



Sen. James A. DeLeo

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LRB094 09247 WGH 44739 a

1 AMENDMENT TO SENATE BILL 411

2 AMENDMENT NO. _____. Amend Senate Bill 411 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Unemployment Insurance Act is amended by
5 changing Sections 235, 1500, 1506.1, 1506.3, and 1507 and by
6 adding Section 1507.1 as follows:

7 (820 ILCS 405/235) (from Ch. 48, par. 345)

8 Sec. 235. The term "wages" does not include:

9 A. That part of the remuneration which, after remuneration
10 equal to \$6,000 with respect to employment has been paid to an
11 individual by an employer during any calendar year after 1977
12 and before 1980, is paid to such individual by such employer
13 during such calendar year; and that part of the remuneration
14 which, after remuneration equal to \$6,500 with respect to
15 employment has been paid to an individual by an employer during
16 each calendar year 1980 and 1981, is paid to such individual by
17 such employer during that calendar year; and that part of the
18 remuneration which, after remuneration equal to \$7,000 with
19 respect to employment has been paid to an individual by an
20 employer during the calendar year 1982 is paid to such
21 individual by such employer during that calendar year.

22 With respect to the first calendar quarter of 1983, the
23 term "wages" shall include only the remuneration paid to an
24 individual by an employer during such quarter with respect to

1 employment which does not exceed \$7,000. With respect to the
2 three calendar quarters, beginning April 1, 1983, the term
3 "wages" shall include only the remuneration paid to an
4 individual by an employer during such period with respect to
5 employment which when added to the "wages" (as defined in the
6 preceding sentence) paid to such individual by such employer
7 during the first calendar quarter of 1983, does not exceed
8 \$8,000.

9 With respect to the calendar year 1984, the term "wages"
10 shall include only the remuneration paid to an individual by an
11 employer during that period with respect to employment which
12 does not exceed \$8,000; with respect to calendar years 1985,
13 1986 and 1987, the term "wages" shall include only the
14 remuneration paid to such individual by such employer during
15 that calendar year with respect to employment which does not
16 exceed \$8,500.

17 With respect to the calendar years 1988 through 2003, the
18 term "wages" shall include only the remuneration paid to an
19 individual by an employer during that period with respect to
20 employment which does not exceed \$9,000.

21 With respect to the calendar year 2004, the term "wages"
22 shall include only the remuneration paid to an individual by an
23 employer during that period with respect to employment which
24 does not exceed \$9,800. With respect to the calendar years 2005
25 through 2009, the term "wages" shall include only the
26 remuneration paid to an individual by an employer during that
27 period with respect to employment which does not exceed the
28 following amounts: \$10,500 with respect to the calendar year
29 2005; \$11,000 with respect to the calendar year 2006; \$11,500
30 with respect to the calendar year 2007; \$12,000 with respect to
31 the calendar year 2008; and \$12,300 with respect to the
32 calendar year 2009.

33 With respect to the calendar year 2010 and each calendar
34 year thereafter, the term "wages" shall include only the

1 remuneration paid to an individual by an employer during that
2 period with respect to employment which does not exceed the sum
3 of the wage base adjustment applicable to that year pursuant to
4 Section 1400.1, plus the maximum amount includable as "wages"
5 pursuant to this subsection with respect to the immediately
6 preceding calendar year. Notwithstanding any provision to the
7 contrary, the maximum amount includable as "wages" pursuant to
8 this Section shall not be less than \$12,300 or greater than
9 \$12,960 with respect to any calendar year after calendar year
10 2009.

11 The remuneration paid to an individual by an employer with
12 respect to employment in another State or States, upon which
13 contributions were required of such employer under an
14 unemployment compensation law of such other State or States,
15 shall be included as a part of the remuneration herein referred
16 to. For the purposes of this subsection, any employing unit
17 which succeeds to the organization, trade, or business, or to
18 substantially all of the assets of another employing unit, or
19 to the organization, trade, or business, or to substantially
20 all of the assets of a distinct severable portion of another
21 employing unit, shall be treated as a single unit with its
22 predecessor for the calendar year in which such succession
23 occurs; ~~and~~ any employing unit which is owned or controlled
24 by the same interests which own or control another employing
25 unit shall be treated as a single unit with the unit so owned
26 or controlled by such interests for any calendar year
27 throughout which such ownership or control exists; and, with
28 respect to any trade or business transfer subject to subsection
29 A of Section 1507.1, a transferee, as defined in subsection G
30 of Section 1507.1, shall be treated as a single unit with the
31 transferor, as defined in subsection G of Section 1507.1, for
32 the calendar year in which the transfer occurs. This subsection
33 applies only to Sections 1400, 1405A, and 1500.

34 B. The amount of any payment (including any amount paid by

1 an employer for insurance or annuities, or into a fund, to
2 provide for any such payment), made to, or on behalf of, an
3 individual or any of his dependents under a plan or system
4 established by an employer which makes provision generally for
5 individuals performing services for him (or for such
6 individuals generally and their dependents) or for a class or
7 classes of such individuals (or for a class or classes of such
8 individuals and their dependents), on account of (1) sickness
9 or accident disability (except those sickness or accident
10 disability payments which would be includable as "wages" in
11 Section 3306(b)(2)(A) of the Federal Internal Revenue Code of
12 1954, in effect on January 1, 1985, such includable payments to
13 be attributable in such manner as provided by Section 3306(b)
14 of the Federal Internal Revenue Code of 1954, in effect on
15 January 1, 1985), or (2) medical or hospitalization expenses in
16 connection with sickness or accident disability, or (3) death.

17 C. Any payment made to, or on behalf of, an employee or his
18 beneficiary which would be excluded from "wages" by
19 subparagraph (A), (B), (C), (D), (E), (F) or (G), of Section
20 3306(b)(5) of the Federal Internal Revenue Code of 1954, in
21 effect on January 1, 1985.

22 D. The amount of any payment on account of sickness or
23 accident disability, or medical or hospitalization expenses in
24 connection with sickness or accident disability, made by an
25 employer to, or on behalf of, an individual performing services
26 for him after the expiration of six calendar months following
27 the last calendar month in which the individual performed
28 services for such employer.

29 E. Remuneration paid in any medium other than cash by an
30 employing unit to an individual for service in agricultural
31 labor as defined in Section 214.

32 F. The amount of any supplemental payment made by an
33 employer to an individual performing services for him, other
34 than remuneration for services performed, under a shared work

1 plan approved by the Director pursuant to Section 407.1.

2 (Source: P.A. 93-634, eff. 1-1-04; 93-676, eff. 6-22-04.)

3 (820 ILCS 405/1500) (from Ch. 48, par. 570)

4 Sec. 1500. Rate of contribution.

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

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

18 For the calendar year 1984 and each calendar year
19 thereafter, each employer shall pay contributions at a
20 percentage rate equal to the greatest of 2.7%, or 2.7%
21 multiplied by the current adjusted State experience factor, as
22 determined for each calendar year by the Director in accordance
23 with the provisions of Sections 1504 and 1505, or the average
24 contribution rate for his major classification in the Standard
25 Industrial Code, or another classification sanctioned by the
26 United States Department of Labor and prescribed by the
27 Director by rule, with respect to wages for insured work paid
28 during such year. The Director of Employment Security shall
29 determine for calendar year 1984 and each calendar year
30 thereafter by a method pursuant to adopted rules each
31 individual employer's industrial code and the average
32 contribution rate for each major classification in the Standard
33 Industrial Code, or each other classification sanctioned by the

1 United States Department of Labor and prescribed by the
2 Director by rule. Notwithstanding the preceding provisions of
3 this paragraph, the contribution rate for calendar years 1984,
4 1985 and 1986 of each employer who has incurred liability for
5 the payment of contributions within each of the two calendar
6 years immediately preceding the calendar year for which a rate
7 is being determined, and the contribution rate for calendar
8 year 1987 and each calendar year thereafter of each employer
9 who has incurred liability for the payment of contributions
10 within each of the three calendar years immediately preceding
11 the calendar year for which a rate is being determined shall be
12 determined as provided in Sections 1501 to 1507.1 ~~1507~~,
13 inclusive. Provided, however, that the contribution rate for
14 calendar years 1989 and 1990 of each employer who has had
15 experience with the risk of unemployment for at least 13
16 consecutive months ending June 30 of the preceding calendar
17 year shall be a rate determined in accordance with this Section
18 or a rate determined as if it had been calculated in accordance
19 with Sections 1501 through 1507, inclusive, whichever is
20 greater, except that for purposes of calculating the benefit
21 wage ratio as provided in Section 1503, such benefit wage ratio
22 shall be a percentage equal to the total of benefit wages for
23 the 12 consecutive calendar month period ending on the above
24 preceding June 30, divided by the total wages for insured work
25 subject to the payment of contributions under Sections 234, 235
26 and 245 for the same period and provided, further, however,
27 that the contribution rate for calendar year 1991 and for each
28 calendar year thereafter of each employer who has had
29 experience with the risk of unemployment for at least 13
30 consecutive months ending June 30 of the preceding calendar
31 year shall be a rate determined in accordance with this Section
32 or a rate determined as if it had been calculated in accordance
33 with Sections 1501 through 1507.1 ~~1507~~, inclusive, whichever is
34 greater, except that for purposes of calculating the benefit

1 ratio as provided in Section 1503.1, such benefit ratio shall
2 be a percentage equal to the total of benefit charges for the
3 12 consecutive calendar month period ending on the above
4 preceding June 30, multiplied by the benefit conversion factor
5 applicable to such year, divided by the total wages for insured
6 work subject to the payment of contributions under Sections
7 234, 235 and 245 for the same period.

8 C. Except as expressly provided in this Act, the provisions
9 of Sections 1500 to 1510, inclusive, do not apply to any
10 nonprofit organization for any period with respect to which it
11 does not incur liability for the payment of contributions by
12 reason of having elected to make payments in lieu of
13 contributions, or to any political subdivision or municipal
14 corporation for any period with respect to which it is not
15 subject to payments in lieu of contributions under the
16 provisions of paragraph 1 of Section 302C by reason of having
17 elected to make payments in lieu of contributions under
18 paragraph 2 of that Section or to any governmental entity
19 referred to in clause (B) of Section 211.1. Wages paid to an
20 individual which are subject to contributions under Section
21 1405 A, or on the basis of which benefits are paid to him which
22 are subject to payment in lieu of contributions under Sections
23 1403, 1404, or 1405 B, or under paragraph 2 of Section 302C,
24 shall not become benefit wages or benefit charges under the
25 provisions of Sections 1501 or 1501.1, respectively, except for
26 purposes of determining a rate of contribution for 1984 and
27 each calendar year thereafter for any governmental entity
28 referred to in clause (B) of Section 211.1 which does not elect
29 to make payments in lieu of contributions.

30 D. If an employer's business is closed solely because of
31 the entrance of one or more of the owners, partners, officers,
32 or the majority stockholder into the armed forces of the United
33 States, or of any of its allies, or of the United Nations, and,
34 if the business is resumed within two years after the discharge

1 or release of such person or persons from active duty in the
2 armed forces, the employer will be deemed to have incurred
3 liability for the payment of contributions continuously
4 throughout such period. Such an employer, for the purposes of
5 Section 1506.1, will be deemed to have paid contributions upon
6 wages for insured work during the applicable period specified
7 in Section 1503 on or before the date designated therein,
8 provided that no wages became benefit wages during the
9 applicable period specified in Section 1503.

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

11 (820 ILCS 405/1506.1) (from Ch. 48, par. 576.1)

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

14 A. The contribution rate for any calendar year prior to
15 1982 of each employer who has incurred liability for the
16 payment of contributions within each of the three calendar
17 years immediately preceding the calendar year for which a rate
18 is being determined shall be determined in accordance with the
19 provisions of this Act as amended and in effect on October 5,
20 1980.

21 B. The contribution rate for calendar years 1982 and 1983
22 of each employer who has incurred liability for the payment of
23 contributions within each of the three calendar years
24 immediately preceding the calendar year for which a rate is
25 being determined shall be the product obtained by multiplying
26 the employer's benefit wage ratio for that calendar year by the
27 adjusted state experience factor for the same year, provided
28 that:

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

31 2. Intermediate contribution rates between such
32 minimum and maximum rates shall be at one-tenth of 1
33 percent intervals.

1 3. If the product obtained as provided in this
2 subsection is not an exact multiple of one-tenth of 1
3 percent, it shall be increased or reduced, as the case may
4 be, to the nearer multiple of one-tenth of 1 percent. If
5 such product is equally near to two multiples of one-tenth
6 of 1 percent, it shall be increased to the higher multiple
7 of one-tenth of 1 percent. If such product is less than
8 two-tenths of one percent, it shall be increased to
9 two-tenths of 1 percent, and if greater than 5.3%, it shall
10 be reduced to 5.3%.

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

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

21 Notwithstanding the other provisions of this Section, no
22 employer's contribution rate with respect to calendar years
23 1982 and 1983 shall exceed 2.7 percent of the wages for insured
24 work paid by him during any calendar quarter, if such wages
25 paid during such calendar quarter total less than \$50,000.

26 C. The contribution rate for calendar years 1984, 1985 and
27 1986 of each employer who has incurred liability for the
28 payment of contributions within each of the two calendar years
29 immediately preceding the calendar year for which a rate is
30 being determined shall be the product obtained by multiplying
31 the employer's benefit wage ratio for that calendar year by the
32 adjusted state experience factor for the same year, provided
33 that:

34 1. An employer's minimum contribution rate shall be the

1 greater of: .2%; or, the product obtained by multiplying
2 .2% by the adjusted state experience factor for the
3 applicable calendar year.

4 2. An employer's maximum contribution rate shall be the
5 greater of 5.5% or the product of 5.5% and the adjusted
6 State experience factor for the applicable calendar year
7 except that such maximum contribution rate shall not be
8 higher than 6.3% for calendar year 1984, nor be higher than
9 6.6% or lower than 6.4% for calendar year 1985, nor be
10 higher than 6.7% or lower than 6.5% for calendar year 1986.

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

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

20 The contribution rate of each employer for whom wages
21 became benefit wages during the applicable period specified in
22 Section 1503, but who paid no contributions upon wages for
23 insured work during such period on or before the date
24 designated in Section 1503, shall be the maximum contribution
25 rate as determined by paragraph 2 of this subsection. The
26 contribution rate for each employer for whom no wages became
27 benefit wages during the applicable period on or before the
28 date specified in Section 1503, and who paid no contributions
29 upon wages for insured work during such period on or before the
30 date specified in Section 1503, shall be the greater of 2.7% or
31 2.7% times the then current adjusted state experience factor as
32 determined by the Director in accordance with the provisions of
33 Sections 1504 and 1505.

34 Notwithstanding, the other provisions of this Section, no

1 employer's contribution rate with respect to the calendar year
2 1984 shall exceed 2.7 percent times the then current adjusted
3 state experience factor as determined by the Director in
4 accordance with the provisions of Sections 1504 and 1505 of the
5 wages for insured work paid by him during any calendar quarter,
6 if such wages paid during such calendar quarter total less than
7 \$50,000.

8 D. The contribution rate for calendar years 1987, 1988,
9 1989 and 1990 of each employer who has incurred liability for
10 the payment of contributions within each of the three calendar
11 years immediately preceding the calendar year for which a rate
12 is being determined shall be the product obtained by
13 multiplying the employer's benefit wage ratio for that calendar
14 year by the adjusted state experience factor for the same year,
15 provided, that:

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

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

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

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

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

14 E. The contribution rate for calendar year 1991 and each
15 calendar year thereafter of each employer who has incurred
16 liability for the payment of contributions within each of the
17 three calendar years immediately preceding the calendar year
18 for which a rate is being determined shall be the product
19 obtained by multiplying the employer's benefit ratio defined by
20 Section 1503.1 for that calendar year by the adjusted state
21 experience factor for the same year, provided that:

22 1. Except as otherwise provided in this paragraph, an
23 employer's minimum contribution rate shall be the greater
24 of 0.2% or the product obtained by multiplying 0.2% by the
25 adjusted state experience factor for the applicable
26 calendar year. An employer's minimum contribution rate
27 shall be 0.1% for calendar year 1996.

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

31 3. If any product obtained in this subsection is not an
32 exact multiple of one-tenth of one percent, it shall be
33 increased or reduced, as the case may be to the nearer
34 multiple of one-tenth of one percent. If such product is

1 equally near to two multiples of one-tenth of one percent,
2 it shall be increased to the higher multiple of one-tenth
3 of one percent.

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

6 The contribution rate of each employer for whom wages
7 became benefit wages during the applicable period specified in
8 Section 1503 or for whom benefit payments became benefit
9 charges during the applicable period specified in Section
10 1503.1, but who did not report wages for insured work during
11 such period, shall be the maximum contribution rate as
12 determined by paragraph 2 of this subsection. The contribution
13 rate for each employer for whom no wages became benefit wages
14 during the applicable period specified in Section 1503 or for
15 whom no benefit payments became benefit charges during the
16 applicable period specified in Section 1503.1, and who did not
17 report wages for insured work during such period, shall be the
18 greater of 2.7% or 2.7% times the then current adjusted state
19 experience factor as determined by the Director in accordance
20 with the provisions of Sections 1504 and 1505.

21 F. Notwithstanding the other provisions of this Section,
22 and pursuant to Section 271 of the Tax Equity and Fiscal
23 Responsibility Act of 1982, as amended, no employer's
24 contribution rate with respect to calendar years 1985, 1986,
25 1987 and 1988 shall, for any calendar quarter during which the
26 wages paid by that employer are less than \$50,000, exceed the
27 following: with respect to calendar year 1985, 3.7%; with
28 respect to calendar year 1986, 4.1%; with respect to calendar
29 year 1987, 4.5%; and with respect to calendar year 1988, 5.0%.

30 G. Notwithstanding the other provisions of this Section, no
31 employer's contribution rate with respect to calendar year 1989
32 and each calendar year thereafter shall exceed 5.4% of the
33 wages for insured work paid by him during any calendar quarter,
34 if such wages paid during such calendar quarter total less than

1 \$50,000, plus any applicable penalty contribution rate
2 calculated pursuant to subsection C of Section 1507.1.

3 (Source: P.A. 89-446, eff. 2-8-96.)

4 (820 ILCS 405/1506.3) (from Ch. 48, par. 576.3)

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

7 A. Notwithstanding any other provision of this Act, the
8 following fund building rates shall be in effect for the
9 following calendar years:

10 For each employer whose contribution rate for 1988, 1989,
11 1990, the first, third, and fourth quarters of 1991, 1992,
12 1993, 1994, 1995, and 1997 through 2003 would, in the absence
13 of this Section, be 0.2% or higher, a contribution rate which
14 is the sum of such rate and a fund building rate of 0.4%;

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

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

22 For each employer whose contribution rate for 2004 through
23 2009 would, in the absence of this Section, be 0.2% or higher,
24 a contribution rate which is the sum of such rate and the
25 following: a fund building rate of 0.7% for 2004; a fund
26 building rate of 0.9% for 2005; a fund building rate of 0.8%
27 for 2006 and 2007; a fund building rate of 0.6% for 2008; a
28 fund building rate of 0.4% for 2009.

29 For each employer whose contribution rate for 2010 and any
30 calendar year thereafter would, in the absence of this Section,
31 be 0.2% or higher, a contribution rate which is the sum of such
32 rate and a fund building rate equal to the sum of the rate
33 adjustment applicable to that year pursuant to Section 1400.1,

1 plus the fund building rate in effect pursuant to this Section
2 for the immediately preceding calendar year. Notwithstanding
3 any provision to the contrary, the fund building rate in effect
4 for any calendar year after calendar year 2009 shall not be
5 less than 0.4% or greater than 0.55%.

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

19 Notwithstanding the preceding paragraph of this Section,
20 or any other provision of this Act, no employer's contribution
21 rate with respect to calendar years 1993 through 1995 shall
22 exceed 5.4% if the employer ceased operations at an Illinois
23 manufacturing facility in 1991 and remained closed at that
24 facility during all of 1992, and the employer in 1993 commits
25 to invest at least \$5,000,000 for the purpose of resuming
26 operations at that facility, and the employer rehires during
27 1993 at least 250 of the individuals employed by it at that
28 facility during the one year period prior to the cessation of
29 its operations, provided that, within 30 days after the
30 effective date of this amendatory Act of 1993, the employer
31 makes application to the Department to have the provisions of
32 this paragraph apply to it. The immediately preceding sentence
33 shall be null and void with respect to an employer which by
34 December 31, 1993 has not satisfied the rehiring requirement

1 specified by this paragraph or which by December 31, 1994 has
2 not made the investment specified by this paragraph. All
3 payments attributable to the fund building rate established
4 pursuant to this Section with respect to the fourth quarter of
5 calendar year 2003, the first quarter of calendar year 2004 and
6 any calendar quarter thereafter as of the close of which there
7 are either bond obligations outstanding pursuant to the
8 Illinois Unemployment Insurance Trust Fund Financing Act, or
9 bond obligations anticipated to be outstanding as of either or
10 both of the 2 immediately succeeding calendar quarters, shall
11 be directed for deposit into the Master Bond Fund.
12 Notwithstanding any other provision of this subsection, no fund
13 building rate shall be added to any penalty contribution rate
14 assessed pursuant to subsection C of Section 1507.1.

15 B. Notwithstanding any other provision of this Act, for the
16 second quarter of 1991, the contribution rate of each employer
17 as determined in accordance with Sections 1500, 1506.1, and
18 subsection A of this Section shall be equal to the sum of such
19 rate and 0.1%; provided that this subsection shall not apply to
20 any employer whose rate computed under Section 1506.1 for such
21 quarter is between 5.1% and 5.3%, inclusive, and who qualifies
22 for the 5.4% rate ceiling imposed by the last paragraph of
23 subsection A for such quarter. All payments made pursuant to
24 this subsection shall be deposited in the Employment Security
25 Administrative Fund established under Section 2103.1 and used
26 for the administration of this Act.

27 C. Payments received by the Director which are insufficient
28 to pay the total contributions due under the Act shall be first
29 applied to satisfy the amount due pursuant to subsection B.

30 C-1. Payments received by the Director with respect to the
31 fourth quarter of calendar year 2003, the first quarter of
32 calendar year 2004 and any calendar quarter thereafter as of
33 the close of which there are either bond obligations
34 outstanding pursuant to the Illinois Unemployment Insurance

1 Trust Fund Financing Act, or bond obligations anticipated to be
2 outstanding as of either or both of the 2 immediately
3 succeeding calendar quarters, shall, to the extent they are
4 insufficient to pay the total amount due under the Act with
5 respect to the quarter, be first applied to satisfy the amount
6 due with respect to that quarter and attributable to the fund
7 building rate established pursuant to this Section.
8 Notwithstanding any other provision to the contrary, with
9 respect to an employer whose contribution rate with respect to
10 a quarter subject to this subsection would have exceeded 5.4%
11 but for the 5.4% rate ceiling imposed pursuant to subsection A,
12 the amount due from the employer with respect to that quarter
13 and attributable to the fund building rate established pursuant
14 to subsection A shall equal the amount, if any, by which the
15 amount due and attributable to the 5.4% rate exceeds the amount
16 that would have been due and attributable to the employer's
17 rate determined pursuant to Sections 1500 and 1506.1, without
18 regard to the fund building rate established pursuant to
19 subsection A.

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

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

27 (820 ILCS 405/1507) (from Ch. 48, par. 577)

28 Sec. 1507. Contribution rates of successor and predecessor
29 employing units.

30 A. Whenever any employing unit succeeds to substantially
31 all of the employing enterprises of another employing unit,
32 then in determining contribution rates for any calendar year,
33 the experience rating record of the predecessor prior to the

1 succession shall be transferred to the successor and thereafter
2 it shall not be treated as the experience rating record of the
3 predecessor, except as provided in subsection B. For the
4 purposes of this Section, such experience rating record shall
5 consist of all years during which liability for the payment of
6 contributions was incurred by the predecessor prior to the
7 succession, all benefit wages based upon wages paid by the
8 predecessor prior to the succession, all benefit charges based
9 on separations from, or reductions in work initiated by, the
10 predecessor prior to the succession, and all wages for insured
11 work paid by the predecessor prior to the succession. This
12 amendatory Act of the 93rd General Assembly is intended to be a
13 continuation of prior law.

14 B. The provisions of this subsection shall be applicable
15 only to the determination of contribution rates for the
16 calendar year 1956 and for each calendar year thereafter.
17 Whenever any employing unit has succeeded to substantially all
18 of the employing enterprises of another employing unit, but the
19 predecessor employing unit has retained a distinct severable
20 portion of its employing enterprises or whenever any employing
21 unit has succeeded to a distinct severable portion which is
22 less than substantially all of the employing enterprises of
23 another employing unit, the successor employing unit shall
24 acquire the experience rating record attributable to the
25 portion to which it has succeeded, and the predecessor
26 employing unit shall retain the experience rating record
27 attributable to the portion which it has retained, if--

28 1. It files a written application for such experience
29 rating record which is joined in by the employing unit
30 which is then entitled to such experience rating record;
31 and

32 2. The joint application contains such information as
33 the Director shall by regulation prescribe which will show
34 that such experience rating record is identifiable and

1 segregable and, therefore, capable of being transferred;
2 and

3 3. The joint application is filed prior to whichever of
4 the following dates is the latest: (a) July 1, 1956; (b)
5 one year after the date of the succession; or (c) the date
6 that the rate determination of the employing unit which has
7 applied for such experience rating record has become final
8 for the calendar year immediately following the calendar
9 year in which the succession occurs. The filing of a timely
10 joint application shall not affect any rate determination
11 which has become final, as provided by Section 1509.

12 If all of the foregoing requirements are met, then the
13 Director shall transfer such experience rating record to the
14 employing unit which has applied therefor, and it shall not be
15 treated as the experience rating record of the employing unit
16 which has joined in the application.

17 Whenever any employing unit is reorganized into two or more
18 employing units, and any of such employing units are owned or
19 controlled by the same interests which owned or controlled the
20 predecessor prior to the reorganization, and the provisions of
21 this subsection become applicable thereto, then such
22 affiliated employing units during the period of their
23 affiliation shall be treated as a single employing unit for the
24 purpose of determining their rates of contributions.

25 C. For the calendar year in which a succession occurs which
26 results in the total or partial transfer of a predecessor's
27 experience rating record, the contribution rates of the parties
28 thereto shall be determined in the following manner:

29 1. If any of such parties had a contribution rate
30 applicable to it for that calendar year, it shall continue
31 with such contribution rate.

32 2. If any successor had no contribution rate applicable
33 to it for that calendar year, and only one predecessor is
34 involved, then the contribution rate of the successor shall

1 be the same as that of its predecessor.

2 3. If any successor had no contribution rate applicable
3 to it for that calendar year, and two or more predecessors
4 are involved, then the contribution rate of the successor
5 shall be computed, on the combined experience rating
6 records of the predecessors or on the appropriate part of
7 such records if any partial transfer is involved, as
8 provided in Sections 1500 to 1507, inclusive.

9 4. Notwithstanding the provisions of paragraphs 2 and 3
10 of this subsection, if any succession occurs prior to the
11 calendar year 1956 and the successor acquires part of the
12 experience rating record of the predecessor as provided in
13 subsection B of this Section, then the contribution rate of
14 that successor for the calendar year in which such
15 succession occurs shall be 2.7 percent.

16 D. The provisions of this Section shall not be applicable
17 if the provisions of Section 1507.1 are applicable.

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

19 (820 ILCS 405/1507.1 new)

20 Sec. 1507.1. Transfer of trade or business; contribution
21 rate. Notwithstanding any other provision of this Act:

22 A.(1) If an individual or entity transfers its trade or
23 business, or a portion thereof, and, at the time of the
24 transfer, there is any substantial common ownership,
25 management, or control of the transferor and transferee, then
26 the experience rating records of the transferor and transferee
27 shall be combined for the purpose of determining their rates of
28 contribution. For purposes of this subsection, a transfer of
29 trade or business includes but is not limited to the transfer
30 of some or all of the transferor's workforce.

31 (2) For the calendar year in which there occurs a transfer
32 to which paragraph (1) applies:

33 (a) If the transferor or transferee had a contribution

1 rate applicable to it for the calendar year, it shall
2 continue with that contribution rate for the remainder of
3 the calendar year.

4 (b) If the transferee had no contribution rate
5 applicable to it for the calendar year, then the
6 contribution rate of the transferee shall be computed for
7 the calendar year based on the experience rating record of
8 the transferor or, where there is more than one transferor,
9 the combined experience rating records of the transferors,
10 subject to the 5.4% rate ceiling established pursuant to
11 subsection G of Section 1506.1 and subsection A of Section
12 1506.3.

13 B. If any individual or entity that is not an employer
14 under this Act at the time of the acquisition acquires the
15 trade or business of an employing unit, the experience rating
16 record of the acquired business shall not be transferred to the
17 individual or entity if the Director finds that the individual
18 or entity acquired the business solely or primarily for the
19 purpose of obtaining a lower rate of contributions. Evidence
20 that a business was acquired solely or primarily for the
21 purpose of obtaining a lower rate of contributions includes but
22 is not necessarily limited to the following: the cost of
23 acquiring the business is low in relation to the individual's
24 or entity's overall operating costs subsequent to the
25 acquisition; the individual or entity discontinued the
26 business enterprise of the acquired business immediately or
27 shortly after the acquisition; or the individual or entity
28 hired a significant number of individuals for performance of
29 duties unrelated to the business activity conducted prior to
30 acquisition.

31 C. An individual or entity to which subsection A applies
32 shall pay contributions with respect to each calendar year at a
33 rate consistent with that subsection, and an individual or
34 entity to which subsection B applies shall pay contributions

1 with respect to each calendar year at a rate consistent with
2 that subsection. If an individual or entity knowingly violates
3 or attempts to violate this subsection, the individual or
4 entity shall be subject to the following penalties:

5 (1) If the individual or entity is an employer, then,
6 in addition to the contribution rate that would otherwise
7 be calculated (including any fund building rate provided
8 for pursuant to Section 1506.3), the employer shall be
9 assigned a penalty contribution rate equivalent to 50% of
10 the contribution rate (including any fund building rate
11 provided for pursuant to Section 1506.3), as calculated
12 without regard to this subsection for the calendar year
13 with respect to which the violation or attempted violation
14 occurred and the immediately following calendar year. In
15 the case of an employer whose contribution rate, as
16 calculated without regard to this subsection or Section
17 1506.3, equals or exceeds the maximum rate established
18 pursuant to paragraph 2 of subsection E of Section 1506.1,
19 the penalty rate shall equal 50% of the sum of that maximum
20 rate and the fund building rate provided for pursuant to
21 Section 1506.3. In the case of an employer whose
22 contribution rate is subject to the 5.4% rate ceiling
23 established pursuant to subsection G of Section 1506.1 and
24 subsection A of Section 1506.3, the penalty rate shall
25 equal 2.7%. If any product obtained pursuant to this
26 subsection is not an exact multiple of one-tenth of 1%, it
27 shall be increased or reduced, as the case may be, to the
28 nearer multiple of one-tenth of 1%. If such product is
29 equally near to 2 multiples of one-tenth of 1%, it shall be
30 increased to the higher multiple of one-tenth of 1%. Any
31 payment attributable to the penalty contribution rate
32 shall be deposited into the clearing account.

33 (2) If the individual or entity is not an employer, the
34 individual or entity shall be subject to a penalty of

1 \$10,000 for each violation. Any penalty attributable to
2 this paragraph (2) shall be deposited into the Special
3 Administrative Account.

4 D. An individual or entity shall not knowingly advise
5 another in a way that results in a violation of subsection C.
6 An individual or entity that violates this subsection shall be
7 subject to a penalty of \$10,000 for each violation. Any such
8 penalty shall be deposited into the Special Administrative
9 Account.

10 E. Any individual or entity that violates subsection C or D
11 shall be guilty of a Class B misdemeanor. In the case of a
12 corporation, the president, the secretary, and the treasurer,
13 and any other officer exercising corresponding functions,
14 shall each be subject to the aforesaid penalty for the
15 violation of subsection C or D of which he or she had or, in the
16 exercise of his or her duties, ought to have had knowledge.

17 F. The Director shall establish procedures to identify the
18 transfer or acquisition of a trade or business for purposes of
19 this Section.

20 G. For purposes of this Section:

21 "Experience rating record" shall consist of years
22 during which liability for the payment of contributions was
23 incurred, all benefit charges incurred, and all wages paid
24 for insured work, including but not limited to years,
25 benefit charges, and wages attributed to an individual or
26 entity pursuant to Section 1507 or subsection A.

27 "Knowingly" means having actual knowledge of or acting
28 with deliberate ignorance of or reckless disregard for the
29 statutory provision involved.

30 "Transferee" means any individual or entity to which
31 the transferor transfers its trade or business or any
32 portion thereof.

33 "Transferor" means the individual or entity that
34 transfers its trade or business or any portion thereof.

1 H. This Section shall be interpreted and applied in such a
2 manner as to meet the minimum requirements contained in any
3 guidance or regulations issued by the United States Department
4 of Labor. Insofar as it applies to the interpretation and
5 application of the term "substantial", as used in subsection A,
6 this subsection H is not intended to alter the meaning of
7 "substantially", as used in Section 1507 and construed by
8 precedential judicial opinion, or any comparable term as
9 elsewhere used in this Act."