**Section 1570.100 Recovery of Administrative Expenses of the Social Security Unit**

a) General Conditions for Recovery of Administrative Expenses

1) Each entity electing participation in the Social Security insurance program shall reimburse the State Agency for the benefit of the State Treasury a pro rated share of the State Agency's total operational expenses.

2) For purposes of recovering the operational expenses incurred by the State of Illinois in administering the federal social security program, the State Agency shall allocate the amounts to be assessed according to the two classifications of participating entities, Absolute Coverage Group and Retirement System Coverage Group.

3) The administrative charge to be assessed upon the two classifications of participating entities shall be based upon the established costs of operating the State's Social Security program for the fiscal year ending June 30 as determined by the official accounts and records of the State Employees' Retirement System, Social Security Unit.

4) The pro rated share of operating expenses shall be based on the allocation of time spent in administering coverage for the two classifications of participating entities.

b) Absolute Coverage Group

1) For the first year of participation (or fraction thereof) and annually thereafter, each absolute coverage group shall be assessed a yearly charge of $40 for maintenance of the coverage contract between the State Agency and the Social Security Administration. Entities in an inactive status for a full calendar year shall not be assessed a contract maintenance charge for that year.

2) In addition to the annual contract maintenance charge, each entity under an absolute coverage group agreement shall be assessed a pro rata share of the remainder of the State Agency's annual operating costs after amounts allocated to each retirement system coverage group and the amounts recovered under the contract maintenance charge have been subtracted from the total. The pro rata share shall be expressed in terms of the ratio which each entity's total annual social security contribution payment bears in relation to the total social security contributions paid into the State Agency for the calendar year 1986.

c) Annual Statement.

Except for the State Employees' Retirement System, the administrative charge shall be included upon an annual statement forwarded to each participating entity in the month of December and shall become payable on or before April 5 of the following year.

d) Penalty.

There shall be added to each such assessment remaining unpaid more than 30 days after date of Notice of Delinquency has been given a penalty of 5% of the amount of the assessment or a penalty of $10, whichever is greater.

(Source: Amended at 13 Ill. Reg. 1577, effective January 23, 1989)