HB5094

LRB09619258RLC34649b

96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB5094

Introduced 1/29/2010, by Rep. Karen May

SYNOPSIS AS INTRODUCED:

820 ILCS 405/1500 from Ch. 48, par. 570

Amends the Unemployment Insurance Act. Establishes employer contribution rates for each calendar year after calendar year 2009 if the employer failed to incur liability for the payment of contributions in one of the 3 immediately preceding calendar years.

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FISCAL NOTE ACT
MAY APPLY

A BILL FOR

AN ACT concerning employment.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 5. The Unemployment Insurance Act is amended by changing Section 1500 as follows:

(820 ILCS 405/1500) (from Ch. 48, par. 570)

Sec. 1500. Rate of contribution.

A. For the six months' period beginning July 1, 1937, and for each of the calendar years 1938 to 1959, inclusive, each employer shall pay contributions on wages at the percentages specified in or determined in accordance with the provisions of this Act as amended and in effect on July 11, 1957.

B. For the calendar years 1960 through 1983, each employer shall pay contributions equal to 2.7 percent with respect to wages for insured work paid during each such calendar year, except that the contribution rate of each employer who has incurred liability for the payment of contributions within each of the three calendar years immediately preceding the calendar year for which a rate is being determined, shall be determined as provided in Sections 1501 to 1507, inclusive.

For the calendar year 1984 and each calendar year thereafter, each employer shall pay contributions at a percentage rate equal to the greatest of 2.7%, or 2.7%

multiplied by the current adjusted State experience factor, as determined for each calendar year by the Director in accordance with the provisions of Sections 1504 and 1505, or the average contribution rate for his major classification in the Standard Industrial Code, or another classification sanctioned by the United States Department of Labor and prescribed by the Director by rule, with respect to wages for insured work paid during such year. The Director of Employment Security shall determine for calendar year 1984 and each calendar year thereafter by a method pursuant to adopted rules each individual employer's industrial code and the average contribution rate for each major classification in the Standard Industrial Code, or each other classification sanctioned by the United States Department of Labor and prescribed by the Director by rule. Notwithstanding the preceding provisions of this paragraph, the contribution rate for calendar years 1984, 1985 and 1986 of each employer who has incurred liability for the payment of contributions within each of the two calendar years immediately preceding the calendar year for which a rate is being determined, and the contribution rate for calendar year 1987 and each calendar year thereafter of each employer who has incurred liability for the payment of contributions within each of the three calendar years immediately preceding the calendar year for which a rate is being determined shall be determined as provided in Sections 1501 to 1507.1, inclusive. Provided, however, that the contribution rate for calendar

years 1989 and 1990 of each employer who has had experience with the risk of unemployment for at least 13 consecutive months ending June 30 of the preceding calendar year shall be a rate determined in accordance with this Section or a rate determined as if it had been calculated in accordance with Sections 1501 through 1507, inclusive, whichever is greater, except that for purposes of calculating the benefit wage ratio as provided in Section 1503, such benefit wage ratio shall be a percentage equal to the total of benefit wages for the 12 consecutive calendar month period ending on the above preceding June 30, divided by the total wages for insured work subject to the payment of contributions under Sections 234, 235 and 245 for the same period and provided, further, however, that the contribution rate for calendar year 1991 and for each calendar year thereafter of each employer who has had experience with the risk of unemployment for at least 13 consecutive months ending June 30 of the preceding calendar year shall be a rate determined in accordance with this Section or a rate determined as if it had been calculated in accordance with Sections 1501 through 1507.1, inclusive, whichever is greater, except that for purposes of calculating the benefit ratio as provided in Section 1503.1, such benefit ratio shall be a percentage equal to the total of benefit charges for the 12 consecutive calendar month period ending on the above preceding June 30, multiplied by the benefit conversion factor applicable to such year, divided by the total wages for insured work subject to the

payment of contributions under Sections 234, 235 and 245 for the same period. Notwithstanding any other provision to the contrary, for each calendar year after calendar year 2009, an employer's contribution rate is the rate calculated pursuant to paragraph 1 of Section 1506.1E if (1) the employer's contribution rate for one or more preceding calendar years was calculated in accordance with Sections 1501 through 1507, inclusive; (2) for the last year for which the employer's contribution rate was calculated in accordance with Sections 1501 through 1507, inclusive, the employer's contribution rate was the rate established pursuant to paragraph 1 of Section 1506.1E, and (3) the employer's contribution rate for the year for which the rate is being determined would have been the rate calculated pursuant to paragraph 1 of Section 1506.1E but for the employer's failure to incur liability for the payment of contributions in one of the 3 immediately preceding calendar years.

C. Except as expressly provided in this Act, the provisions of Sections 1500 to 1510, inclusive, do not apply to any nonprofit organization for any period with respect to which it does not incur liability for the payment of contributions by reason of having elected to make payments in lieu of contributions, or to any political subdivision or municipal corporation for any period with respect to which it is not subject to payments in lieu of contributions under the provisions of paragraph 1 of Section 302C by reason of having

elected to make payments in lieu of contributions under paragraph 2 of that Section or to any governmental entity referred to in clause (B) of Section 211.1. Wages paid to an individual which are subject to contributions under Section 1405 A, or on the basis of which benefits are paid to him which are subject to payment in lieu of contributions under Sections 1403, 1404, or 1405 B, or under paragraph 2 of Section 302C, shall not become benefit wages or benefit charges under the provisions of Sections 1501 or 1501.1, respectively, except for purposes of determining a rate of contribution for 1984 and each calendar year thereafter for any governmental entity referred to in clause (B) of Section 211.1 which does not elect to make payments in lieu of contributions.

D. If an employer's business is closed solely because of the entrance of one or more of the owners, partners, officers, or the majority stockholder into the armed forces of the United States, or of any of its allies, or of the United Nations, and, if the business is resumed within two years after the discharge or release of such person or persons from active duty in the armed forces, the employer will be deemed to have incurred liability for the payment of contributions continuously throughout such period. Such an employer, for the purposes of Section 1506.1, will be deemed to have paid contributions upon wages for insured work during the applicable period specified in Section 1503 on or before the date designated therein, provided that no wages became benefit wages during the

applicable period specified in Section 1503.

(Source: P.A. 94-301, eff. 1-1-06.)