**Section 2765.70 Waiver Of Interest For Certain Nonprofit Organizations or Local Governmental Entities**

a) The Director shall waive interest on any unpaid contributions for a nonprofit organization, as defined in Section 211.2 of the Act, or a local governmental entity, as determined under Section 211.1 of the Act, if:

1) The organization or entity had never filed any of the reports or forms required of it under the Act; and

2) No unemployment insurance claims had been filed for which it is determined that the organization or entity was the chargeable employer as that term is used in Section 1502.1 of the Act; and

3) The chief operating officer of the organization or entity files an affidavit with the Director in which he states that, upon learning of the organization or entity's liability under the Act, he took immediate action to bring the organization or entity into compliance.

Example: Nonprofit organization A was created in 1985. Because it is not liable under the Federal Unemployment Tax Act (FUTA), it believed that it was not liable for state unemployment insurance contributions. As a result of an audit in 1992, it is determined the organization was liable since 1985 and owes unpaid contributions since 1989. If the organization had never filed any reports or forms required of it under the Act, if it had never been found to be a chargeable employer and if the chief operating officer tenders the appropriate affidavit, any interest on the unpaid contributions will be waived.

b) Any waiver of interest under this Section shall cover the period up to sixty days after the date that the organization or entity became aware of its liability under the Act. To stop further interest from accruing after that time, the organization or entity must pay the contributions due in full. However, nothing in this Section shall be interpreted as prohibiting an employer from seeking waiver of any additional interest under the other provisions of this Part.

(Source: Section repealed, new Section adopted at 17 Ill. Reg. 308, effective December 28, 1992)