

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, 706, 900, 1300, 1401, 1402, 1501.1, 1505, 1506.1, 1506.3, 1506.5, 1801.1, 2100, and 2103 and by adding Section 901.1 as follows:

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

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

A. With respect to any week beginning in a benefit year beginning prior to January 4, 2004 ~~April 24, 1983~~, an individual's weekly benefit amount shall be an amount equal to the weekly benefit amount as defined in the provisions of this Act as amended and in effect on November 18, 2011 ~~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, 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 15% of the statewide average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar. However, the 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 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 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 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. Except as otherwise provided in this Section, 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 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 in calendar year 2016, an individual's weekly benefit amount shall be 42.8% 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 in calendar year 2018, an individual's weekly benefit amount shall be 42.9% 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.

2. For the purposes of this subsection:

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

"Determination date" means June 1 ~~and, 1982,~~ December 1, ~~1982 and December 1~~ of each ~~succeeding~~ calendar year except that 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 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 6 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 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 provision of this Section to the contrary, the statewide average weekly wage for any benefit period prior to calendar year 2012 shall be as determined by

the provisions of this Act as amended and in effect on November 18, 2011. Notwithstanding any provisions of this Section to the contrary, the statewide average weekly wage for the benefit period of 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 period 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 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; for

~~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 2012 shall be \$856.55 ~~2005~~ and for each calendar year thereafter, the statewide average weekly wage, shall be the statewide average weekly wage, as determined in accordance with this sentence, for the immediately preceding benefit period plus (or minus) an amount equal to the percentage change in the statewide average weekly wage, as computed in accordance with the first sentence ~~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 in a benefit year beginning prior to January 4, 2004, "maximum weekly benefit amount" with respect to each week beginning within a benefit period shall be as defined in the provisions of this Act as amended and in effect on November 18, 2011.

~~With respect to any week beginning on or after April 24, 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 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.

Except as otherwise provided in this Section, 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.

With respect to any benefit year beginning in calendar year 2016, "maximum weekly benefit amount" with respect to each week beginning within a benefit period means 42.8% 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 in calendar year 2018, "maximum weekly benefit amount" with respect to each week beginning within a benefit period means 42.9% 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 in a benefit year beginning prior to January 4, 2004, an individual's eligibility for a dependent allowance with respect to a nonworking spouse or one or more dependent children shall be as defined by the provisions of this Act as amended and in effect on November 18, 2011. ~~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 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 a 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 to 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, 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 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 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".

Except as otherwise provided in this Section, 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 any benefit year beginning in calendar year 2016, 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 51.8% 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 42.8% plus the dependent child allowance rate, rounded (if not already a multiple of one dollar) to the next higher dollar.

With respect to any benefit year beginning in calendar year 2018, 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 51.9% 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 42.9% 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 2012 ~~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 17.9% ~~greater than 18.2%~~. The dependent child allowance rate with respect to each benefit year beginning in calendar year 2011 shall be

17.4%. ~~The 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 17.0% 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 2012 ~~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 who, on the first day of such week (a) is under 18 years of age, or (b) is, and has been during the immediately preceding 90 days, unable to work because of illness or other disability: 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; 97-621, eff. 11-18-11.)

(820 ILCS 405/706) (from Ch. 48, par. 456)

Sec. 706. Benefits undisputed or allowed - Prompt payment. Benefits shall be paid promptly in accordance with a claims adjudicator's finding and determination, or reconsidered finding or reconsidered determination, or the decision of a Referee, the Board of Review or a reviewing court, upon the issuance of such finding and determination, reconsidered finding, reconsidered determination or decision, regardless of the pendency of the period to apply for reconsideration, file an appeal, or file a complaint for judicial review, or the pendency of any such application or filing, unless and until such finding, determination, reconsidered finding, reconsidered determination or decision has been modified or reversed by a subsequent reconsidered finding or reconsidered determination or decision, in which event benefits shall be paid or denied with respect to weeks thereafter in accordance with such reconsidered finding, reconsidered determination, or modified or reversed finding, determination, reconsidered finding, reconsidered determination or decision. Except as otherwise provided in this Section, if ~~if~~ benefits are paid pursuant to a finding or a determination, or a reconsidered finding, or a reconsidered determination, or a decision of a

Referee, the Board of Review or a court, which is finally reversed or modified in subsequent proceedings with respect thereto, the benefit wages on which such benefits are based shall, for the purposes set forth in Section 1502, or benefit charges, for purposes set forth in Section 1502.1, be treated in the same manner as if such final reconsidered finding, reconsidered determination, or decision had been the finding or determination of the claims adjudicator. If benefits are paid pursuant to a finding, determination, reconsidered finding or determination, or a decision of a Referee, the Board of Review, or a court which is finally reversed or modified in subsequent proceedings with respect thereto, the benefit charges, for purposes set forth in Section 1502.1, shall be treated in the same manner as if the finding, determination, reconsidered finding or determination, or decision of the Referee, the Board of Review, or the court pursuant to which benefits were paid had not been reversed if: (1) the benefits were paid because the employer or an agent of the employer was at fault for failing to respond timely or adequately to the Department's request for information relating to the claim; and (2) the employer or agent has established a pattern of failing to respond timely or adequately to such requests.

(Source: P.A. 85-956.)

(820 ILCS 405/900) (from Ch. 48, par. 490)

Sec. 900. Recoupment.) A. Whenever an individual has

received any sum as benefits for which he is found to have been ineligible, the amount thereof may be recovered by suit in the name of the People of the State of Illinois, or, from benefits payable to him, may be recouped:

1. At any time, if, to receive such sum, he knowingly made a false statement or knowingly failed to disclose a material fact.

2. Within 3 years from any date prior to January 1, 1984, on which he has been found to have been ineligible for any other reason, pursuant to a reconsidered finding or a reconsidered determination, or pursuant to the decision of a Referee (or of the Director or his representative under Section 604) which modifies or sets aside a finding or a reconsidered finding or a determination or a reconsidered determination; or within 5 years from any date after December 31, 1983, on which he has been found to have been ineligible for any other reason, pursuant to a reconsidered finding or a reconsidered determination, or pursuant to the decision of a Referee (or of the Director or his representative under Section 604) which modifies or sets aside a finding or a reconsidered finding or a determination or a reconsidered determination. Recoupment pursuant to the provisions of this paragraph from benefits payable to an individual for any week may be waived upon the individual's request, if the sum referred to in paragraph A was received by the individual without fault on his part and if such recoupment would be against equity and good conscience.

Such waiver may be denied with respect to any subsequent week if, in that week, the facts and circumstances upon which waiver was based no longer exist.

B. Whenever the claims adjudicator referred to in Section 702 decides that any sum received by a claimant as benefits shall be recouped, or denies recoupment waiver requested by the claimant, he shall promptly notify the claimant of his decision and the reasons therefor. The decision and the notice thereof shall state the amount to be recouped, the weeks with respect to which such sum was received by the claimant, and the time within which it may be recouped and, as the case may be, the reasons for denial of recoupment waiver. The claims adjudicator may reconsider his decision within one year after the date when the decision was made. Such decision or reconsidered decision may be appealed to a Referee within the time limits prescribed by Section 800 for appeal from a determination. Any such appeal, and any appeal from the Referee's decision thereon, shall be governed by the applicable provisions of Sections 801, 803, 804 and 805. No recoupment shall be begun until the expiration of the time limits prescribed by Section 800 of this Act or, if an appeal has been filed, until the decision of a Referee has been made thereon affirming the decision of the Claims Adjudicator.

C. Any sums recovered under the provisions of this Section shall be treated as repayments to the Department ~~Director~~ of sums improperly obtained by the claimant.

D. Whenever, by reason of a back pay award made by any governmental agency or pursuant to arbitration proceedings, or by reason of a payment of wages wrongfully withheld by an employing unit, an individual has received wages for weeks with respect to which he has received benefits, the amount of such benefits may be recouped or otherwise recovered as herein provided. An employing unit making a back pay award to an individual for weeks with respect to which the individual has received benefits shall make the back pay award by check payable jointly to the individual and to the Department Director.

E. The amount recouped pursuant to paragraph 2 of subsection A from benefits payable to an individual for any week shall not exceed 25% of the individual's weekly benefit amount.

In addition to the remedies provided by this Section, when an individual has received any sum as benefits for which he is found to be ineligible, the Director may request the Comptroller to withhold such sum in accordance with Section 10.05 of the State Comptroller Act and the Director may request the Secretary of the Treasury to withhold such sum to the extent allowed by and in accordance with Section 6402(f) of the federal Internal Revenue Code of 1986, as amended. Benefits paid pursuant to this Act shall not be subject to such withholding. Where the Director requests withholding by the Secretary of the Treasury pursuant to this Section, in addition

to the amount of benefits for which the individual has been found ineligible, the individual shall be liable for any legally authorized administrative fee assessed by the Secretary, with such fee to be added to the amount to be withheld by the Secretary.

(Source: P.A. 97-621, eff. 11-18-11.)

(820 ILCS 405/901.1 new)

Sec. 901.1. Additional penalty. In addition to the penalties imposed under Section 901, an individual who, for the purposes of obtaining benefits, knowingly makes a false statement or knowingly fails to disclose a material fact, and thereby obtains any sum as benefits for which he or she is not eligible, shall be required to pay a penalty in an amount equal to 15% of such sum. All of the provisions of Section 900 applicable to the recovery of sums described in paragraph 1 of subsection A of Section 900 shall apply to penalties imposed pursuant to this Section. All penalties collected under this Section shall be treated in the same manner as benefits recovered from such individual.

(820 ILCS 405/1300) (from Ch. 48, par. 540)

Sec. 1300. Waiver or transfer of benefit rights - Partial exemption.

(A) Except as otherwise provided herein any agreement by an individual to waive, release or commute his rights under this

Act shall be void.

(B) Benefits due under this Act shall not be assigned, pledged, encumbered, released or commuted and shall be exempt from all claims of creditors and from levy, execution and attachment or other remedy for recovery or collection of a debt. However, nothing in this Section shall prohibit a specified or agreed upon deduction from benefits by an individual, or a court or administrative order for withholding of income, for payment of past due child support from being enforced and collected by the Department of Healthcare and Family Services on behalf of persons receiving a grant of financial aid under Article IV of the Illinois Public Aid Code, persons for whom an application has been made and approved for child support enforcement services under Section 10-1 of such Code, or persons similarly situated and receiving like services in other states. It is provided that:

(1) The aforementioned deduction of benefits and order for withholding of income apply only if appropriate arrangements have been made for reimbursement to the Department ~~Director~~ by the Department of Healthcare and Family Services for any administrative costs incurred ~~by the Director~~ under this Section.

(2) The Director shall deduct and withhold from benefits payable under this Act, or under any arrangement for the payment of benefits entered into by the Director pursuant to the powers granted under Section 2700 of this

Act, the amount specified or agreed upon. In the case of a court or administrative order for withholding of income, the Director shall withhold the amount of the order.

(3) Any amount deducted and withheld by the Director shall be paid to the Department of Healthcare and Family Services or the State Disbursement Unit established under Section 10-26 of the Illinois Public Aid Code, as directed by the Department of Healthcare and Family Services, on behalf of the individual.

(4) Any amount deducted and withheld under subsection (3) shall for all purposes be treated as if it were paid to the individual as benefits and paid by such individual to the Department of Healthcare and Family Services or the State Disbursement Unit in satisfaction of the individual's child support obligations.

(5) For the purpose of this Section, child support is defined as those obligations which are being enforced pursuant to a plan described in Title IV, Part D, Section 454 of the Social Security Act and approved by the Secretary of Health and Human Services.

(6) The deduction of benefits and order for withholding of income for child support shall be governed by Titles III and IV of the Social Security Act and all regulations duly promulgated thereunder.

(C) Nothing in this Section prohibits an individual from voluntarily electing to have federal income tax deducted and

withheld from his or her unemployment insurance benefit payments.

(1) The Director shall, at the time that an individual files his or her claim for benefits that establishes his or her benefit year, inform the individual that:

(a) unemployment insurance is subject to federal, State, and local income taxes;

(b) requirements exist pertaining to estimated tax payments;

(c) the individual may elect to have federal income tax deducted and withheld from his or her payments of unemployment insurance in the amount specified in the federal Internal Revenue Code; and

(d) the individual is permitted to change a previously elected withholding status.

(2) Amounts deducted and withheld from unemployment insurance shall remain in the unemployment fund until transferred to the federal taxing authority as a payment of income tax.

(3) The Director shall follow all procedures specified by the United States Department of Labor and the federal Internal Revenue Service pertaining to the deducting and withholding of income tax.

(4) Amounts shall be deducted and withheld in accordance with the priorities established in rules promulgated by the Director.

(D) Nothing in this Section prohibits an individual from voluntarily electing to have State of Illinois income tax deducted and withheld from his or her unemployment insurance benefit payments.

(1) The Director shall, at the time that an individual files his or her claim for benefits that establishes his or her benefit year, in addition to providing the notice required under subsection C, inform the individual that:

(a) the individual may elect to have State of Illinois income tax deducted and withheld from his or her payments of unemployment insurance; and

(b) the individual is permitted to change a previously elected withholding status.

(2) Amounts deducted and withheld from unemployment insurance shall remain in the unemployment fund until transferred to the Department of Revenue as a payment of State of Illinois income tax.

(3) Amounts shall be deducted and withheld in accordance with the priorities established in rules promulgated by the Director.

(E) Nothing in this Section prohibits the deduction and withholding of an uncollected overissuance of food stamp coupons from unemployment insurance benefits pursuant to this subsection (E).

(1) At the time that an individual files a claim for benefits that establishes his or her benefit year, that

individual must disclose whether or not he or she owes an uncollected overissuance (as defined in Section 13(c)(1) of the federal Food Stamp Act of 1977) of food stamp coupons. The Director shall notify the State food stamp agency enforcing such obligation of any individual who discloses that he or she owes an uncollected overissuance of food stamp coupons and who meets the monetary eligibility requirements of subsection E of Section 500.

(2) The Director shall deduct and withhold from any unemployment insurance benefits payable to an individual who owes an uncollected overissuance of food stamp coupons:

(a) the amount specified by the individual to the Director to be deducted and withheld under this subsection (E);

(b) the amount (if any) determined pursuant to an agreement submitted to the State food stamp agency under Section 13(c)(3)(A) of the federal Food Stamp Act of 1977; or

(c) any amount otherwise required to be deducted and withheld from unemployment insurance benefits pursuant to Section 13(c)(3)(B) of the federal Food Stamp Act of 1977.

(3) Any amount deducted and withheld pursuant to this subsection (E) shall be paid by the Director to the State food stamp agency.

(4) Any amount deducted and withheld pursuant to this

subsection (E) shall for all purposes be treated as if it were paid to the individual as unemployment insurance benefits and paid by the individual to the State food stamp agency as repayment of the individual's uncollected overissuance of food stamp coupons.

(5) For purposes of this subsection (E), "unemployment insurance benefits" means any compensation payable under this Act including amounts payable by the Director pursuant to an agreement under any federal law providing for compensation, assistance, or allowances with respect to unemployment.

(6) This subsection (E) applies only if arrangements have been made for reimbursement by the State food stamp agency for the administrative costs incurred by the Director under this subsection (E) which are attributable to the repayment of uncollected overissuances of food stamp coupons to the State food stamp agency.

(Source: P.A. 94-237, eff. 1-1-06; 95-331, eff. 8-21-07.)

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

Sec. 1401. Interest. Any employer who shall fail to pay any contributions (including any amounts due pursuant to Section 1506.3) when required of him by the provisions of this Act and the rules and regulations of the Director, whether or not the amount thereof has been determined and assessed by the Director, shall pay to the Department ~~Director~~, in addition to

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

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

(Source: P.A. 93-634, eff. 1-1-04.)

(820 ILCS 405/1402) (from Ch. 48, par. 552)

Sec. 1402. Penalties.

A. If any employer fails, within the time prescribed in this Act as amended and in effect on October 5, 1980, and the regulations of the Director, to file a report of wages paid to each of his workers, or to file a sufficient report of such

wages after having been notified by the Director to do so, for any period which begins prior to January 1, 1982, he shall pay to the Department ~~Director~~ as a penalty a sum determined in accordance with the provisions of this Act as amended and in effect on October 5, 1980.

B. Except as otherwise provided in this Section, any employer who fails to file a report of wages paid to each of his workers for any period which begins on or after January 1, 1982, within the time prescribed by the provisions of this Act and the regulations of the Director, or, if the Director pursuant to such regulations extends the time for filing the report, fails to file it within the extended time, shall, in addition to any sum otherwise payable by him under the provisions of this Act, pay to the Department ~~Director~~ as a penalty a sum equal to the lesser of (1) \$5 for each \$10,000 or fraction thereof of the total wages for insured work paid by him during the period or (2) \$2,500, for each month or part thereof of such failure to file the report. With respect to an employer who has elected to file reports of wages on an annual basis pursuant to Section 1400.2, in assessing penalties for the failure to submit all reports by the due date established pursuant to that Section, the 30-day period immediately following the due date shall be considered as one month.

If the Director deems an employer's report of wages paid to each of his workers for any period which begins on or after January 1, 1982, insufficient, he shall notify the employer to

file a sufficient report. If the employer fails to file such sufficient report within 30 days after the mailing of the notice to him, he shall, in addition to any sum otherwise payable by him under the provisions of this Act, pay to the Department Director as a penalty a sum determined in accordance with the provisions of the first paragraph of this subsection, for each month or part thereof of such failure to file such sufficient report after the date of the notice.

For wages paid in calendar years prior to 1988, the penalty or penalties which accrue under the two foregoing paragraphs with respect to a report for any period shall not be less than \$100, and shall not exceed the lesser of (1) \$10 for each \$10,000 or fraction thereof of the total wages for insured work paid during the period or (2) \$5,000. For wages paid in calendar years after 1987, the penalty or penalties which accrue under the 2 foregoing paragraphs with respect to a report for any period shall not be less than \$50, and shall not exceed the lesser of (1) \$10 for each \$10,000 or fraction of the total wages for insured work paid during the period or (2) \$5,000. With respect to an employer who has elected to file reports of wages on an annual basis pursuant to Section 1400.2, for purposes of calculating the minimum penalty prescribed by this Section for failure to file the reports on a timely basis, a calendar year shall constitute a single period. For reports of wages paid after 1986, the Director shall not, however, impose a penalty pursuant to either of the two foregoing

paragraphs on any employer who can prove within 30 working days after the mailing of a notice of his failure to file such a report, that (1) the failure to file the report is his first such failure during the previous 20 consecutive calendar quarters, and (2) the amount of the total contributions due for the calendar quarter of such report is less than \$500.

Any employer who wilfully fails to pay any contribution or part thereof, based upon wages paid prior to 1987, when required by the provisions of this Act and the regulations of the Director, with intent to defraud the Director, shall in addition to such contribution or part thereof pay to the Department ~~Director~~ a penalty equal to 50 percent of the amount of such contribution or part thereof, as the case may be, provided that the penalty shall not be less than \$200.

Any employer who willfully fails to pay any contribution or part thereof, based upon wages paid in 1987 and in each calendar year thereafter, when required by the provisions of this Act and the regulations of the Director, with intent to defraud the Director, shall in addition to such contribution or part thereof pay to the Department ~~Director~~ a penalty equal to 60% of the amount of such contribution or part thereof, as the case may be, provided that the penalty shall not be less than \$400.

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

(Source: P.A. 94-723, eff. 1-19-06.)

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

Sec. 1501.1. Benefit charges. A. When an individual is paid regular benefits with respect to a week ~~in a benefit year which begins on or after July 1, 1989,~~ an amount equal to such regular benefits, including dependents' allowances, shall immediately become benefit charges.

B. (Blank). ~~When an individual is paid regular benefits on or after July 1, 1989, with respect to a week in a benefit year which began prior to July 1, 1989, an amount equal to such regular benefits, including dependents' allowances, shall immediately become benefit charges.~~

C. When an individual is paid extended benefits with respect to any week in his eligibility period ~~beginning in a benefit year which begins on or after July 1, 1989,~~ an amount equal to one-half of such extended benefits including dependents' allowances, shall immediately become benefit charges.

D. (Blank). ~~When an individual is paid extended benefits on or after July 1, 1989, with respect to any week in his eligibility period beginning in a benefit year which began prior to July 1, 1989, an amount equal to one half of such extended benefits including dependents' allowances, shall immediately become benefit charges.~~

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 subsections A and C ~~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 or

the date on which the Director initiates an electronic transfer of the benefits to the individual's debit card or financial institution account.

(Source: P.A. 85-956.)

(820 ILCS 405/1505) (from Ch. 48, par. 575)

Sec. 1505. Adjustment of state experience factor. The state experience factor shall be adjusted in accordance with the following provisions:

A. For calendar years prior to 1988, the state experience factor shall be adjusted in accordance with the provisions of this Act as amended and in effect on November 18, 2011. This subsection shall apply to each calendar year prior to 1980 for which a state experience factor is being determined.

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

~~For every \$7,000,000 (or fraction thereof) by which the amount standing to the credit of this State's account in the unemployment trust fund as of June 30 of the calendar year immediately preceding the calendar year for which the state experience factor is being determined exceeds \$450,000,000,~~

~~the state experience factor for the succeeding year shall be reduced 1 percent absolute.~~

B. (Blank). ~~This subsection shall apply to the calendar years 1980 through 1987, for which the state experience factor is being determined.~~

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

~~For every \$12,000,000 (or fraction thereof) by which the amount standing to the credit of this State's account in the unemployment trust fund as of June 30 of the calendar year immediately preceding the calendar year for which the state experience factor is being determined exceeds \$750,000,000, the state experience factor for the succeeding year shall be reduced 1 percent absolute.~~

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

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

percent absolute.

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

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

2. For the purposes of this subsection:

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

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

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

a. For the 12 month period ending on June 30, 1988, the "benefit reserve for fund building" shall be  $\frac{8}{104}$ th of the total benefits paid from January 1, 1988 through June 30, 1988.

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

i.  $\frac{8}{104}$ ths of the total benefits paid from July 1, 1988 through December 31, 1988, plus

ii.  $\frac{4}{108}$ ths of the total benefits paid from January 1, 1989 through June 30, 1989.

c. For the 12 month period ending on June 30, 1990, the "benefit reserve for fund building" shall be  $\frac{4}{108}$ ths of the total benefits paid from July 1, 1989 through December 31, 1989.

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

3. Notwithstanding the preceding provisions of this subsection, for calendar years 1988 through 2003, the state

experience factor shall not be increased or decreased by more than 15 percent absolute.

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

1. Shall be 111 percent for calendar year 1988;

2. Shall not be less than 75 percent nor greater than 135 percent for calendar years 1989 through 2003; and shall not be less than 75% nor greater than 150% for calendar year 2004 and each calendar year thereafter, not counting any increase pursuant to subsection D-1, D-2, or D-3;

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

4. Shall not be increased by more than 15% absolute for calendar year 1993, by more than 14% absolute for calendar years 1994 and 1995, by more than 10% absolute for calendar years 1999 through 2003 and by more than 16% absolute for calendar year 2004 and each calendar year thereafter, from the adjusted state experience factor for the calendar year

preceding the calendar year for which the adjusted state experience factor is being determined;

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

D-1. The adjusted state experience factor for each of calendar years 2013 through 2015 shall be increased by 5% absolute above the adjusted state experience factor as calculated without regard to this subsection. The adjusted state experience factor for each of calendar years 2016 through 2018 shall be increased by 6% absolute above the adjusted state experience factor as calculated without regard to this subsection. The increase in the adjusted state experience factor for calendar year 2018 pursuant to this subsection shall not be counted for purposes of applying paragraph 3 or 4 of subsection D to the calculation of the adjusted state experience factor for calendar year 2019.

D-2. The adjusted state experience factor for calendar year 2016 shall be increased by 19% absolute above the adjusted state experience factor as calculated without regard to this subsection. The increase in the adjusted state experience factor for calendar year 2016 pursuant to this subsection shall not be counted for purposes of applying paragraph 3 or 4 of subsection D to the calculation of the adjusted state experience factor for calendar year 2017.

D-3. The adjusted state experience factor for calendar year 2018 shall be increased by 19% absolute above the adjusted

state experience factor as calculated without regard to this subsection. The increase in the adjusted state experience factor for calendar year 2018 pursuant to this subsection shall not be counted for purposes of applying paragraph 3 or 4 of subsection D to the calculation of the adjusted state experience factor for calendar year 2019.

E. The amount standing to the credit of this State's account in the unemployment trust fund as of June 30 shall be deemed to include as part thereof (a) any amount receivable on that date from any Federal governmental agency, or as a payment in lieu of contributions under the provisions of Sections 1403 and 1405 B and paragraph 2 of Section 302C, in reimbursement of benefits paid to individuals, and (b) amounts credited by the Secretary of the Treasury of the United States to this State's account in the unemployment trust fund pursuant to Section 903 of the Federal Social Security Act, as amended, including any such amounts which have been appropriated by the General Assembly in accordance with the provisions of Section 2100 B for expenses of administration, except any amounts which have been obligated on or before that date pursuant to such appropriation.

(Source: P.A. 97-621, eff. 11-18-11.)

(820 ILCS 405/1506.1) (from Ch. 48, par. 576.1)

Sec. 1506.1. Determination of Employer's Contribution Rate.

A. The contribution rate for any calendar year prior to ~~1991~~ 1982 of each employer whose contribution rate is determined as provided in Sections 1501 through 1507, inclusive, ~~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 in accordance with the provisions of this Act as amended and in effect on November 18, 2011 ~~October 5, 1980~~.

B. (Blank). ~~The contribution rate for calendar years 1982 and 1983 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 the product obtained by multiplying the employer's benefit wage ratio for that calendar year by the adjusted state experience factor for the same year, provided that:~~

~~1. No employer's contribution rate shall be lower than two tenths of 1 percent or higher than 5.3%; and~~

~~2. Intermediate contribution rates between such minimum and maximum rates shall be at one tenth of 1 percent intervals.~~

~~3. If the product obtained as provided in this subsection is not an exact multiple of one tenth of 1 percent, it shall be increased or reduced, as the case may be, to the nearer multiple of one tenth of 1 percent. If~~

~~such product is equally near to two multiples of one-tenth of 1 percent, it shall be increased to the higher multiple of one-tenth of 1 percent. If such product is less than two-tenths of one percent, it shall be increased to two-tenths of 1 percent, and if greater than 5.3%, it shall be reduced to 5.3%.~~

~~The contribution rate of each employer for whom wages became benefit wages during the applicable period specified in Section 1503, but who paid no contributions upon wages for insured work during such period on or before the date designated in Section 1503, shall be 5.3%.~~

~~The contribution rate of each employer for whom no wages became benefit wages during the applicable period specified in Section 1503, and who paid no contributions upon wages for insured work during such period on or before the date specified in Section 1503, shall be 2.7 percent.~~

~~Notwithstanding the other provisions of this Section, no employer's contribution rate with respect to calendar years 1982 and 1983 shall exceed 2.7 percent of the wages for insured work paid by him during any calendar quarter, if such wages paid during such calendar quarter total less than \$50,000.~~

C. (Blank). ~~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 shall be the product obtained by~~

~~multiplying the employer's benefit wage ratio for that calendar year by the adjusted state experience factor for the same year, provided that:~~

~~1. An employer's minimum contribution rate shall be the greater of: .2%; or, the product obtained by multiplying .2% by the adjusted state experience factor for the applicable calendar year.~~

~~2. An employer's maximum contribution rate shall be the greater of 5.5% or the product of 5.5% and the adjusted State experience factor for the applicable calendar year except that such maximum contribution rate shall not be higher than 6.3% for calendar year 1984, nor be higher than 6.6% or lower than 6.4% for calendar year 1985, nor be higher than 6.7% or lower than 6.5% for calendar year 1986.~~

~~3. If any product obtained in this subsection is not an exact multiple of one tenth of one percent, it shall be increased or reduced, as the case may be to the nearer multiple of one tenth of one percent. If such product is equally near to two multiples of one tenth of one percent, it shall be increased to the higher multiple of one tenth of one percent.~~

~~4. Intermediate rates between such minimum and maximum rates shall be at one tenth of one percent intervals.~~

~~The contribution rate of each employer for whom wages became benefit wages during the applicable period specified in Section 1503, but who paid no contributions upon wages for~~

~~insured work during such period on or before the date designated in Section 1503, shall be the maximum contribution rate as determined by paragraph 2 of this subsection. The contribution rate for each employer for whom no wages became benefit wages during the applicable period on or before the date specified in Section 1503, and who paid no contributions upon wages for insured work during such period on or before the date specified in Section 1503, shall be the greater of 2.7% or 2.7% times the then current adjusted state experience factor as determined by the Director in accordance with the provisions of Sections 1504 and 1505.~~

~~Notwithstanding, the other provisions of this Section, no employer's contribution rate with respect to the calendar year 1984 shall exceed 2.7 percent times the then current adjusted state experience factor as determined by the Director in accordance with the provisions of Sections 1504 and 1505 of the wages for insured work paid by him during any calendar quarter, if such wages paid during such calendar quarter total less than \$50,000.~~

D. (Blank). ~~The contribution rate for calendar years 1987, 1988, 1989 and 1990 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 the product obtained by multiplying the employer's benefit wage ratio for that calendar year by the adjusted state experience factor for the~~

~~same year, provided, that:~~

~~1. An employer's minimum contribution rate shall be the greater of .2% or the product obtained by multiplying .2% by the adjusted State experience factor for the applicable calendar year.~~

~~2. An employer's maximum contribution rate shall be the greater of 5.5% or the product of 5.5% and the adjusted State experience factor for the calendar year 1987 except that such maximum contribution rate shall not be higher than 6.7% or lower than 6.5% and an employer's maximum contribution rate for 1988, 1989 and 1990 shall be the greater of 6.4% or the product of 6.4% and the adjusted State experience factor for the applicable calendar year.~~

~~3. If any product obtained in this subsection is not an exact multiple of one tenth of one percent, it shall be increased or reduced, as the case may be to the nearer multiple of one tenth of 1 percent. If such product is equally near to two multiples of one tenth of 1 percent, it shall be increased to the higher multiple of one tenth of 1 percent.~~

~~4. Intermediate rates between such minimum and maximum rates shall be at one tenth of 1 percent intervals.~~

~~The contribution rate of each employer for whom wages became benefit wages during the applicable period specified in Section 1503, but who did not report wages for insured work during such period, shall be the maximum contribution rate as~~

~~determined by paragraph 2 of this subsection. The contribution rate for each employer for whom no wages became benefit wages during the applicable period specified in Section 1503, and who did not report wages for insured work during such period, shall be the greater of 2.7% or 2.7% times the then current adjusted State experience factor as determined by the Director in accordance with the provisions of Sections 1504 and 1505.~~

E. The contribution rate for calendar year 1991 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 the product obtained by multiplying the employer's benefit ratio defined by Section 1503.1 for that calendar year by the adjusted state experience factor for the same year, provided that:

1. Except as otherwise provided in this paragraph, an employer's minimum contribution rate shall be the greater of 0.2% or the product obtained by multiplying 0.2% by the adjusted state experience factor for the applicable calendar year. An employer's minimum contribution rate shall be 0.1% for calendar year 1996. An employer's minimum contribution rate shall be 0.0% for calendar years 2012 through 2019.

2. An employer's maximum contribution rate shall be the greater of 6.4% or the product of 6.4% and the adjusted state experience factor for the applicable calendar year.

3. If any product obtained in this subsection is not an exact multiple of one-tenth of one percent, it shall be increased or reduced, as the case may be to the nearer multiple of one-tenth of one percent. If such product is equally near to two multiples of one-tenth of one percent, it shall be increased to the higher multiple of one-tenth of one percent.

4. Intermediate rates between such minimum and maximum rates shall be at one-tenth of one percent intervals.

The contribution rate of each employer for whom wages became benefit wages during the applicable period specified in Section 1503 or for whom benefit payments became benefit charges during the applicable period specified in Section 1503.1, but who did not report wages for insured work during such period, shall be the maximum contribution rate as determined by paragraph 2 of this subsection. The contribution rate for each employer for whom no wages became benefit wages during the applicable period specified in Section 1503 or for whom no benefit payments became benefit charges during the applicable period specified in Section 1503.1, and who did not report wages for insured work during such period, shall be the greater of 2.7% or 2.7% times the then current adjusted state experience factor as determined by the Director in accordance with the provisions of Sections 1504 and 1505.

F. (Blank). ~~Notwithstanding the other provisions of this Section, and pursuant to Section 271 of the Tax Equity and~~

~~Fiscal Responsibility Act of 1982, as amended, no employer's contribution rate with respect to calendar years 1985, 1986, 1987 and 1988 shall, for any calendar quarter during which the wages paid by that employer are less than \$50,000, exceed the following: with respect to calendar year 1985, 3.7%; with respect to calendar year 1986, 4.1%; with respect to calendar year 1987, 4.5%; and with respect to calendar year 1988, 5.0%.~~

G. Notwithstanding the other provisions of this Section, no employer's contribution rate with respect to calendar year 1989 and each calendar year thereafter shall exceed 5.4% of the wages for insured work paid by him during any calendar quarter, if such wages paid during such calendar quarter total less than \$50,000, plus any applicable penalty contribution rate calculated pursuant to subsection C of Section 1507.1.

(Source: P.A. 97-621, eff. 11-18-11.)

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

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

A. Notwithstanding any other provision of this Act, an employer's contribution rate for calendar years prior to 2004 shall be determined in accordance with the provisions of this Act as amended and in effect on November 18, 2011. The ~~the~~ following fund building rates shall be in effect for the following calendar years:

~~For each employer whose contribution rate for 1988, 1989,~~

~~1990, the first, third, and fourth quarters of 1991, 1992, 1993, 1994, 1995, and 1997 through 2003 would, in the absence of this Section, be 0.2% or higher, a contribution rate which is the sum of such rate and a fund building rate of 0.4%;~~

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

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

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

Except as otherwise provided in this Section, for each employer whose contribution rate for 2010 and any calendar year thereafter is determined pursuant to Section 1500 or 1506.1, including but not limited to an employer whose contribution rate pursuant to Section 1506.1 is 0.0%, a contribution rate which is the sum of the rate determined pursuant to Section 1500 or 1506.1 and a fund building rate equal to the sum of the rate adjustment applicable to that year pursuant to Section

1400.1, plus the fund building rate in effect pursuant to this Section for the immediately preceding calendar year.

For calendar year 2012 and any outstanding bond year thereafter, for each employer whose contribution rate is determined pursuant to Section 1500 or 1506.1, including but not limited to an employer whose contribution rate pursuant to Section 1506.1 is 0.0%, a contribution rate which is the sum of the rate determined pursuant to Section 1500 or 1506.1 and .55%. For purposes of this subsection, a calendar year is an outstanding bond year if, as of October 31 of the immediately preceding calendar year, there are bonds outstanding pursuant to the Illinois Unemployment Insurance Trust Fund Financing Act.

Notwithstanding any provision to the contrary, the fund building rate in effect for any calendar year after calendar year 2009 shall not be less than 0.4% or greater than 0.55%. Notwithstanding any other provision to the contrary, the fund building rate established pursuant to this Section shall not apply with respect to the first quarter of calendar year 2011. The changes made to Section 235 by this amendatory Act of the 97th General Assembly are intended to offset the loss of revenue to the State's account in the unemployment trust fund with respect to the first quarter of calendar year 2011 as a result of Section 1506.5 and the changes made to this Section by this amendatory Act of the 97th General Assembly.

Notwithstanding the preceding paragraphs of this Section

or any other provision of this Act, except for the provisions contained in Section 1500 pertaining to rates applicable to employers classified under the Standard Industrial Code, or another classification system sanctioned by the United States Department of Labor and prescribed by the Director by rule, no employer whose total wages for insured work paid by him during any calendar quarter ~~in 1988 and any calendar year thereafter~~ are less than \$50,000 shall pay contributions at a rate with respect to such quarter which exceeds ~~the following: with respect to calendar year 1988, 5%; with respect to 1989 and any calendar year thereafter, 5.4%~~, plus any penalty contribution rate calculated pursuant to subsection C of Section 1507.1.

~~Notwithstanding the preceding paragraph of this Section, or any other provision of this Act, no employer's contribution rate with respect to calendar years 1993 through 1995 shall exceed 5.4% if the employer ceased operations at an Illinois manufacturing facility in 1991 and remained closed at that facility during all of 1992, and the employer in 1993 commits to invest at least \$5,000,000 for the purpose of resuming operations at that facility, and the employer rehires during 1993 at least 250 of the individuals employed by it at that facility during the one year period prior to the cessation of its operations, provided that, within 30 days after the effective date of this amendatory Act of 1993, the employer makes application to the Department to have the provisions of this paragraph apply to it. The immediately preceding sentence~~

~~shall be null and void with respect to an employer which by December 31, 1993 has not satisfied the rehiring requirement specified by this paragraph or which by December 31, 1994 has not made the investment specified by this paragraph.~~

All payments attributable to the fund building rate established pursuant to this Section with respect to the first quarter of calendar year 2013 and any calendar quarter thereafter as of the close of which there are either bond obligations outstanding pursuant to the Illinois Unemployment Insurance Trust Fund Financing Act, or bond obligations anticipated to be outstanding as of either or both of the 2 immediately succeeding calendar quarters, shall be directed for deposit into the Master Bond Fund. Notwithstanding any other provision of this subsection, no fund building rate shall be added to any penalty contribution rate assessed pursuant to subsection C of Section 1507.1.

B. (Blank). ~~Notwithstanding any other provision of this Act, for the second quarter of 1991, the contribution rate of each employer as determined in accordance with Sections 1500, 1506.1, and subsection A of this Section shall be equal to the sum of such rate and 0.1%; provided that this subsection shall not apply to any employer whose rate computed under Section 1506.1 for such quarter is between 5.1% and 5.3%, inclusive, and who qualifies for the 5.4% rate ceiling imposed by the last paragraph of subsection A for such quarter. All payments made pursuant to this subsection shall be deposited in the~~

~~Employment Security Administrative Fund established under Section 2103.1 and used for the administration of this Act.~~

~~C. (Blank). Payments received by the Director which are insufficient to pay the total contributions due under the Act shall be first applied to satisfy the amount due pursuant to subsection B.~~

C-1. Payments received by the Department ~~Director~~ with respect to the first quarter of calendar year 2013 and any calendar quarter thereafter as of the close of which there are either bond obligations outstanding pursuant to the Illinois Unemployment Insurance Trust Fund Financing Act, or bond obligations anticipated to be outstanding as of either or both of the 2 immediately succeeding calendar quarters, shall, to the extent they are insufficient to pay the total amount due under the Act with respect to the quarter, be first applied to satisfy the amount due with respect to that quarter and attributable to the fund building rate established pursuant to this Section. Notwithstanding any other provision to the contrary, with respect to an employer whose contribution rate with respect to a quarter subject to this subsection would have exceeded 5.4% but for the 5.4% rate ceiling imposed pursuant to subsection A, the amount due from the employer with respect to that quarter and attributable to the fund building rate established pursuant to subsection A shall equal the amount, if any, by which the amount due and attributable to the 5.4% rate exceeds the amount that would have been due and attributable to

the employer's rate determined pursuant to Sections 1500 and 1506.1, without regard to the fund building rate established pursuant to subsection A.

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

(Source: P.A. 97-1, eff. 3-31-11; 97-621, eff. 11-18-11.)

(820 ILCS 405/1506.5)

Sec. 1506.5. Surcharge; specified period. With respect to the first quarter of calendar year 2011, each employer shall pay a surcharge equal to 0.5% of the total wages for insured work subject to the payment of contributions under Sections 234, 235, and 245. The surcharge established by this Section shall be due at the same time as contributions with respect to the first quarter of calendar year 2011 are due, as provided in Section 1400. Notwithstanding any other provision to the contrary, with respect to an employer whose contribution rate with respect to the first quarter of calendar year 2011, calculated without regard to this amendatory Act of the 97th General Assembly, would have exceeded 5.4% but for the 5.4% rate ceiling imposed pursuant to subsection A of Section 1506.3, the amount due from the employer with respect to that

quarter and attributable to the surcharge established pursuant to this Section shall equal the amount, if any, by which the amount due and attributable to the 5.4% rate exceeds the amount that would have been due and attributable to the employer's rate determined pursuant to Sections 1500 and 1506.1. Payments received by the Department ~~Director~~ with respect to the first quarter of calendar year 2011 shall, to the extent they are insufficient to pay the total amount due under the Act with respect to the quarter, be first applied to satisfy the amount due with respect to that quarter and attributable to the surcharge established pursuant to this Section. All provisions of this Act applicable to the collection or refund of any contribution due under this Act shall be applicable to the collection or refund of amounts due pursuant to this Section. Interest shall accrue with respect to amounts due pursuant to this Section to the same extent and under the same terms and conditions as provided by Section 1401 with respect to contributions. The changes made to Section 235 by this amendatory Act of the 97th General Assembly are intended to offset the loss of revenue to the State's account in the unemployment trust fund with respect to the first quarter of calendar year 2011 as a result of this Section 1506.5 and the changes made to Section 1506.3 by this amendatory Act of the 97th General Assembly.

(Source: P.A. 97-1, eff. 3-31-11.)

(820 ILCS 405/1801.1)

Sec. 1801.1. Directory of New Hires.

A. The Director shall establish and operate an automated directory of newly hired employees which shall be known as the "Illinois Directory of New Hires" which shall contain the information required to be reported by employers to the Department under subsection B. In the administration of the Directory, the Director shall comply with any requirements concerning the Employer New Hire Reporting Program established by the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The Director is authorized to use the information contained in the Directory of New Hires to administer any of the provisions of this Act.

B. Each employer in Illinois, except a department, agency, or instrumentality of the United States, shall file with the Department a report in accordance with rules adopted by the Department (but in any event not later than 20 days after the date the employer hires the employee or, in the case of an employer transmitting reports magnetically or electronically, by 2 monthly transmissions, if necessary, not less than 12 days nor more than 16 days apart) providing the following information concerning each newly hired employee: the employee's name, address, and social security number, the date services for remuneration were first performed by the employee, and the employer's name, address, Federal Employer Identification Number assigned under Section 6109 of the

Internal Revenue Code of 1986, and such other information as may be required by federal law or regulation, provided that each employer may voluntarily file the address to which the employer wants income withholding orders to be mailed, if it is different from the address given on the Federal Employer Identification Number. An employer in Illinois which transmits its reports electronically or magnetically and which also has employees in another state may report all newly hired employees to a single designated state in which the employer has employees if it has so notified the Secretary of the United States Department of Health and Human Services in writing. An employer may, at its option, submit information regarding any rehired employee in the same manner as information is submitted regarding a newly hired employee. Each report required under this subsection shall, to the extent practicable, be made on an Internal Revenue Service Form W-4 or, at the option of the employer, an equivalent form, and may be transmitted by first class mail, by telefax, magnetically, or electronically.

C. An employer which knowingly fails to comply with the reporting requirements established by this Section shall be subject to a civil penalty of \$15 for each individual whom it fails to report. An employer shall be considered to have knowingly failed to comply with the reporting requirements established by this Section with respect to an individual if the employer has been notified by the Department that it has failed to report an individual, and it fails, without

reasonable cause, to supply the required information to the Department within 21 days after the date of mailing of the notice. Any individual who knowingly conspires with the newly hired employee to cause the employer to fail to report the information required by this Section or who knowingly conspires with the newly hired employee to cause the employer to file a false or incomplete report shall be guilty of a Class B misdemeanor with a fine not to exceed \$500 with respect to each employee with whom the individual so conspires.

D. As used in this Section, "newly hired employee" means an individual who (i) is an employee within the meaning of Chapter 24 of the Internal Revenue Code of 1986~~7~~ and (ii) either has not previously been employed by the employer or was previously employed by the employer but has been separated from that prior employment for at least 60 consecutive days ~~whose reporting to work which results in earnings from the employer is the first instance within the preceding 180 days that the individual has reported for work for which earnings were received from that employer;~~ however, "newly hired employee" does not include an employee of a federal or State agency performing intelligence or counterintelligence functions, if the head of that agency has determined that the filing of the report required by this Section with respect to the employee could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.

Notwithstanding Section 205, and for the purposes of this

Section only, the term "employer" has the meaning given by Section 3401(d) of the Internal Revenue Code of 1986 and includes any governmental entity and labor organization as defined by Section 2(5) of the National Labor Relations Act, and includes any entity (also known as a hiring hall) which is used by the organization and an employer to carry out the requirements described in Section 8(f)(3) of that Act of an agreement between the organization and the employer.

(Source: P.A. 97-621, eff. 11-18-11.)

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

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

A. All contributions and payments in lieu of contributions collected under this Act, including but not limited to fund building receipts and receipts attributable to the surcharge established pursuant to Section 1506.5, together with any interest thereon; all penalties collected pursuant to this Act; any property or securities acquired through the use thereof; all moneys advanced to this State's account in the unemployment trust fund pursuant to the provisions of Title XII of the Social Security Act, as amended; all moneys directed for transfer from the Master Bond Fund or the Title XII Interest Fund to this State's account in the unemployment trust fund; all moneys received from the Federal government as reimbursements pursuant to Section 204 of the Federal-State Extended Unemployment Compensation Act of 1970, as amended; all

moneys credited to this State's account in the unemployment trust fund pursuant to Section 903 of the Federal Social Security Act, as amended; all administrative fees collected from individuals pursuant to Section 900 or from employing units pursuant to Section 2206.1; and all earnings of such property or securities and any interest earned upon any such moneys shall be paid or turned over to the Department and held by the Director, as ex-officio custodian of the clearing account, the unemployment trust fund account and the benefit account, and by the State Treasurer, as ex-officio custodian of the special administrative account, separate and apart from all public moneys or funds of this State, as hereinafter provided. Such moneys shall be administered by the Director exclusively for the purposes of this Act.

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

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

The Director shall be liable on his general official bond for the faithful performance of his duties in connection with

the moneys in the clearing account, the benefit account and unemployment trust fund account provided for under this Act. Such liability on his official bond shall exist in addition to the liability upon any separate bond given by him. All sums recovered for losses sustained by any one of the accounts shall be deposited in the account that sustained such loss.

The Treasurer shall maintain for such moneys a special administrative account. The Director shall maintain for such moneys 3 separate accounts: a clearing account, a benefit account, and an unemployment trust fund account. All moneys payable under this Act (except moneys requisitioned from this State's account in the unemployment trust fund and deposited in the benefit account and moneys directed for deposit into the Special Programs Fund provided for under Section 2107), including but not limited to moneys directed for transfer from the Master Bond Fund or the Title XII Interest Fund to this State's account in the unemployment trust fund, upon receipt thereof ~~by the Director~~, shall be immediately deposited in the clearing account; provided, however, that, except as is otherwise provided in this Section, interest and penalties shall not be deemed a part of the clearing account but shall be transferred immediately upon clearance thereof to the special administrative account; further provided that an amount not to exceed \$90,000,000 in payments attributable to the surcharge established pursuant to Section 1506.5, including any interest thereon, shall not be deemed a part of the clearing account but

shall be transferred immediately upon clearance thereof to the Title XII Interest Fund.

After clearance thereof, all other moneys in the clearing account shall be immediately deposited by the Director with the Secretary of the Treasury of the United States of America to the credit of the account of this State in the unemployment trust fund, established and maintained pursuant to the Federal Social Security Act, as amended, except fund building receipts, which shall be deposited into the Master Bond Fund. The benefit account shall consist of all moneys requisitioned from this State's account in the unemployment trust fund. The moneys in the benefit account shall be expended in accordance with regulations prescribed by the Director and solely for the payment of benefits, refunds of contributions, interest and penalties under the provisions of the Act, the payment of health insurance in accordance with Section 410 of this Act, and the transfer or payment of funds to any Federal or State agency pursuant to reciprocal arrangements entered into by the Director under the provisions of Section 2700E, except that moneys credited to this State's account in the unemployment trust fund pursuant to Section 903 of the Federal Social Security Act, as amended, shall be used exclusively as provided in subsection B. For purposes of this Section only, to the extent allowed by applicable legal requirements, the payment of benefits includes but is not limited to the payment of principal on any bonds issued pursuant to the Illinois

Unemployment Insurance Trust Fund Financing Act, exclusive of any interest or administrative expenses in connection with the bonds. The Director shall, from time to time, requisition from the unemployment trust fund such amounts, not exceeding the amounts standing to the State's account therein, as he deems necessary solely for the payment of such benefits, refunds, and funds, for a reasonable future period. The Director, as ex-officio custodian of the benefit account, which shall be kept separate and apart from all other public moneys, shall issue payment of such benefits, refunds, health insurance and funds solely from the moneys so received into the benefit account. However, after January 1, 1987, no payment shall be drawn on such benefit account unless at the time of drawing there is sufficient money in the account to make the payment. The Director shall retain in the clearing account an amount of interest and penalties equal to the amount of interest and penalties to be refunded from the benefit account. After clearance thereof, the amount so retained shall be immediately deposited by the Director, as are all other moneys in the clearing account, with the Secretary of the Treasury of the United States. If, at any time, an insufficient amount of interest and penalties is available for retention in the clearing account, no refund of interest or penalties shall be made from the benefit account until a sufficient amount is available for retention and is so retained, or until the State Treasurer, upon the direction of the Director, transfers to the

Director a sufficient amount from the special administrative account, for immediate deposit in the benefit account.

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

Moneys in the clearing, benefit and special administrative accounts shall not be commingled with other State funds but they shall be deposited as required by law and maintained in separate accounts on the books of a savings and loan association or bank.

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

B. Moneys credited to the account of this State in the unemployment trust fund by the Secretary of the Treasury of the United States pursuant to Section 903 of the Social Security Act may be requisitioned from this State's account and used as

authorized by Section 903. Any interest required to be paid on advances under Title XII of the Social Security Act shall be paid in a timely manner and shall not be paid, directly or indirectly, by an equivalent reduction in contributions or payments in lieu of contributions from amounts in this State's account in the unemployment trust fund. Such moneys may be requisitioned and used for the payment of expenses incurred for the administration of this Act, but only pursuant to a specific appropriation by the General Assembly and only if the expenses are incurred and the moneys are requisitioned after the enactment of an appropriation law which:

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

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

3. Limits the amount which may be obligated during any fiscal year to an amount which does not exceed the amount by which (a) the aggregate of the amounts transferred to the account of this State pursuant to Section 903 of the Social Security Act exceeds (b) the aggregate of the amounts used by this State pursuant to this Act and charged against the amounts transferred to the account of this State.

For purposes of paragraph (3) above, amounts obligated for

administrative purposes pursuant to an appropriation shall be chargeable against transferred amounts at the exact time the obligation is entered into. The appropriation, obligation, and expenditure or other disposition of money appropriated under this subsection shall be accounted for in accordance with standards established by the United States Secretary of Labor.

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

C. The Governor is authorized to apply to the United States Secretary of Labor for an advance or advances to this State's account in the unemployment trust fund pursuant to the conditions set forth in Title XII of the Federal Social Security Act, as amended. The amount of any such advance may be repaid from this State's account in the unemployment trust fund.

D. The Director shall annually on or before the first day

of March report in writing to the Employment Security Advisory Board concerning the deposits into and expenditures from this State's account in the Unemployment Trust Fund.

(Source: P.A. 97-1, eff. 3-31-11; 97-621, eff. 11-18-11.)

(820 ILCS 405/2103) (from Ch. 48, par. 663)

Sec. 2103. Unemployment compensation administration and other workforce development costs. All moneys received by the State or by the Department ~~Director~~ from any source for the financing of the cost of administration of this Act, including all federal moneys allotted or apportioned to the State or to the Department ~~Director~~ for that purpose, including moneys received directly or indirectly from the federal government under the Job Training Partnership Act, and including moneys received from the Railroad Retirement Board as compensation for services or facilities supplied to said Board, or any moneys made available by this State or its political subdivisions and matched by moneys granted to this State pursuant to the provisions of the Wagner-Peyser Act, shall be received and held by the State Treasurer as ex-officio custodian thereof, separate and apart from all other State moneys, in the Title III Social Security and Employment Fund, and such funds shall be distributed or expended upon the direction of the Director and, except money received pursuant to the last paragraph of Section 2100B, shall be distributed or expended solely for the purposes and in the amounts found necessary by the Secretary of

Labor of the United States of America, or other appropriate federal agency, for the proper and efficient administration of this Act. Notwithstanding any provision of this Section, all money requisitioned and deposited with the State Treasurer pursuant to the last paragraph of Section 2100B shall remain part of the unemployment trust fund and shall be used only in accordance with the conditions specified in the last paragraph of Section 2100B.

If any moneys received from the Secretary of Labor, or other appropriate federal agency, under Title III of the Social Security Act, or any moneys granted to this State pursuant to the provisions of the Wagner-Peyser Act, or any moneys made available by this State or its political subdivisions and matched by moneys granted to this State pursuant to the provisions of the Wagner-Peyser Act, are found by the Secretary of Labor, or other appropriate Federal agency, because of any action or contingency, to have been lost or expended for purposes other than, or in amounts in excess of, those found necessary, by the Secretary of Labor, or other appropriate Federal agency, for the proper administration of this Act, it is the policy of this State that such moneys shall be replaced by moneys appropriated for such purpose from the general funds of this State for expenditure as provided in the first paragraph of this Section. The Director shall report to the Governor's Office of Management and Budget, in the same manner as is provided generally for the submission by State

Departments of financial requirements for the ensuing fiscal year, and the Governor shall include in his budget report to the next regular session of the General Assembly, the amount required for such replacement.

Moneys in the Title III Social Security and Employment Fund shall not be commingled with other State funds, but they shall be deposited as required by law and maintained in a separate account on the books of a savings and loan association or bank.

The State Treasurer shall be liable on his general official bond for the faithful performance of his duties as custodian of all moneys in the Title III Social Security and Employment Fund. Such liability on his official bond shall exist in addition to the liability upon any separate bond given by him. All sums recovered for losses sustained by the fund herein described shall be deposited therein.

Upon the effective date of this amendatory Act of 1987 (January 1, 1988), the Comptroller shall transfer all unobligated funds from the Job Training Fund into the Title III Social Security and Employment Fund.

On September 1, 2000, or as soon thereafter as may be reasonably practicable, the State Comptroller shall transfer all unobligated moneys from the Job Training Partnership Fund into the Title III Social Security and Employment Fund. The moneys transferred pursuant to this amendatory Act may be used or expended for purposes consistent with the conditions under which those moneys were received by the State.

Beginning on the effective date of this amendatory Act of the 91st General Assembly, all moneys that would otherwise be deposited into the Job Training Partnership Fund shall instead be deposited into the Title III Social Security and Employment Fund, to be used for purposes consistent with the conditions under which those moneys are received by the State, except that any moneys that may be necessary to pay liabilities outstanding as of June 30, 2000 shall be deposited into the Job Training Partnership Fund.

(Source: P.A. 94-793, eff. 5-19-06.)

(820 ILCS 405/1503 rep.)

Section 25. The Unemployment Insurance Act is amended by repealing Section 1503.

Section 99. Effective date. This Act takes effect January 1, 2013.