

SB3428



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB3428

Introduced 1/18/2022, by Sen. Sue Rezin

SYNOPSIS AS INTRODUCED:

820 ILCS 405/1500

from Ch. 48, par. 570

Amends the Unemployment Insurance Act. Provides that beginning May 1, 2022 the contribution rate of each employer for the second, third, and fourth quarters of calendar year 2022 and for the entirety of calendar year 2023 shall be no more than the contribution rate of each employer in effect during the fourth quarter of calendar year 2021. Effective immediately.

LRB102 22252 KTG 31385 b

A BILL FOR

1 AN ACT concerning employment.

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

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

6 (820 ILCS 405/1500) (from Ch. 48, par. 570)

7 Sec. 1500. Rate of contribution.

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

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

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

1 multiplied by the current adjusted State experience factor, as
2 determined for each calendar year by the Director in
3 accordance with the provisions of Sections 1504 and 1505, or
4 the average contribution rate for his major classification in
5 the Standard Industrial Code, or another classification
6 sanctioned by the United States Department of Labor and
7 prescribed by the Director by rule, with respect to wages for
8 insured work paid during such year. The Director of Employment
9 Security shall determine for calendar year 1984 and each
10 calendar year thereafter by a method pursuant to adopted rules
11 each individual employer's industrial code and the average
12 contribution rate for each major classification in the
13 Standard Industrial Code, or each other classification
14 sanctioned by the United States Department of Labor and
15 prescribed by the Director by rule. Notwithstanding the
16 preceding provisions of this paragraph, the contribution rate
17 for calendar years 1984, 1985 and 1986 of each employer who has
18 incurred liability for the payment of contributions within
19 each of the two calendar years immediately preceding the
20 calendar year for which a rate is being determined, and the
21 contribution rate for calendar year 1987 and each calendar
22 year thereafter of each employer who has incurred liability
23 for the payment of contributions within each of the three
24 calendar years immediately preceding the calendar year for
25 which a rate is being determined shall be determined as
26 provided in Sections 1501 to 1507.1, inclusive. Provided,

1 however, that the contribution rate for calendar years 1989
2 and 1990 of each employer who has had experience with the risk
3 of unemployment for at least 13 consecutive months ending June
4 30 of the preceding calendar year shall be a rate determined in
5 accordance with this Section or a rate determined as if it had
6 been calculated in accordance with Sections 1501 through 1507,
7 inclusive, whichever is greater, except that for purposes of
8 calculating the benefit wage ratio as provided in Section
9 1503, such benefit wage ratio shall be a percentage equal to
10 the total of benefit wages for the 12 consecutive calendar
11 month period ending on the above preceding June 30, divided by
12 the total wages for insured work subject to the payment of
13 contributions under Sections 234, 235 and 245 for the same
14 period and provided, further, however, that the contribution
15 rate for calendar year 1991 and for each calendar year
16 thereafter of each employer who has had experience with the
17 risk of unemployment for at least 13 consecutive months ending
18 June 30 of the preceding calendar year shall be a rate
19 determined in accordance with this Section or a rate
20 determined as if it had been calculated in accordance with
21 Sections 1501 through 1507.1, inclusive, whichever is greater,
22 except that for purposes of calculating the benefit ratio as
23 provided in Section 1503.1, such benefit ratio shall be a
24 percentage equal to the total of benefit charges for the 12
25 consecutive calendar month period ending on the above
26 preceding June 30, multiplied by the benefit conversion factor

1 applicable to such year, divided by the total wages for
2 insured work subject to the payment of contributions under
3 Sections 234, 235 and 245 for the same period. Notwithstanding
4 the preceding provisions of this paragraph, beginning May 1,
5 2022 the contribution rate of each employer for the second,
6 third, and fourth quarters of calendar year 2022 and for the
7 entirety of calendar year 2023 shall be no more than the
8 contribution rate of each employer in effect during the fourth
9 quarter of calendar year 2021.

10 C. Except as expressly provided in this Act, the
11 provisions of Sections 1500 to 1510, inclusive, do not apply
12 to any nonprofit organization for any period with respect to
13 which it does not incur liability for the payment of
14 contributions by reason of having elected to make payments in
15 lieu of contributions, or to any political subdivision or
16 municipal corporation for any period with respect to which it
17 is not subject to payments in lieu of contributions under the
18 provisions of paragraph 1 of Section 302C by reason of having
19 elected to make payments in lieu of contributions under
20 paragraph 2 of that Section or to any governmental entity
21 referred to in clause (B) of Section 211.1. Wages paid to an
22 individual which are subject to contributions under Section
23 1405 A, or on the basis of which benefits are paid to him which
24 are subject to payment in lieu of contributions under Sections
25 1403, 1404, or 1405 B, or under paragraph 2 of Section 302C,
26 shall not become benefit wages or benefit charges under the

1 provisions of Sections 1501 or 1501.1, respectively, except
2 for purposes of determining a rate of contribution for 1984
3 and each calendar year thereafter for any governmental entity
4 referred to in clause (B) of Section 211.1 which does not elect
5 to make payments in lieu of contributions.

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

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

21 Section 99. Effective date. This Act takes effect upon
22 becoming law.