

SB1660



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB1660

Introduced 2/9/2007, by Sen. Randall "Randy" M. Hultgren -
Dave Syverson - Dan Cronin - Matt Murphy - Kirk W. Dillard, et
al.

SYNOPSIS AS INTRODUCED:

820 ILCS 405/1505

from Ch. 48, par. 575

Amends the Unemployment Insurance Act. Provides that the adjusted
state experience factor shall be 100% for calendar years 2008 and 2009.
Effective January 1, 2008.

LRB095 10900 WGH 31185 b

FISCAL NOTE ACT
MAY APPLY

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 1505 as follows:

6 (820 ILCS 405/1505) (from Ch. 48, par. 575)

7 Sec. 1505. Adjustment of state experience factor. The state
8 experience factor shall be adjusted in accordance with the
9 following provisions:

10 A. This subsection shall apply to each calendar year prior
11 to 1980 for which a state experience factor is being
12 determined.

13 For every \$7,000,000 (or fraction thereof) by which the
14 amount standing to the credit of this State's account in the
15 unemployment trust fund as of June 30 of the calendar year
16 immediately preceding the calendar year for which the state
17 experience factor is being determined falls below
18 \$450,000,000, the state experience factor for the succeeding
19 calendar year shall be increased 1 percent absolute.

20 For every \$7,000,000 (or fraction thereof) by which the
21 amount standing to the credit of this State's account in the
22 unemployment trust fund as of June 30 of the calendar year
23 immediately preceding the calendar year for which the state

1 experience factor is being determined exceeds \$450,000,000,
2 the state experience factor for the succeeding year shall be
3 reduced 1 percent absolute.

4 B. This subsection shall apply to the calendar years 1980
5 through 1987, for which the state experience factor is being
6 determined.

7 For every \$12,000,000 (or fraction thereof) by which the
8 amount standing to the credit of this State's account in the
9 unemployment trust fund as of June 30 of the calendar year
10 immediately preceding the calendar year for which the state
11 experience factor is being determined falls below
12 \$750,000,000, the state experience factor for the succeeding
13 calendar year shall be increased 1 percent absolute.

14 For every \$12,000,000 (or fraction thereof) by which the
15 amount standing to the credit of this State's account in the
16 unemployment trust fund as of June 30 of the calendar year
17 immediately preceding the calendar year for which the state
18 experience factor is being determined exceeds \$750,000,000,
19 the state experience factor for the succeeding year shall be
20 reduced 1 percent absolute.

21 C. This subsection shall apply to the calendar year 1988
22 and each calendar year thereafter, for which the state
23 experience factor is being determined.

24 1. For every \$50,000,000 (or fraction thereof) by which
25 the adjusted trust fund balance falls below the target
26 balance set forth in this subsection, the state experience

1 factor for the succeeding year shall be increased one
2 percent absolute.

3 For every \$50,000,000 (or fraction thereof) by which
4 the adjusted trust fund balance exceeds the target balance
5 set forth in this subsection, the state experience factor
6 for the succeeding year shall be decreased by one percent
7 absolute.

8 The target balance in each calendar year prior to 2003
9 is \$750,000,000. The target balance in calendar year 2003
10 is \$920,000,000. The target balance in calendar year 2004
11 is \$960,000,000. The target balance in calendar year 2005
12 and each calendar year thereafter is \$1,000,000,000.

13 2. For the purposes of this subsection:

14 "Net trust fund balance" is the amount standing to the
15 credit of this State's account in the unemployment trust
16 fund as of June 30 of the calendar year immediately
17 preceding the year for which a state experience factor is
18 being determined.

19 "Adjusted trust fund balance" is the net trust fund
20 balance minus the sum of the benefit reserves for fund
21 building for July 1, 1987 through June 30 of the year prior
22 to the year for which the state experience factor is being
23 determined. The adjusted trust fund balance shall not be
24 less than zero. If the preceding calculation results in a
25 number which is less than zero, the amount by which it is
26 less than zero shall reduce the sum of the benefit reserves

1 for fund building for subsequent years.

2 For the purpose of determining the state experience
3 factor for 1989 and for each calendar year thereafter, the
4 following "benefit reserves for fund building" shall apply
5 for each state experience factor calculation in which that
6 12 month period is applicable:

7 a. For the 12 month period ending on June 30, 1988,
8 the "benefit reserve for fund building" shall be
9 8/104th of the total benefits paid from January 1, 1988
10 through June 30, 1988.

11 b. For the 12 month period ending on June 30, 1989,
12 the "benefit reserve for fund building" shall be the
13 sum of:

14 i. 8/104ths of the total benefits paid from
15 July 1, 1988 through December 31, 1988, plus

16 ii. 4/108ths of the total benefits paid from
17 January 1, 1989 through June 30, 1989.

18 c. For the 12 month period ending on June 30, 1990,
19 the "benefit reserve for fund building" shall be
20 4/108ths of the total benefits paid from July 1, 1989
21 through December 31, 1989.

22 d. For 1992 and for each calendar year thereafter,
23 the "benefit reserve for fund building" for the 12
24 month period ending on June 30, 1991 and for each
25 subsequent 12 month period shall be zero.

26 3. Notwithstanding the preceding provisions of this

1 subsection, for calendar years 1988 through 2003, the state
2 experience factor shall not be increased or decreased by
3 more than 15 percent absolute.

4 D. Notwithstanding the provisions of subsection C, the
5 adjusted state experience factor:

6 1. Shall be 111 percent for calendar year 1988;

7 2. Shall not be less than 75 percent nor greater than
8 135 percent for calendar years 1989 through 2003; and shall
9 not be less than 75% nor greater than 150% for calendar
10 year 2004 and each calendar year thereafter;

11 3. Shall not be decreased by more than 5 percent
12 absolute for any calendar year, beginning in calendar year
13 1989 and through calendar year 1992, by more than 6%
14 absolute for calendar years 1993 through 1995, by more than
15 10% absolute for calendar years 1999 through 2003 and by
16 more than 12% absolute for calendar years ~~year~~ 2004 through
17 2007 and calendar year 2010 and each calendar year
18 thereafter, from the adjusted state experience factor of
19 the calendar year preceding the calendar year for which the
20 adjusted state experience factor is being determined;

21 4. Shall not be increased by more than 15% absolute for
22 calendar year 1993, by more than 14% absolute for calendar
23 years 1994 and 1995, by more than 10% absolute for calendar
24 years 1999 through 2003 and by more than 16% absolute for
25 calendar years ~~year~~ 2004 through 2007 and calendar year
26 2010 and each calendar year thereafter, from the adjusted

1 state experience factor for the calendar year preceding the
2 calendar year for which the adjusted state experience
3 factor is being determined;

4 5. Shall be 100% for calendar years 1996, 1997, and
5 1998;

6 6. Shall be 100% for calendar years 2008 and 2009.

7 E. The amount standing to the credit of this State's
8 account in the unemployment trust fund as of June 30 shall be
9 deemed to include as part thereof (a) any amount receivable on
10 that date from any Federal governmental agency, or as a payment
11 in lieu of contributions under the provisions of Sections 1403
12 and 1405 B and paragraph 2 of Section 302C, in reimbursement of
13 benefits paid to individuals, and (b) amounts credited by the
14 Secretary of the Treasury of the United States to this State's
15 account in the unemployment trust fund pursuant to Section 903
16 of the Federal Social Security Act, as amended, including any
17 such amounts which have been appropriated by the General
18 Assembly in accordance with the provisions of Section 2100 B
19 for expenses of administration, except any amounts which have
20 been obligated on or before that date pursuant to such
21 appropriation.

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

23 Section 99. Effective date. This Act takes effect January
24 1, 2008.