

HB4942



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB4942

by Rep. Jay Hoffman

SYNOPSIS AS INTRODUCED:

215 ILCS 5/416
820 ILCS 305/4d
820 ILCS 305/7

Amends the Illinois Insurance Code and the Workers' Compensation Act. Provides for increases in the rate of the Illinois Workers' Compensation Commission Operations Fund Surcharge, the Illinois Workers' Compensation Commission Operations Fund Fee, and payments to the Rate Adjustment Fund. Effective immediately.

LRB104 20520 SPS 33994 b

A BILL FOR

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 Illinois Insurance Code is amended by
5 changing Section 416 as follows:

6 (215 ILCS 5/416)

7 Sec. 416. Illinois Workers' Compensation Commission
8 Operations Fund Surcharge.

9 (a) As of July 30, 2004 (the effective date of Public Act
10 93-840), every company licensed or authorized by the Illinois
11 Department of Insurance and insuring employers' liabilities
12 arising under the Workers' Compensation Act or the Workers'
13 Occupational Diseases Act shall remit to the Director a
14 surcharge based upon the annual direct written premium, as
15 reported under Section 136 of this Act, of the company in the
16 manner provided in this Section. Such proceeds shall be
17 deposited into the Illinois Workers' Compensation Commission
18 Operations Fund as established in the Workers' Compensation
19 Act. If a company survives or was formed by a merger,
20 consolidation, reorganization, or reincorporation, the direct
21 written premiums of all companies party to the merger,
22 consolidation, reorganization, or reincorporation shall, for
23 purposes of determining the amount of the fee imposed by this

1 Section, be regarded as those of the surviving or new company.

2 (b) Beginning on July 30, 2004 (the effective date of
3 Public Act 93-840) and on July 1 of each year thereafter
4 through 2023, the Director shall charge an annual Illinois
5 Workers' Compensation Commission Operations Fund Surcharge
6 from every company subject to subsection (a) of this Section
7 equal to 1.01% of its direct written premium for insuring
8 employers' liabilities arising under the Workers' Compensation
9 Act or Workers' Occupational Diseases Act as reported in each
10 company's annual statement filed for the previous year as
11 required by Section 136. Within 15 days after June 5, 2024 (the
12 effective date of Public Act 103-590) and on July 1 of each
13 year thereafter, the Director shall charge an annual Illinois
14 Workers' Compensation Commission Operations Fund Surcharge
15 from every company subject to subsection (a) of this Section
16 equal to 1.092% of its direct written premium for insuring
17 employers' liabilities arising under the Workers' Compensation
18 Act or Workers' Occupational Diseases Act as reported in each
19 company's annual statement filed for the previous year as
20 required by Section 136. The Illinois Workers' Compensation
21 Commission Operations Fund Surcharge shall be collected by
22 companies subject to subsection (a) of this Section as a
23 separately stated surcharge on insured employers at the rate
24 of 1.092% of direct written premium for the surcharge due in
25 2024 and 2025 ~~and each year thereafter~~. On June 1, 2026, the
26 Director shall charge an annual Illinois Workers' Compensation

1 Commission Operations Fund Surcharge from every company
2 subject to subsection (a) of this Section equal to 1.1794% of
3 its direct written premium for insuring employers' liabilities
4 arising under the Workers' Compensation Act or Workers'
5 Occupational Diseases Act as reported in each company's annual
6 statement filed for the previous year as required by Section
7 136. The Illinois Workers' Compensation Commission Operations
8 Fund Surcharge shall be collected by companies subject to
9 subsection (a) of this Section as a separately stated
10 surcharge on insured employers at the rate of 1.1794% of
11 direct written premium for the surcharge due in 2026. On or
12 before the second Monday of May 2027, and on or before the
13 second Monday of May of each year thereafter, if the Chairman
14 determines that the Illinois Workers' Compensation Commission
15 Operations Fund Surcharge rate must be increased to meet the
16 needs of the Commission for the next fiscal year, the Chairman
17 shall propose a new rate and call a vote of the Commission to
18 approve the rate for the next fiscal year. If, by majority
19 vote, the Commission approves the rate, the Chairman shall
20 notify the Governor of the rate and publish the rate on the
21 Commission's website. To determine the rate to be used, the
22 Chairman shall consider the proposed budget for the Commission
23 for the next fiscal year and the estimated amount of moneys to
24 be collected by the Commission based on the previous year's
25 Illinois Workers' Compensation Commission Operations Fund
26 Surcharge rate and the previous year's Illinois Workers'

1 Compensation Commission Operations Fund Fee rate. Any increase
2 to the Illinois Workers' Compensation Commission Operations
3 Fund Surcharge rate shall be made in an identical proportion
4 to an increase in the Illinois Workers' Compensation
5 Commission Operations Fund Fee rate as set forth in Section 4d
6 of the Workers' Compensation Act. The Illinois Workers'
7 Compensation Commission Operations Fund Surcharge rate shall
8 not be reduced from the previous year's rate except by an Act
9 of the General Assembly. After the Commission approves the
10 rate and the Chairman publishes the rate on the Commission's
11 website, on June 1, 2027, and on June 1 of each year
12 thereafter, the Director shall charge an annual Illinois
13 Workers' Compensation Commission Operations Fund Surcharge
14 from every company subject to subsection (a) of this Section,
15 equal to the rate approved by the Commission for that fiscal
16 year, of its direct written premium for insuring employers'
17 liabilities arising under the Workers' Compensation Act or
18 Workers' Occupational Diseases Act as reported in each
19 company's annual statement filed for the previous year as
20 required by Section 136. The Illinois Workers' Compensation
21 Commission Operations Fund Surcharge shall be collected by
22 companies subject to subsection (a) of this Section as a
23 separately stated surcharge on insured employers at the
24 established rate of direct written premium for the surcharge
25 due in 2027 and at the established rate each year thereafter.
26 The Illinois Workers' Compensation Commission Operations Fund

1 Surcharge shall not be collected by companies subject to
2 subsection (a) of this Section from any employer that
3 self-insures its liabilities arising under the Workers'
4 Compensation Act or Workers' Occupational Diseases Act,
5 provided that the employer has paid the Illinois Workers'
6 Compensation Commission Operations Fund Fee pursuant to
7 Section 4d of the Workers' Compensation Act. All sums
8 collected by the Department of Insurance under the provisions
9 of this Section shall be paid promptly after the receipt of the
10 same, accompanied by a detailed statement thereof, into the
11 Illinois Workers' Compensation Commission Operations Fund in
12 the State treasury.

13 (c) In addition to the authority specifically granted
14 under Article XXV of this Code, the Director shall have such
15 authority to adopt rules or establish forms as may be
16 reasonably necessary for purposes of enforcing this Section.
17 The Director shall also have authority to defer, waive, or
18 abate the surcharge or any penalties imposed by this Section
19 if in the Director's opinion the company's solvency and
20 ability to meet its insured obligations would be immediately
21 threatened by payment of the surcharge due.

22 (d) When a company fails to pay the full amount of any
23 annual Illinois Workers' Compensation Commission Operations
24 Fund Surcharge of \$100 or more due under this Section, there
25 shall be added to the amount due as a penalty an amount equal
26 to 10% of the deficiency for each month or part of a month that

1 the deficiency remains unpaid.

2 (e) The Department of Insurance may enforce the collection
3 of any delinquent payment, penalty, or portion thereof by
4 legal action or in any other manner by which the collection of
5 debts due the State of Illinois may be enforced under the laws
6 of this State.

7 (f) Whenever it appears to the satisfaction of the
8 Director that a company has paid pursuant to this Act an
9 Illinois Workers' Compensation Commission Operations Fund
10 Surcharge in an amount in excess of the amount legally
11 collectable from the company, the Director shall issue a
12 credit memorandum for an amount equal to the amount of such
13 overpayment. A credit memorandum may be applied for the 2-year
14 period from the date of issuance, against the payment of any
15 amount due during that period under the surcharge imposed by
16 this Section or, subject to reasonable rule of the Department
17 of Insurance including the requirement of notification, may be
18 assigned to any other company subject to regulation under this
19 Act. Any application of credit memoranda after the period
20 provided for in this Section is void.

21 (g) Annually, the Governor may direct a transfer of up to
22 2% of all moneys collected under this Section to the Insurance
23 Financial Regulation Fund.

24 (Source: P.A. 103-590, eff. 6-5-24; 104-417, eff. 8-15-25.)

25 Section 10. The Workers' Compensation Act is amended by

1 changing Sections 4d and 7 as follows:

2 (820 ILCS 305/4d)

3 Sec. 4d. Illinois Workers' Compensation Commission
4 Operations Fund Fee.

5 (a) As of the effective date of this amendatory Act of the
6 93rd General Assembly, each employer that self-insures its
7 liabilities arising under this Act or Workers' Occupational
8 Diseases Act shall pay a fee measured by the annual actual
9 wages paid in this State of such an employer in the manner
10 provided in this Section. Such proceeds shall be deposited in
11 the Illinois Workers' Compensation Commission Operations Fund.
12 If an employer survives or was formed by a merger,
13 consolidation, reorganization, or reincorporation, the actual
14 wages paid in this State of all employers party to the merger,
15 consolidation, reorganization, or reincorporation shall, for
16 purposes of determining the amount of the fee imposed by this
17 Section, be regarded as those of the surviving or new
18 employer.

19 (b) Beginning on July 30, 2004 (the effective date of
20 Public Act 93-840) and on July 1 of each year thereafter
21 through 2023, the Chairman shall charge and collect an annual
22 Illinois Workers' Compensation Commission Operations Fund Fee
23 from every employer subject to subsection (a) of this Section
24 equal to 0.0075% of its annual actual wages paid in this State
25 as reported in each employer's annual self-insurance renewal

1 filed for the previous year as required by Section 4 of this
2 Act and Section 4 of the Workers' Occupational Diseases Act.
3 ~~On Beginning on~~ July 1, 2024 and on July 1, 2025 ~~July 1 of each~~
4 ~~year thereafter~~, the Chairman shall charge and collect an
5 annual Illinois Workers' Compensation Commission Operations
6 Fund Fee from every employer subject to subsection (a) of this
7 Section equal to 0.0081% of its annual actual wages paid in
8 this State as reported in each employer's annual
9 self-insurance renewal filed for the previous year as required
10 by Section 4 of this Act and Section 4 of the Workers'
11 Occupational Diseases Act. On July 1, 2026, the Chairman shall
12 charge and collect an annual Illinois Workers' Compensation
13 Commission Operations Fund Fee from every employer subject to
14 subsection (a) of this Section equal to 0.00875% of its annual
15 actual wages paid in this State as reported in each employer's
16 annual self-insurance renewal filed for the previous year as
17 required by Section 4 of this Act and Section 4 of the Workers'
18 Occupational Diseases Act. On or before the second Monday of
19 May 2027, and on or before the second Monday of May of each
20 year thereafter, if the Chairman determines that the Illinois
21 Workers' Compensation Commission Operations Fund Fee rate must
22 be increased to meet the needs of the Commission for the next
23 fiscal year, the Chairman shall propose a new rate and call a
24 vote of the Commission to approve the rate for the next fiscal
25 year. If, by majority vote, the Commission approves the rate,
26 the Chairman shall notify the Governor of the rate and publish

1 the rate on the Commission's website. To determine the rate to
2 be used, the Chairman shall consider the proposed budget for
3 the Commission for the next fiscal year and the estimated
4 amount of moneys to be collected by the Commission based on the
5 previous year's Illinois Workers' Compensation Commission
6 Operations Fund Fee rate and the previous year's Illinois
7 Workers' Compensation Commission Operations Fund Surcharge
8 rate. Any increase to the Illinois Workers' Compensation
9 Commission Operations Fund Surcharge rate shall be made in an
10 identical proportion to an increase in the Illinois Workers'
11 Compensation Commission Operations Fund Fee rate as set forth
12 in Section 416 of the Illinois Insurance Code. The Illinois
13 Workers' Compensation Commission Operations Fund Fee rate
14 shall not be reduced from the previous year's rate except by an
15 Act of the General Assembly. After the Commission approves the
16 rate and the Chairman publishes the rate on the Commission's
17 website, on July 1, 2027, and on July 1 of each year
18 thereafter, the Chairman shall charge and collect the annual
19 Illinois Workers' Compensation Commission Operations Fund Fee
20 from every employer subject to subsection (a) of this Section
21 equal to the determined rate of each employer's annual actual
22 wages paid in this State as reported in each employer's annual
23 self-insurance renewal filed for the previous year as required
24 by Section 4 of this Act and Section 4 of the Workers'
25 Occupational Diseases Act. All sums collected by the
26 Commission under the provisions of this Section shall be paid

1 promptly after the receipt of the same, accompanied by a
2 detailed statement thereof, into the Illinois Workers'
3 Compensation Commission Operations Fund. The fee due pursuant
4 to Public Act 93-840 shall be collected instead of the fee due
5 on July 1, 2004 under Public Act 93-32. Payment of the fee due
6 under Public Act 93-840 shall discharge the employer's
7 obligations due on July 1, 2004.

8 (c) In addition to the authority specifically granted
9 under Section 16, the Chairman shall have such authority to
10 adopt rules or establish forms as may be reasonably necessary
11 for purposes of enforcing this Section. The Commission shall
12 have authority to defer, waive, or abate the fee or any
13 penalties imposed by this Section if in the Commission's
14 opinion the employer's solvency and ability to meet its
15 obligations to pay workers' compensation benefits would be
16 immediately threatened by payment of the fee due.

17 (d) When an employer fails to pay the full amount of any
18 annual Illinois Workers' Compensation Commission Operations
19 Fund Fee of \$100 or more due under this Section, there shall be
20 added to the amount due as a penalty the greater of \$1,000 or
21 an amount equal to 5% of the deficiency for each month or part
22 of a month that the deficiency remains unpaid.

23 (e) The Commission may enforce the collection of any
24 delinquent payment, penalty or portion thereof by legal action
25 or in any other manner by which the collection of debts due the
26 State of Illinois may be enforced under the laws of this State.

1 (f) Whenever it appears to the satisfaction of the
2 Chairman that an employer has paid pursuant to this Act an
3 Illinois Workers' Compensation Commission Operations Fund Fee
4 in an amount in excess of the amount legally collectable from
5 the employer, the Chairman shall issue a credit memorandum for
6 an amount equal to the amount of such overpayment. A credit
7 memorandum may be applied for the 2-year period from the date
8 of issuance against the payment of any amount due during that
9 period under the fee imposed by this Section or, subject to
10 reasonable rule of the Commission including requirement of
11 notification, may be assigned to any other employer subject to
12 regulation under this Act. Any application of credit memoranda
13 after the period provided for in this Section is void.

14 (Source: P.A. 103-590, eff. 6-5-24.)

15 (820 ILCS 305/7)

16 Sec. 7. The amount of compensation which shall be paid for
17 an accidental injury to the employee resulting in death is:

18 (a) If the employee leaves surviving a widow, widower,
19 child or children, the applicable weekly compensation rate
20 computed in accordance with subparagraph 2 of paragraph (b) of
21 Section 8, shall be payable during the life of the widow or
22 widower and if any surviving child or children shall not be
23 physically or mentally incapacitated then until the death of
24 the widow or widower or until the youngest child shall reach
25 the age of 18, whichever shall come later; provided that if

1 such child or children shall be enrolled as a full-time
2 student in any accredited educational institution, the
3 payments shall continue until such child has attained the age
4 of 25. In the event any surviving child or children shall be
5 physically or mentally incapacitated, the payments shall
6 continue for the duration of such incapacity.

7 The term "child" means a child whom the deceased employee
8 left surviving, including a posthumous child, a child legally
9 adopted, a child whom the deceased employee was legally
10 obligated to support or a child to whom the deceased employee
11 stood in loco parentis. The term "children" means the plural
12 of "child".

13 The term "physically or mentally incapacitated child or
14 children" means a child or children incapable of engaging in
15 regular and substantial gainful employment.

16 In the event of the remarriage of a widow or widower, where
17 the decedent did not leave surviving any child or children
18 who, at the time of such remarriage, are entitled to
19 compensation benefits under this Act, the surviving spouse
20 shall be paid a lump sum equal to 2 years compensation benefits
21 and all further rights of such widow or widower shall be
22 extinguished.

23 If the employee leaves surviving any child or children
24 under 18 years of age who at the time of death shall be
25 entitled to compensation under this paragraph (a) of this
26 Section, the weekly compensation payments herein provided for

1 such child or children shall in any event continue for a period
2 of not less than 6 years.

3 Any beneficiary entitled to compensation under this
4 paragraph (a) of this Section shall receive from the special
5 fund provided in paragraph (f) of this Section, in addition to
6 the compensation herein provided, supplemental benefits in
7 accordance with paragraph (g) of Section 8.

8 (b) If no compensation is payable under paragraph (a) of
9 this Section and the employee leaves surviving a parent or
10 parents who at the time of the accident were totally dependent
11 upon the earnings of the employee then weekly payments equal
12 to the compensation rate payable in the case where the
13 employee leaves surviving a widow or widower, shall be paid to
14 such parent or parents for the duration of their lives, and in
15 the event of the death of either, for the life of the survivor.

16 (c) If no compensation is payable under paragraph (a) or
17 (b) of this Section and the employee leaves surviving any
18 child or children who are not entitled to compensation under
19 the foregoing paragraph (a) but who at the time of the accident
20 were nevertheless in any manner dependent upon the earnings of
21 the employee, or leaves surviving a parent or parents who at
22 the time of the accident were partially dependent upon the
23 earnings of the employee, then there shall be paid to such
24 dependent or dependents for a period of 8 years weekly
25 compensation payments at such proportion of the applicable
26 rate if the employee had left surviving a widow or widower as

1 such dependency bears to total dependency. In the event of the
2 death of any such beneficiary the share of such beneficiary
3 shall be divided equally among the surviving beneficiaries and
4 in the event of the death of the last such beneficiary all the
5 rights under this paragraph shall be extinguished.

6 (d) If no compensation is payable under paragraph (a),
7 (b), or (c) of this Section and the employee leaves surviving
8 any grandparent, grandparents, grandchild or grandchildren or
9 collateral heirs dependent upon the employee's earnings to the
10 extent of 50% or more of total dependency, then there shall be
11 paid to such dependent or dependents for a period of 5 years
12 weekly compensation payments at such proportion of the
13 applicable rate if the employee had left surviving a widow or
14 widower as such dependency bears to total dependency. In the
15 event of the death of any such beneficiary the share of such
16 beneficiary shall be divided equally among the surviving
17 beneficiaries and in the event of the death of the last such
18 beneficiary all rights hereunder shall be extinguished.

19 (e) The compensation to be paid for accidental injury
20 which results in death, as provided in this Section, shall be
21 paid to the persons who form the basis for determining the
22 amount of compensation to be paid by the employer, the
23 respective shares to be in the proportion of their respective
24 dependency at the time of the accident on the earnings of the
25 deceased. The Commission or an Arbitrator thereof may, in its
26 or his discretion, order or award the payment to the parent or

1 grandparent of a child for the latter's support the amount of
2 compensation which but for such order or award would have been
3 paid to such child as its share of the compensation payable,
4 which order or award may be modified from time to time by the
5 Commission in its discretion with respect to the person to
6 whom shall be paid the amount of the order or award remaining
7 unpaid at the time of the modification.

8 The payments of compensation by the employer in accordance
9 with the order or award of the Commission discharges such
10 employer from all further obligation as to such compensation.

11 (f) The sum of \$8,000 for burial expenses shall be paid by
12 the employer to the widow or widower, other dependent, next of
13 kin or to the person or persons incurring the expense of
14 burial.

15 In the event the employer failed to provide necessary
16 first aid, medical, surgical or hospital service, he shall pay
17 the cost thereof to the person or persons entitled to
18 compensation under paragraphs (a), (b), (c), or (d) of this
19 Section, or to the person or persons incurring the obligation
20 therefore, or providing the same.

21 On January 15 and July 15, 1981, and on January 15 and July
22 15 of each year thereafter the employer shall within 60 days
23 pay a sum equal to 1/8 of 1% of all compensation payments made
24 by him after July 1, 1980, either under this Act or the
25 Workers' Occupational Diseases Act, whether by lump sum
26 settlement or weekly compensation payments, but not including

1 hospital, surgical or rehabilitation payments, made during the
2 first 6 months and during the second 6 months respectively of
3 the fiscal year next preceding the date of the payments, into a
4 special fund which shall be designated the "Second Injury
5 Fund", of which the State Treasurer is ex officio custodian,
6 such special fund to be held and disbursed for the purposes
7 hereinafter stated in paragraphs (f) and (g) of Section 8,
8 either upon the order of the Commission or of a competent
9 court. Said special fund shall be deposited the same as are
10 State funds and any interest accruing thereon shall be added
11 thereto every 6 months. It is subject to audit the same as
12 State funds and accounts and is protected by the General bond
13 given by the State Treasurer. It is considered always
14 appropriated for the purposes of disbursements as provided in
15 paragraph (f) of Section 8 of this Act, and shall be paid out
16 and disbursed as therein provided and shall not at any time be
17 appropriated or diverted to any other use or purpose.

18 On January 15, 1991, the employer shall further pay a sum
19 equal to one half of 1% of all compensation payments made by
20 him from January 1, 1990 through June 30, 1990 either under
21 this Act or under the Workers' Occupational Diseases Act,
22 whether by lump sum settlement or weekly compensation
23 payments, but not including hospital, surgical or
24 rehabilitation payments, into an additional Special Fund which
25 shall be designated as the "Rate Adjustment Fund". On March
26 15, 1991, the employer shall pay into the Rate Adjustment Fund

1 a sum equal to one half of 1% of all such compensation payments
2 made from July 1, 1990 through December 31, 1990. Within 60
3 days after July 15, 1991, the employer shall pay into the Rate
4 Adjustment Fund a sum equal to one half of 1% of all such
5 compensation payments made from January 1, 1991 through June
6 30, 1991. Within 60 days after January 15 of 1992 and each
7 subsequent year through 1996, the employer shall pay into the
8 Rate Adjustment Fund a sum equal to one half of 1% of all such
9 compensation payments made in the last 6 months of the
10 preceding calendar year. Within 60 days after July 15 of 1992
11 and each subsequent year through 1995, the employer shall pay
12 into the Rate Adjustment Fund a sum equal to one half of 1% of
13 all such compensation payments made in the first 6 months of
14 the same calendar year. Within 60 days after January 15 of 1997
15 and each subsequent year through 2005, the employer shall pay
16 into the Rate Adjustment Fund a sum equal to three-fourths of
17 1% of all such compensation payments made in the last 6 months
18 of the preceding calendar year. Within 60 days after July 15 of
19 1996 and each subsequent year through 2004, the employer shall
20 pay into the Rate Adjustment Fund a sum equal to three-fourths
21 of 1% of all such compensation payments made in the first 6
22 months of the same calendar year. Within 60 days after July 15
23 of 2005, the employer shall pay into the Rate Adjustment Fund a
24 sum equal to 1% of such compensation payments made in the first
25 6 months of the same calendar year. Within 60 days after
26 January 15 of 2006 and each subsequent year through 2024, the

1 employer shall pay into the Rate Adjustment Fund a sum equal to
2 1.25% of such compensation payments made in the last 6 months
3 of the preceding calendar year. Within 60 days after July 15 of
4 2006 and each subsequent year through 2023, the employer shall
5 pay into the Rate Adjustment Fund a sum equal to 1.25% of such
6 compensation payments made in the first 6 months of the same
7 calendar year. Within 60 days after July 15 of 2024 and July 15
8 of 2025 ~~and each subsequent year thereafter~~, the employer
9 shall pay into the Rate Adjustment Fund a sum equal to 1.375%
10 of such compensation payments made in the first 6 months of the
11 same calendar year. Within 60 days after January 15 of 2025 and
12 each subsequent year thereafter, the employer shall pay into
13 the Rate Adjustment Fund a sum equal to 1.375% of such
14 compensation payments made in the last 6 months of the
15 preceding calendar year. Within 60 days after July 15 of 2026,
16 the employer shall pay into the Rate Adjustment Fund a sum
17 equal to 1.485% of such compensation payments made in the
18 first 6 months of the same calendar year. Within 60 days after
19 January 15 of 2027, the employer shall pay into the Rate
20 Adjustment Fund a sum equal to 1.485% of such compensation
21 payments made in the last 6 months of the preceding calendar
22 year. Within 60 days after July 15 of 2027, the employer shall
23 pay into the Rate Adjustment Fund a sum equal to 1.6% of such
24 compensation payments made in the first 6 months of the same
25 calendar year. Within 60 days after January 15 of 2028, the
26 employer shall pay into the Rate Adjustment Fund a sum equal to

1 1.6% of such compensation payments made in the last 6 months of
2 the preceding calendar year. Within 60 days after July 15 of
3 2028 and each subsequent year thereafter, the employer shall
4 pay into the Rate Adjustment Fund a sum equal to 1.732% of such
5 compensation payments made in the first 6 months of the same
6 calendar year. Within 60 days after January 15 of 2029 and each
7 subsequent year thereafter, the employer shall pay into the
8 Rate Adjustment Fund a sum equal to 1.732% of such
9 compensation payments made in the last 6 months of the
10 preceding calendar year. The administrative costs of
11 collecting assessments from employers for the Rate Adjustment
12 Fund shall be paid from the Rate Adjustment Fund. The cost of
13 an actuarial audit of the Fund shall be paid from the Rate
14 Adjustment Fund. The State Treasurer is ex officio custodian
15 of such Special Fund and the same shall be held and disbursed
16 for the purposes hereinafter stated in paragraphs (f) and (g)
17 of Section 8 upon the order of the Commission or of a competent
18 court. The Rate Adjustment Fund shall be deposited the same as
19 are State funds and any interest accruing thereon shall be
20 added thereto every 6 months. It shall be subject to audit the
21 same as State funds and accounts and shall be protected by the
22 general bond given by the State Treasurer. It is considered
23 always appropriated for the purposes of disbursements as
24 provided in paragraphs (f) and (g) of Section 8 of this Act and
25 shall be paid out and disbursed as therein provided and shall
26 not at any time be appropriated or diverted to any other use or

1 purpose. Within 5 days after December 7, 1990 (the effective
2 date of Public Act 86-1448), the Comptroller and the State
3 Treasurer shall transfer \$1,000,000 from the General Revenue
4 Fund to the Rate Adjustment Fund. By February 15, 1991, the
5 Comptroller and the State Treasurer shall transfer \$1,000,000
6 from the Rate Adjustment Fund to the General Revenue Fund. The
7 Comptroller and Treasurer are authorized to make transfers at
8 the request of the Chairman up to a total of \$19,000,000 from
9 the Second Injury Fund, the General Revenue Fund, and the
10 Workers' Compensation Benefit Trust Fund to the Rate
11 Adjustment Fund to the extent that there is insufficient money
12 in the Rate Adjustment Fund to pay claims and obligations.
13 Amounts may be transferred from the General Revenue Fund only
14 if the funds in the Second Injury Fund or the Workers'
15 Compensation Benefit Trust Fund are insufficient to pay claims
16 and obligations of the Rate Adjustment Fund. All amounts
17 transferred from the Second Injury Fund, the General Revenue
18 Fund, and the Workers' Compensation Benefit Trust Fund shall
19 be repaid from the Rate Adjustment Fund within 270 days of a
20 transfer, together with interest at the rate earned by moneys
21 on deposit in the Fund or Funds from which the moneys were
22 transferred.

23 Upon a finding by the Commission, after reasonable notice
24 and hearing, that any employer has willfully and knowingly
25 failed to pay the proper amounts into the Second Injury Fund or
26 the Rate Adjustment Fund required by this Section or if such

1 payments are not made within the time periods prescribed by
2 this Section, the employer shall, in addition to such
3 payments, pay a penalty of 20% of the amount required to be
4 paid or \$2,500, whichever is greater, for each year or part
5 thereof of such failure to pay. This penalty shall only apply
6 to obligations of an employer to the Second Injury Fund or the
7 Rate Adjustment Fund accruing after December 18, 1989 (the
8 effective date of Public Act 86-998). All or part of such a
9 penalty may be waived by the Commission for good cause shown.

10 Any obligations of an employer to the Second Injury Fund
11 and Rate Adjustment Fund accruing prior to December 18, 1989
12 (the effective date of Public Act 86-998) shall be paid in full
13 by such employer within 5 years of December 18, 1989 (the
14 effective date of Public Act 86-998), with at least one-fifth
15 of such obligation to be paid during each year following
16 December 18, 1989 (the effective date of Public Act 86-998).
17 If the Commission finds, following reasonable notice and
18 hearing, that an employer has failed to make timely payment of
19 any obligation accruing under the preceding sentence, the
20 employer shall, in addition to all other payments required by
21 this Section, be liable for a penalty equal to 20% of the
22 overdue obligation or \$2,500, whichever is greater, for each
23 year or part thereof that obligation is overdue. All or part of
24 such a penalty may be waived by the Commission for good cause
25 shown.

26 The Chairman of the Illinois Workers' Compensation

1 Commission shall, annually, furnish to the Director of the
2 Department of Insurance a list of the amounts paid into the
3 Second Injury Fund and the Rate Adjustment Fund by each
4 insurance company on behalf of their insured employers. The
5 Director shall verify to the Chairman that the amounts paid by
6 each insurance company are accurate as best as the Director
7 can determine from the records available to the Director. The
8 Chairman shall verify that the amounts paid by each
9 self-insurer are accurate as best as the Chairman can
10 determine from records available to the Chairman. The Chairman
11 may require each self-insurer to provide information
12 concerning the total compensation payments made upon which
13 contributions to the Second Injury Fund and the Rate
14 Adjustment Fund are predicated and any additional information
15 establishing that such payments have been made into these
16 funds. Any deficiencies in payments noted by the Director or
17 Chairman shall be subject to the penalty provisions of this
18 Act.

19 The State Treasurer, or his duly authorized
20 representative, shall be named as a party to all proceedings
21 in all cases involving claim for the loss of, or the permanent
22 and complete loss of the use of one eye, one foot, one leg, one
23 arm or one hand.

24 The State Treasurer or his duly authorized agent shall
25 have the same rights as any other party to the proceeding,
26 including the right to petition for review of any award. The

1 reasonable expenses of litigation, such as medical
2 examinations, testimony, and transcript of evidence, incurred
3 by the State Treasurer or his duly authorized representative,
4 shall be borne by the Second Injury Fund.

5 If the award is not paid within 30 days after the date the
6 award has become final, the Commission shall proceed to take
7 judgment thereon in its own name as is provided for other
8 awards by paragraph (g) of Section 19 of this Act and take the
9 necessary steps to collect the award.

10 Any person, corporation or organization who has paid or
11 become liable for the payment of burial expenses of the
12 deceased employee may in his or its own name institute
13 proceedings before the Commission for the collection thereof.

14 For the purpose of administration, receipts and
15 disbursements, the Special Fund provided for in paragraph (f)
16 of this Section shall be administered jointly with the Special
17 Fund provided for in paragraph (f) of Section 7 of the Workers'
18 Occupational Diseases Act.

19 (g) All compensation, except for burial expenses provided
20 in this Section to be paid in case accident results in death,
21 shall be paid in installments equal to the percentage of the
22 average earnings as provided for in paragraph (b) of Section 8
23 of this Act, at the same intervals at which the wages or
24 earnings of the employees were paid. If this is not feasible,
25 then the installments shall be paid weekly. Such compensation
26 may be paid in a lump sum upon petition as provided in Section

1 9 of this Act. However, in addition to the benefits provided by
2 Section 9 of this Act where compensation for death is payable
3 to the deceased's widow, widower or to the deceased's widow,
4 widower and one or more children, and where a partial lump sum
5 is applied for by such beneficiary or beneficiaries within 18
6 months after the deceased's death, the Commission may, in its
7 discretion, grant a partial lump sum of not to exceed 100 weeks
8 of the compensation capitalized at their present value upon
9 the basis of interest calculated at 3% per annum with annual
10 rests, upon a showing that such partial lump sum is for the
11 best interest of such beneficiary or beneficiaries.

12 (h) In case the injured employee is under 16 years of age
13 at the time of the accident and is illegally employed, the
14 amount of compensation payable under paragraphs (a), (b), (c),
15 (d), and (f) of this Section shall be increased 50%.

16 Nothing herein contained repeals or amends the provisions
17 of the Child Labor Law of 2024 relating to the employment of
18 minors under the age of 16 years.

19 However, where an employer has on file an employment
20 certificate issued pursuant to the Child Labor Law of 2024 or
21 work permit issued pursuant to the Federal Fair Labor
22 Standards Act, as amended, or a birth certificate properly and
23 duly issued, such certificate, permit or birth certificate is
24 conclusive evidence as to the age of the injured minor
25 employee for the purposes of this Section only.

26 (i) Whenever the dependents of a deceased employee are

1 noncitizens not residing in the United States, Mexico or
2 Canada, the amount of compensation payable is limited to the
3 beneficiaries described in paragraphs (a), (b), and (c) of
4 this Section and is 50% of the compensation provided in
5 paragraphs (a), (b), and (c) of this Section, except as
6 otherwise provided by treaty.

7 In a case where any of the persons who would be entitled to
8 compensation is living at any place outside of the United
9 States, then payment shall be made to the personal
10 representative of the deceased employee. The distribution by
11 such personal representative to the persons entitled shall be
12 made to such persons and in such manner as the Commission
13 orders.

14 (Source: P.A. 103-590, eff. 6-5-24; 103-721, eff. 1-1-25;
15 104-417, eff. 8-15-25.)

16 Section 99. Effective date. This Act takes effect upon
17 becoming law.