

1 AN ACT in relation to unemployment insurance.

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 1403, 1404, 1405, 1501.1 and 1504 and
6 adding Section 409.1 as follows:

7 (820 ILCS 405/409.1 new)

8 Sec. 409.1. Additional Benefits.

9 A. For the purposes of this Section:

10 1. "Regular benefits", "extended benefits", and
11 "extended benefit period" have the meanings ascribed to
12 them under Section 409.

13 2. "Additional benefits" means benefits totally
14 financed by a State and payable to exhaustees (as defined
15 in subsection C). If an individual is eligible to receive
16 additional benefits under the provisions of this Section
17 and is eligible to receive additional benefits with
18 respect to the same week under the law of another State,
19 he may elect to claim additional benefits under either
20 State's law with respect to the week.

21 3. "Supplemental benefits" means any type of payment
22 to an individual, pursuant to federal law, with respect
23 to a week of unemployment, by virtue of the fact that
24 regular benefits are no longer payable to him under this
25 Act.

26 4. "Interstate Benefit Payment Plan" means the plan
27 approved by the National Association of State Workforce
28 Agencies under which benefits shall be payable to
29 unemployed individuals absent from the state (or states)
30 in which benefit credits have been accumulated.

31 5. "State" when used in this Section includes States

1 of the United States of America, the District of
 2 Columbia, Puerto Rico and the Virgin Islands. For
 3 purposes of this Section, the term "state" shall also be
 4 construed to include Canada.

5 6. Notwithstanding any of the provisions of Sections
 6 1404, 1405B, and 1501, no employer shall be liable for
 7 payments in lieu of contributions by reason of the
 8 payment of additional benefits which are wholly
 9 reimbursed to this State by the Federal Government.
 10 Additional benefits shall become benefit charges under
 11 Section 1501.1 only when an individual is paid such
 12 benefits and they are not wholly reimbursed by the
 13 Federal Government.

14 B. This Section applies only to an individual who becomes
 15 an exhaustee in a week beginning on or after September 9,
 16 2001, and before March 10, 2002. An individual to whom this
 17 Section applies shall be eligible to receive additional
 18 benefits pursuant to this Section for any week beginning
 19 before June 9, 2002, if, with respect to such week he has
 20 otherwise satisfied the terms and conditions with respect to
 21 the receipt of regular benefits under this Act, including but
 22 not limited to Sections 601, 602 and 603.

23 C. An individual is an exhaustee with respect to a week
 24 if:

25 1. Prior to such week (a) he has received, with
 26 respect to his current benefit year that includes such
 27 week, the maximum total amount of benefits to which he
 28 was entitled under the provisions of Section 403B, and
 29 all of the regular benefits (including dependents'
 30 allowances) to which he had entitlement (if any) on the
 31 basis of wages or employment under any other State
 32 unemployment compensation law; or (b) his benefit year
 33 terminated, and he cannot meet the qualifying wage
 34 requirements of Section 500E of this Act or the

1 qualifying wage or employment requirements of any other
2 State unemployment compensation law to establish a new
3 benefit year which would include such week or, having
4 established a new benefit year that includes such week,
5 he is ineligible for regular benefits by reason of
6 Section 607 of this Act or a like provision of any other
7 State unemployment compensation law; and

8 2. For such week (a) he has no right to benefits or
9 allowances, as the case may be, under the Railroad
10 Unemployment Insurance Act and no rights to extended
11 benefits under Section 409 or any other state
12 unemployment insurance law consistent with the terms and
13 conditions of the Federal-State Unemployment Compensation
14 Act of 1970; and (b) he has not received and is not
15 seeking benefits under the unemployment compensation law
16 of Canada, except that if he is seeking such benefits and
17 the appropriate agency finally determines that he is not
18 entitled to benefits under such law, this clause shall
19 not apply.

20 For the purposes of clause (a) of paragraph 1, an
21 individual shall be deemed to have received, with respect to
22 his current benefit year, the maximum total amount of
23 benefits to which he was entitled or all of the regular
24 benefits to which he had entitlement, or all of the regular
25 benefits available to him, as the case may be, even though
26 (a) as a result of a pending reconsideration or appeal with
27 respect to the "finding" defined in Section 701, or of a
28 pending appeal with respect to wages or employment or both
29 under any other State unemployment compensation law, he may
30 subsequently be determined to be entitled to more regular
31 benefits; or (b) by reason of a seasonality provision in a
32 State unemployment compensation law which establishes the
33 weeks of the year for which regular benefits may be paid to
34 individuals on the basis of wages in seasonal employment he

1 may be entitled to regular benefits for future weeks but such
 2 benefits are not payable with respect to the week for which
 3 he is claiming additional benefits, provided that he is
 4 otherwise an exhaustee under the provisions of this
 5 subsection with respect to his rights to regular benefits,
 6 under such seasonality provision, during the portion of the
 7 year in which that week occurs.

8 For the purposes of clause (a) of paragraph 1, an
 9 individual is not an exhaustee if, with respect to his
 10 current benefit year, any portion of his wage credits were
 11 cancelled or any portion of his rights to regular benefits
 12 were reduced by reason of the application of a
 13 disqualification provision of a State unemployment
 14 compensation law. For the purposes of clause (b) of paragraph
 15 1, an individual is not an exhaustee if, with respect to his
 16 last completed benefit year, any portion of his wage credits
 17 were cancelled or any portion of his rights to regular
 18 benefits were reduced by reason of the application of a
 19 disqualification provision of a State unemployment
 20 compensation law.

21 D. 1. The provisions of Section 607 and the waiting
 22 period requirements of Section 500D shall not be applicable
 23 to any week with respect to which benefits are otherwise
 24 payable under this Section.

25 2. An individual shall not cease to be an exhaustee with
 26 respect to any week solely because he meets the qualifying
 27 wage requirements of Section 500E for a part of such week.

28 E. An exhaustee's "weekly additional benefit amount" for
 29 a week shall be the same as his weekly benefit amount plus
 30 dependents allowances during his benefit year which includes
 31 such week or, if such week is not in a benefit year, during
 32 his last completed benefit year. If the exhaustee had more
 33 than one weekly benefit amount during his benefit year, his
 34 weekly additional benefit amount with respect to such week

1 shall be the latest of such weekly benefit amounts.

2 F. An eligible exhaustee shall be entitled to a maximum
3 total amount of additional benefits under this Section equal
4 to the lesser of the following amounts:

5 1. Fifty percent of the maximum total amount of
6 benefits to which he was entitled under Section 403B
7 during his applicable benefit year; or

8 2. Thirteen times his weekly additional benefit
9 amount as determined under subsection E.

10 G. 1. A claims adjudicator shall examine the first claim
11 filed by an individual for additional benefits under this
12 Section and, on the basis of the information in his
13 possession, shall make an "additional benefits finding". Such
14 finding shall state whether or not the individual became an
15 exhaustee within the period established by subsection B and,
16 if so, his weekly additional benefit amount and the maximum
17 total amount of additional benefits to which he is entitled.
18 The claims adjudicator shall promptly notify the individual
19 of his "additional benefits finding", and shall promptly
20 notify the individual's most recent employing unit and the
21 individual's last employer (referred to in Section 1502.1)
22 that the individual has filed a claim for additional
23 benefits. The claims adjudicator may reconsider his
24 "additional benefits finding" at any time within one year
25 after the last week with respect to which the individual
26 received additional benefits under this Section, and shall
27 promptly notify the individual of such reconsidered finding.
28 All of the provisions of this Act applicable to reviews from
29 findings or reconsidered findings made pursuant to Sections
30 701 and 703 which are not inconsistent with the provisions of
31 this subsection shall be applicable to reviews from
32 additional benefits findings and reconsidered additional
33 benefits findings.

34 2. If, pursuant to the reconsideration or appeal with

1 respect to a "finding", referred to in paragraph 3 of
2 subsection C, an exhaustee is found to be entitled to more
3 regular benefits and, by reason thereof, is entitled to more
4 additional benefits, the claims adjudicator shall make a
5 reconsidered additional benefits finding and shall promptly
6 notify the exhaustee thereof.

7 H. The Director shall make an appropriate public
8 announcement of the additional benefits program under this
9 Section.

10 I. Notwithstanding any other provision of this Act, an
11 individual shall be eligible for a maximum of 2 weeks of
12 benefits payable under this Section after he files his
13 initial claim for additional benefits, under the Interstate
14 Benefit Payment Plan unless there exists an extended benefit
15 period in the state where such claim is filed. Such maximum
16 eligibility shall continue as long as the individual
17 continues to file his claim under the Interstate Benefit
18 Payment Plan, notwithstanding that the individual moves to
19 another state where an extended benefit period exists and
20 files for weeks prior to his initial Interstate claim in that
21 state. An individual who commutes from his state of residence
22 to work in Illinois and continues to reside in such state of
23 residence while filing his claim for unemployment insurance
24 under this Section of the Act shall not be considered filing
25 a claim under the Interstate Benefit Payment Plan so long as
26 he files his claim in and continues to report to the
27 employment office under the regulations applicable to
28 intrastate claimants in Illinois.

29 J. Subsection B is not applicable to any individual with
30 respect to any week with respect to which the individual has
31 a right to supplemental benefits or would have a right to
32 supplemental benefits but for subsection B.

33 K. The Director shall take any action or issue any
34 regulations necessary in the administration of this Section

1 to ensure that its provisions are interpreted and applied so
 2 as to meet the requirements for certification under Section
 3 3304 of the Federal Unemployment Tax Act and Sections 302 and
 4 303 of the Federal Social Security Act, as interpreted by the
 5 United States Secretary of Labor or other appropriate Federal
 6 agency.

7 (820 ILCS 405/1403) (from Ch. 48, par. 553)
 8 Sec. 1403. Financing benefits paid to state employees.
 9 Benefits paid to individuals on the basis of wages paid to
 10 them for insured work in the employ of this State or any of
 11 its wholly owned instrumentalities shall be financed by
 12 appropriations to the Department of Employment Security.
 13 There is hereby established a special fund to be known as the
 14 State Employees' Unemployment Benefit Fund. Such Fund shall
 15 consist of and there shall be deposited in such Fund all
 16 moneys appropriated to the Department of Employment Security
 17 pursuant to this Section, all interest earned upon such
 18 moneys, any property or securities acquired through the use
 19 thereof, all earnings of such property or securities, and all
 20 other moneys for the Fund received from any other source. The
 21 Fund shall be held by the State Treasurer, as ex-officio
 22 custodian thereof, separate and apart from all public moneys
 23 or funds of this State, but the moneys in the Fund shall be
 24 deposited as required by law and maintained in a separate
 25 account on the books of a savings and loan association or
 26 bank. The Fund shall be administered by the Director
 27 exclusively for the purposes of this Section. No moneys in
 28 the Fund shall be paid or expended except upon the direction
 29 of the Director exclusively for the purposes of this Section.
 30 The State Treasurer shall be liable on his general
 31 official bond for the faithful performance of his duties as
 32 custodian of such moneys as may come into his hands by virtue
 33 of this Section. Such liability on his official bond shall

1 exist in addition to the liability upon any separate bond
2 given by him. All sums recovered for losses sustained by the
3 Fund herein described shall be deposited therein.

4 In lieu of contributions required of other employers
5 under this Act, the State Treasurer, upon the direction of
6 the Director, shall transfer to and deposit in the clearing
7 account established by Section 2100, an amount equivalent to
8 the amount of regular benefits and one-half the amount of
9 extended benefits (defined in Section 409) paid for weeks
10 which begin before January 1, 1979, and to the amount of all
11 benefits paid for weeks which begin on and after January 1,
12 1979, to individuals who, during their respective base
13 periods, were paid wages for insured work by the State or any
14 of its wholly owned instrumentalities. If an individual was
15 paid such wages during his base period both by the State or
16 any of such instrumentalities and by one or more other
17 employers, the amount to be so transferred by the State
18 Treasurer with respect to such individual shall be a sum
19 which bears the same ratio to the total benefits paid to the
20 individual as the wages for insured work paid to the
21 individual during his base period by the State and any such
22 instrumentalities bear to the total wages for insured work
23 paid to the individual during the base period by all of the
24 employers. Notwithstanding the previous provisions of this
25 Section with respect to benefit years beginning prior to July
26 1, 1989, any adjustment after September 30, 1989 to the base
27 period wages paid to the individual by any employer shall not
28 affect the ratio for determining the amount to be transferred
29 to the clearing account by the State Treasurer. Provided,
30 however, that with respect to benefit years beginning on or
31 after July 1, 1989, the State Treasurer shall transfer to and
32 deposit in the clearing account an amount equal to 100% of
33 regular or additional benefits, including dependents'
34 allowances, and 100% of extended benefits, including

1 dependents' allowances paid to an individual, but only if the
2 State: (a) is the last employer as provided in Section 1502.1
3 and (b) paid, to the individual receiving benefits, wages for
4 insured work during his base period. If the State meets the
5 requirements of (a) but not (b), with respect to benefit
6 years beginning on or after July 1, 1989, it shall be
7 required to make payments in an amount equal to 50% of
8 regular or additional benefits, including dependents'
9 allowances, and 50% of extended benefits, including
10 dependents' allowances, paid to an individual.

11 The Director shall ascertain the amount to be so
12 transferred and deposited by the State Treasurer as soon as
13 practicable after the end of each calendar quarter. The
14 provisions of paragraphs 4 and 5 of Section 1404B shall be
15 applicable to a determination of the amount to be so
16 transferred and deposited. Such deposit shall be made by the
17 State Treasurer at such times and in such manner as the
18 Director may determine and direct.

19 Every department, institution, agency and instrumentality
20 of the State of Illinois shall make available to the Director
21 such information with respect to any individual who has
22 performed insured work for it as the Director may find
23 practicable and necessary for the determination of such
24 individual's rights under this Act. Each such department,
25 institution, agency and instrumentality shall file such
26 reports with the Director as he may by regulation prescribe.

27 (Source: P.A. 86-3.)

28 (820 ILCS 405/1404) (from Ch. 48, par. 554)

29 Sec. 1404. Payments in lieu of contributions by
30 nonprofit organizations. A. For the year 1972 and for each
31 calendar year thereafter, contributions shall accrue and
32 become payable, pursuant to Section 1400, by each nonprofit
33 organization (defined in Section 211.2) upon the wages paid

1 by it with respect to employment after 1971, unless the
2 nonprofit organization elects, in accordance with the
3 provisions of this Section, to pay, in lieu of contributions,
4 an amount equal to the amount of regular benefits and
5 one-half the amount of extended benefits (defined in Section
6 409) paid to individuals, for any weeks which begin on or
7 after the effective date of the election, on the basis of
8 wages for insured work paid to them by such nonprofit
9 organization during the effective period of such election.
10 Notwithstanding the preceding provisions of this subsection
11 and the provisions of subsection D, with respect to benefit
12 years beginning prior to July 1, 1989, any adjustment after
13 September 30, 1989 to the base period wages paid to the
14 individual by any employer shall not affect the ratio for
15 determining the payments in lieu of contributions of a
16 nonprofit organization which has elected to make payments in
17 lieu of contributions. Provided, however, that with respect
18 to benefit years beginning on or after July 1, 1989, the
19 nonprofit organization shall be required to make payments
20 equal to 100% of regular or additional benefits, including
21 dependents' allowances, and 50% of extended benefits,
22 including dependents' allowances, paid to an individual with
23 respect to benefit years beginning during the effective
24 period of the election, but only if the nonprofit
25 organization: (a) is the last employer as provided in
26 Section 1502.1 and (b) paid to the individual receiving
27 benefits, wages for insured work during his base period. If
28 the nonprofit organization described in this paragraph meets
29 the requirements of (a) but not (b), with respect to benefit
30 years beginning on or after July 1, 1989, it shall be
31 required to make payments in an amount equal to 50% of
32 regular or additional benefits, including dependents'
33 allowances, and 25% of extended benefits, including
34 dependents' allowances, paid to an individual with respect to

1 benefit years beginning during the effective period of the
2 election.

3 1. Any employing unit which becomes a nonprofit
4 organization on January 1, 1972, may elect to make payments
5 in lieu of contributions for not less than one calendar year
6 beginning with January 1, 1972, provided that it files its
7 written election with the Director not later than January 31,
8 1972.

9 2. Any employing unit which becomes a nonprofit
10 organization after January 1, 1972, may elect to make
11 payments in lieu of contributions for a period of not less
12 than one calendar year beginning as of the first day with
13 respect to which it would, in the absence of its election,
14 incur liability for the payment of contributions, provided
15 that it files its written election with the Director not
16 later than 30 days immediately following the end of the
17 calendar quarter in which it becomes a nonprofit
18 organization.

19 3. A nonprofit organization which has incurred liability
20 for the payment of contributions for at least 2 calendar
21 years and is not delinquent in such payment and in the
22 payment of any interest or penalties which may have accrued,
23 may elect to make payments in lieu of contributions beginning
24 January 1 of any calendar year, provided that it files its
25 written election with the Director prior to such January 1,
26 and provided, further, that such election shall be for a
27 period of not less than 2 calendar years.

28 4. An election to make payments in lieu of contributions
29 shall not terminate any liability incurred by an employer for
30 the payment of contributions, interest or penalties with
31 respect to any calendar quarter which ends prior to the
32 effective period of the election.

33 5. A nonprofit organization which has elected, pursuant
34 to paragraph 1, 2, or 3, to make payments in lieu of

1 contributions may terminate the effective period of the
2 election as of January 1 of any calendar year subsequent to
3 the required minimum period of the election only if, prior to
4 such January 1, it files with the Director a written notice
5 to that effect. Upon such termination, the organization shall
6 become liable for the payment of contributions upon wages for
7 insured work paid by it on and after such January 1 and,
8 notwithstanding such termination, it shall continue to be
9 liable for payments in lieu of contributions with respect to
10 benefits paid to individuals on and after such January 1,
11 with respect to benefit years beginning prior to July 1,
12 1989, on the basis of wages for insured work paid to them by
13 the nonprofit organization prior to such January 1, and, with
14 respect to benefit years beginning after June 30, 1989, if
15 such employer was the last employer as provided in Section
16 1502.1 during a benefit year beginning prior to such January
17 1.

18 6. Written elections to make payments in lieu of
19 contributions and written notices of termination of election
20 shall be filed in such form and shall contain such
21 information as the Director may prescribe. Upon the filing of
22 such election or notice, the Director shall either order it
23 approved, or, if it appears to the Director that the
24 nonprofit organization has not filed such election or notice
25 within the time prescribed, he shall order it disapproved.
26 The Director shall serve notice of his order upon the
27 nonprofit organization. The Director's order shall be final
28 and conclusive upon the nonprofit organization unless, within
29 15 days after the date of mailing of notice thereof, the
30 nonprofit organization files with the Director an application
31 for its review, setting forth its reasons in support thereof.
32 Upon receipt of an application for review within the time
33 prescribed, the Director shall order it allowed, or shall
34 order that it be denied, and shall serve notice upon the

1 nonprofit organization of his order. All of the provisions of
2 Section 1509, applicable to orders denying applications for
3 review of determinations of employers' rates of contribution
4 and not inconsistent with the provisions of this subsection,
5 shall be applicable to an order denying an application for
6 review filed pursuant to this subsection.

7 B. As soon as practicable following the close of each
8 calendar quarter, the Director shall mail to each nonprofit
9 organization which has elected to make payments in lieu of
10 contributions a Statement of the amount due from it for the
11 regular or additional benefits and one-half the extended
12 benefits paid (or the amounts otherwise provided for in
13 subsection A) during the calendar quarter, together with the
14 names of its workers or former workers and the amounts of
15 benefits paid to each of them during the calendar quarter,
16 with respect to benefit years beginning prior to July 1,
17 1989, on the basis of wages for insured work paid to them by
18 the nonprofit organization; or, with respect to benefit years
19 beginning after June 30, 1989, if such nonprofit organization
20 was the last employer as provided in Section 1502.1 with
21 respect to a benefit year beginning during the effective
22 period of the election. The amount due shall be payable, and
23 the nonprofit organization shall make payment of such amount
24 not later than 30 days after the date of mailing of the
25 Statement. The Statement shall be final and conclusive upon
26 the nonprofit organization unless, within 20 days after the
27 date of mailing of the Statement, the nonprofit organization
28 files with the Director an application for revision thereof.
29 Such application shall specify wherein the nonprofit
30 organization believes the Statement to be incorrect, and
31 shall set forth its reasons for such belief. All of the
32 provisions of Section 1508, applicable to applications for
33 revision of Statements of Benefit Wages and Statements of
34 Benefit Charges and not inconsistent with the provisions of

1 this subsection, shall be applicable to an application for
2 revision of a Statement filed pursuant to this subsection.

3 1. Payments in lieu of contributions made by any
4 nonprofit organization shall not be deducted or deductible,
5 in whole or in part, from the remuneration of individuals in
6 the employ of the organization, nor shall any nonprofit
7 organization require or accept any waiver of any right under
8 this Act by an individual in its employ. The making of any
9 such deduction or the requirement or acceptance of any such
10 waiver is a Class A misdemeanor. Any agreement by an
11 individual in the employ of any person or concern to pay all
12 or any portion of a payment in lieu of contributions,
13 required under this Act from a nonprofit organization, is
14 void.

15 2. A nonprofit organization which fails to make any
16 payment in lieu of contributions when due under the
17 provisions of this subsection shall pay interest thereon at
18 the rates specified in Section 1401. A nonprofit organization
19 which has elected to make payments in lieu of contributions
20 shall be subject to the penalty provisions of Section 1402.
21 In the making of any payment in lieu of contributions or in
22 the payment of any interest or penalties, a fractional part
23 of a cent shall be disregarded unless it amounts to one-half
24 cent or more, in which case it shall be increased to one
25 cent.

26 3. All of the remedies available to the Director under
27 the provisions of this Act or of any other law to enforce the
28 payment of contributions, interest, or penalties under this
29 Act, including the making of determinations and assessments
30 pursuant to Section 2200, are applicable to the enforcement
31 of payments in lieu of contributions and of interest and
32 penalties, due under the provisions of this Section. For the
33 purposes of this paragraph, the term "contribution" or
34 "contributions" which appears in any such provision means

1 "payment in lieu of contributions" or "payments in lieu of
2 contributions." The term "contribution" which appears in
3 Section 2800 also means "payment in lieu of contributions."

4 4. All of the provisions of Sections 2201 and 2201.1,
5 applicable to adjustment or refund of contributions, interest
6 and penalties erroneously paid and not inconsistent with the
7 provisions of this Section, shall be applicable to payments
8 in lieu of contributions erroneously made or interest or
9 penalties erroneously paid by a nonprofit organization.

10 5. Payment in lieu of contributions shall be due with
11 respect to any sum erroneously paid as benefits to an
12 individual unless such sum has been recouped pursuant to
13 Section 900 or has otherwise been recovered. If such payment
14 in lieu of contributions has been made, the amount thereof
15 shall be adjusted or refunded in accordance with the
16 provisions of paragraph 4 and Section 2201 if recoupment or
17 other recovery has been made.

18 6. A nonprofit organization which has elected to make
19 payments in lieu of contributions and thereafter ceases to be
20 an employer shall continue to be liable for payments in lieu
21 of contributions with respect to benefits paid to individuals
22 on and after the date it has ceased to be an employer, with
23 respect to benefit years beginning prior to July 1, 1989, on
24 the basis of wages for insured work paid to them by it prior
25 to the date it ceased to be an employer, and, with respect to
26 benefit years beginning after June 30, 1989, if such employer
27 was the last employer as provided in Section 1502.1 prior to
28 the date that it ceased to be an employer.

29 7. With respect to benefit years beginning prior to July
30 1, 1989, wages paid to an individual during his base period,
31 by a nonprofit organization which elects to make payments in
32 lieu of contributions, for less than full time work,
33 performed during the same weeks in the base period during
34 which the individual had other insured work, shall not be

1 subject to payments in lieu of contributions (upon such
2 employer's request pursuant to the regulation of the
3 Director) so long as the employer continued after the end of
4 the base period, and continues during the applicable benefit
5 year, to furnish such less than full time work to the
6 individual on the same basis and in substantially the same
7 amount as during the base period. If the individual is paid
8 benefits with respect to a week (in the applicable benefit
9 year) after the employer has ceased to furnish the work
10 hereinabove described, the nonprofit organization shall be
11 liable for payments in lieu of contributions with respect to
12 the benefits paid to the individual after the date on which
13 the nonprofit organization ceases to furnish the work.

14 C. With respect to benefit years beginning prior to July
15 1, 1989, whenever benefits have been paid to an individual on
16 the basis of wages for insured work paid to him by a
17 nonprofit organization, and the organization incurred
18 liability for the payment of contributions on some of the
19 wages because only a part of the individual's base period was
20 within the effective period of the organization's written
21 election to make payments in lieu of contributions, the
22 organization shall pay an amount in lieu of contributions
23 which bears the same ratio to the total benefits paid to the
24 individual as the total wages for insured work paid to him
25 during the base period by the organization upon which it did
26 not incur liability for the payment of contributions (for the
27 aforesaid reason) bear to the total wages for insured work
28 paid to the individual during the base period by the
29 organization.

30 D. With respect to benefit years beginning prior to July
31 1, 1989, whenever benefits have been paid to an individual on
32 the basis of wages for insured work paid to him by a
33 nonprofit organization which has elected to make payments in
34 lieu of contributions, and by one or more other employers,

1 the nonprofit organization shall pay an amount in lieu of
2 contributions which bears the same ratio to the total
3 benefits paid to the individual as the wages for insured work
4 paid to the individual during his base period by the
5 nonprofit organization bear to the total wages for insured
6 work paid to the individual during the base period by all of
7 the employers. If the nonprofit organization incurred
8 liability for the payment of contributions on some of the
9 wages for insured work paid to the individual, it shall be
10 treated, with respect to such wages, as one of the other
11 employers for the purposes of this paragraph.

12 E. Two or more nonprofit organizations which have
13 elected to make payments in lieu of contributions may file a
14 joint application with the Director for the establishment of
15 a group account, effective January 1 of any calendar year,
16 for the purpose of sharing the cost of benefits paid on the
17 basis of the wages for insured work paid by such nonprofit
18 organizations, provided that such joint application is filed
19 with the Director prior to such January 1. The application
20 shall identify and authorize a group representative to act as
21 the group's agent for the purposes of this paragraph, and
22 shall be filed in such form and shall contain such
23 information as the Director may prescribe. Upon his approval
24 of a joint application, the Director shall, by order,
25 establish a group account for the applicants and shall serve
26 notice upon the group's representative of such order. Such
27 account shall remain in effect for not less than 2 calendar
28 years and thereafter until terminated by the Director for
29 good cause or, as of the close of any calendar quarter, upon
30 application by the group. Upon establishment of the account,
31 the group shall be liable to the Director for payments in
32 lieu of contributions in an amount equal to the total amount
33 for which, in the absence of the group account, liability
34 would have been incurred by all of its members; provided,

1 with respect to benefit years beginning prior to July 1,
2 1989, that the liability of any member to the Director with
3 respect to any payment in lieu of contributions, interest or
4 penalties not paid by the group when due with respect to any
5 calendar quarter shall be in an amount which bears the same
6 ratio to the total benefits paid during such quarter on the
7 basis of the wages for insured work paid by all members of
8 the group as the total wages for insured work paid by such
9 member during such quarter bear to the total wages for
10 insured work paid during the quarter by all members of the
11 group, and, with respect to benefit years beginning on or
12 after July 1, 1989, that the liability of any member to the
13 Director with respect to any payment in lieu of
14 contributions, interest or penalties not paid by the group
15 when due with respect to any calendar quarter shall be in an
16 amount which bears the same ratio to the total benefits paid
17 during such quarter to individuals with respect to whom any
18 member of the group was the last employer as provided in
19 Section 1502.1 as the total wages for insured work paid by
20 such member during such quarter bear to the total wages for
21 insured work paid during the quarter by all members of the
22 group. All of the provisions of this Section applicable to
23 nonprofit organizations which have elected to make payments
24 in lieu of contributions, and not inconsistent with the
25 provisions of this paragraph, shall apply to a group account
26 and, upon its termination, to each former member thereof. The
27 Director shall by regulation prescribe the conditions for
28 establishment, maintenance and termination of group accounts,
29 and for addition of new members to and withdrawal of active
30 members from such accounts.

31 F. Whenever service of notice is required by this
32 Section, such notice may be given and be complete by
33 depositing it with the United States Mail, addressed to the
34 nonprofit organization (or, in the case of a group account,

1 to its representative) at its last known address. If such
 2 organization is represented by counsel in proceedings before
 3 the Director, service of notice may be made upon the
 4 nonprofit organization by mailing the notice to such counsel.
 5 (Source: P.A. 86-3.)

6 (820 ILCS 405/1405) (from Ch. 48, par. 555)

7 Sec. 1405. Financing Benefits for Employees of Local
 8 Governments. A. For the year 1978 and for each calendar year
 9 thereafter, contributions shall accrue and become payable,
 10 pursuant to Section 1400, by each governmental entity (other
 11 than the State of Illinois and its wholly owned
 12 instrumentalities) referred to in clause (B) of Section
 13 211.1, upon the wages paid by such entity with respect to
 14 employment after 1977, unless the entity elects to make
 15 payments in lieu of contributions pursuant to the provisions
 16 of subsection B. Notwithstanding the provisions of Sections
 17 1500 to 1510, inclusive, a governmental entity which has not
 18 made such election shall, for liability for contributions
 19 incurred prior to January 1, 1984, pay contributions equal to
 20 1 percent with respect to wages for insured work paid during
 21 each such calendar year or portion of such year as may be
 22 applicable. As used in this subsection, the word "wages",
 23 defined in Section 234, is subject to all of the provisions
 24 of Section 235.

25 B. Any governmental entity subject to subsection A may
 26 elect to make payments in lieu of contributions, in amounts
 27 equal to the amounts of regular and extended benefits paid to
 28 individuals, for any weeks which begin on or after the
 29 effective date of the election, on the basis of wages for
 30 insured work paid to them by the entity during the effective
 31 period of such election. Notwithstanding the preceding
 32 provisions of this subsection and the provisions of
 33 subsection D of Section 1404, with respect to benefit years

1 beginning prior to July 1, 1989, any adjustment after
2 September 30, 1989 to the base period wages paid to the
3 individual by any employer shall not affect the ratio for
4 determining payments in lieu of contributions of a
5 governmental entity which has elected to make payments in
6 lieu of contributions. Provided, however, that with respect
7 to benefit years beginning on or after July 1, 1989, the
8 governmental entity shall be required to make payments equal
9 to 100% of regular or additional benefits, including
10 dependents' allowances, and 100% of extended benefits,
11 including dependents' allowances, paid to an individual with
12 respect to benefit years beginning during the effective
13 period of the election, but only if the governmental entity:
14 (a) is the last employer as provided in Section 1502.1 and
15 (b) paid to the individual receiving benefits, wages for
16 insured work during his base period. If the governmental
17 entity described in this paragraph meets the requirements of
18 (a) but not (b), with respect to benefit years beginning on
19 or after July 1, 1989, it shall be required to make payments
20 in an amount equal to 50% of regular or additional benefits,
21 including dependents' allowances, and 50% of extended
22 benefits, including dependents' allowances, paid to an
23 individual with respect to benefit years beginning during the
24 effective period of the election.

25 1. Any such governmental entity which becomes an
26 employer on January 1, 1978 pursuant to Section 205 may elect
27 to make payments in lieu of contributions for not less than
28 one calendar year beginning with January 1, 1978, provided
29 that it files its written election with the Director not
30 later than January 31, 1978.

31 2. A governmental entity newly created after January 1,
32 1978, may elect to make payments in lieu of contributions for
33 a period of not less than one calendar year beginning as of
34 the first day with respect to which it would, in the absence

1 of its election, incur liability for the payment of
2 contributions, provided that it files its written election
3 with the Director not later than 30 days immediately
4 following the end of the calendar quarter in which it has
5 been created.

6 3. A governmental entity which has incurred liability
7 for the payment of contributions for at least 2 calendar
8 years, and is not delinquent in such payment and in the
9 payment of any interest or penalties which may have accrued,
10 may elect to make payments in lieu of contributions beginning
11 January 1 of any calendar year, provided that it files its
12 written election with the Director prior to such January 1,
13 and provided, further, that such election shall be for a
14 period of not less than 2 calendar years.

15 4. An election to make payments in lieu of contributions
16 shall not terminate any liability incurred by a governmental
17 entity for the payment of contributions, interest or
18 penalties with respect to any calendar quarter which ends
19 prior to the effective period of the election.

20 5. The termination by a governmental entity of the
21 effective period of its election to make payments in lieu of
22 contributions, and the filing of and subsequent action upon
23 written notices of termination of election, shall be governed
24 by the provisions of paragraphs 5 and 6 of Section 1404A,
25 pertaining to nonprofit organizations.

26 6. With respect to benefit years beginning prior to July
27 1, 1989, wages paid to an individual during his base period
28 by a governmental entity which elects to make payments in
29 lieu of contributions for less than full time work, performed
30 during the same weeks in the base period during which the
31 individual had other insured work, shall not be subject to
32 payments in lieu of contribution (upon such employer's
33 request pursuant to the regulation of the Director) so long
34 as the employer continued after the end of the base period,

1 and continues during the applicable benefit year, to furnish
2 such less than full time work to the individual on the same
3 basis and in substantially the same amount as during the base
4 period. If the individual is paid benefits with respect to a
5 week (in the applicable benefit year) after the employer has
6 ceased to furnish the work hereinabove described, the
7 governmental entity shall be liable for payments in lieu of
8 contributions with respect to the benefits paid to the
9 individual after the date on which the governmental entity
10 ceases to furnish the work.

11 C. As soon as practicable following the close of each
12 calendar quarter, the Director shall mail to each
13 governmental entity which has elected to make payments in
14 lieu of contributions a Statement of the amount due from it
15 for all the regular, additional, and extended benefits paid
16 during the calendar quarter, together with the names of its
17 workers or former workers and the amounts of benefits paid to
18 each of them during the calendar quarter with respect to
19 benefit years beginning prior to July 1, 1989, on the basis
20 of wages for insured work paid to them by the governmental
21 entity; or, with respect to benefit years beginning after
22 June 30, 1989, if such governmental entity was the last
23 employer as provided in Section 1502.1 with respect to a
24 benefit year beginning during the effective period of the
25 election. All of the provisions of subsection B of Section
26 1404 pertaining to nonprofit organizations, not inconsistent
27 with the preceding sentence, shall be applicable to payments
28 in lieu of contributions by a governmental entity.

29 D. The provisions of subsections C through F, inclusive,
30 of Section 1404, pertaining to nonprofit organizations, shall
31 be applicable to each governmental entity which has elected
32 to make payments in lieu of contributions.

33 (Source: P.A. 86-3.)

1 (820 ILCS 405/1501.1) (from Ch. 48, par. 571.1)

2 Sec. 1501.1. Benefit charges. A. When an individual is
3 paid regular or additional benefits with respect to a week in
4 a benefit year which begins on or after July 1, 1989, an
5 amount equal to such regular or additional benefits,
6 including dependents' allowances, shall immediately become
7 benefit charges.

8 B. When an individual is paid regular benefits on or
9 after July 1, 1989, with respect to a week in a benefit year
10 which began prior to July 1, 1989, an amount equal to such
11 regular benefits, including dependents' allowances, shall
12 immediately become benefit charges.

13 C. When an individual is paid extended benefits with
14 respect to any week in his eligibility period beginning in a
15 benefit year which begins on or after July 1, 1989, an amount
16 equal to one-half of such extended benefits including
17 dependents' allowances, shall immediately become benefit
18 charges.

19 D. When an individual is paid extended benefits on or
20 after July 1, 1989, with respect to any week in his
21 eligibility period beginning in a benefit year which began
22 prior to July 1, 1989, an amount equal to one-half of such
23 extended benefits including dependents' allowances, shall
24 immediately become benefit charges.

25 E. Notwithstanding the foregoing subsections, the
26 payment of benefits shall not become benefit charges if, by
27 reason of the application of the third paragraph of Section
28 237, he is paid benefits based upon wages other than those
29 paid in a base period as defined in the second paragraph of
30 Section 237.

31 F. Notwithstanding the foregoing subsections, the
32 payment of regular or extended benefits on or after July 1,
33 1989, with respect to a week in a benefit year which began
34 prior to July 1, 1989, shall not become benefit charges under

1 subsections B and D above where such benefit charges, had
2 they been benefit wages under Section 1501, would have been
3 subject to transfer under subsection F of Section 1501.

4 G. Notwithstanding any other provision of this Act, the
5 benefit charges with respect to the payment of regular or
6 extended benefits on or after July 1, 1989, with respect to a
7 week in a benefit year which began prior to July 1, 1989,
8 shall not exceed the difference between the base period wages
9 paid with respect to that benefit year and the wages which
10 became benefit wages with respect to that same benefit year
11 (not including any benefit wages transferred pursuant to
12 subsection F of Section 1501), provided that any change after
13 September 30, 1989, in either base period wages or wages
14 which became benefit wages as a result of benefit payments
15 made prior to July 1, 1989 shall not affect such benefit
16 charges.

17 H. For the purposes of this Section and of Section 1504,
18 benefits shall be deemed to have been paid on the date such
19 payment has been mailed to the individual by the Director.

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

21 (820 ILCS 405/1504) (from Ch. 48, par. 574)

22 Sec. 1504. State experience factor. A. For each calendar
23 year prior to 1988, the total benefits paid from this State's
24 account in the unemployment trust fund during the 36
25 consecutive calendar month period ending June 30 of the
26 calendar year immediately preceding the calendar year for
27 which a contribution rate is being determined shall be termed
28 the loss experience. The loss experience less all repayments
29 (including payments in lieu of contributions pursuant to
30 Sections 1403, 1404 and 1405B and paragraph 2 of Section
31 302C) to this State's account in the unemployment trust fund
32 during the same 36 consecutive calendar month period divided
33 by the total benefit wages of all employers for the same

1 period, after adjustment of any fraction to the nearer
2 multiple of one percent, shall be termed the state experience
3 factor. Whenever such fraction is exactly one-half, it shall
4 be adjusted to the next higher multiple of one percent.

5 B. For calendar year 1988 and each calendar year
6 thereafter, the state experience factor shall be the sum of
7 all regular and additional benefits paid plus the applicable
8 benefit reserve for fund building, pursuant to Section 1505,
9 during the three year period ending on June 30 of the year
10 immediately preceding the year for which a contribution rate
11 is being determined divided by the "net revenues" for the
12 three year period ending on September 30 of the year
13 immediately preceding the year for which a contribution rate
14 is being determined, after adjustment of any fraction to the
15 nearer multiple of one percent. Whenever such fraction is
16 exactly one-half, it shall be adjusted to the next higher
17 multiple of one percent.

18 For purposes of this subsection, "Net revenue" means, for
19 each one year period ending on September 30, the sum of the
20 amounts, as determined pursuant to (1) and (2) of this
21 subsection, in each quarter of such one year period.

22 (1) For each calendar quarter prior to the second
23 calendar quarter of 1988, "net revenue" means all repayments
24 (including payments in lieu of contributions pursuant to
25 Sections 1403, 1404 and 1405B and paragraph 2 of Section
26 302C) to this State's account in the unemployment trust fund
27 less "net voluntary debt repayments" during the same calendar
28 quarter. "Net voluntary debt repayments" means an amount
29 equal to repayments to Title XII advances less any new
30 advances. Any such repayments made after June 30, 1987 but
31 prior to November 10, 1987 shall be deemed to have been made
32 prior to June 30, 1987.

33 (2) For each calendar quarter after the first calendar
34 quarter of 1988, "net revenue" shall be the sum of:

1 (a) the amount determined by (i) multiplying the benefit
2 wage or benefit ratios, pursuant to Sections 1503 or 1503.1,
3 respectively, of all employers who have not elected to make
4 payments in lieu of contributions applicable to the prior
5 quarter by the state experience factor for that same quarter,
6 (ii) adding this product to the fund building factor provided
7 for in Section 1506.3, (iii) constraining this sum by the
8 application of Sections 1506.1 and 1506.3, except that the
9 State experience factor shall be substituted for the adjusted
10 State experience factor in determining these constraints, and
11 then (iv) multiplying this sum by the total wages for insured
12 work subject to the payment of contributions under Sections
13 234, 235 and 245 of each employer for the prior quarter
14 except that such wages shall not include those wages
15 estimated by the Director prior to the issuance of a
16 Determination and Assessment or those wages estimated as a
17 result of an audit because of the employer's failure to
18 report wages; plus (b) all payments in lieu of contributions
19 pursuant to Sections 1403 and 1404 and subsection B of
20 Section 1405 and paragraph 2 of subsection C of Section 302
21 received during the same calendar quarter. For purposes of
22 computing "net revenue", employers who have not incurred
23 liability for the payment of contributions for at least three
24 years will be excluded from the calculation as will
25 predecessor employers pursuant to Section 1507.

26 C. The state experience factor shall be determined for
27 each calendar year by the Director. Any change in the benefit
28 wages or benefit charges of any employer or any change in
29 contributions (including payments in lieu of contributions
30 pursuant to Sections 1403 and 1404 and subsection B of
31 Section 1405 and paragraph 2 of subsection C of Section 302)
32 received into this State's account in the unemployment trust
33 fund after June 30 of the calendar year immediately preceding
34 the calendar year for which the state experience factor is

1 being determined shall not affect the state experience factor
2 as determined by the Director for that year.

3 (Source: P.A. 86-3.)

4 Section 99. Effective date. This Act takes effect upon
5 becoming law.