

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 Sections 1400 and 1402 and by adding Section 1400.2 as
6 follows:

7 (820 ILCS 405/1400) (from Ch. 48, par. 550)

8 Sec. 1400. Payment of contributions. On and after July 1,
9 1937, contributions shall accrue and become payable by each
10 employer for each calendar year in which he is subject to this
11 Act, with respect to wages payable for employment occurring
12 during the six months' period beginning July 1, 1937, and the
13 calendar years 1938, 1939, and 1940. For the year 1941 and for
14 each calendar year thereafter, contributions shall accrue and
15 become payable by each employer upon the wages paid with
16 respect to employment after December 31, 1940. Except as
17 otherwise provided in Section 1400.2, such ~~Such~~ contributions
18 shall become due and shall be paid quarterly on or before the
19 last day of the month next following the calendar quarter for
20 which such contributions have accrued; except that any employer
21 who is delinquent in filing a contribution report or in paying
22 his contributions for any calendar quarter may, at the
23 discretion of the Director, be required to report and to pay
24 contributions on a calendar month basis. Such contributions
25 shall not be deducted, in whole or in part, from the wages of
26 individuals in such employer's employ. If the Director shall
27 find that the collection of any contributions will be
28 jeopardized by delay, he may declare the same to be immediately
29 due and payable.

30 In the payment of any contributions, interest, or
31 penalties, a fractional part of a cent shall be disregarded
32 unless it amounts to one-half cent or more, in which case it

1 shall be increased to one cent.

2 The Director may by regulation provide that if, at any
3 time, a total amount of less than \$2 is payable with respect to
4 a quarter, including any contributions, payments in lieu of
5 contributions, interest or penalties, such amount may be
6 disregarded. Any amounts disregarded under this paragraph are
7 deemed to have been paid for all other purposes of this Act.
8 Nothing in this paragraph is intended to relieve any employer
9 from filing any reports required by this Act or by any rules or
10 regulations adopted by the Director pursuant to this Act.

11 Except with respect to the provisions concerning amounts
12 that may be disregarded pursuant to regulation, this Section
13 does not apply to any nonprofit organization or any
14 governmental entity referred to in subsection B of Section 1405
15 for any period with respect to which it does not incur
16 liability for the payment of contributions by reason of having
17 elected to make payments in lieu of contributions, or to any
18 political subdivision or municipal corporation for any period
19 with respect to which it is not subject to payments in lieu of
20 contributions under the provisions of paragraph 1 of Section
21 302C by reason of having elected to make payments in lieu of
22 contributions under paragraph 2 of that Section, or to the
23 State of Illinois or any of its instrumentalities.

24 (Source: P.A. 90-554, eff. 12-12-97.)

25 (820 ILCS 405/1400.2 new)

26 Sec. 1400.2. Annual reporting and paying; household
27 workers. This Section applies to an employer who solely employs
28 one or more household workers with respect to whom the employer
29 files federal unemployment taxes as part of his or her federal
30 income tax return, or could file federal unemployment taxes as
31 part of his or her federal income tax return if the worker or
32 workers were providing services in employment for purposes of
33 the federal unemployment tax. For purposes of this Section,
34 "household worker" has the meaning ascribed to it for purposes
35 of Section 3510 of the federal Internal Revenue Code. If an

1 employer to whom this Section applies notifies the Director, in
2 writing, that he or she wishes to pay his or her contributions
3 for each quarter and submit his or her wage and contribution
4 reports for each quarter on an annual basis, then the due date
5 for filing the reports and paying the contributions shall be
6 April 15 of the calendar year immediately following the close
7 of the quarters to which the reports and contributions apply,
8 except that the Director may, by rule, establish a different
9 due date for good cause.

10 (820 ILCS 405/1402) (from Ch. 48, par. 552)

11 Sec. 1402. Penalties. A. If any employer fails, within the
12 time prescribed in this Act as amended and in effect on October
13 5, 1980, and the regulations of the Director, to file a report
14 of wages paid to each of his workers, or to file a sufficient
15 report of such wages after having been notified by the Director
16 to do so, for any period which begins prior to January 1, 1982,
17 he shall pay to the Director as a penalty a sum determined in
18 accordance with the provisions of this Act as amended and in
19 effect on October 5, 1980.

20 B. Except as otherwise provided in this Section, any
21 employer who fails to file a report of wages paid to each of
22 his workers for any period which begins on or after January 1,
23 1982, within the time prescribed by the provisions of this Act
24 and the regulations of the Director, or, if the Director
25 pursuant to such regulations extends the time for filing the
26 report, fails to file it within the extended time, shall, in
27 addition to any sum otherwise payable by him under the
28 provisions of this Act, pay to the Director as a penalty a sum
29 equal to the lesser of (1) \$5 for each \$10,000 or fraction
30 thereof of the total wages for insured work paid by him during
31 the period or (2) \$2,500, for each month or part thereof of
32 such failure to file the report. With respect to an employer
33 who has elected to file reports of wages on an annual basis
34 pursuant to Section 1400.2, in assessing penalties for the
35 failure to submit all reports by the due date established

1 pursuant to that Section, the 30-day period immediately
2 following the due date shall be considered as one month.

3 If the Director deems an employer's report of wages paid to
4 each of his workers for any period which begins on or after
5 January 1, 1982, insufficient, he shall notify the employer to
6 file a sufficient report. If the employer fails to file such
7 sufficient report within 30 days after the mailing of the
8 notice to him, he shall, in addition to any sum otherwise
9 payable by him under the provisions of this Act, pay to the
10 Director as a penalty a sum determined in accordance with the
11 provisions of the first paragraph of this subsection, for each
12 month or part thereof of such failure to file such sufficient
13 report after the date of the notice.

14 For wages paid in calendar years prior to 1988, the penalty
15 or penalties which accrue under the two foregoing paragraphs
16 with respect to a report for any period shall not be less than
17 \$100, and shall not exceed the lesser of (1) \$10 for each
18 \$10,000 or fraction thereof of the total wages for insured work
19 paid during the period or (2) \$5,000. For wages paid in
20 calendar years after 1987, the penalty or penalties which
21 accrue under the 2 foregoing paragraphs with respect to a
22 report for any period shall not be less than \$50, and shall not
23 exceed the lesser of (1) \$10 for each \$10,000 or fraction of
24 the total wages for insured work paid during the period or (2)
25 \$5,000. With respect to an employer who has elected to file
26 reports of wages on an annual basis pursuant to Section 1400.2,
27 for purposes of calculating the minimum penalty prescribed by
28 this Section for failure to file the reports on a timely basis,
29 a calendar year shall constitute a single period. For reports
30 of wages paid after 1986, the Director shall not, however,
31 impose a penalty pursuant to either of the two foregoing
32 paragraphs on any employer who can prove within 30 working days
33 after the mailing of a notice of his failure to file such a
34 report, that (1) the failure to file the report is his first
35 such failure during the previous 20 consecutive calendar
36 quarters, and (2) the amount of the total contributions due for

1 the calendar quarter of such report is less than \$500.

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

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

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

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

21 Section 99. Effective date. This Act takes effect January
22 1, 2006.