

HB3301



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB3301

Introduced 2/17/2023, by Rep. Terra Costa Howard

SYNOPSIS AS INTRODUCED:

820 ILCS 405/1801.1

Amends the Unemployment Insurance Act. In provisions concerning the directory of new hires, provides that the definition of "newly hired employee" includes an individual under an independent contractor arrangement. Effective January 1, 2024.

LRB103 29378 SPS 55767 b

A BILL FOR

1 AN ACT concerning child support enforcement.

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 1801.1 as follows:

6 (820 ILCS 405/1801.1)

7 Sec. 1801.1. Directory of New Hires.

8 A. The Director shall establish and operate an automated
9 directory of newly hired employees which shall be known as the
10 "Illinois Directory of New Hires" which shall contain the
11 information required to be reported by employers to the
12 Department under subsection B. In the administration of the
13 Directory, the Director shall comply with any requirements
14 concerning the Employer New Hire Reporting Program established
15 by the federal Personal Responsibility and Work Opportunity
16 Reconciliation Act of 1996. The Director is authorized to use
17 the information contained in the Directory of New Hires to
18 administer any of the provisions of this Act.

19 B. Each employer in Illinois, except a department, agency,
20 or instrumentality of the United States, shall file with the
21 Department a report in accordance with rules adopted by the
22 Department (but in any event not later than 20 days after the
23 date the employer hires the employee or, in the case of an

1 employer transmitting reports magnetically or electronically,
2 by 2 monthly transmissions, if necessary, not less than 12
3 days nor more than 16 days apart) providing the following
4 information concerning each newly hired employee: the
5 employee's name, address, and social security number, the date
6 services for remuneration were first performed by the
7 employee, and the employer's name, address, Federal Employer
8 Identification Number assigned under Section 6109 of the
9 Internal Revenue Code of 1986, and such other information as
10 may be required by federal law or regulation, provided that
11 each employer may voluntarily file the address to which the
12 employer wants income withholding orders to be mailed, if it
13 is different from the address given on the Federal Employer
14 Identification Number. An employer in Illinois which transmits
15 its reports electronically or magnetically and which also has
16 employees in another state may report all newly hired
17 employees to a single designated state in which the employer
18 has employees if it has so notified the Secretary of the United
19 States Department of Health and Human Services in writing. An
20 employer may, at its option, submit information regarding any
21 rehired employee in the same manner as information is
22 submitted regarding a newly hired employee. Each report
23 required under this subsection shall, to the extent
24 practicable, be made on an Internal Revenue Service Form W-4
25 or, at the option of the employer, an equivalent form, and may
26 be transmitted by first class mail, by telefax, magnetically,

1 or electronically.

2 C. An employer which knowingly fails to comply with the
3 reporting requirements established by this Section shall be
4 subject to a civil penalty of \$15 for each individual whom it
5 fails to report. An employer shall be considered to have
6 knowingly failed to comply with the reporting requirements
7 established by this Section with respect to an individual if
8 the employer has been notified by the Department that it has
9 failed to report an individual, and it fails, without
10 reasonable cause, to supply the required information to the
11 Department within 21 days after the date of mailing of the
12 notice. Any individual who knowingly conspires with the newly
13 hired employee to cause the employer to fail to report the
14 information required by this Section or who knowingly
15 conspires with the newly hired employee to cause the employer
16 to file a false or incomplete report shall be guilty of a Class
17 B misdemeanor with a fine not to exceed \$500 with respect to
18 each employee with whom the individual so conspires.

19 D. As used in this Section, "newly hired employee" means
20 an individual who (i) is an employee within the meaning of
21 Chapter 24 of the Internal Revenue Code of 1986 including an
22 individual under an independent contractor arrangement, and
23 (ii) either has not previously been employed by the employer
24 or was previously employed by the employer but has been
25 separated from that prior employment for at least 60
26 consecutive days; however, "newly hired employee" does not

1 include an employee of a federal or State agency performing
2 intelligence or counterintelligence functions, if the head of
3 that agency has determined that the filing of the report
4 required by this Section with respect to the employee could
5 endanger the safety of the employee or compromise an ongoing
6 investigation or intelligence mission.

7 Notwithstanding Section 205, and for the purposes of this
8 Section only, the term "employer" has the meaning given by
9 Section 3401(d) of the Internal Revenue Code of 1986 and
10 includes any governmental entity and labor organization as
11 defined by Section 2(5) of the National Labor Relations Act,
12 and includes any entity (also known as a hiring hall) which is
13 used by the organization and an employer to carry out the
14 requirements described in Section 8(f)(3) of that Act of an
15 agreement between the organization and the employer.

16 (Source: P.A. 97-621, eff. 11-18-11; 97-689, eff. 6-14-12;
17 97-791, eff. 1-1-13; 98-107, eff. 7-23-13; 98-463, eff.
18 8-16-13.)

19 Section 99. Effective date. This Act takes effect January
20 1, 2024.