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 601, 900, 901, 2206.1, and 2404 and by adding Section 901.2 as follows:

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

Sec. 601. Voluntary leaving.

A. An individual shall be ineligible for benefits for the week in which the individual ~~he or she~~ has left work voluntarily without good cause attributable to the employing unit and, thereafter, until the individual ~~he or she~~ has become reemployed and has had earnings equal to or in excess of the individual's ~~his or her~~ current weekly benefit amount in each of four calendar weeks which are either for services in employment, or have been or will be reported pursuant to the provisions of the Federal Insurance Contributions Act by each employing unit for which such services are performed and which submits a statement certifying to that fact.

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

1. Because the individual, prior to voluntarily leaving: ~~he or she~~

(a) is deemed physically unable to perform the individual's ~~his or her~~ work by a licensed and practicing physician, licensed and practicing nurse practitioner, or licensed and practicing physician assistant and the employer is unable to accommodate the individual; ~~, or~~

(b) for claims dated December 28, 2025 through December 24, 2028, is deemed to be unable to perform the individual's work due to a mental health disability by a licensed and practicing psychiatrist and the employer is unable to accommodate the individual; or

(c) is providing necessary ~~because the individual's~~ assistance to care ~~is necessary for the purpose of caring~~ for the individual's ~~his or her~~ spouse, child, or parent who, according to a licensed and practicing physician or as otherwise reasonably verified, is in poor physical or mental health or is a person with a mental or physical disability and the employer is unable to accommodate the individual's need to provide such assistance;

2. To accept other bona fide work and, after such acceptance, the individual is either not unemployed in each of 2 weeks, or earns remuneration for such work equal to at least twice the individual's ~~his or her~~ current weekly benefit amount;

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

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

5. Which the individual ~~he or she~~ had accepted after separation from other work, and the work which the individual ~~he or she~~ left voluntarily would be deemed unsuitable under the provisions of Section 603;

6.(a) Because the individual left work due to verified

domestic violence as defined in Section 103 of the Illinois Domestic Violence Act of 1986 where the domestic violence caused the individual to reasonably believe that the individual's ~~his or her~~ continued employment would jeopardize the individual's ~~his or her~~ safety or the safety of the individual's ~~his or her~~ spouse, minor child, or parent

if the individual provides the following:

(i) notice to the employing unit of the reason for the individual's voluntarily leaving; and

(ii) to the Department provides:

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

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

(C) medical documentation of the domestic violence; or

(D) evidence of domestic violence from a member of the clergy, attorney, counselor, social worker, health worker or domestic violence shelter worker.

(b) If the individual does not meet the provisions of subparagraph (a), the individual shall be held to have voluntarily terminated employment for the purpose of determining the individual's eligibility for benefits

pursuant to subsection A.

(c) Notwithstanding any other provision to the contrary, evidence of domestic violence experienced by an individual, or the individual's ~~his or her~~ spouse, minor child, or parent, including the individual's statement and corroborating evidence, shall not be disclosed by the Department unless consent for disclosure is given by the individual.

7. Because, due to a change in location of employment of the individual's spouse, the individual left work to accompany the individual's ~~his or her~~ spouse to a place from which it is impractical to commute or because the individual left employment to accompany a spouse who has been reassigned from one military assignment to another. The employer's account, however, shall not be charged for any benefits paid out to the individual who leaves work under a circumstance described in this paragraph.

C. Within 90 days of the effective date of this amendatory Act of the 96th General Assembly, the Department shall promulgate rules, pursuant to the Illinois Administrative Procedure Act and consistent with Section 903(f)(3)(B) of the Social Security Act, to clarify and provide guidance regarding eligibility and the prevention of fraud.

D. On or before January 1, 2030, the Department shall file a report with the General Assembly setting forth the estimated fiscal impact of subparagraph (b) of paragraph 1 of subsection

B of Section 601 on the Unemployment Insurance Trust Fund.

(Source: P.A. 99-143, eff. 7-27-15.)

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

Sec. 900. Recoupment and recovery.~~)~~

A. Whenever an individual has received any sum as benefits for which he or she is found to have been ineligible, the individual must be provided written notice of the individual's ~~his or her~~ appeal rights, including the ability to request waiver of any recoupment ordered and the standard for such waiver to be granted. Thereafter, the amount thereof may be recovered by suit in the name of the People of the State of Illinois, or, from benefits payable to the individual ~~him~~, may be recouped:

1. At any time, if, to receive such sum, the individual ~~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 the individual ~~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 Director's ~~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 the individual ~~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 Director's ~~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 the individual's ~~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.

Recovery by suit in the name of the People of the State of Illinois, recoupment pursuant to paragraph 2 of this subsection A from benefits payable to an individual for any week, and, notwithstanding any provision to the contrary in the Illinois State Collection Act of 1986, withholding pursuant to subsection E shall be permanently waived if the sum referred to in this subsection A was received by the individual without fault on the individual's ~~his or her~~ part and if such recoupment would be against equity and good conscience, and the sum referred to in this subsection A was

received by the individual on or after March 8, 2020, but prior to the last day of a disaster period established by the gubernatorial disaster proclamation in response to COVID-19, dated March 9, 2020, and any consecutive gubernatorial disaster proclamation in response to COVID-19. To be eligible for permanent waiver under this paragraph, an individual must request a waiver pursuant to this paragraph within 45 days of the mailing date of the notice from the Department that the individual may request a waiver. A determination under this paragraph may be appealed to a Referee within the time limits prescribed by Section 800 for an 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. This paragraph shall not apply with respect to benefits that are received pursuant to any program that the Department administers as an agent of the federal government and for which the individual is found to have been ineligible.

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, the Department ~~he~~ shall promptly notify the claimant of the ~~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 the ~~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 ~~Claims Adjudicator~~.

C. Any sums recovered under the provisions of this Section shall be treated as repayments to the Department 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 the individual ~~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.

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 the individual ~~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.

F. The Director may cooperate with and enter into agreements with the State Treasurer for the recovery of unclaimed property held by the State Treasurer in the name of an individual who received benefits for which the individual was determined to be ineligible under this Act. The amount of

unclaimed property the Director is authorized to recover under this subsection is limited to the amount of benefits an individual received for which the individual was determined to be ineligible and any penalties provided for in this Act and rules adopted under this Act. Any funds recovered under this subsection shall be returned to the fund from which they were withdrawn.

(Source: P.A. 102-26, eff. 6-25-21.)

(820 ILCS 405/901) (from Ch. 48, par. 491)

Sec. 901. Fraud - Repayment - Ineligibility.

A. An individual who, for the purpose 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 the individual ~~he~~ is not eligible:

1. ~~A.~~ Shall be required to repay such sum in cash, or the amount thereof may be recovered or recouped pursuant to the provisions of Section 900.

2. ~~B.~~ Shall be ineligible, except to the extent that such benefits are subject to recoupment pursuant to this Section, for benefits for the week in which the individual ~~he or she~~ has been notified of the determination of the claims adjudicator referred to in Section 702 that the individual ~~he or she~~ has committed the offense described in the first paragraph and, thereafter, for 6 weeks (with respect to each of which the individual ~~he or she~~ would be

eligible for benefits but for the provisions of this paragraph, not including weeks for which such benefits are subject to recoupment pursuant to this Section) for the first offense, and for 2 additional weeks (with respect to each of which the individual ~~he or she~~ would be eligible for benefits but for the provisions of this paragraph, not including weeks for which such benefits are subject to recoupment pursuant to this Section) for each subsequent offense. For the purposes of this paragraph, a separate offense shall be deemed to have been committed in each week for which such an individual has received a sum as benefits for which the individual ~~he or she~~ was not eligible. No ineligibility under the provisions of this paragraph shall accrue with respect to any week beginning after whichever of the following occurs first: (1) 26 weeks (with respect to each of which the individual would be eligible for benefits but for the provisions of this paragraph, not including weeks for which such benefits are subject to recoupment pursuant to this Section) have elapsed since the date that the individual ~~he or she~~ is notified of the determination of the claims adjudicator referred to in Section 702 that the individual ~~he or she~~ has committed the offense described in the first paragraph, or (2) 2 years have elapsed since the date that ~~he or she~~ is notified of the determination of the claims adjudicator referred to in Section 702 that the individual

~~he or she~~ has committed the offense described in the first paragraph.

B. The amount of benefits that an individual received for which the individual was determined to be ineligible due to fraud, plus any penalties provided for by this Act and rules adopted under this Act, may be recovered in any manner provided for in Sections 2206, 2400, 2401, 2401.1, 2402, and 2403 for the recovery of past-due contributions, interest, and penalties from employers, and those Sections of this Act shall apply to an individual who received benefits for which the individual was determined to be ineligible due to fraud.

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

(820 ILCS 405/901.2 new)

Sec. 901.2. Return of debit card funds.

A. As allowed for under federal law, the Director is authorized to directly request and accept the return of funds from a debit card issuer for any debit card account that received benefits, if there is no transfer of funds through the benefits system to the debit card account during the preceding 12 months and if the account has never been activated.

B. As provided under federal law, the Director may directly request and accept the return of funds from a debit card issuer for any debit card account that received benefits and was activated if no transaction has been conducted on the

account during the preceding 12 months and the individual associated with the account received benefits for which the individual was determined to be ineligible. The amount that the Director is authorized to accept from the debit card issuer under this subsection is limited to the amount of benefits an individual received for which the individual was determined to be ineligible and any penalties provided for in this Act and rules adopted under this Act.

C. Any funds recovered under this Section shall be returned to the fund from which they were withdrawn.

(820 ILCS 405/2206.1) (from Ch. 48, par. 686.1)

Sec. 2206.1. Additional recovery. In addition to the remedies provided by this Act, when an employing unit defaults in any payment or contribution required to be made to the State under the provisions of this Act, the Director may:

1. Request ~~request~~ the Comptroller to withhold the amount due in accordance with the provisions of Section 10.05 of the State Comptroller Act and the Director may request the Secretary of the Treasury to withhold the amount due to the extent allowed by and in accordance with Section 6402(f) of the federal Internal Revenue Code of 1986, as amended. Where the Director requests withholding by the Secretary of the Treasury pursuant to this Section, in addition to the amount of the payment otherwise owed by the employing unit, the employing unit 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.

2. Cooperate with and enter into agreements with the State Treasurer for the recovery of unclaimed property held by the State Treasurer in the name of an employer who owes contributions, interest, or penalties under this Act. The amount of unclaimed property the Director is authorized to recover under this subsection is limited to the amount of contributions, interest, penalties, and fees owed by the employer.

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

(820 ILCS 405/2404) (from Ch. 48, par. 724)

Sec. 2404. Court may enjoin delinquent employing unit. Any employing unit which willfully refuses or fails to pay any contribution, interest, or penalties found to be due to the Director by the Director's ~~his~~ final determination and assessment, or refuses or fails to file new hire reports or reports of wages paid to the workforce as required by this Act, after 30 days' written notice of intent to proceed under this Section, sent by the Director to the employing unit at its last known address by registered or certified mail, may be enjoined from operating any business as an "employer", as defined in this Act, anywhere in this State, while such contribution, interest, or penalties remain unpaid, or while either new hire

reports or reports of wages paid to the workforce as required by this Act remain unfiled, upon the complaint of the Director in the Circuit Court of the county in which the employing unit resides or has or had a place of business within the State. The provisions of this Section shall be deemed cumulative and in addition to any provision of this Act relating to the collection of contributions by the Director.

(Source: Laws 1965, p. 1792.)