



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

HB3630

by Rep. Jay Hoffman

#### SYNOPSIS AS INTRODUCED:

820 ILCS 405/2201  
820 ILCS 405/2201.1

from Ch. 48, par. 681  
from Ch. 48, par. 681.1

Amends the Unemployment Insurance Act. Provides that no later than 3 years after the date of an overpayment, rather than 3 years after notification by the Director of an overpayment, an employing unit may file a claim for an adjustment in contributions or a refund. Provides that the Director shall provide statements of employer account balances quarterly rather than semi-annually. Applies to credits and refunds for which application is made after January 1, 2015 and upon which no adjustment or refund has been made. Effective immediately.

LRB100 09352 JLS 19514 b

1 AN ACT concerning employment.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Unemployment Insurance Act is amended by  
5 changing Sections 2201 and 2201.1 as follows:

6 (820 ILCS 405/2201) (from Ch. 48, par. 681)

7 Sec. 2201. Refund or adjustment of contributions. Not  
8 later than 3 years after the date of overpayment by ~~upon which~~  
9 ~~the Director first notifies~~ an employing unit of ~~that it has~~  
10 ~~paid~~ contributions, interest or penalties thereon erroneously,  
11 the employing unit may file a claim with the Director for an  
12 adjustment thereof in connection with subsequent contribution  
13 payments, or for a refund thereof where such adjustment cannot  
14 be made; provided, however, that no refund or adjustment shall  
15 be made of any contribution, the amount of which has been  
16 determined and assessed by the Director, if such contribution  
17 was paid after the determination and assessment of the Director  
18 became final, and provided, further, that any such adjustment  
19 or refund, involving contributions with respect to wages on the  
20 basis of which benefits have been paid, shall be reduced by the  
21 amount of benefits so paid. Upon receipt of a claim the  
22 Director shall make his determination, either allowing such  
23 claim in whole or in part, or ordering that it be denied, and

1 serve notice upon the claimant of such determination. Such  
2 determination of the Director shall be final at the expiration  
3 of 20 days from the date of service of such notice unless the  
4 claimant shall have filed with the Director a written protest  
5 and a petition for hearing, specifying his objections thereto.  
6 Upon receipt of such petition within the 20 days allowed, the  
7 Director shall fix the time and place for a hearing and shall  
8 notify the claimant thereof. At any hearing held as herein  
9 provided, the determination of the Director shall be prima  
10 facie correct and the burden shall be upon the protesting  
11 employing unit to prove that it is incorrect. All of the  
12 provisions of this Act applicable to hearings conducted  
13 pursuant to Section 2200 shall be applicable to hearings  
14 conducted pursuant to this Section. Upon the conclusion of such  
15 hearing, a decision shall be made by the Director and notice  
16 thereof given to the claimant. If the Director shall decide  
17 that the claim be allowed in whole or in part, or if such  
18 allowance be ordered by the Court pursuant to Section 2205 and  
19 the judgment of said Court has become final, the Director  
20 shall, if practicable, make adjustment without interest in  
21 connection with subsequent contribution payments by the  
22 claimant, and if adjustments thereof cannot practicably be made  
23 in connection with such subsequent contribution payments, then  
24 the Director shall refund to the claimant the amount so  
25 allowed, without interest except as otherwise provided in  
26 Section 2201.1 from moneys in the benefit account established

1 by this Act. Nothing herein contained shall prohibit the  
2 Director from making adjustment or refund upon his own  
3 initiative, within the time allowed for filing claim therefor,  
4 provided that the Director shall make no refund or adjustment  
5 of any contribution, the amount of which he has previously  
6 determined and assessed, if such contribution was paid after  
7 the determination and assessment became final.

8 If this State should not be certified for any year by the  
9 Secretary of Labor of the United States of America, or other  
10 appropriate Federal agency, under Section 3304 of the Federal  
11 Internal Revenue Code of 1954, the Director shall refund  
12 without interest to any instrumentality of the United States  
13 subject to this Act by virtue of permission granted in an Act  
14 of Congress, the amount of contributions paid by such  
15 instrumentality with respect to such year.

16 The Director may by regulation provide that, if there is a  
17 total credit balance of less than \$2 in an employer's account  
18 with respect to contributions, interest, and penalties, the  
19 amount may be disregarded by the Director; once disregarded,  
20 the amount shall not be considered a credit balance in the  
21 account and shall not be subject to either an adjustment or a  
22 refund.

23 The changes made to this Section by this amendatory Act of  
24 the 100th General Assembly apply to refunds and credits for  
25 which application is made after January 1, 2015 and upon which  
26 no adjustment or refund has been made.

1 (Source: P.A. 98-1133, eff. 1-1-15.)

2 (820 ILCS 405/2201.1) (from Ch. 48, par. 681.1)

3 Sec. 2201.1. Interest on Overpaid Contributions, Penalties  
4 and Interest. The Director shall quarterly ~~semi-annually~~  
5 furnish each employer with a statement of credit balances in  
6 the employer's account where the balances with respect to all  
7 contributions, interest and penalties combined equal or exceed  
8 \$2. Under regulations prescribed by the Director and subject to  
9 the limitations of Section 2201, the employer may file a  
10 request for an adjustment or refund of the amount erroneously  
11 paid. Interest shall be paid on refunds of erroneously paid  
12 contributions, penalties and interest imposed by this Act,  
13 except that if any refund is mailed by the Director within 90  
14 days after the date of the refund claim, no interest shall be  
15 due or paid. The interest shall begin to accrue as of the date  
16 of the refund claim and shall be paid at the rate of 1.5% per  
17 month computed at the rate of 12/365 of 1.5% for each day or  
18 fraction thereof. Interest paid pursuant to this Section shall  
19 be paid from monies in the special administrative account  
20 established by Sections 2100 and 2101. This Section shall apply  
21 only to refunds of contributions, penalties and interest which  
22 were paid as the result of wages paid after January 1, 1988.

23 The changes made to this Section by this amendatory Act of  
24 the 100th General Assembly apply to refunds and credits for  
25 which application is made after January 1, 2015 and upon which

1 no adjustment or refund has been made.

2 (Source: P.A. 98-1133, eff. 1-1-15.)

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