

97TH GENERAL ASSEMBLY State of Illinois 2011 and 2012 HB3579

Introduced 2/24/2011, by Rep. Brandon W. Phelps

SYNOPSIS AS INTRODUCED:

820 ILCS 405/401 from Ch. 48, par. 401 820 ILCS 405/1501.1 from Ch. 48, par. 571.1

Amends the Unemployment Insurance Act. Provides that, with respect to any week beginning prior to January 1, 2011, an individual's weekly benefit amount shall be an amount equal to the weekly benefit amount as defined at the time of the effective date of this amendatory Act. Deletes or changes numerous provisions relating to benefit amounts, dependents' allowances, and benefit charges. Changes definitions. Makes other changes. Effective immediately.

LRB097 05459 AEK 45518 b

FISCAL NOTE ACT MAY APPLY

1 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 Sections 401 and 1501.1 as follows:
- 6 (820 ILCS 405/401) (from Ch. 48, par. 401)
- 7 Sec. 401. Weekly Benefit Amount Dependents' Allowances.
- A. With respect to any week beginning prior to <u>January 1,</u>

 9 <u>2011</u> April 24, 1983, an individual's weekly benefit amount

 10 shall be an amount equal to the weekly benefit amount as

 11 defined in this Act <u>at the time of the effective date of this</u>
- 12 <u>amendatory Act of the 97th General Assembly</u> as in effect on
- 13 November 30, 1982.
- B. 1. With respect to any week beginning on or after April

 24, 1983 and before January 3, 1988, an individual's weekly
- benefit amount shall be 48% of his prior average weekly wage,
- 17 rounded (if not already a multiple of one dollar) to the next
- 18 higher dollar; provided, however, that the weekly benefit
- 19 amount cannot exceed the maximum weekly benefit amount, and
- 20 cannot be less than 15% of the statewide average weekly wage,
- 21 rounded (if not already a multiple of one dollar) to the next
- 22 higher dollar. However, the weekly benefit amount for an
- 23 <u>individual who has established a benefit year beginning before</u>

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April 24, 1983, shall be determined, for weeks beginning on or after April 24, 1983 claimed with respect to that benefit year, as provided under this Act as in effect on November 30, 1982. With respect to any week beginning on or after January 3, 1988 and before January 1, 1993, an individual's weekly benefit amount shall be 49% of his prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher provided, however, that the weekly benefit cannot exceed the maximum weekly benefit amount, and cannot be less than \$51. With respect to any week beginning on or after January 3, 1993 and during a benefit year beginning before January 4, 2004, an individual's weekly benefit amount shall be 49.5% of his prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar; provided, however, that the weekly benefit amount cannot exceed the maximum weekly benefit amount and cannot be less than \$51. With respect to any benefit year beginning on or after January 4, 2004 and before January 6, 2008, an individual's weekly benefit amount shall be 48% of his or her prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar; provided, however, that the weekly benefit amount cannot exceed the maximum weekly benefit amount and cannot be less than \$51. With respect to any benefit year beginning on or after January 6, 2008, an individual's weekly benefit amount shall be 47% of his or her prior average weekly wage, rounded (if not already a multiple of one dollar) to the

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- 1 next higher dollar; provided, however, that the weekly benefit
- 2 amount cannot exceed the maximum weekly benefit amount and
- 3 cannot be less than \$51.

multiple of one dollar.

2. For the purposes of this subsection:

5 With respect to any week beginning on or after April 24, 1983, an An individual's "prior average weekly wage" means the 6 7 total wages for insured work paid to that individual during the 2 calendar quarters of his base period in which such total 8 9 wages were highest, divided by 26. If the quotient is not 10 already a multiple of one dollar, it shall be rounded to the 11 nearest dollar; however if the quotient is equally near 2 12 multiples of one dollar, it shall be rounded to the higher

"Determination date" means June 1, 1982, December 1, 1982 and December 1 of each succeeding calendar year thereafter. However, if as of June 30, 1982, or any June 30 thereafter, the net amount standing to the credit of this State's account in the unemployment trust fund (less all outstanding advances to that account, including advances pursuant to Title XII of the federal Social Security Act) is greater than \$100,000,000, "determination date" shall mean December 1 of that year and June 1 of the succeeding year. Notwithstanding the preceding sentence, for the purposes of this Act only, there shall be no June 1 determination date in any year after 1986.

"Determination period" means, with respect to each June 1 determination date, the 12 consecutive calendar months ending

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on the immediately preceding December 31 and, with respect to each December 1 determination date, the 12 consecutive calendar months ending on the immediately preceding June 30.

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

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

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

"Average monthly covered employment" means one-twelfth of

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the sum of the covered employment for the 12 months of a determination period.

"Statewide average annual wage" means the quotient, obtained by dividing gross wages by average monthly covered employment for the same determination period, rounded (if not already a multiple of one cent) to the nearest cent.

"Statewide average weekly wage" means the quotient, obtained by dividing the statewide average annual wage by 52, rounded (if not already a multiple of one cent) to the nearest cent. Notwithstanding any provisions of this Section to the contrary, the statewide average weekly wage for the benefit period beginning July 1, 1982 and ending December 31, 1982 shall be the statewide average weekly wage in effect for the immediately preceding benefit period plus one-half of the result obtained by subtracting the statewide average weekly wage for the immediately preceding benefit period from the statewide average weekly wage for the benefit period beginning July 1, 1982 and ending December 31, 1982 as such statewide average weekly wage would have been determined but for the provisions of this paragraph. Notwithstanding any provisions of this Section to the contrary, the statewide average weekly wage for the benefit period beginning April 24, 1983 and ending January 31, 1984 shall be \$321 and for the benefit beginning February 1, 1984 and ending December 31, 1986 shall be \$335, and for the benefit period beginning January 1, 1987, and ending December 31, 1987, shall be \$350, except that for an

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individual who has established a benefit year beginning before April 24, 1983, the statewide average weekly wage used in determining benefits, for any week beginning on or after April 24, 1983, claimed with respect to that benefit year, shall be \$334.80, except that, for the purpose of determining the minimum weekly benefit amount under subsection B(1) for the benefit period beginning January 1, 1987, and ending December 31, 1987, the statewide average weekly wage shall be \$335; the benefit periods January 1, 1988 through December 31, 1988, January 1, 1989 through December 31, 1989, and January 1, 1990 through December 31, 1990, the statewide average weekly wage shall be \$359, \$381, and \$406, respectively. Notwithstanding the preceding sentences of this paragraph, for the benefit period of calendar year 1991, the statewide average weekly wage shall be \$406 plus (or minus) an amount equal to the percentage change in the statewide average weekly wage, as computed in accordance with the preceding sentences of this paragraph, between the benefit periods of calendar years 1989 and 1990, multiplied by \$406; and, for the benefit periods of calendar years 1992 through 2003 and calendar year 2011 2005 and each calendar year thereafter, the statewide average weekly wage, shall be the statewide average weekly wage, as determined in accordance with this sentence as in effect at the time of the effective date of this amendatory Act of the 97th General Assembly, for the immediately preceding benefit period plus (or minus) an amount equal to the percentage change in the

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statewide average weekly wage, as computed in accordance with the preceding sentences of this paragraph, between the 2 immediately preceding benefit periods, multiplied by the statewide average weekly wage, as determined in accordance with this sentence, for the immediately preceding benefit period. However, for purposes of the Workers' Compensation Act, the statewide average weekly wage will be computed using June 1 and December 1 determination dates of each calendar year and such determination shall not be subject to the limitation of \$321, \$335, \$350, \$359, \$381, \$406 or the statewide average weekly wage as computed in accordance with the preceding sentence of this paragraph.

With respect to any week beginning on or after April 1983 and before January 3, 1988, "maximum weekly benefit amount" means 48% of the statewide average weekly wage, rounded (if not already a multiple of one dollar) to the nearest dollar, provided however, that the maximum weekly benefit amount for an individual who has established a benefit year beginning before April 24, 1983, shall be determined, for weeks beginning on or after April 24, 1983 claimed with respect to that benefit year, as provided under this Act as amended and in effect on November 30, 1982, except that the statewide average weekly wage used in such determination shall be \$334.80.

With respect to any week beginning after January 2, 1988 and before January 1, 1993, "maximum weekly benefit amount" with respect to each week beginning within a benefit period

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means 49% of the statewide average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar.

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

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

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

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

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

With respect to any week beginning on or after January 2, 1988 and before January 1, 1991 and any week beginning on or after January 1, 1992, and before January 1, 1993, an individual to whom benefits are payable with respect to any week shall, in addition to those benefits, be paid, with

respect to such week, as follows: in the case of an individual with a nonworking spouse, 8% of his prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar, provided, that the total amount payable to the individual with respect to a week shall not exceed 57% of the statewide average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar; and in the case of an individual with a dependent child or dependent children, 15% of his prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar, provided that the total amount payable to the individual with respect to a week shall not exceed 64% of the statewide average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar.

With respect to any week beginning on or after January 1, 1991 and before January 1, 1992, an individual to whom benefits are payable with respect to any week shall, in addition to the benefits, be paid, with respect to such week, as follows: in the case of an individual with a nonworking spouse, 8.3% of his prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar, provided, that the total amount payable to the individual with respect to a week shall not exceed 57.3% of the statewide average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar; and in the case of an individual with a dependent child or dependent children, 15.3% of his prior

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average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar, provided that the total amount payable to the individual with respect to a week shall not exceed 64.3% of the statewide average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar.

With respect to any week beginning on or after January 3, 1993, during a benefit year beginning before January 4, 2004, an individual to whom benefits are payable with respect to any week shall, in addition to those benefits, be paid, with respect to such week, as follows: in the case of an individual with a nonworking spouse, 9% of his prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar, provided, that the total amount payable to the individual with respect to a week shall not exceed 58.5% of the statewide average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar; and in the case of an individual with a dependent child or dependent children, 16% of his prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar, provided that the total amount payable to the individual with respect to a week shall not exceed 65.5% of the statewide average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar.

With respect to any benefit year beginning on or after January 4, 2004 and before January 6, 2008, an individual to

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whom benefits are payable with respect to any week shall, in addition to those benefits, be paid, with respect to such week, as follows: in the case of an individual with a nonworking spouse, 9% of his or her prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar, provided, that the total amount payable to the individual with respect to a week shall not exceed 57% of the statewide average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar; and in the case of an individual with a dependent child or dependent children, 17.2% of his or her prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar, provided that the total amount payable to the individual with respect to a week shall not exceed 65.2% of the statewide average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar.

With respect to any benefit year beginning on or after January 6, 2008 and before January 1, 2010, an individual to whom benefits are payable with respect to any week shall, in addition to those benefits, be paid, with respect to such week, as follows: in the case of an individual with a nonworking spouse, 9% of his or her prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar, provided, that the total amount payable to the individual with respect to a week shall not exceed 56% of the statewide average weekly wage, rounded (if not already a

multiple of one dollar) to the next higher dollar; and in the case of an individual with a dependent child or dependent children, 18.2% of his or her prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar, provided that the total amount payable to the individual with respect to a week shall not exceed 65.2% of the statewide average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar.

The additional amount paid pursuant to this subsection in the case of an individual with a dependent child or dependent children shall be referred to as the "dependent child allowance", and the percentage rate by which an individual's prior average weekly wage is multiplied pursuant to this subsection to calculate the dependent child allowance shall be referred to as the "dependent child allowance rate".

With respect to any benefit year beginning on or after January 1, 2010, an individual to whom benefits are payable with respect to any week shall, in addition to those benefits, be paid, with respect to such week, as follows: in the case of an individual with a nonworking spouse, the greater of (i) 9% of his or her prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar, or (ii) \$15, provided that the total amount payable to the individual with respect to a week shall not exceed 56% of the statewide average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar; and in the

case of an individual with a dependent child or dependent children, the greater of (i) the product of the dependent child allowance rate multiplied by his or her prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar, or (ii) the lesser of \$50 or 50% of his or her weekly benefit amount, rounded (if not already a multiple of one dollar) to the next higher dollar, provided that the total amount payable to the individual with respect to a week shall not exceed the product of the statewide average weekly wage multiplied by the sum of 47% plus the dependent child allowance rate, rounded (if not already a multiple of one dollar) to the next higher dollar.

With respect to each benefit year beginning after calendar year 2009, the dependent child allowance rate shall be the sum of the allowance adjustment applicable pursuant to Section 1400.1 to the calendar year in which the benefit year begins, plus the dependent child allowance rate with respect to each benefit year beginning in the immediately preceding calendar year, except as otherwise provided in this subsection. The dependent child allowance rate with respect to each benefit year beginning in calendar year 2010 shall not be greater than 18.2%. The dependent child allowance rate with respect to each benefit year beginning in calendar year 2011 shall be reduced by 0.2% absolute below the rate it would otherwise have been pursuant to this subsection and, with respect to each benefit year beginning after calendar year 2010, except as otherwise

provided, shall not be less than 17.1% or greater than 18.0%. Unless, as a result of this sentence, the agreement between the Federal Government and State regarding the Federal Additional Compensation program established under Section 2002 of the American Recovery and Reinvestment Act, or a successor program, would not apply or would cease to apply, the dependent child allowance rate with respect to each benefit year beginning in calendar year 2012 shall be reduced by 0.1% absolute below the rate it would otherwise have been pursuant to this subsection and, with respect to each benefit year beginning after calendar year 2011, shall not be less than 17.0% or greater than 17.9%.

For the purposes of this subsection:

"Dependent" means a child or a nonworking spouse.

"Child" means a natural child, stepchild, or adopted child of an individual claiming benefits under this Act or a child who is in the custody of any such individual by court order, for whom the individual is supplying and, for at least 90 consecutive days (or for the duration of the parental relationship if it has existed for less than 90 days) immediately preceding any week with respect to which the individual has filed a claim, has supplied more than one-half the cost of support, or has supplied at least 1/4 of the cost of support if the individual and the other parent, together, are supplying and, during the aforesaid period, have supplied more than one-half the cost of support, and are, and were during the aforesaid period, members of the same household; and

or (b) is, and has been during the immediately preceding 90

days, unable to work because of illness or other disability:

who, on the first day of such week (a) is under 18 years of age,

provided, that no person who has been determined to be a child

of an individual who has been allowed benefits with respect to

a week in the individual's benefit year shall be deemed to be a

child of the other parent, and no other person shall be

determined to be a child of such other parent, during the

remainder of that benefit year.

"Nonworking spouse" means the lawful husband or wife of an individual claiming benefits under this Act, for whom more than one-half the cost of support has been supplied by the individual for at least 90 consecutive days (or for the duration of the marital relationship if it has existed for less than 90 days) immediately preceding any week with respect to which the individual has filed a claim, but only if the nonworking spouse is currently ineligible to receive benefits under this Act by reason of the provisions of Section 500E.

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

(Source: P.A. 96-30, eff. 6-30-09.)

- 1 (820 ILCS 405/1501.1) (from Ch. 48, par. 571.1)
- 2 Sec. 1501.1. Benefit charges. A. When an individual is paid
- 3 regular benefits with respect to a week in a benefit year which
- 4 begins on or after July 1, 1989, an amount equal to such
- 5 regular benefits, including dependents' allowances, shall
- 6 immediately become benefit charges.
- 7 B. (Blank). When an individual is paid regular benefits on
- 8 or after July 1, 1989, with respect to a week in a benefit year
- 9 which began prior to July 1, 1989, an amount equal to such
- 10 regular benefits, including dependents' allowances, shall
- 11 <u>immediately become benefit charges.</u>
- 12 C. When an individual is paid extended benefits with
- 13 respect to any week in his eligibility period beginning in a
- benefit year which begins on or after July 1, 1989, an amount
- 15 equal to one-half of such extended benefits including
- dependents' allowances, shall immediately become benefit
- 17 charges.
- D. (Blank). When an individual is paid extended benefits on
- 19 or after July 1, 1989, with respect to any week in his
- 20 <u>eligibility period beginning in a benefit year which began</u>
- 21 prior to July 1, 1989, an amount equal to one-half of such
- 22 extended benefits including dependents' allowances, shall
- 23 <u>immediately become benefit charges.</u>
- E. Notwithstanding the foregoing subsections, the payment
- of benefits shall not become benefit charges if, by reason of
- the application of subsection B the third paragraph of Section

- 237, he is paid benefits based upon wages other than those paid in a base period as defined in <u>subsections A and C</u> the second paragraph of Section 237.
 - F. (Blank). Notwithstanding the foregoing subsections, the payment of regular or extended benefits on or after July 1, 1989, with respect to a week in a benefit year which began prior to July 1, 1989, shall not become benefit charges under subsections B and D above where such benefit charges, had they been benefit wages under Section 1501, would have been subject to transfer under subsection F of Section 1501.
 - G. (Blank). Notwithstanding any other provision of this Act, the benefit charges with respect to the payment of regular or extended benefits on or after July 1, 1989, with respect to a week in a benefit year which began prior to July 1, 1989, shall not exceed the difference between the base period wages paid with respect to that benefit year and the wages which became benefit wages with respect to that same benefit year (not including any benefit wages transferred pursuant to subsection F of Section 1501), provided that any change after September 30, 1989, in either base period wages or wages which became benefit wages as a result of benefit payments made prior to July 1, 1989 shall not affect such benefit charges.
 - H. For the purposes of this Section and of Section 1504, benefits shall be deemed to have been paid on the date such payment has been mailed to the individual by the Director.
- 26 (Source: P.A. 85-956.)

- 1 Section 99. Effective date. This Act takes effect upon
- 2 becoming law.