



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB3200

Introduced 2/18/2025, by Rep. Jay Hoffman

#### SYNOPSIS AS INTRODUCED:

820 ILCS 405/601	from Ch. 48, par. 431
820 ILCS 405/900	from Ch. 48, par. 490
820 ILCS 405/901.2 new	
820 ILCS 405/2404	from Ch. 48, par. 724

Amends the Unemployment Insurance Act. Provides for the recovery of benefits awarded to individuals who are determined to not be eligible for those benefits, plus any penalties and interest, in accordance with specified provisions of the Act. Provides that the Director of Employment Security is authorized to cooperate with and enter into appropriate agreements with the State Treasurer for the recovery of unclaimed property held by the State Treasurer in the name of an individual who received benefits that the individual was determined to not be eligible to receive or in the name of an employer who owes contributions, interest, or penalties under the Act. Authorizes the Director to directly request and accept the return of funds from a debit card issuer for any debit card account that received benefits under specified circumstances. Makes other changes.

LRB104 11263 SPS 21347 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 601, 900, and 2404 and by adding Section  
6 901.2 as follows:

7 (820 ILCS 405/601) (from Ch. 48, par. 431)

8 Sec. 601. Voluntary leaving.

9 A. An individual shall be ineligible for benefits for the  
10 week in which the individual ~~he or she~~ has left work  
11 voluntarily without good cause attributable to the employing  
12 unit and, thereafter, until the individual ~~he or she~~ has  
13 become reemployed and has had earnings equal to or in excess of  
14 the individual's ~~his or her~~ current weekly benefit amount in  
15 each of four calendar weeks which are either for services in  
16 employment, or have been or will be reported pursuant to the  
17 provisions of the Federal Insurance Contributions Act by each  
18 employing unit for which such services are performed and which  
19 submits a statement certifying to that fact.

20 B. The provisions of this Section shall not apply to an  
21 individual who has left work voluntarily:

22 1. Because the individual, prior to voluntarily  
23 leaving: ~~he or she~~

1           (a) is deemed physically unable to perform the  
2           individual's ~~his or her~~ work by a licensed and  
3           practicing physician, licensed and practicing nurse  
4           practitioner, or licensed and practicing physician  
5           assistant and the employer is unable to accommodate  
6           the individual; ~~or~~

7           (b) is deemed to be unable to perform the  
8           individual's work due to a mental health disability by  
9           a licensed and practicing psychiatrist or  
10           psychologist, licensed and practicing clinical social  
11           worker, or licensed and practicing professional  
12           counselor and the employer is unable to accommodate  
13           the individual; or

14           (c) is providing necessary ~~because the~~  
15           ~~individual's~~ assistance to care is necessary for the  
16           ~~purpose of caring for the individual's ~~his or her~~~~  
17           spouse, child, or parent who, according to a licensed  
18           and practicing physician or as otherwise reasonably  
19           verified, is in poor physical or mental health or is a  
20           person with a mental or physical disability and the  
21           employer is unable to accommodate the individual's  
22           need to provide such assistance;

23           2. To accept other bona fide work and, after such  
24           acceptance, the individual is either not unemployed in  
25           each of 2 weeks, or earns remuneration for such work equal  
26           to at least twice the individual's ~~his or her~~ current

1 weekly benefit amount;

2 3. In lieu of accepting a transfer to other work  
3 offered to the individual by the employing unit under the  
4 terms of a collective bargaining agreement or pursuant to  
5 an established employer plan, program, or policy, if the  
6 acceptance of such other work by the individual would  
7 require the separation from that work of another  
8 individual currently performing it;

9 4. Solely because of the sexual harassment of the  
10 individual by another employee. Sexual harassment means  
11 (1) unwelcome sexual advances, requests for sexual favors,  
12 sexually motivated physical contact or other conduct or  
13 communication which is made a term or condition of the  
14 employment or (2) the employee's submission to or  
15 rejection of such conduct or communication which is the  
16 basis for decisions affecting employment, or (3) when such  
17 conduct or communication has the purpose or effect of  
18 substantially interfering with an individual's work  
19 performance or creating an intimidating, hostile, or  
20 offensive working environment and the employer knows or  
21 should know of the existence of the harassment and fails  
22 to take timely and appropriate action;

23 5. Which the individual ~~he or she~~ had accepted after  
24 separation from other work, and the work which the  
25 individual ~~he or she~~ left voluntarily would be deemed  
26 unsuitable under the provisions of Section 603;

1           6.(a) Because the individual left work due to verified  
2           domestic violence as defined in Section 103 of the  
3           Illinois Domestic Violence Act of 1986 where the domestic  
4           violence caused the individual to reasonably believe that  
5           the individual's ~~his or her~~ continued employment would  
6           jeopardize the individual's ~~his or her~~ safety or the  
7           safety of the individual's ~~his or her~~ spouse, minor child,  
8           or parent

9           if the individual provides the following:

10           (i) notice to the employing unit of the reason for  
11           the individual's voluntarily leaving; and

12           (ii) to the Department provides:

13           (A) an order of protection or other  
14           documentation of equitable relief issued by a  
15           court of competent jurisdiction; or

16           (B) a police report or criminal charges  
17           documenting the domestic violence; or

18           (C) medical documentation of the domestic  
19           violence; or

20           (D) evidence of domestic violence from a  
21           member of the clergy, attorney, counselor, social  
22           worker, health worker or domestic violence shelter  
23           worker.

24           (b) If the individual does not meet the provisions of  
25           subparagraph (a), the individual shall be held to have  
26           voluntarily terminated employment for the purpose of

1 determining the individual's eligibility for benefits  
2 pursuant to subsection A.

3 (c) Notwithstanding any other provision to the  
4 contrary, evidence of domestic violence experienced by an  
5 individual, or the individual's ~~his or her~~ spouse, minor  
6 child, or parent, including the individual's statement and  
7 corroborating evidence, shall not be disclosed by the  
8 Department unless consent for disclosure is given by the  
9 individual.

10 7. Because, due to a change in location of employment  
11 of the individual's spouse, the individual left work to  
12 accompany the individual's ~~his or her~~ spouse to a place  
13 from which it is impractical to commute or because the  
14 individual left employment to accompany a spouse who has  
15 been reassigned from one military assignment to another.  
16 The employer's account, however, shall not be charged for  
17 any benefits paid out to the individual who leaves work  
18 under a circumstance described in this paragraph.

19 C. Within 90 days of the effective date of this amendatory  
20 Act of the 96th General Assembly, the Department shall  
21 promulgate rules, pursuant to the Illinois Administrative  
22 Procedure Act and consistent with Section 903(f)(3)(B) of the  
23 Social Security Act, to clarify and provide guidance regarding  
24 eligibility and the prevention of fraud.

25 (Source: P.A. 99-143, eff. 7-27-15.)

(820 ILCS 405/900) (from Ch. 48, par. 490)

Sec. 900. Recoupment and recovery.†

A. Whenever an individual has received any sum as benefits for which he or she is found to have been ineligible, the individual must be provided written notice of the individual's ~~his or her~~ appeal rights, including the ability to request waiver of any recoupment ordered and the standard for such waiver to be granted. Thereafter, the amount thereof may be recovered by suit in the name of the People of the State of Illinois, or, from benefits payable to the individual ~~him~~, may be recouped:

1. At any time, if, to receive such sum, the individual ~~he~~ knowingly made a false statement or knowingly failed to disclose a material fact.

2. Within 3 years from any date prior to January 1, 1984, on which the individual ~~he~~ has been found to have been ineligible for any other reason, pursuant to a reconsidered finding or a reconsidered determination, or pursuant to the decision of a Referee (or of the Director or Director's ~~his~~ representative under Section 604) which modifies or sets aside a finding or a reconsidered finding or a determination or a reconsidered determination; or within 5 years from any date after December 31, 1983, on which the individual ~~he~~ has been found to have been ineligible for any other reason, pursuant to a reconsidered finding or a reconsidered determination, or

1       pursuant to the decision of a Referee (or of the Director  
2       or Director's ~~his~~ representative under Section 604) which  
3       modifies or sets aside a finding or a reconsidered finding  
4       or a determination or a reconsidered determination.  
5       Recoupment pursuant to the provisions of this paragraph  
6       from benefits payable to an individual for any week may be  
7       waived upon the individual's request, if the sum referred  
8       to in paragraph A was received by the individual without  
9       fault on the individual's ~~his~~ part and if such recoupment  
10      would be against equity and good conscience. Such waiver  
11      may be denied with respect to any subsequent week if, in  
12      that week, the facts and circumstances upon which waiver  
13      was based no longer exist.

14      Recovery by suit in the name of the People of the State of  
15      Illinois, recoupment pursuant to paragraph 2 of this  
16      subsection A from benefits payable to an individual for any  
17      week, and, notwithstanding any provision to the contrary in  
18      the Illinois State Collection Act of 1986, withholding  
19      pursuant to subsection E shall be permanently waived if the  
20      sum referred to in this subsection A was received by the  
21      individual without fault on the individual's ~~his or her~~ part  
22      and if such recoupment would be against equity and good  
23      conscience, and the sum referred to in this subsection A was  
24      received by the individual on or after March 8, 2020, but prior  
25      to the last day of a disaster period established by the  
26      gubernatorial disaster proclamation in response to COVID-19,



1     dated March 9, 2020, and any consecutive gubernatorial  
2     disaster proclamation in response to COVID-19. To be eligible  
3     for permanent waiver under this paragraph, an individual must  
4     request a waiver pursuant to this paragraph within 45 days of  
5     the mailing date of the notice from the Department that the  
6     individual may request a waiver. A determination under this  
7     paragraph may be appealed to a Referee within the time limits  
8     prescribed by Section 800 for an appeal from a determination.  
9     Any such appeal, and any appeal from the Referee's decision  
10    thereon, shall be governed by the applicable provisions of  
11    Sections 801, 803, 804, and 805. This paragraph shall not  
12    apply with respect to benefits that are received pursuant to  
13    any program that the Department administers as an agent of the  
14    federal government and for which the individual is found to  
15    have been ineligible.

16        B. Whenever the claims adjudicator referred to in Section  
17    702 decides that any sum received by a claimant as benefits  
18    shall be recouped, or denies recoupment waiver requested by  
19    the claimant, the Department ~~he~~ shall promptly notify the  
20    claimant of the ~~his~~ decision and the reasons therefor. The  
21    decision and the notice thereof shall state the amount to be  
22    recouped, the weeks with respect to which such sum was  
23    received by the claimant, and the time within which it may be  
24    recouped and, as the case may be, the reasons for denial of  
25    recoupment waiver. The claims adjudicator may reconsider the  
26    ~~his~~ decision within one year after the date when the decision

1 was made. Such decision or reconsidered decision may be  
2 appealed to a Referee within the time limits prescribed by  
3 Section 800 for appeal from a determination. Any such appeal,  
4 and any appeal from the Referee's decision thereon, shall be  
5 governed by the applicable provisions of Sections 801, 803,  
6 804 and 805. No recoupment shall be begun until the expiration  
7 of the time limits prescribed by Section 800 of this Act or, if  
8 an appeal has been filed, until the decision of a Referee has  
9 been made thereon affirming the decision of the claims  
10 adjudicator ~~Claims Adjudicator~~.

11 C. Any sums recovered under the provisions of this Section  
12 shall be treated as repayments to the Department of sums  
13 improperly obtained by the claimant.

14 D. Whenever, by reason of a back pay award made by any  
15 governmental agency or pursuant to arbitration proceedings, or  
16 by reason of a payment of wages wrongfully withheld by an  
17 employing unit, an individual has received wages for weeks  
18 with respect to which the individual ~~he~~ has received benefits,  
19 the amount of such benefits may be recouped or otherwise  
20 recovered as herein provided. An employing unit making a back  
21 pay award to an individual for weeks with respect to which the  
22 individual has received benefits shall make the back pay award  
23 by check payable jointly to the individual and to the  
24 Department.

25 E. The amount recouped pursuant to paragraph 2 of  
26 subsection A from benefits payable to an individual for any

1 week shall not exceed 25% of the individual's weekly benefit  
2 amount.

3 In addition to the remedies provided by this Section, when  
4 an individual has received any sum as benefits for which the  
5 individual ~~he~~ is found to be ineligible, the Director may  
6 request the Comptroller to withhold such sum in accordance  
7 with Section 10.05 of the State Comptroller Act and the  
8 Director may request the Secretary of the Treasury to withhold  
9 such sum to the extent allowed by and in accordance with  
10 Section 6402(f) of the federal Internal Revenue Code of 1986,  
11 as amended. Benefits paid pursuant to this Act shall not be  
12 subject to such withholding. Where the Director requests  
13 withholding by the Secretary of the Treasury pursuant to this  
14 Section, in addition to the amount of benefits for which the  
15 individual has been found ineligible, the individual shall be  
16 liable for any legally authorized administrative fee assessed  
17 by the Secretary, with such fee to be added to the amount to be  
18 withheld by the Secretary.

19 F. The amount of benefits that an individual received but  
20 that the individual was determined to not be eligible to  
21 receive, plus any penalties and interest provided for by this  
22 Act and rules adopted under this Act, may be recovered in any  
23 manner provided for in Sections 2206, 2400, 2401, 2401.1,  
24 2402, and 2403 for the recovery of past-due contributions,  
25 interest, and penalties from employers, and those Sections of  
26 this Act shall apply to an individual who received benefits

1 that the individual was determined to not be eligible to  
2 receive.

3 G. The Director is authorized to cooperate with and enter  
4 into appropriate agreements with the State Treasurer for the  
5 recovery of unclaimed property held by the State Treasurer in  
6 the name of an individual who received benefits that the  
7 individual was determined to not be eligible to receive or in  
8 the name of an employer who owes contributions, interest, or  
9 penalties under this Act. The amount of unclaimed property the  
10 Director is authorized to recover under this subsection is  
11 limited to the amount of benefits an individual received that  
12 the individual was determined to not be eligible to receive  
13 and any penalties and interest provided for in this Act and  
14 rules adopted under this Act, or to the amount of  
15 contributions, interest, and penalties owed by an employer.  
16 Any funds recovered under this subsection with respect to an  
17 individual who received benefits that the individual was  
18 determined to not be eligible to receive shall be returned to  
19 the fund from which they were withdrawn.

20 (Source: P.A. 102-26, eff. 6-25-21.)

21 (820 ILCS 405/901.2 new)

22 Sec. 901.2. Return of debit card funds.

23 (a) As allowed for under federal law, the Director is  
24 authorized to directly request and accept the return of funds  
25 from a debit card issuer for any debit card account that

1 received benefits, if there is no transfer of funds through  
2 the benefits system to the debit card account during the  
3 preceding 12 months and if the account has never been  
4 activated.

5 (b) As allowed for under federal law, the Director is  
6 authorized to directly request and accept the return of funds  
7 from a debit card issuer for any debit card account that  
8 received benefits, and the account was activated, if no  
9 transaction has been conducted on the account during the  
10 preceding 12 months and if the individual associated with the  
11 account received benefits that the individual was determined  
12 to not be eligible to receive. The amount that the Director is  
13 authorized to accept from the debit card issuer under this  
14 subsection is limited to the amount of benefits an individual  
15 received that the individual was determined to not be eligible  
16 to receive and any penalties and interest provided for in this  
17 Act and rules adopted under this Act.

18 (c) Any funds recovered under this Section shall be returned  
19 to the fund from which they were withdrawn.

20 (820 ILCS 405/2404) (from Ch. 48, par. 724)

21 Sec. 2404. Court may enjoin delinquent employing unit. Any  
22 employing unit which willfully refuses or fails to pay any  
23 contribution, interest, or penalties found to be due to the  
24 Director by the Director's ~~his~~ final determination and  
25 assessment, or refuses or fails to file new hire reports or

1 reports of wages paid to the workforce as required by this Act,  
2 after 30 days' written notice of intent to proceed under this  
3 Section, sent by the Director to the employing unit at its last  
4 known address by registered or certified mail, may be enjoined  
5 from operating any business as an "employer", as defined in  
6 this Act, anywhere in this State, while such contribution,  
7 interest or penalties remain unpaid, or while either new hire  
8 reports or reports of wages paid to the workforce as required  
9 by this Act remain unfiled, upon the complaint of the Director  
10 in the Circuit Court of the county in which the employing unit  
11 resides or has or had a place of business within the State. The  
12 provisions of this Section shall be deemed cumulative and in  
13 addition to any provision of this Act relating to the  
14 collection of contributions by the Director.

15 (Source: Laws 1965, p. 1792.)