**Section 2765.73 Waiver of Penalties and Interest for Certain Nonprofit Organizations**

a) Upon application of an employer, the Director shall find good cause to grant a conditional waiver of any reporting penalty required by Section 1402 of the Act and any interest owed by the employer with respect to contributions due, and interest on past due payments in lieu of contributions, for quarters prior to calendar year 2014 and specified in the conditional waiver, provided the following conditions are met:

1) the employer is an Illinois nonprofit organization, as that term is used in Section 211.2 of the Act, and a local affiliate of a national organization that holds a congressional charter under 36 USC, whose purpose is to promote the health, social, educational, vocational, and character development of youth;

2) the employer experienced a decrease of more than $50,000 from its prior fiscal year in the value of its total net assets in:

A) each of the employer's two fiscal years preceding the first quarter specified in the conditional waiver; and

B) each of at least two of the employer's fiscal years that include one or more quarters specified in the conditional waiver; and

3) the losses described in subsection (a)(2) are established by certified, audited statements of the financial condition of the employer.

b) The Director shall waive penalties and interest covered by a conditional waiver granted under subsection (a) upon payment, within four years after the date on which the conditional waiver is granted, of the full amount of all contributions and payments in lieu of contributions due for the quarters specified in the conditional waiver.

c) A conditional waiver granted under subsection (a) shall be revoked by the Director when:

1. payment of the contributions due, and past due payments in lieu of contributions, for the quarters specified in the conditional waiver is to be made pursuant to a deferred payment agreement and the employer commits a substantial breach of that agreement; or

2) the employer fails to timely pay contributions or payments in lieu of contributions due for quarters not specified in the conditional waiver.

d) Notwithstanding subsection (a), the Director shall not grant more than one conditional waiver of interest with respect to contributions due, or past due payments in lieu of contributions, for the same quarter.

(Source: Amended at 43 Ill. Reg. 1585, effective January 15, 2019)