose of determining their rates of contributions.

34 C. For the calendar year in which a succession occurs

1 which results in the total or partial transfer of a
2 predecessor's experience rating record, the contribution
3 rates of the parties thereto shall be determined in the
4 following manner:

5 1. If any of such parties had a contribution rate
6 applicable to it for that calendar year, it shall
7 continue with such contribution rate.

8 2. If any successor had no contribution rate
9 applicable to it for that calendar year, and only one
10 predecessor is involved, then the contribution rate of
11 the successor shall be the same as that of its
12 predecessor.

13 3. If any successor had no contribution rate
14 applicable to it for that calendar year, and two or more
15 predecessors are involved, then the contribution rate of
16 the successor shall be computed, on the combined
17 experience rating records of the predecessors or on the
18 appropriate part of such records if any partial transfer
19 is involved, as provided in Sections 1500 to 1507,
20 inclusive.

21 4. Notwithstanding the provisions of paragraphs 2
22 and 3 of this subsection, if any succession occurs prior
23 to the calendar year 1956 and the successor acquires part
24 of the experience rating record of the predecessor as
25 provided in subsection B of this Section, then the
26 contribution rate of that successor for the calendar year
27 in which such succession occurs shall be 2.7 percent.

28 (Source: P.A. 90-554, eff. 12-12-97; 91-342, eff. 1-1-00.)

29 (820 ILCS 405/1511.1 new)

30 Sec. 1511.1. Effects of 2004 Solvency Legislation. The
31 Employment Security Advisory Board shall hold public hearings
32 on the progress toward meeting the Trust Fund solvency
33 projections made in accordance with this amendatory Act of

1 the 93d General Assembly. The hearings shall also consider
2 issues related to benefit eligibility, benefit levels,
3 employer contributions, and future trust fund solvency goals.
4 The Board shall, in accordance with its operating
5 resolutions, approve and report findings from the hearings to
6 the Illinois General Assembly by April 1, 2007. A copy of the
7 findings shall be available to the public on the Department's
8 website.

9 (820 ILCS 405/2100) (from Ch. 48, par. 660)

10 Sec. 2100. Handling of funds - Bond - Accounts.

11 A. All contributions and payments in lieu of
12 contributions collected under this Act, including but not
13 limited to fund building receipts, together with any interest
14 thereon; all penalties collected pursuant to this Act; any
15 property or securities acquired through the use thereof; all
16 moneys advanced to this State's account in the unemployment
17 trust fund pursuant to the provisions of Title XII of the
18 Social Security Act, as amended; all moneys directed for
19 transfer from the Master Bond Fund to this State's account in
20 the unemployment trust fund received--from--the--federal--tax
21 avoidance-surcharge-established-by-Section-1506.4; all moneys
22 received from the Federal government as reimbursements
23 pursuant to Section 204 of the Federal-State Extended
24 Unemployment Compensation Act of 1970, as amended; all moneys
25 credited to this State's account in the unemployment trust
26 fund pursuant to Section 903 of the Federal Social Security
27 Act, as amended; and all earnings of such property or
28 securities and any interest earned upon any such moneys shall
29 be paid or turned over to and held by the Director, as
30 ex-officio custodian of the clearing account, the
31 unemployment trust fund account and the benefit account, and
32 by the State Treasurer, as ex-officio custodian of the
33 special administrative account, separate and apart from all

1 public moneys or funds of this State, as hereinafter
2 provided. Such moneys shall be administered by the Director
3 exclusively for the purposes of this Act.

4 No such moneys shall be paid or expended except upon the
5 direction of the Director in accordance with such regulations
6 as he shall prescribe pursuant to the provisions of this Act.

7 The State Treasurer shall be liable on his general
8 official bond for the faithful performance of his duties in
9 connection with the moneys in the special administrative
10 account provided for under this Act. Such liability on his
11 official bond shall exist in addition to the liability upon
12 any separate bond given by him. All sums recovered for
13 losses sustained by the account shall be deposited in that
14 account.

15 The Director shall be liable on his general official bond
16 for the faithful performance of his duties in connection with
17 the moneys in the clearing account, the benefit account and
18 unemployment trust fund account provided for under this Act.
19 Such liability on his official bond shall exist in addition
20 to the liability upon any separate bond given by him. All
21 sums recovered for losses sustained by any one of the
22 accounts shall be deposited in the account that sustained
23 such loss.

24 The Treasurer shall maintain for such moneys a special
25 administrative account. The Director shall maintain for
26 such moneys 3 separate accounts: a clearing account, a
27 benefit account and an unemployment trust fund account. All
28 moneys payable under this Act (except moneys requisitioned
29 from this State's account in the unemployment trust fund and
30 deposited in the benefit account), including but not limited
31 to moneys directed for transfer from the Master Bond Fund to
32 this State's account in the unemployment trust fund, upon
33 receipt thereof by the Director, shall be immediately
34 deposited in the clearing account; provided, however, that,

1 except as is otherwise provided in this Section, interest and
2 penalties shall not be deemed a part of the clearing account
3 but shall be transferred immediately upon clearance thereof
4 to the special administrative account.

5 After clearance thereof, all other moneys in the clearing
6 account shall be immediately deposited by the Director with
7 the Secretary of the Treasury of the United States of America
8 to the credit of the account of this State in the
9 unemployment trust fund, established and maintained pursuant
10 to the Federal Social Security Act, as amended, except fund
11 building receipts, which shall be deposited into the Master
12 Bond Fund. The benefit account shall consist of all moneys
13 requisitioned from this State's account in the unemployment
14 trust fund. The moneys in the benefit account shall be
15 expended in accordance with regulations prescribed by the
16 Director and solely for the payment of benefits, refunds of
17 contributions, interest and penalties under the provisions of
18 the Act, the payment of health insurance in accordance with
19 Section 410 of this Act, and the transfer or payment of funds
20 to any Federal or State agency pursuant to reciprocal
21 arrangements entered into by the Director under the
22 provisions of Section 2700E, except that moneys credited to
23 this State's account in the unemployment trust fund pursuant
24 to Section 903 of the Federal Social Security Act, as
25 amended, shall be used exclusively as provided in subsection
26 B. For purposes of this Section only, to the extent allowed
27 by applicable legal requirements, the payment of benefits
28 includes but is not limited to the payment of principal on
29 any bonds issued pursuant to the Illinois Unemployment
30 Insurance Trust Fund Financing Act, exclusive of any interest
31 or administrative expenses in connection with the bonds. The
32 Director shall, from time to time, requisition from the
33 unemployment trust fund such amounts, not exceeding the
34 amounts standing to the State's account therein, as he deems

1 necessary solely for the payment of such benefits, refunds,
2 and funds, for a reasonable future period. The Director, as
3 ex-officio custodian of the benefit account, which shall be
4 kept separate and apart from all other public moneys, shall
5 issue his checks for the payment of such benefits, refunds,
6 health insurance and funds solely from the moneys so received
7 into the benefit account. However, after January 1, 1987, no
8 check shall be drawn on such benefit account unless at the
9 time of drawing there is sufficient money in the account to
10 pay the check. The Director shall retain in the clearing
11 account an amount of interest and penalties equal to the
12 amount of interest and penalties to be refunded from the
13 benefit account. After clearance thereof, the amount so
14 retained shall be immediately deposited by the Director, as
15 are all other moneys in the clearing account, with the
16 Secretary of the Treasury of the United States. If, at any
17 time, an insufficient amount of interest and penalties is
18 available for retention in the clearing account, no refund of
19 interest or penalties shall be made from the benefit account
20 until a sufficient amount is available for retention and is
21 so retained, or until the State Treasurer, upon the direction
22 of the Director, transfers to the Director a sufficient
23 amount from the special administrative account, for immediate
24 deposit in the benefit account.

25 Any balance of moneys requisitioned from the unemployment
26 trust fund which remains unclaimed or unpaid in the benefit
27 account after the expiration of the period for which such
28 sums were requisitioned shall either be deducted from
29 estimates of and may be utilized for authorized expenditures
30 during succeeding periods, or, in the discretion of the
31 Director, shall be redeposited with the Secretary of the
32 Treasury of the United States to the credit of the State's
33 account in the unemployment trust fund.

34 Moneys in the clearing, benefit and special

1 administrative accounts shall not be commingled with other
2 State funds but they shall be deposited as required by law
3 and maintained in separate accounts on the books of a savings
4 and loan association or bank.

5 No bank or savings and loan association shall receive
6 public funds as permitted by this Section, unless it has
7 complied with the requirements established pursuant to
8 Section 6 of "An Act relating to certain investments of
9 public funds by public agencies", approved July 23, 1943, as
10 now or hereafter amended.

11 B. Moneys credited to the account of this State in the
12 unemployment trust fund by the Secretary of the Treasury of
13 the United States pursuant to Section 903 of the Social
14 Security Act may be requisitioned from this State's account
15 and used as authorized by Section 903. Any interest required
16 to be paid on advances under Title XII of the Social Security
17 Act shall be paid in a timely manner and shall not be paid,
18 directly or indirectly, by an equivalent reduction in
19 contributions or payments in lieu of contributions from
20 amounts in this State's account in the unemployment trust
21 fund. Such moneys may be requisitioned and used for the
22 payment of expenses incurred for the administration of this
23 Act, but only pursuant to a specific appropriation by the
24 General Assembly and only if the expenses are incurred and
25 the moneys are requisitioned after the enactment of an
26 appropriation law which:

27 1. Specifies the purpose or purposes for which such
28 moneys are appropriated and the amount or amounts
29 appropriated therefor;

30 2. Limits the period within which such moneys may
31 be obligated to a period ending not more than 2 years
32 after the date of the enactment of the appropriation law;
33 and

34 3. Limits the amount which may be obligated during

1 any fiscal year to an amount which does not exceed the
2 amount by which (a) the aggregate of the amounts
3 transferred to the account of this State pursuant to
4 Section 903 of the Social Security Act exceeds (b) the
5 aggregate of the amounts used by this State pursuant to
6 this Act and charged against the amounts transferred to
7 the account of this State.

8 For purposes of paragraph (3) above, amounts obligated
9 for administrative purposes pursuant to an appropriation
10 shall be chargeable against transferred amounts at the exact
11 time the obligation is entered into. The appropriation,
12 obligation, and expenditure or other disposition of money
13 appropriated under this subsection shall be accounted for in
14 accordance with standards established by the United States
15 Secretary of Labor.

16 Moneys appropriated as provided herein for the payment of
17 expenses of administration shall be requisitioned by the
18 Director as needed for the payment of obligations incurred
19 under such appropriation. Upon requisition, such moneys shall
20 be deposited with the State Treasurer, who shall hold such
21 moneys, as ex-officio custodian thereof, in accordance with
22 the requirements of Section 2103 and, upon the direction of
23 the Director, shall make payments therefrom pursuant to such
24 appropriation. Moneys so deposited shall, until expended,
25 remain a part of the unemployment trust fund and, if any will
26 not be expended, shall be returned promptly to the account of
27 this State in the unemployment trust fund.

28 C. The Governor is authorized to apply to the United
29 States Secretary of Labor for an advance or advances to this
30 State's account in the unemployment trust fund pursuant to
31 the conditions set forth in Title XII of the Federal Social
32 Security Act, as amended. The amount of any such advance may
33 be repaid from this State's account in the unemployment trust
34 fund ~~provided--that--if--the--federal--penalty-tax-avoidance~~

1 surcharge-established-by-Section-1506.4-is-in-effect-for-that
 2 year, any outstanding advance shall first be repaid from
 3 amounts in this State's account in the unemployment trust
 4 fund which were received from such surcharge by November 9 of
 5 each year.

6 (Source: P.A. 91-342, eff. 1-1-00.)

7 (820 ILCS 405/2106.1 new)

8 Sec. 2106.1. Master Bond Fund. There is hereby
 9 established the Master Bond Fund held by the Director or his
 10 or her designee as ex-officio custodian thereof separate and
 11 apart from all other State funds. The moneys in the Fund
 12 shall be used in accordance with the Illinois Unemployment
 13 Insurance Trust Fund Financing Act.

14 (820 ILCS 405/1506.4 rep.)

15 (820 ILCS 405/2104 rep.)

16 Section 13.4. The Unemployment Insurance Act is amended
 17 by repealing Sections 1506.4 and 2104.

18 Section 14. Effective Date. This Act takes effect on
 19 January 1, 2004."