



Rep. Frank J. Mautino

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LRB098 17883 JLS 59683 a

1 AMENDMENT TO SENATE BILL 3530

2 AMENDMENT NO. _____. Amend Senate Bill 3530 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Unemployment Insurance Act is amended by
5 adding Section 502 as follows:

6 (820 ILCS 405/502 new)

7 Sec. 502. Eligibility for benefits under the Short-Time
8 Compensation Program.

9 A. The Director may by rule establish a short-time
10 compensation program consistent with this Section. No
11 short-time compensation shall be payable except as authorized
12 by rule.

13 B. As used in this Section:

14 "Affected unit" means a specified plant, department,
15 shift, or other definable unit that includes 2 or more workers
16 to which an approved short-time compensation plan applies.

1 "Health and retirement benefits" means employer-provided
2 health benefits and retirement benefits under a defined benefit
3 pension plan (as defined in Section 414(j) of the Internal
4 Revenue Code) or contributions under a defined contribution
5 plan (defined in Section 414(i) of the Internal Revenue Code),
6 which are incidents of employment in addition to the cash
7 remuneration earned.

8 "Short-time compensation" means the unemployment benefits
9 payable to employees in an affected unit under an approved
10 short-time compensation plan, as distinguished from the
11 unemployment benefits otherwise payable under this Act.

12 "Short-time compensation plan" means a plan submitted by an
13 employer, for approval by the Director, under which the
14 employer requests the payment of short-time compensation to
15 workers in an affected unit of the employer to avert layoffs.

16 "Usual weekly hours of work" means the usual hours of work
17 for full-time or part-time employees in the affected unit when
18 that unit is operating on its regular basis, not to exceed 40
19 hours and not including hours of overtime work.

20 "Unemployment insurance" means the unemployment benefits
21 payable under this Act other than short-time compensation and
22 includes any amounts payable pursuant to an agreement under any
23 Federal law providing for compensation, assistance, or
24 allowances with respect to unemployment.

25 C. An employer wishing to participate in the short-time
26 compensation program shall submit a signed written short-time

1 compensation plan to the Director for approval. The Director
2 shall develop an application form to request approval of a
3 short-time compensation plan and an approval process. The
4 application shall include:

5 1. The employer's unemployment insurance account
6 number, the affected unit covered by the plan, including
7 the number of full-time or part-time workers in such unit,
8 the percentage of workers in the affected unit covered by
9 the plan, identification of each individual employee in the
10 affected unit by name and social security number, and any
11 other information required by the Director to identify plan
12 participants.

13 2. A description of how workers in the affected unit
14 will be notified of the employer's participation in the
15 short-time compensation plan if such application is
16 approved, including how the employer will notify those
17 workers in a collective bargaining unit as well as any
18 workers in the affected unit who are not in a collective
19 bargaining unit. If the employer will not provide advance
20 notice to workers in the affected unit, the employer shall
21 explain in a statement in the application why it is not
22 feasible to provide such notice.

23 3. The employer's certification that it has the
24 approval of the plan from all collective bargaining
25 representatives of employees in the affected unit and has
26 notified all employees in the affected unit who are not in

1 a collective bargaining unit of the plan.

2 4. The employer's certification that it will not hire
3 additional part-time or full-time employees for, or
4 transfer employees to, the affected unit, while the program
5 is in operation.

6 5. A requirement that the employer identify the usual
7 weekly hours of work for employees in the affected unit and
8 the specific percentage by which their hours will be
9 reduced during all weeks covered by the plan. An
10 application shall specify the percentage of reduction for
11 which a short-time compensation application may be
12 approved which shall be not less than 20% and not more than
13 60%. If the plan includes any week for which the employer
14 regularly provides no work (due to a holiday or other plant
15 closing), then such week shall be identified in the
16 application.

17 6. Certification by the employer that, if the employer
18 provides health and retirement benefits to any employee
19 whose usual weekly hours of work are reduced under the
20 program, such benefits will continue to be provided to the
21 employee participating in the short-time compensation
22 program under the same terms and conditions as though the
23 usual weekly hours of work of such employee had not been
24 reduced or to the same extent as other employees not
25 participating in the short-time compensation program. For
26 defined benefit retirement plans, the hours that are

1 reduced under the short-time compensation plan shall be
2 credited for purposes of participation, vesting, and
3 accrual of benefits as though the usual weekly hours of
4 work had not been reduced. The dollar amount of employer
5 contributions to a defined contribution plan that are based
6 on a percentage of compensation may be less due to the
7 reduction in the employee's compensation. Notwithstanding
8 any other provision to the contrary, a certification that a
9 reduction in health and retirement benefits is scheduled to
10 occur during the duration of the plan and will be
11 applicable equally to employees who are not participating
12 in the short-time compensation program and to those
13 employees who are participating satisfies this paragraph.

14 7. Certification by the employer that the aggregate
15 reduction in work hours is in lieu of layoffs (temporary or
16 permanent layoffs, or both). The application shall include
17 an estimate of the number of workers who would have been
18 laid off in the absence of the short-time compensation
19 plan.

20 8. Agreement by the employer to: furnish reports to the
21 Director relating to the proper conduct of the plan; allow
22 the Director or his or her authorized representatives
23 access to all records necessary to approve or disapprove
24 the plan application, and after approval of a plan, to
25 monitor and evaluate the plan; and follow any other
26 directives the Director deems necessary for the agency to

1 implement the plan and which are consistent with the
2 requirements for plan applications.

3 9. Certification by the employer that participation in
4 the short-time compensation plan and its implementation is
5 consistent with the employer's obligations under
6 applicable Federal and Illinois laws.

7 10. The effective date and duration of the plan, which
8 shall expire no later than the end of the 12th full
9 calendar month after the effective date.

10 11. Any other provision added to the application by the
11 Director that the United States Secretary of Labor
12 determines to be appropriate for purposes of a short-time
13 compensation program.

14 D. The Director shall approve or disapprove a short-time
15 compensation plan in writing within 45 days of its receipt and
16 promptly communicate the decision to the employer. A decision
17 disapproving the plan shall clearly identify the reasons for
18 the disapproval. The disapproval shall be final, but the
19 employer shall be allowed to submit another short-time
20 compensation plan for approval not earlier than 30 days from
21 the date of the disapproval.

22 E. The short-time compensation plan shall be effective on
23 the mutually agreed upon date by the employer and the Director,
24 which shall be specified in the notice of approval to the
25 employer. The plan shall expire on the date specified in the
26 notice of approval, which shall be mutually agreed on by the

1 employer and Director but no later than the end of the 12th
2 full calendar month after its effective date. However, if a
3 short-time compensation plan is revoked by the Director, the
4 plan shall terminate on the date specified in the Director's
5 written order of revocation. An employer may terminate a
6 short-time compensation plan at any time upon written notice to
7 the Director. Upon receipt of such notice from the employer,
8 the Director shall promptly notify each member of the affected
9 unit of the termination date. An employer may submit a new
10 application to participate in another short-time compensation
11 plan at any time after the expiration or termination date.

12 F. The Director may revoke approval of a short-time
13 compensation plan for good cause at any time, including upon
14 the request of any of the affected unit's employees or their
15 collective bargaining representative. The revocation order
16 shall be in writing and shall specify the reasons for the
17 revocation and the date the revocation is effective. The
18 Director may periodically review the operation of each
19 employer's short-time compensation plan to assure that no good
20 cause exists for revocation of the approval of the plan. Good
21 cause shall include, but not be limited to, failure to comply
22 with the assurances given in the plan, termination of the
23 approval of the plan by a collective bargaining representative
24 of employees in the affected unit, unreasonable revision of
25 productivity standards for the affected unit, conduct or
26 occurrences tending to defeat the intent and effective

1 operation of the short-time compensation plan, and violation of
2 any criteria on which approval of the plan was based.

3 G. An employer may request a modification of an approved
4 plan by filing a written request to the Director. The request
5 shall identify the specific provisions proposed to be modified
6 and provide an explanation of why the proposed modification is
7 appropriate for the short-time compensation plan. The Director
8 shall approve or disapprove the proposed modification in
9 writing within 30 days of receipt and promptly communicate the
10 decision to the employer. The Director, in his or her
11 discretion, may approve a request for modification of the plan
12 based on conditions that have changed since the plan was
13 approved provided that the modification is consistent with and
14 supports the purposes for which the plan was initially
15 approved. A modification may not extend the expiration date of
16 the original plan, and the Director must promptly notify the
17 employer whether the plan modification has been approved and,
18 if approved, the effective date of modification. An employer is
19 not required to request approval of plan modification from the
20 Director if the change is not substantial, but the employer
21 must report every change to plan to the Director promptly and
22 in writing. The Director may terminate an employer's plan if
23 the employer fails to meet this reporting requirement. If the
24 Director determines that the reported change is substantial,
25 the Director shall require the employer to request a
26 modification to the plan.

1 H. An individual is eligible to receive short-time
2 compensation with respect to any week only if the individual is
3 eligible for unemployment insurance pursuant to subsection E of
4 Section 500, not otherwise disqualified for unemployment
5 insurance, and:

6 1. During the week, the individual is employed as a
7 member of an affected unit under an approved short-time
8 compensation plan, which was approved prior to that week,
9 and the plan is in effect with respect to the week for
10 which short-time compensation is claimed.

11 2. Notwithstanding any other provision of this Act
12 relating to availability for work and actively seeking
13 work, the individual is available for the individual's
14 usual hours of work with the short-time compensation
15 employer, which may include, for purposes of this Section,
16 participating in training to enhance job skills that is
17 approved by the Director, including but not limited to as
18 employer-sponsored training or training funded under the
19 Workforce Investment Act of 1998.

20 3. Notwithstanding any other provision of law, an
21 individual covered by a short-time compensation plan is
22 deemed unemployed in any week during the duration of such
23 plan if the individual's remuneration as an employee in an
24 affected unit is reduced based on a reduction of the
25 individual's usual weekly hours of work under an approved
26 short-time compensation plan.

1 I. The short-time compensation weekly benefit amount shall
2 be the product of the percentage of reduction in the
3 individual's usual weekly hours of work multiplied by the sum
4 of the regular weekly benefit amount for a week of total
5 unemployment plus any applicable dependent allowance pursuant
6 to subsection C of Section 401.

7 1. An individual may be eligible for short-time
8 compensation or unemployment insurance, as appropriate,
9 except that no individual shall be eligible for combined
10 benefits (excluding any payments attributable to a
11 dependent allowance pursuant to subsection C of Section
12 401) in any benefit year in an amount more than the maximum
13 benefit amount, nor shall an individual be paid short-time
14 compensation benefits for more than 52 weeks under a
15 short-time compensation plan.

16 2. The short-time compensation paid to an individual
17 (excluding any payments attributable to a dependent
18 allowance pursuant to subsection C of Section 401) shall be
19 deducted from the maximum benefit amount established for
20 that individual's benefit year.

21 3. Provisions applicable to unemployment insurance
22 claimants shall apply to short-time compensation claimants
23 to the extent that they are not inconsistent with
24 short-time compensation provisions. An individual who
25 files an initial claim for short-time compensation
26 benefits shall receive a monetary determination.

1 4. The following provisions apply to individuals who
2 work for both a short-time compensation employer and
3 another employer during weeks covered by the approved
4 short-time compensation plan:

5 i. If combined hours of work in a week for both
6 employers do not result in a reduction of at least 20%
7 of the usual weekly hours of work with the short-time
8 compensation employer, the individual shall not be
9 entitled to benefits under this Section.

10 ii. If combined hours of work for both employers
11 results in a reduction equal to or greater than 20% of
12 the usual weekly hours of work for the short-time
13 compensation employer, the short-time compensation
14 benefit amount payable to the individual is reduced for
15 that week and is determined by multiplying the
16 percentage by which the combined hours of work have
17 been reduced by the sum of the weekly benefit amount
18 for a week of total unemployment plus any applicable
19 dependent allowance pursuant to subsection C of
20 Section 401. A week for which benefits are paid under
21 this subparagraph shall be reported as a week of
22 short-time compensation.

23 iii. If an individual worked the reduced
24 percentage of the usual weekly hours of work for the
25 short-time compensation employer and is available for
26 all his or her usual hours of work with the short-time

1 compensation employer, and the individual did not work
2 any hours for the other employer either because of the
3 lack of work with that employer or because the
4 individual is excused from work with the other
5 employer, the individual shall be eligible for
6 short-time compensation for that week. The benefit
7 amount for such week shall be calculated as provided in
8 the introductory clause of this subsection I.

9 iv. An individual who is not provided any work
10 during a week by the short-time compensation employer,
11 or any other employer, and who is otherwise eligible
12 for unemployment insurance shall be eligible for the
13 amount of regular unemployment insurance determined
14 without regard to this Section.

15 v. An individual who is not provided any work by
16 the short-time compensation employer during a week,
17 but who works for another employer and is otherwise
18 eligible may be paid unemployment insurance for that
19 week subject to the disqualifying income and other
20 provisions applicable to claims for regular
21 unemployment insurance.

22 J. Short-time compensation shall be charged to employers in
23 the same manner as unemployment insurance is charged under
24 Illinois law. Employers liable for payments in lieu of
25 contributions shall have short-time compensation attributed to
26 service in their employ in the same manner as unemployment

1 insurance is attributed. Notwithstanding any other provision
2 to the contrary, to the extent that short-term compensation
3 payments under this Section are reimbursed by the federal
4 government, no benefit charges or payments in lieu of
5 contributions shall be accrued by a participating employer.

6 K. A short-time compensation plan shall not be approved for
7 an employer that is delinquent in the filing of any reports
8 required or the payment of contributions, payments in lieu of
9 contributions, interest, or penalties due under this Act
10 through the date of the employer's application.

11 L. Overpayments of other benefits under this Act may be
12 recovered from an individual receiving short-time compensation
13 under this Act in the manner provided under Sections 900 and
14 901. Overpayments under the short-time compensation plan may be
15 recovered from an individual receiving other benefits under
16 this Act in the manner provided under Sections 900 and 901.

17 M. An individual who has received all of the short-time
18 compensation or combined unemployment insurance and short-time
19 compensation available in a benefit year shall be considered an
20 exhaustee for purposes of extended benefits, as provided under
21 the provisions of Section 409, and, if otherwise eligible under
22 those provisions, shall be eligible to receive extended
23 benefits.

24 Section 99. Effective date. This Act takes effect upon
25 becoming law."