

1 AN ACT in relation to unemployment insurance.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 1. Short title. This Act may be cited as the
5 Illinois Unemployment Insurance Trust Fund Financing Act.

6 Section 2. Findings and Declaration of Policy. It is
7 hereby found and declared that:

8 A. It is an essential governmental function to maintain
9 funds in an amount sufficient to pay unemployment benefits
10 when due;

11 B. At the time of the enactment of this Act,
12 unemployment benefits payments are made from Illinois'
13 account in the Unemployment Trust Fund of the United States
14 Treasury and are funded by employer contributions;

15 C. At the time of the enactment of this Act, borrowing
16 from the Federal government is the only option available to
17 obtain sufficient funds to pay benefits when the balance in
18 Illinois' account in the Unemployment Trust Fund of the
19 United States Treasury is insufficient to make necessary
20 payments;

21 D. Alternative methods of replenishing Illinois' account
22 in the Unemployment Trust Fund of the United States Treasury
23 may reduce the costs of providing unemployment benefits and
24 employers' cost of doing business in the State;

25 E. It is in the State's best interests to authorize the
26 issuance of bonds when appropriate for the purpose of
27 continuing the unemployment insurance program at the lowest
28 possible cost to the State and employers in Illinois; and

29 F. It is the public policy of this State to promote and
30 encourage the full participation of female- and
31 minority-owned firms with regard to bonds issued by State

1 departments, agencies, and authorities. The Director shall,
2 therefore, ensure that the process for procuring contracts
3 with regard to Bonds includes outreach to female- and
4 minority-owned firms and gives due consideration to those
5 firms in the selection and approval of any contracts with any
6 parties necessary to issue Bonds.

7 Section 3. Definitions. For purposes of this Act:

8 A. "Act" shall mean the Illinois Unemployment Insurance
9 Trust Fund Financing Act.

10 B. "Benefits" shall have the meaning provided in the
11 Unemployment Insurance Act.

12 C. "Bond" means any type of revenue obligation,
13 including, without limitation, fixed rate, variable rate,
14 auction rate or similar bond, note, certificate, or other
15 instrument, including, without limitation, an interest rate
16 exchange agreement, an interest rate lock agreement, a
17 currency exchange agreement, a forward payment conversion
18 agreement, an agreement to provide payments based on levels
19 of or changes in interest rates or currency exchange rates,
20 an agreement to exchange cash flows or a series of payments,
21 an option, put, or call to hedge payment, currency, interest
22 rate, or other exposure, payable from and secured by a pledge
23 of Fund Building Receipts collected pursuant to the
24 Unemployment Insurance Act, and all interest and other
25 earnings upon such amounts held in the Master Bond Fund, to
26 the extent provided in the proceedings authorizing the
27 obligation.

28 D. "Bond Administrative Expenses" means expenses and
29 fees incurred to administer and issue, upon a conversion of
30 any of the Bonds from one mode to another and from taxable to
31 tax-exempt, the Bonds issued pursuant to this Act, including
32 fees for paying agents, trustees, financial advisors,
33 underwriters, remarketing agents, attorneys and for other

1 professional services necessary to ensure compliance with
2 applicable state or federal law.

3 E. "Bond Obligations" means the principal of a Bond and
4 any premium and interest on a Bond issued pursuant to this
5 Act, together with any amount owed under a related Credit
6 Agreement.

7 F. "Credit Agreement" means, without limitation, a loan
8 agreement, a revolving credit agreement, an agreement
9 establishing a line of credit, a letter of credit, notes,
10 municipal bond insurance, standby bond purchase agreements,
11 surety bonds, remarketing agreements and the like, by which
12 the Department may borrow funds to pay or redeem or purchase
13 and hold its bonds, agreements for the purchase or
14 remarketing of bonds or any other agreement that enhances the
15 marketability, security, or creditworthiness of a Bond issued
16 under this Act.

17 1. Such Credit Agreement shall provide the
18 following:

19 a. The choice of law for the obligations of a
20 financial provider may be made for any state of
21 these United States, but the law which shall apply
22 to the Bonds shall be the law of the State of
23 Illinois, and jurisdiction to enforce such Credit
24 Agreement as against the Department shall be
25 exclusively in the courts of the State of Illinois
26 or in the applicable federal court having
27 jurisdiction and located within the State of
28 Illinois.

29 b. Any such Credit Agreement shall be fully
30 enforceable as a valid and binding contract as and
31 to the extent provided by applicable law.

32 2. Without limiting the foregoing, such Credit
33 Agreement, may include any of the following:

34 a. Interest rates on the Bonds may vary from

1 time to time depending upon criteria established by
2 the Director, which may include, without limitation:

3 (i) A variation in interest rates as may
4 be necessary to cause the Bonds to be
5 remarketed from time to time at a price equal
6 to their principal amount plus any accrued
7 interest;

8 (ii) Rates set by auctions; or

9 (iii) Rates set by formula.

10 b. A national banking association, bank, trust
11 company, investment banker or other financial
12 institution may be appointed to serve as a
13 remarketing agent in that connection, and such
14 remarketing agent may be delegated authority by the
15 Department to determine interest rates in accordance
16 with criteria established by the Department.

17 c. Alternative interest rates or provisions
18 may apply during such times as the Bonds are held by
19 the financial providers or similar persons or
20 entities providing a Credit Agreement for those
21 Bonds and, during such times, the interest on the
22 Bonds may be deemed not exempt from income taxation
23 under the Internal Revenue Code for purposes of
24 State law, as contained in the Bond Authorization
25 Act, relating to the permissible rate of interest to
26 be borne thereon.

27 d. Fees may be paid to the financial providers
28 or similar persons or entities providing a Credit
29 Agreement, including all reasonably related costs,
30 including therein costs of enforcement and
31 litigation (all such fees and costs being financial
32 provider payments) and financial provider payments
33 may be paid, without limitation, from proceeds of
34 the Bonds being the subject of such agreements, or

1 from Bonds issued to refund such Bonds, provided
2 that such financial provider payments shall be made
3 subordinate to the payments on the Bonds.

4 e. The Bonds need not be held in physical form
5 by the financial providers or similar persons or
6 entities providing a Credit Agreement when providing
7 funds to purchase or carry the Bonds from others but
8 may be represented in uncertificated form in the
9 Credit Agreement.

10 f. The debt or obligation of the Department
11 represented by a Bond tendered for purchase to or
12 otherwise made available to the Department thereupon
13 acquired by either the Department or a financial
14 provider shall not be deemed to be extinguished for
15 purposes of State law until cancelled by the
16 Department or its agent.

17 g. Such Credit Agreement may provide for
18 acceleration of the principal amounts due on the
19 Bonds.

20 G. "Department" means the Illinois Department of
21 Employment Security.

22 H. "Director" means the Director of the Illinois
23 Department of Employment Security.

24 I. "Fund Building Rates" are those rates imposed
25 pursuant to Section 1506.3 of the Unemployment Insurance Act.

26 J. "Fund Building Receipts" shall have the meaning
27 provided in the Unemployment Insurance Act.

28 K. "Master Bond Fund" shall mean, for any particular
29 issuance of Bonds under this Act, the fund established for
30 the deposit of Fund Building Receipts upon or prior to the
31 issuance of Bonds under this Act, and during the time that
32 any Bonds are outstanding under this Act and from which the
33 payment of Bond Obligations and the related Bond
34 Administrative Expenses incurred in connection with such

1 Bonds shall be made. That portion of the Master Bond Fund
2 containing the Required Fund Building Receipts Amount shall
3 be irrevocably pledged to the timely payment of Bond
4 Obligations and Bond Administrative Expenses due on any Bonds
5 issued pursuant to this Act and any Credit Agreement entered
6 in connection with the Bonds. The Master Bond Fund shall be
7 held separate and apart from all other State funds. Moneys in
8 the Master Bond Fund shall not be commingled with other State
9 funds, but they shall be deposited as required by law and
10 maintained in a separate account on the books of a savings
11 and loan association, bank or other qualified financial
12 institution. All interest earnings on amounts within the
13 Master Bond Fund shall accrue to the Master Bond Fund. The
14 Master Bond Fund may include such funds and accounts as are
15 necessary for the deposit of bond proceeds, Fund Building
16 Receipts, payment of principal, interest, administrative
17 expenses, costs of issuance, in the case of bonds which are
18 exempt from Federal taxation, rebate payments, and such other
19 funds and accounts which may be necessary for the
20 implementation and administration of this Act. The Director
21 shall be liable on her or his general official bond for the
22 faithful performance of her or his duties as custodian of the
23 Master Bond Fund. Such liability on her or his official bond
24 shall exist in addition to the liability upon any separate
25 bond given by her or him. All sums recovered for losses
26 sustained by the Master Bond Fund shall be deposited into the
27 Fund.

28 The Director shall report quarterly in writing to the
29 Employment Security Advisory Board concerning the actual and
30 anticipated deposits into and expenditures and transfers made
31 from the Master Bond Fund.

32 L. "Required Fund Building Receipts Amount" means the
33 aggregate amount of Fund Building Receipts required to be
34 maintained in the Master Bond Fund as set forth in Section 4I

1 of this Act.

2 Section 4. Authority to Issue Revenue Bonds.

3 A. The Department shall have the continuing power to
4 borrow money for the purpose of carrying out the following:

5 1. To reduce or avoid the need to borrow or obtain
6 a federal advance under Section 1201, et seq., of the
7 Social Security Act (42 U.S.C. Section 1321), as amended,
8 or any similar federal law; or

9 2. To refinance a previous advance received by the
10 Department with respect to the payment of Benefits; or

11 3. To refinance, purchase, redeem, refund, advance
12 refund or defease (including, any combination of the
13 foregoing) any outstanding Bonds issued pursuant to this
14 Act; or

15 4. To fund a surplus in Illinois' account in the
16 Unemployment Trust Fund of the United States Treasury.

17 Paragraphs 1, 2 and 4 are inoperative on and after
18 January 1, 2010.

19 B. As evidence of the obligation of the Department to
20 repay money borrowed for the purposes set forth in Section 4A
21 above, the Department may issue and dispose of its interest
22 bearing revenue Bonds and may also, from time-to-time, issue
23 and dispose of its interest bearing revenue Bonds to
24 purchase, redeem, refund, advance refund or defease
25 (including, any combination of the foregoing) any Bonds at
26 maturity or pursuant to redemption provisions or at any time
27 before maturity. The Director, in consultation with the
28 Department's Employment Security Advisory Board, shall have
29 the power to direct that the Bonds be issued. Bonds may be
30 issued in one or more series and under terms and conditions
31 as needed in furtherance of the purposes of this Act. The
32 Illinois Finance Authority shall provide any technical,
33 legal, or administrative services if and when requested by

1 the Director and the Employment Security Advisory Board with
2 regard to the issuance of Bonds. Such Bonds shall be issued
3 in the name of the State of Illinois for the benefit of the
4 Department and shall be executed by the Director. In case any
5 Director whose signature appears on any Bond ceases (after
6 attaching his or her signature) to hold that office, her or
7 his signature shall nevertheless be valid and effective for
8 all purposes.

9 C. No Bonds shall be issued without the Director's
10 written certification that, based upon a reasonable financial
11 analysis, the issuance of Bonds is reasonably expected to:

12 (i) Result in a savings to the State as
13 compared to the cost of borrowing or obtaining an
14 advance under Section 1201, et seq., Social Security
15 Act (42 U.S.C. Section 1321), as amended, or any
16 similar federal law;

17 (ii) Result in terms which are advantageous to
18 the State through refunding, advance refunding or
19 other similar restructuring of outstanding Bonds; or

20 (iii) Allow the State to avoid an anticipated
21 deficiency in the State's account in the
22 Unemployment Trust Fund of the United States
23 Treasury by funding a surplus in the State's account
24 in the Unemployment Trust Fund of the United States
25 Treasury.

26 D. All such Bonds shall be payable from Fund Building
27 Receipts. Bonds may also be paid from (i) to the extent
28 allowable by law, from monies in the State's account in the
29 Unemployment Trust Fund of the United States Treasury; and
30 (ii) to the extent allowable by law, a federal advance under
31 Section 1201, et seq., of the Social Security Act (42 U.S.C.
32 Section 1321); and (iii) proceeds of Bonds and receipts from
33 related credit and exchange agreements to the extent allowed
34 by this Act and applicable legal requirements.

1 E. The maximum principal amount of the Bonds, when
2 combined with the outstanding principal of all other Bonds
3 issued pursuant to this Act, shall not at any time exceed
4 \$1,400,000,000, excluding all of the outstanding principal of
5 any other Bonds issued pursuant to this Act for which payment
6 has been irrevocably provided by refunding or other manner of
7 defeasance. It is the intent of this Act that the outstanding
8 Bond authorization limits provided for in this Section 4E
9 shall be revolving in nature, such that the amount of Bonds
10 outstanding that are not refunded or otherwise defeased shall
11 be included in determining the maximum amount of Bonds
12 authorized to be issued pursuant to the Act.

13 F. Such Bonds and refunding Bonds issued pursuant to
14 this Act may bear such date or dates, may mature at such time
15 or times not exceeding 10 years from their respective dates
16 of issuance, and may bear interest at such rate or rates not
17 exceeding the maximum rate authorized by the Bond
18 Authorization Act, as amended and in effect at the time of
19 the issuance of the Bonds.

20 G. The Department may enter into a Credit Agreement
21 pertaining to the issuance of the Bonds, upon terms which are
22 not inconsistent with this Act and any other laws, provided
23 that the term of such Credit Agreement shall not exceed the
24 term of the Bonds, plus any time period necessary to cure any
25 defaults under such Credit Agreement.

26 H. Interest earnings paid to holders of the Bonds shall
27 not be exempt from income taxes imposed by the State.

28 I. While any Bond Obligations are outstanding or
29 anticipated to come due as a result of Bonds expected to be
30 issued in either or both of the 2 immediately succeeding
31 calendar quarters, the Department shall collect and deposit
32 Fund Building Receipts into the Master Bond Fund in an amount
33 necessary to satisfy the Required Fund Building Receipts
34 Amount prior to expending Fund Building Receipts for any

1 other purpose. The Required Fund Building Receipts Amount
2 shall be that amount necessary to ensure the marketability of
3 the Bonds, which shall be specified in the Bond Sale Order
4 executed by the Director in connection with the issuance of
5 the Bonds.

6 J. Holders of the Bonds shall have a first and priority
7 claim on all Fund Building Receipts in the Master Bond Fund
8 in parity with all other holders of the Bonds, provided that
9 such claim may be subordinated to the provider of any Credit
10 Agreement for any of the Bonds.

11 K. To the extent that Fund Building Receipts in the
12 Master Bond Fund are not otherwise needed to satisfy the
13 requirements of this Act and the instruments authorizing the
14 issuance of the Bonds, such monies shall be used by the
15 Department, in such amounts as determined by the Director to
16 do either or both of the following:

17 1. To purchase, refinance, redeem, refund, advance
18 refund or defease (or any combination of the foregoing)
19 outstanding Bonds, to the extent such action is legally
20 available and does not impair the tax exempt status of
21 any of the Bonds which are, in fact, exempt from Federal
22 income taxation; or

23 2. As a deposit in the State's account in the
24 Unemployment Trust Fund of the United States Treasury.

25 L. The Director shall determine the method of sale, type
26 of bond, bond form, redemption provisions and other terms of
27 the Bonds that, in the Director's judgment, best achieve the
28 purposes of this Act and effect the borrowing at the lowest
29 practicable cost, provided that those determinations are not
30 inconsistent with this Act or other applicable legal
31 requirements. Those determinations shall be set forth in a
32 document entitled "Bond Sale Order" acceptable, in form and
33 substance, to the attorney or attorneys acting as bond
34 counsel for the Bonds in connection with the rendering of

1 opinions necessary for the issuance of the Bonds and executed
2 by the Director.

3 Section 5. Bond Proceeds.

4 A. The proceeds of any Bonds issued pursuant to this
5 Act, including investment income thereon, shall be held in
6 trust in the Master Bond Fund for the following purpose and
7 in such amounts as determined by the Director:

8 1. Paying the principal and interest on any
9 outstanding federal advance received by the Department
10 under Section 1201, et seq., of the Social Security Act
11 (42 U.S.C. Section 1321), as amended, or any similar
12 federal law;

13 2. Being deposited into the State's account in the
14 Unemployment Trust Fund of the United States Treasury for
15 the purpose of: (i) avoiding anticipated deficiencies in
16 that account or (ii) funding a surplus in that account,
17 when doing either (i) or (ii) will result in a savings to
18 the State or employers or both;

19 3. Paying the costs of issuing or refinancing any
20 such Bonds;

21 4. Providing an appropriate reserve for any such
22 Bonds to the extent that the Department determines that
23 an appropriate reserve is warranted; and

24 5. Paying capitalized interest on the Bonds for the
25 period determined necessary by the Department, not to
26 exceed 2 years.

27 B. Excess Bond proceeds remaining available after the
28 payments and deposits required pursuant to Section 5A1
29 through 5A5 above have been made, may be used in the
30 following manner as determined by the Director:

31 1. To purchase, redeem or defease outstanding
32 Bonds, to the extent such action is legally available and
33 does not impair the tax-exempt status of any of the Bonds

1 which are, in fact, tax-exempt; or

2 2. To pay any scheduled interest payment or
3 payments due on any outstanding Bonds; or

4 3. Deposited in the State's account in the
5 Unemployment Trust Fund of the United States Treasury.

6 Section 6. Bonds Not A Pledge of the State.

7 A. Any Bonds issued under this Act, and any related
8 Credit Agreement, are not a pledge of the faith and credit or
9 moral obligation of the State or any State agency or
10 political subdivision of the State. All Bonds, Bond
11 Obligations and payment obligations deriving from any Credit
12 Agreement are payable solely as provided in Section 4D.

13 B. Any Bonds and any related Credit Agreement issued
14 under this Act must contain a conspicuous statement to the
15 effect that:

16 1. Neither the State, nor any State agency,
17 political corporation, or political subdivision of the
18 State, is obligated to pay the principal of or interest
19 on the Bonds except as provided by this Act; and

20 2. Neither the faith and credit of the State or any
21 State agency, political corporation, or political
22 subdivision of the State, nor the moral obligation of any
23 of them, is pledged to the payment of the principal of or
24 interest on the Bonds.

25 Section 7. State Not to Impair Bond Obligations. While
26 Bonds under this Act are outstanding, the State irrevocably
27 pledges and covenants that it shall not:

28 A. Take action to limit or restrict the rights of the
29 Department to fulfill its responsibilities to pay Bond
30 Obligations, Bond Administrative Expenses or otherwise comply
31 with instruments entered by the Department pertaining to the
32 issuance of the Bonds;

1 B. In any way impair the rights and remedies of the
2 holders of the Bonds until the Bonds are fully discharged; or

3 C. Reduce:

4 1. The Fund Building Rates below the levels in
5 existence effective January 1, 2004;

6 2. The maximum amount includable as wages pursuant
7 to Section 235 of the Unemployment Insurance Act below
8 the levels in existence effective January 1, 2004; and

9 3. The Solvency Adjustments imposed pursuant to
10 Section 1400.1 of the Unemployment Insurance Act below
11 the levels in existence effective January 1, 2004.

12 Section 8. Continuing appropriation. This Act shall
13 constitute an irrevocable and continuing appropriation of all
14 amounts necessary in respect to use of Fund Building Receipts
15 and Bond Proceeds for purposes specified in this Act,
16 including, without limitation, for the provision for payment
17 of principal and interest on the Bonds and other amounts due
18 in connection with the issuance of the Bonds pursuant to this
19 Act, to the fullest extent such appropriation is required.

20 Section 9. Director's Supplemental Authority. The
21 Director, on behalf of the Department, is authorized to enter
22 into the covenants and agreements required by this Act, make
23 any determinations, calculations, rules or other
24 promulgations required by this Act and engage or hire the
25 necessary attorneys, financial advisors, consultants,
26 verification agents, trustees, underwriters, remarketing
27 agents and other professionals necessary to carry out the
28 purposes and intent of this Act, unless otherwise expressly
29 specified or required under this Act.

30 Section 10. No Personal Liability. No director, officer
31 or employee of the Department or the State shall be

1 personally liable as a result of exercising the rights and
2 responsibilities granted under this Act.

3 Section 11. Omnibus Bonds Acts. With respect to
4 instruments for the payment of money issued under this Act,
5 it is and always has been the intention of the General
6 Assembly (i) that the Omnibus Bond Acts are and always have
7 been supplementary grants of power to issue instruments in
8 accordance with the Omnibus Bond Acts, regardless of any
9 provision of this Act that may appear to be or to have been
10 more restrictive than those Omnibus Bond Acts, (ii) that the
11 provisions of this Act are not a limitation on the
12 supplementary authority granted by the Omnibus Bond Acts, and
13 (iii) that instruments issued under this Act within the
14 supplementary authority granted by the Omnibus Bond Acts are
15 not invalid because of any provision of this Act that may
16 appear to be or to have been more restrictive than those
17 Omnibus Bond Acts.

18 Section 12. Mandatory Provisions. The provisions of this
19 Act are mandatory and not directory.

20 Section 13. Severability and inseverability. If any
21 provision of this Act or its application to any person or
22 circumstance is held invalid, the invalidity of that
23 provision or application does not affect other provisions or
24 applications of the Act that can be given effect without the
25 invalid provision or application, except that this Act is
26 inseverable to the extent that if all or any substantial and
27 material part of Sections 1 through 12 are held invalid, then
28 the entire Act (including both new and amendatory provisions)
29 is invalid.

30 Section 13.1. The Civil Administrative Code of Illinois

1 is amended by changing Section 5-540 as follows:

2 (20 ILCS 5/5-540) (was 20 ILCS 5/6.28 and 5/7.01)

3 Sec. 5-540. In the Department of Employment Security.

4 An Employment Security Advisory Board, composed of 12 9

5 persons. Of the 12 9 members of the Employment Security

6 Advisory Board, 4 3 members shall be representative citizens

7 chosen from the employee class, 4 3 members shall be

8 representative citizens chosen from the employing class, and

9 4 3 members shall be representative citizens not identified

10 with either the employing class or the employee class.

11 (Source: P.A. 90-372, eff. 7-1-98; 91-239, eff. 1-1-00.)

12 Section 13.2. The Illinois Income Tax Act is amended by

13 changing Section 701 as follows:

14 (35 ILCS 5/701) (from Ch. 120, par. 7-701)

15 Sec. 701. Requirement and Amount of Withholding.

16 (a) In General. Every employer maintaining an office or

17 transacting business within this State and required under the

18 provisions of the Internal Revenue Code to withhold a tax on:

19 (1) compensation paid in this State (as determined

20 under Section 304(a)(2)(B) to an individual; or

21 (2) payments described in subsection (b) shall

22 deduct and withhold from such compensation for each

23 payroll period (as defined in Section 3401 of the

24 Internal Revenue Code) an amount equal to the amount by

25 which such individual's compensation exceeds the

26 proportionate part of this withholding exemption

27 (computed as provided in Section 702) attributable to the

28 payroll period for which such compensation is payable

29 multiplied by a percentage equal to the percentage tax

30 rate for individuals provided in subsection (b) of

31 Section 201.

1 (b) Payment to Residents. Any payment (including
2 compensation) to a resident by a payor maintaining an office
3 or transacting business within this State (including any
4 agency, officer, or employee of this State or of any
5 political subdivision of this State) and on which withholding
6 of tax is required under the provisions of the Internal
7 Revenue Code shall be deemed to be compensation paid in this
8 State by an employer to an employee for the purposes of
9 Article 7 and Section 601(b)(1) to the extent such payment is
10 included in the recipient's base income and not subjected to
11 withholding by another state. Notwithstanding any other
12 provision to the contrary, no amount shall be withheld from
13 unemployment insurance benefit payments made to an individual
14 pursuant to the Unemployment Insurance Act unless the
15 individual has voluntarily elected the withholding pursuant
16 to rules promulgated by the Director of Employment Security.

17 (c) Special Definitions. Withholding shall be
18 considered required under the provisions of the Internal
19 Revenue Code to the extent the Internal Revenue Code either
20 requires withholding or allows for voluntary withholding the
21 payor and recipient have entered into such a voluntary
22 withholding agreement. For the purposes of Article 7 and
23 Section 1002(c) the term "employer" includes any payor who is
24 required to withhold tax pursuant to this Section.

25 (d) Reciprocal Exemption. The Director may enter into
26 an agreement with the taxing authorities of any state which
27 imposes a tax on or measured by income to provide that
28 compensation paid in such state to residents of this State
29 shall be exempt from withholding of such tax; in such case,
30 any compensation paid in this State to residents of such
31 state shall be exempt from withholding. All reciprocal
32 agreements shall be subject to the requirements of Section
33 2505-575 of the Department of Revenue Law (20 ILCS
34 2505/2505-575).

1 (e) Notwithstanding subsection (a)(2) of this Section,
2 no withholding is required on payments for which withholding
3 is required under Section 3405 or 3406 of the Internal
4 Revenue Code of 1954.

5 (Source: P.A. 91-239, eff. 1-1-00; 92-846, eff. 8-23-02.)

6 Section 13.3. The Unemployment Insurance Act is amended
7 by changing Sections 235, 237, 401, 601, 1401, 1502.1, 1505,
8 1506.3, 1507, and 2100 and adding Sections 240.1, 1400.1,
9 1511.1, and 2106.1 as follows:

10 (820 ILCS 405/235) (from Ch. 48, par. 345)

11 Sec. 235. The term "wages" does not include:

12 A. That part of the remuneration which, after
13 remuneration equal to \$6,000 with respect to employment has
14 been paid to an individual by an employer during any calendar
15 year after 1977 and before 1980, is paid to such individual
16 by such employer during such calendar year; and that part of
17 the remuneration which, after remuneration equal to \$6,500
18 with respect to employment has been paid to an individual by
19 an employer during each calendar year 1980 and 1981, is paid
20 to such individual by such employer during that calendar
21 year; and that part of the remuneration which, after
22 remuneration equal to \$7,000 with respect to employment has
23 been paid to an individual by an employer during the calendar
24 year 1982 is paid to such individual by such employer during
25 that calendar year.

26 With respect to the first calendar quarter of 1983, the
27 term "wages" shall include only the remuneration paid to an
28 individual by an employer during such quarter with respect to
29 employment which does not exceed \$7,000. With respect to the
30 three calendar quarters, beginning April 1, 1983, the term
31 "wages" shall include only the remuneration paid to an
32 individual by an employer during such period with respect to

1 employment which when added to the "wages" (as defined in the
2 preceding sentence) paid to such individual by such employer
3 during the first calendar quarter of 1983, does not exceed
4 \$8,000.

5 With respect to the calendar year 1984, the term "wages"
6 shall include only the remuneration paid to an individual by
7 an employer during that period with respect to employment
8 which does not exceed \$8,000; with respect to calendar years
9 1985, 1986 and 1987, the term "wages" shall include only the
10 remuneration paid to such individual by such employer during
11 that calendar year with respect to employment which does not
12 exceed \$8,500.

13 With respect to the calendar years 1988 through 2003 and
14 calendar year 2005 and each calendar year thereafter, the
15 term "wages" shall include only the remuneration paid to an
16 individual by an employer during that period with respect to
17 employment which does not exceed \$9,000.

18 With respect to the calendar year 2004, the term "wages"
19 shall include only the remuneration paid to an individual by
20 an employer during that period with respect to employment
21 which does not exceed \$9,800 ~~\$10,000~~. With respect to the
22 calendar years 2005 through 2009, the term "wages" shall
23 include only the remuneration paid to an individual by an
24 employer during that period with respect to employment which
25 does not exceed the following amounts: \$10,500 with respect
26 to the calendar year 2005; \$11,000 with respect to the
27 calendar year 2006; \$11,500 with respect to the calendar year
28 2007; \$12,000 with respect to the calendar year 2008; and
29 \$12,300 with respect to the calendar year 2009.

30 With respect to the calendar year 2010 and each calendar
31 year thereafter, the term "wages" shall include only the
32 remuneration paid to an individual by an employer during that
33 period with respect to employment which does not exceed the
34 sum of the wage base adjustment applicable to that year

1 pursuant to Section 1400.1, plus the maximum amount
 2 includable as "wages" pursuant to this subsection with
 3 respect to the immediately preceding calendar year.
 4 Notwithstanding any provision to the contrary, the maximum
 5 amount includable as "wages" pursuant to this Section shall
 6 not be less than \$12,300 or greater than \$12,960 with respect
 7 to any calendar year after calendar year 2009.

8 The remuneration paid to an individual by an employer
 9 with respect to employment in another State or States, upon
 10 which contributions were required of such employer under an
 11 unemployment compensation law of such other State or States,
 12 shall be included as a part of the remuneration equal--to
 13 \$6,000,--\$6,500,--\$7,000,--\$8,000,--\$8,500,--\$9,000,--or--\$10,000,
 14 as-the-ease-may-be, herein referred to. For the purposes of
 15 this subsection, any employing unit which succeeds to the
 16 organization, trade, or business, or to substantially all of
 17 the assets of another employing unit, or to the organization,
 18 trade, or business, or to substantially all of the assets of
 19 a distinct severable portion of another employing unit, shall
 20 be treated as a single unit with its predecessor for the
 21 calendar year in which such succession occurs, and any
 22 employing unit which is owned or controlled by the same
 23 interests which own or control another employing unit shall
 24 be treated as a single unit with the unit so owned or
 25 controlled by such interests for any calendar year throughout
 26 which such ownership or control exists. This subsection
 27 applies only to Sections 1400, 1405A, and 1500.

28 B. The amount of any payment (including any amount paid
 29 by an employer for insurance or annuities, or into a fund, to
 30 provide for any such payment), made to, or on behalf of, an
 31 individual or any of his dependents under a plan or system
 32 established by an employer which makes provision generally
 33 for individuals performing services for him (or for such
 34 individuals generally and their dependents) or for a class or

1 classes of such individuals (or for a class or classes of
2 such individuals and their dependents), on account of (1)
3 sickness or accident disability (except those sickness or
4 accident disability payments which would be includable as
5 "wages" in Section 3306(b)(2)(A) of the Federal Internal
6 Revenue Code of 1954, in effect on January 1, 1985, such
7 includable payments to be attributable in such manner as
8 provided by Section 3306(b) of the Federal Internal Revenue
9 Code of 1954, in effect on January 1, 1985), or (2) medical
10 or hospitalization expenses in connection with sickness or
11 accident disability, or (3) death.

12 C. Any payment made to, or on behalf of, an employee or
13 his beneficiary which would be excluded from "wages" by
14 subparagraph (A), (B), (C), (D), (E), (F) or (G), of Section
15 3306(b)(5) of the Federal Internal Revenue Code of 1954, in
16 effect on January 1, 1985.

17 D. The amount of any payment on account of sickness or
18 accident disability, or medical or hospitalization expenses
19 in connection with sickness or accident disability, made by
20 an employer to, or on behalf of, an individual performing
21 services for him after the expiration of six calendar months
22 following the last calendar month in which the individual
23 performed services for such employer.

24 E. Remuneration paid in any medium other than cash by an
25 employing unit to an individual for service in agricultural
26 labor as defined in Section 214.

27 F. The amount of any supplemental payment made by an
28 employer to an individual performing services for him, other
29 than remuneration for services performed, under a shared work
30 plan approved by the Director pursuant to Section 407.1.

31 (Source: P.A. 90-554, eff. 12-12-97; 91-342, eff. 7-29-99.)

32 (820 ILCS 405/237) (from Ch. 48, par. 347)

33 Sec. 237. A. "Base period" means---(1)---the---four

1 consecutive calendar quarters ended on the preceding December
 2 31, for benefit years beginning in May, June, or July; (2)
 3 the four consecutive calendar quarters ended on the preceding
 4 March 31, for benefit years beginning in August, September,
 5 or October; (3) the four consecutive calendar quarters ended
 6 on the preceding June 30, for benefit years beginning in
 7 November, December, or January; and (4) the four consecutive
 8 calendar quarters ended on the preceding September 30, for
 9 benefit years beginning in February, March, or April. This
 10 paragraph shall apply to benefit years beginning prior to
 11 November 1, 1981.

12 For each benefit year beginning on or after November 1,
 13 1981, "base period" means the first four of the last five
 14 completed calendar quarters immediately preceding the benefit
 15 year. Further, any wages which had previously been used to
 16 establish a valid claim pursuant to Section 242 and with
 17 respect to which benefits have been paid shall not be
 18 included in the base period provided for in this subsection.

19 B. Notwithstanding subsection A the foregoing paragraph,
 20 with respect to any benefit year beginning on or after
 21 January 1, 1988, an individual, who has been awarded
 22 temporary total disability under any workers' compensation
 23 act or any occupational diseases act and does not qualify for
 24 the maximum weekly benefit amount under Section 401 because
 25 he was unemployed and awarded temporary total disability
 26 during the base period determined in accordance with
 27 subsection A the preceding paragraph, shall have his weekly
 28 benefit amount, if it is greater than the weekly benefit
 29 amount determined in accordance with subsection A the
 30 preceding paragraph, determined by the base period of a
 31 benefit year which began on the date of the beginning of the
 32 first week for which he was awarded temporary total
 33 disability under any workers' compensation act or
 34 occupational diseases act, provided, however, that such base

1 period shall not begin more than one year prior to the
2 individual's base period as determined under subsection A the
3 ~~preceeding-paragraph~~. Further, any wages which had previously
4 been used to establish a valid claim pursuant to Section 242
5 and with respect to which benefits have been paid shall not
6 be included in the base period provided for in this
7 subsection paragraph.

8 C. With respect to an individual who is ineligible to
9 receive benefits under this Act by reason of the provisions
10 of Section 500E during the base periods determined in
11 accordance with subsections A and B, "base period" means the
12 last 4 completed calendar quarters immediately preceding the
13 benefit year. This subsection shall not apply to establish
14 any benefit year beginning prior to January 1, 2008.

15 D. Notwithstanding the foregoing provisions of this
16 Section, "base period" means the base period as defined in
17 the unemployment compensation law of any State under which
18 benefits are payable to an individual on the basis of a
19 combination of his wages pursuant to an arrangement described
20 in Section 2700 F.

21 (Source: P.A. 85-956; 85-1009.)

22 (820 ILCS 405/240.1 new)

23 Sec. 240.1. "Fund Building Receipts" means amounts
24 directed for deposit into the Master Bond Fund pursuant to
25 Section 1506.3.

26 (820 ILCS 405/401) (from Ch. 48, par. 401)

27 Sec. 401. Weekly Benefit Amount - Dependents'
28 Allowances.

29 A. With respect to any week beginning prior to April 24,
30 1983, an individual's weekly benefit amount shall be an
31 amount equal to the weekly benefit amount as defined in this
32 Act as in effect on November 30, 1982.

1 B. 1. With respect to any week beginning on or after
2 April 24, 1983 and before January 3, 1988, an individual's
3 weekly benefit amount shall be 48% of his prior average
4 weekly wage, rounded (if not already a multiple of one
5 dollar) to the next higher dollar; provided, however, that
6 the weekly benefit amount cannot exceed the maximum weekly
7 benefit amount, and cannot be less than 15% of the statewide
8 average weekly wage, rounded (if not already a multiple of
9 one dollar) to the next higher dollar. However, the weekly
10 benefit amount for an individual who has established a
11 benefit year beginning before April 24, 1983, shall be
12 determined, for weeks beginning on or after April 24, 1983
13 claimed with respect to that benefit year, as provided under
14 this Act as in effect on November 30, 1982. With respect to
15 any week beginning on or after January 3, 1988 and before
16 January 1, 1993, an individual's weekly benefit amount shall
17 be 49% of his prior average weekly wage, rounded (if not
18 already a multiple of one dollar) to the next higher dollar;
19 provided, however, that the weekly benefit amount cannot
20 exceed the maximum weekly benefit amount, and cannot be less
21 than \$51. With respect to any week beginning on or after
22 January 3, 1993 and during a benefit year beginning before
23 January 4, 2004, an individual's weekly benefit amount shall
24 be 49.5% of his prior average weekly wage, rounded (if not
25 already a multiple of one dollar) to the next higher dollar;
26 provided, however, that the weekly benefit amount cannot
27 exceed the maximum weekly benefit amount and cannot be less
28 than \$51. With respect to any benefit year beginning on or
29 after January 4, 2004 and before January 6, 2008, an
30 individual's weekly benefit amount shall be 48% of his or her
31 prior average weekly wage, rounded (if not already a multiple
32 of one dollar) to the next higher dollar; provided, however,
33 that the weekly benefit amount cannot exceed the maximum
34 weekly benefit amount and cannot be less than \$51. With

1 respect to any benefit year beginning on or after January 6,
2 2008, an individual's weekly benefit amount shall be 47% of
3 his or her prior average weekly wage, rounded (if not already
4 a multiple of one dollar) to the next higher dollar;
5 provided, however, that the weekly benefit amount cannot
6 exceed the maximum weekly benefit amount and cannot be less
7 than \$51.

8 2. For the purposes of this subsection:

9 With respect to any week beginning on or after April 24,
10 1983, an individual's "prior average weekly wage" means the
11 total wages for insured work paid to that individual during
12 the 2 calendar quarters of his base period in which such
13 total wages were highest, divided by 26. If the quotient is
14 not already a multiple of one dollar, it shall be rounded to
15 the nearest dollar; however if the quotient is equally near 2
16 multiples of one dollar, it shall be rounded to the higher
17 multiple of one dollar.

18 "Determination date" means June 1, 1982, December 1, 1982
19 and December 1 of each succeeding calendar year thereafter.
20 However, if as of June 30, 1982, or any June 30 thereafter,
21 the net amount standing to the credit of this State's account
22 in the unemployment trust fund (less all outstanding advances
23 to that account, including advances pursuant to Title XII of
24 the federal Social Security Act) is greater than
25 \$100,000,000, "determination date" shall mean December 1 of
26 that year and June 1 of the succeeding year. Notwithstanding
27 the preceding sentence, for the purposes of this Act only,
28 there shall be no June 1 determination date in any year after
29 1986.

30 "Determination period" means, with respect to each June 1
31 determination date, the 12 consecutive calendar months ending
32 on the immediately preceding December 31 and, with respect to
33 each December 1 determination date, the 12 consecutive
34 calendar months ending on the immediately preceding June 30.

1 "Benefit period" means the 12 consecutive calendar month
2 period beginning on the first day of the first calendar month
3 immediately following a determination date, except that, with
4 respect to any calendar year in which there is a June 1
5 determination date, "benefit period" shall mean the 6
6 consecutive calendar month period beginning on the first day
7 of the first calendar month immediately following the
8 preceding December 1 determination date and the 6 consecutive
9 calendar month period beginning on the first day of the first
10 calendar month immediately following the June 1 determination
11 date. Notwithstanding the foregoing sentence, the 6 calendar
12 months beginning January 1, 1982 and ending June 30, 1982
13 shall be deemed a benefit period with respect to which the
14 determination date shall be June 1, 1981.

15 "Gross wages" means all the wages paid to individuals
16 during the determination period immediately preceding a
17 determination date for insured work, and reported to the
18 Director by employers prior to the first day of the third
19 calendar month preceding that date.

20 "Covered employment" for any calendar month means the
21 total number of individuals, as determined by the Director,
22 engaged in insured work at mid-month.

23 "Average monthly covered employment" means one-twelfth of
24 the sum of the covered employment for the 12 months of a
25 determination period.

26 "Statewide average annual wage" means the quotient,
27 obtained by dividing gross wages by average monthly covered
28 employment for the same determination period, rounded (if not
29 already a multiple of one cent) to the nearest cent.

30 "Statewide average weekly wage" means the quotient,
31 obtained by dividing the statewide average annual wage by 52,
32 rounded (if not already a multiple of one cent) to the
33 nearest cent. Notwithstanding any provisions of this Section
34 to the contrary, the statewide average weekly wage for the

1 benefit period beginning July 1, 1982 and ending December 31,
2 1982 shall be the statewide average weekly wage in effect for
3 the immediately preceding benefit period plus one-half of the
4 result obtained by subtracting the statewide average weekly
5 wage for the immediately preceding benefit period from the
6 statewide average weekly wage for the benefit period
7 beginning July 1, 1982 and ending December 31, 1982 as such
8 statewide average weekly wage would have been determined but
9 for the provisions of this paragraph. Notwithstanding any
10 provisions of this Section to the contrary, the statewide
11 average weekly wage for the benefit period beginning April
12 24, 1983 and ending January 31, 1984 shall be \$321 and for
13 the benefit period beginning February 1, 1984 and ending
14 December 31, 1986 shall be \$335, and for the benefit period
15 beginning January 1, 1987, and ending December 31, 1987,
16 shall be \$350, except that for an individual who has
17 established a benefit year beginning before April 24, 1983,
18 the statewide average weekly wage used in determining
19 benefits, for any week beginning on or after April 24, 1983,
20 claimed with respect to that benefit year, shall be \$334.80,
21 except that, for the purpose of determining the minimum
22 weekly benefit amount under subsection B(1) for the benefit
23 period beginning January 1, 1987, and ending December 31,
24 1987, the statewide average weekly wage shall be \$335; for
25 the benefit periods January 1, 1988 through December 31,
26 1988, January 1, 1989 through December 31, 1989, and January
27 1, 1990 through December 31, 1990, the statewide average
28 weekly wage shall be \$359, \$381, and \$406, respectively.
29 Notwithstanding the preceding sentences of this paragraph,
30 for the benefit period of calendar year 1991, the statewide
31 average weekly wage shall be \$406 plus (or minus) an amount
32 equal to the percentage change in the statewide average
33 weekly wage, as computed in accordance with the preceding
34 sentences of this paragraph, between the benefit periods of

1 calendar years 1989 and 1990, multiplied by \$406; and, for
2 the benefit periods of calendar years 1992 through 2003 and
3 calendar year 2005 and each calendar year thereafter, the
4 statewide average weekly wage, shall be the statewide average
5 weekly wage, as determined in accordance with this sentence,
6 for the immediately preceding benefit period plus (or minus)
7 an amount equal to the percentage change in the statewide
8 average weekly wage, as computed in accordance with the
9 preceding sentences of this paragraph, between the 2
10 immediately preceding benefit periods, multiplied by the
11 statewide average weekly wage, as determined in accordance
12 with this sentence, for the immediately preceding benefit
13 period. ~~For the benefit period of 2004, the statewide average~~
14 ~~weekly wage shall be \$600. Provided however, that for any~~
15 ~~benefit period after December 31, 1990, if 2 of the following~~
16 ~~3 factors occur, then the statewide average weekly wage shall~~
17 ~~be the statewide average weekly wage in effect for the~~
18 ~~immediately preceding benefit period: (a) the average~~
19 ~~contribution rate for all employers in this State for the~~
20 ~~calendar year 2 years prior to the benefit period, as a ratio~~
21 ~~of total contribution payments (including payments in lieu of~~
22 ~~contributions) to total wages reported by employers in this~~
23 ~~State for that same period is 0.2% greater than the national~~
24 ~~average of this ratio, the foregoing to be determined in~~
25 ~~accordance with rules promulgated by the Director; (b) the~~
26 ~~balance in this State's account in the unemployment trust~~
27 ~~fund, as of March 31 of the prior calendar year, is less than~~
28 ~~\$250,000,000; or (c) the number of first payments of initial~~
29 ~~claims, as determined in accordance with rules promulgated by~~
30 ~~the Director, for the one year period ending on June 30 of~~
31 ~~the prior year, has increased more than 25% over the average~~
32 ~~number of such payments during the 5 year period ending that~~
33 ~~same June 30; and provided further that if (a), (b) and (c)~~
34 ~~occur, then the statewide average weekly wage, as determined~~

1 in-accordance-with-the-preceding-sentence, shall-be-10%--less
 2 than--it--would--have--been-but-for-these-provisions.--If-the
 3 reduced-amount, computed-in--accordance--with--the--preceding
 4 sentence,--is--not-already-a-multiple-of-one-dollar, it-shall
 5 be-rounded-to-the-nearest-dollar.--The-10%-reduction--in--the
 6 statewide-average-weekly-wage-in-the-preceding-sentence-shall
 7 not--be--in--effect--for-more-than-2-benefit-periods-of-any-5
 8 consecutive-benefit-periods.--This-10%-reduction-shall-not-be
 9 cumulative-from-year-to-year.--Neither--the--freeze--nor--the
 10 reduction--shall--be--considered--in--the--determination--of
 11 subsequent-years'-calculations-of--statewide--average--weekly
 12 wage. However, for purposes of the Workers' Compensation Act,
 13 the statewide average weekly wage will be computed using June
 14 1 and December 1 determination dates of each calendar year
 15 and such determination shall not be subject to the limitation
 16 of \$321, \$335, \$350, \$359, \$381, \$406 or the statewide
 17 average weekly wage as computed in accordance with the
 18 preceding sentence 7-sentences of this paragraph.

19 With respect to any week beginning on or after April 24,
 20 1983 and before January 3, 1988, "maximum weekly benefit
 21 amount" means 48% of the statewide average weekly wage,
 22 rounded (if not already a multiple of one dollar) to the
 23 nearest dollar, provided however, that the maximum weekly
 24 benefit amount for an individual who has established a
 25 benefit year beginning before April 24, 1983, shall be
 26 determined, for weeks beginning on or after April 24, 1983
 27 claimed with respect to that benefit year, as provided under
 28 this Act as amended and in effect on November 30, 1982,
 29 except that the statewide average weekly wage used in such
 30 determination shall be \$334.80.

31 With respect to any week beginning after January 2, 1988
 32 and before January 1, 1993, "maximum weekly benefit amount"
 33 with respect to each week beginning within a benefit period
 34 means 49% of the statewide average weekly wage, rounded (if

1 not already a multiple of one dollar) to the next higher
2 dollar.

3 With respect to any week beginning on or after January 3,
4 1993 and during a benefit year beginning before January 4,
5 2004, "maximum weekly benefit amount" with respect to each
6 week beginning within a benefit period means 49.5% of the
7 statewide average weekly wage, rounded (if not already a
8 multiple of one dollar) to the next higher dollar.

9 With respect to any benefit year beginning on or after
10 January 4, 2004 and before January 6, 2008, "maximum weekly
11 benefit amount" with respect to each week beginning within a
12 benefit period means 48% of the statewide average weekly
13 wage, rounded (if not already a multiple of one dollar) to
14 the next higher dollar.

15 With respect to any benefit year beginning on or after
16 January 6, 2008, "maximum weekly benefit amount" with respect
17 to each week beginning within a benefit period means 47% of
18 the statewide average weekly wage, rounded (if not already a
19 multiple of one dollar) to the next higher dollar.

20 C. With respect to any week beginning on or after April
21 24, 1983 and before January 3, 1988, an individual to whom
22 benefits are payable with respect to any week shall, in
23 addition to such benefits, be paid, with respect to such
24 week, as follows: in the case of an individual with a
25 nonworking spouse, 7% of his prior average weekly wage,
26 rounded (if not already a multiple of one dollar) to the
27 higher dollar; provided, that the total amount payable to the
28 individual with respect to a week shall not exceed 55% of the
29 statewide average weekly wage, rounded (if not already a
30 multiple of one dollar) to the nearest dollar; and in the
31 case of an individual with a dependent child or dependent
32 children, 14.4% of his prior average weekly wage, rounded (if
33 not already a multiple of one dollar) to the higher dollar;
34 provided, that the total amount payable to the individual

1 with respect to a week shall not exceed 62.4% of the
2 statewide average weekly wage, rounded (if not already a
3 multiple of one dollar) to the next higher dollar with
4 respect to the benefit period beginning January 1, 1987 and
5 ending December 31, 1987, and otherwise to the nearest
6 dollar. However, for an individual with a nonworking spouse
7 or with a dependent child or children who has established a
8 benefit year beginning before April 24, 1983, the amount of
9 additional benefits payable on account of the nonworking
10 spouse or dependent child or children shall be determined,
11 for weeks beginning on or after April 24, 1983 claimed with
12 respect to that benefit year, as provided under this Act as
13 in effect on November 30, 1982, except that the statewide
14 average weekly wage used in such determination shall be
15 \$334.80.

16 With respect to any week beginning on or after January 2,
17 1988 and before January 1, 1991 and any week beginning on or
18 after January 1, 1992, and before January 1, 1993, an
19 individual to whom benefits are payable with respect to any
20 week shall, in addition to those benefits, be paid, with
21 respect to such week, as follows: in the case of an
22 individual with a nonworking spouse, 8% of his prior average
23 weekly wage, rounded (if not already a multiple of one
24 dollar) to the next higher dollar, provided, that the total
25 amount payable to the individual with respect to a week
26 shall not exceed 57% of the statewide average weekly wage,
27 rounded (if not already a multiple of one dollar) to the next
28 higher dollar; and in the case of an individual with a
29 dependent child or dependent children, 15% of his prior
30 average weekly wage, rounded (if not already a multiple of
31 one dollar) to the next higher dollar, provided that the
32 total amount payable to the individual with respect to a week
33 shall not exceed 64% of the statewide average weekly wage,
34 rounded (if not already a multiple of one dollar) to the next

1 higher dollar.

2 With respect to any week beginning on or after January 1,
3 1991 and before January 1, 1992, an individual to whom
4 benefits are payable with respect to any week shall, in
5 addition to the benefits, be paid, with respect to such week,
6 as follows: in the case of an individual with a nonworking
7 spouse, 8.3% of his prior average weekly wage, rounded (if
8 not already a multiple of one dollar) to the next higher
9 dollar, provided, that the total amount payable to the
10 individual with respect to a week shall not exceed 57.3% of
11 the statewide average weekly wage, rounded (if not already a
12 multiple of one dollar) to the next higher dollar; and in the
13 case of an individual with a dependent child or dependent
14 children, 15.3% of his prior average weekly wage, rounded (if
15 not already a multiple of one dollar) to the next higher
16 dollar, provided that the total amount payable to the
17 individual with respect to a week shall not exceed 64.3% of
18 the statewide average weekly wage, rounded (if not already a
19 multiple of one dollar) to the next higher dollar.

20 With respect to any week beginning on or after January 3,
21 1993, during a benefit year beginning before January 4, 2004,
22 an individual to whom benefits are payable with respect to
23 any week shall, in addition to those benefits, be paid, with
24 respect to such week, as follows: in the case of an
25 individual with a nonworking spouse, 9% of his prior average
26 weekly wage, rounded (if not already a multiple of one
27 dollar) to the next higher dollar, provided, that the total
28 amount payable to the individual with respect to a week
29 shall not exceed 58.5% of the statewide average weekly wage,
30 rounded (if not already a multiple of one dollar) to the next
31 higher dollar; and in the case of an individual with a
32 dependent child or dependent children, 16% of his prior
33 average weekly wage, rounded (if not already a multiple of
34 one dollar) to the next higher dollar, provided that the

1 total amount payable to the individual with respect to a week
2 shall not exceed 65.5% of the statewide average weekly wage,
3 rounded (if not already a multiple of one dollar) to the next
4 higher dollar.

5 With respect to any benefit year beginning on or after
6 January 4, 2004 and before January 6, 2008, an individual to
7 whom benefits are payable with respect to any week shall, in
8 addition to those benefits, be paid, with respect to such
9 week, as follows: in the case of an individual with a
10 nonworking spouse, 9% of his or her prior average weekly
11 wage, rounded (if not already a multiple of one dollar) to
12 the next higher dollar, provided, that the total amount
13 payable to the individual with respect to a week shall not
14 exceed 57% of the statewide average weekly wage, rounded (if
15 not already a multiple of one dollar) to the next higher
16 dollar; and in the case of an individual with a dependent
17 child or dependent children, 17.2% of his or her prior
18 average weekly wage, rounded (if not already a multiple of
19 one dollar) to the next higher dollar, provided that the
20 total amount payable to the individual with respect to a week
21 shall not exceed 65.2% of the statewide average weekly wage,
22 rounded (if not already a multiple of one dollar) to the next
23 higher dollar.

24 With respect to any benefit year beginning on or after
25 January 6, 2008, an individual to whom benefits are payable
26 with respect to any week shall, in addition to those
27 benefits, be paid, with respect to such week, as follows: in
28 the case of an individual with a nonworking spouse, 9% of his
29 or her prior average weekly wage, rounded (if not already a
30 multiple of one dollar) to the next higher dollar, provided,
31 that the total amount payable to the individual with respect
32 to a week shall not exceed 56% of the statewide average
33 weekly wage, rounded (if not already a multiple of one
34 dollar) to the next higher dollar; and with respect to any

1 benefit year beginning before January 1, 2010, in the case of
2 an individual with a dependent child or dependent children,
3 18.2% of his or her prior average weekly wage, rounded (if
4 not already a multiple of one dollar) to the next higher
5 dollar, provided that the total amount payable to the
6 individual with respect to a week shall not exceed 65.2% of
7 the statewide average weekly wage, rounded (if not already a
8 multiple of one dollar) to the next higher dollar. The
9 additional amount paid pursuant to this subsection in the
10 case of an individual with a dependent child or dependent
11 children shall be referred to as the "dependent child
12 allowance". With respect to each benefit year beginning in a
13 calendar year after calendar year 2009, the percentage rate
14 used to calculate the dependent child allowance shall be the
15 sum of the allowance adjustment applicable pursuant to
16 Section 1400.1 to the calendar year in which the benefit year
17 begins, plus the percentage rate used to calculate the
18 dependent child allowance with respect to each benefit year
19 beginning in the immediately preceding calendar year,
20 provided that the total amount payable to the individual with
21 respect to a week beginning in such benefit year shall not
22 exceed the product of the statewide average weekly wage,
23 rounded (if not already a multiple of one dollar) to the next
24 higher dollar and the sum of 47% plus the percentage rate
25 used to calculate the individual's dependent child allowance.
26 Notwithstanding any provision to the contrary, the percentage
27 rate used to calculate the dependent child allowance with
28 respect to any benefit year beginning on or after January 1,
29 2010, shall not be less than 17.3% or greater than 18.2%.

30 For the purposes of this subsection:

31 "Dependent" means a child or a nonworking spouse.

32 "Child" means a natural child, stepchild, or adopted
33 child of an individual claiming benefits under this Act or a
34 child who is in the custody of any such individual by court

1 order, for whom the individual is supplying and, for at least
2 90 consecutive days (or for the duration of the parental
3 relationship if it has existed for less than 90 days)
4 immediately preceding any week with respect to which the
5 individual has filed a claim, has supplied more than one-half
6 the cost of support, or has supplied at least 1/4 of the cost
7 of support if the individual and the other parent, together,
8 are supplying and, during the aforesaid period, have supplied
9 more than one-half the cost of support, and are, and were
10 during the aforesaid period, members of the same household;
11 and who, on the first day of such week (a) is under 18 years
12 of age, or (b) is, and has been during the immediately
13 preceding 90 days, unable to work because of illness or other
14 disability: provided, that no person who has been determined
15 to be a child of an individual who has been allowed benefits
16 with respect to a week in the individual's benefit year shall
17 be deemed to be a child of the other parent, and no other
18 person shall be determined to be a child of such other
19 parent, during the remainder of that benefit year.

20 "Nonworking spouse" means the lawful husband or wife of
21 an individual claiming benefits under this Act, for whom more
22 than one-half the cost of support has been supplied by the
23 individual for at least 90 consecutive days (or for the
24 duration of the marital relationship if it has existed for
25 less than 90 days) immediately preceding any week with
26 respect to which the individual has filed a claim, but only
27 if the nonworking spouse is currently ineligible to receive
28 benefits under this Act by reason of the provisions of
29 Section 500E.

30 An individual who was obligated by law to provide for the
31 support of a child or of a nonworking spouse for the
32 aforesaid period of 90 consecutive days, but was prevented by
33 illness or injury from doing so, shall be deemed to have
34 provided more than one-half the cost of supporting the child

1 or nonworking spouse for that period.

2 (Source: P.A. 90-554, eff. 12-12-97; 91-342, eff. 7-29-99.)

3 (820 ILCS 405/601) (from Ch. 48, par. 431)

4 Sec. 601. Voluntary leaving. A. An individual shall be
5 ineligible for benefits for the week in which he has left
6 work voluntarily without good cause attributable to the
7 employing unit and, thereafter, until he has become
8 reemployed and has had earnings equal to or in excess of his
9 current weekly benefit amount in each of four calendar weeks
10 which are either for services in employment, or have been or
11 will be reported pursuant to the provisions of the Federal
12 Insurance Contributions Act by each employing unit for which
13 such services are performed and which submits a statement
14 certifying to that fact.

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

17 1. Because he is deemed physically unable to perform his
18 work by a licensed and practicing physician, or has left work
19 voluntarily upon the advice of a licensed and practicing
20 physician that assistance is necessary for the purpose of
21 caring for his spouse, child, or parent who is in poor
22 physical health and such assistance will not allow him to
23 perform the usual and customary duties of his employment, and
24 he has notified the employing unit of the reasons for his
25 absence;

26 2. To accept other bona fide work and, after such
27 acceptance, the individual is either not unemployed in each
28 of 2 weeks, or earns remuneration for such work equal to at
29 least twice his current weekly benefit amount;

30 3. In lieu of accepting a transfer to other work offered
31 to the individual by the employing unit under the terms of a
32 collective bargaining agreement or pursuant to an established
33 employer plan, program, or policy, if the acceptance of such

1 other work by the individual would require the separation
2 from that work of another individual currently performing it;

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

16 5. Which he had accepted after separation from other
17 work, and the work which he left voluntarily would be deemed
18 unsuitable under the provisions of Section 603i-

19 6. (a) Because the individual left work due to
20 circumstances resulting from the individual being a victim of
21 domestic violence as defined in Section 103 of the Illinois
22 Domestic Violence Act of 1986; and provided, such individual
23 has made reasonable efforts to preserve the employment.

24 For the purposes of this paragraph 6, the individual
25 shall be treated as being a victim of domestic violence if
26 the individual provides the following:

27 (i) written notice to the employing unit of the
28 reason for the individual's voluntarily leaving; and

29 (ii) to the Department provides:

30 (A) an order of protection or other
31 documentation of equitable relief issued by a court
32 of competent jurisdiction; or

33 (B) a police report or criminal charges
34 documenting the domestic violence; or

1 (C) medical documentation of the domestic
2 violence; or

3 (D) evidence of domestic violence from a
4 counselor, social worker, health worker or domestic
5 violence shelter worker.

6 (b) If the individual does not meet the provisions of
7 subparagraph (a), the individual shall be held to have
8 voluntarily terminated employment for the purpose of
9 determining the individual's eligibility for benefits
10 pursuant to subsection A.

11 (c) Notwithstanding any other provision to the contrary,
12 evidence of domestic violence experienced by an individual,
13 including the individual's statement and corroborating
14 evidence, shall not be disclosed by the Department unless
15 consent for disclosure is given by the individual.

16 (Source: P.A. 83-197.)

17 (820 ILCS 405/1400.1 new)

18 Sec. 1400.1. Solvency Adjustments. As used in this
19 Section, "prior year's trust fund balance" means the net
20 amount standing to the credit of this State's account in the
21 unemployment trust fund (less all outstanding advances to
22 that account, including but not limited to advances pursuant
23 to Title XII of the federal Social Security Act) as of June
24 30 of the immediately preceding calendar year.

25 The wage base adjustment, rate adjustment, and allowance
26 adjustment applicable to any calendar year after calendar
27 year 2009 shall be as follows:

28 If the prior year's trust fund balance is less than
29 \$300,000,000, the wage base adjustment shall be \$220, the
30 rate adjustment shall be 0.05%, and the allowance adjustment
31 shall be -0.3% absolute.

32 If the prior year's trust fund balance is equal to or
33 greater than \$300,000,000 but less than \$700,000,000, the

1 wage base adjustment shall be \$150, the rate adjustment shall
2 be 0.025%, and the allowance adjustment shall be -0.2%
3 absolute.

4 If the prior year's trust fund balance is equal to or
5 greater than \$700,000,000 but less than \$1,000,000,000, the
6 wage base adjustment shall be \$75, the rate adjustment shall
7 be 0, and the allowance adjustment shall be -0.1% absolute.

8 If the prior year's trust fund balance is equal to or
9 greater than \$1,000,000,000 but less than \$1,300,000,000, the
10 wage base adjustment shall be -\$75, the rate adjustment shall
11 be 0, and the allowance adjustment shall be 0.1% absolute.

12 If the prior year's trust fund balance is equal to or
13 greater than \$1,300,000,000 but less than \$1,700,000,000, the
14 wage base adjustment shall be -\$150, the rate adjustment
15 shall be -0.025%, and the allowance adjustment shall be 0.2%
16 absolute.

17 If the prior year's trust fund balance is equal to or
18 greater than \$1,700,000,000, the wage base adjustment shall
19 be -\$220, the rate adjustment shall be -0.05%, and the
20 allowance adjustment shall be 0.3% absolute.

21 (820 ILCS 405/1401) (from Ch. 48, par. 551)

22 Sec. 1401. Interest. Any employer who shall fail to pay
23 any contributions (including any amounts due pursuant to
24 Section 1506.3 ~~or Section 1506.4~~) when required of him by the
25 provisions of this Act and the rules and regulations of the
26 Director, whether or not the amount thereof has been
27 determined and assessed by the Director, shall pay to the
28 Director, in addition to such contribution, interest thereon
29 at the rate of one percent (1%) per month and one-thirtieth
30 (1/30) of one percent (1%) for each day or fraction thereof
31 computed from the day upon which said contribution became
32 due. After 1981, such interest shall accrue at the rate of 2%
33 per month, computed at the rate of 12/365 of 2% for each day

1 or fraction thereof, upon any unpaid contributions which
2 become due, provided that, after 1987, for the purposes of
3 calculating interest due under this Section only, payments
4 received more than 30 days after such contributions become
5 due shall be deemed received on the last day of the month
6 preceding the month in which they were received except that,
7 if the last day of such preceding month is less than 30 days
8 after the date that such contributions became due, then such
9 payments shall be deemed to have been received on the 30th
10 day after the date such contributions became due.

11 However, all or part of any interest may be waived by the
12 Director for good cause shown.

13 (Source: P.A. 85-956; 86-1367.)

14 (820 ILCS 405/1502.1) (from Ch. 48, par. 572.1)

15 Sec. 1502.1. Employer's benefit charges.

16 A. Benefit charges which result from payments to any
17 claimant made on or after July 1, 1989 shall be charged:

18 1. For benefit years beginning prior to July 1,
19 1989, to each employer who paid wages to the claimant
20 during his base period;

21 2. For benefit years beginning on or after July 1,
22 1989 but before January 1, 1993, to the later of:

23 a. the last employer prior to the beginning of
24 the claimant's benefit year:

25 i. from whom the claimant was separated
26 or who, by reduction of work offered, caused
27 the claimant to become unemployed as defined in
28 Section 239, and,

29 ii. for whom the claimant performed
30 services in employment, on each of 30 days
31 whether or not such days are consecutive,
32 provided that the wages for such services were
33 earned during the period from the beginning of

1 the claimant's base period to the beginning of
 2 the claimant's benefit year; but that employer
 3 shall not be charged if:

4 (1) the claimant's last separation
 5 from that employer was a voluntary leaving
 6 without good cause, as the term is used in
 7 Section 601A or under the circumstances
 8 described in paragraphs 1 and 2 of Section
 9 601B; or

10 (2) the claimant's last separation
 11 from that employer was a discharge for
 12 misconduct or a felony or theft connected
 13 with his work from that employer, as these
 14 terms are used in Section 602; or

15 (3) after his last separation from
 16 that employer, prior to the beginning of
 17 his benefit year, the claimant refused to
 18 accept an offer of or to apply for
 19 suitable work from that employer without
 20 good cause, as these terms are used in
 21 Section 603; or

22 (4) the claimant, following his last
 23 separation from that employer, prior to
 24 the beginning of his benefit year, is
 25 ineligible or would have been ineligible
 26 under Section 612 if he has or had had
 27 base period wages from the employers to
 28 which that Section applies; or

29 (5) the claimant subsequently
 30 performed services for at least 30 days
 31 for an individual or organization which
 32 is not an employer subject to this Act; or

33 b. the single employer who pays wages to the
 34 claimant that allow him to requalify for benefits

1 after disqualification under Section 601, 602 or
2 603, if:

3 i. the disqualifying event occurred prior
4 to the beginning of the claimant's benefit
5 year, and

6 ii. the requalification occurred after
7 the beginning of the claimant's benefit year,
8 and

9 iii. even if the 30 day requirement given
10 in this paragraph is not satisfied; but

11 iv. the requalifying employer shall not
12 be charged if the claimant is held ineligible
13 with respect to that requalifying employer
14 under Section 601, 602 or 603.

15 3. For benefit years beginning on or after January
16 1, 1993, with respect to each week for which benefits are
17 paid, to the later of:

18 a. the last employer:

19 i. from whom the claimant was separated
20 or who, by reduction of work offered, caused
21 the claimant to become unemployed as defined in
22 Section 239, and

23 ii. for whom the claimant performed
24 services in employment, on each of 30 days
25 whether or not such days are consecutive,
26 provided that the wages for such services were
27 earned since the beginning of the claimant's
28 base period; but that employer shall not be
29 charged if:

30 (1) the claimant's separation from
31 that employer was a voluntary leaving
32 without good cause, as the term is used in
33 Section 601A or under the circumstances
34 described in paragraphs 1, and 2, and 6 of

1 Section 601B; or

2 (2) the claimant's separation from
3 that employer was a discharge for
4 misconduct or a felony or theft connected
5 with his work from that employer, as these
6 terms are used in Section 602; or

7 (3) the claimant refused to accept
8 an offer of or to apply for suitable work
9 from that employer without good cause, as
10 these terms are used in Section 603 (but
11 only for weeks following the refusal of
12 work); or

13 (4) the claimant subsequently
14 performed services for at least 30 days
15 for an individual or organization which is
16 not an employer subject to this Act; or

17 (5) the claimant, following his
18 separation from that employer, is
19 ineligible or would have been ineligible
20 under Section 612 if he has or had had
21 base period wages from the employers to
22 which that Section applies (but only for
23 the period of ineligibility or potential
24 ineligibility); or

25 b. the single employer who pays wages to the
26 claimant that allow him to requalify for benefits
27 after disqualification under Section 601, 602, or
28 603, even if the 30 day requirement given in this
29 paragraph is not satisfied; but the requalifying
30 employer shall not be charged if the claimant is
31 held ineligible with respect to that requalifying
32 employer under Section 601, 602, or 603.

33 B. Whenever a claimant is ineligible pursuant to Section
34 614 on the basis of wages paid during his base period, any

1 days on which such wages were earned shall not be counted in
2 determining whether that claimant performed services during
3 at least 30 days for the employer that paid such wages as
4 required by paragraphs 2 and 3 of subsection A.

5 C. If no employer meets the requirements of paragraph 2
6 or 3 of subsection A, then no employer will be chargeable for
7 any benefit charges which result from the payment of benefits
8 to the claimant for that benefit year.

9 D. Notwithstanding the preceding provisions of this
10 Section, no employer shall be chargeable for any benefit
11 charges which result from the payment of benefits to any
12 claimant after the effective date of this amendatory Act of
13 1992 where the claimant's separation from that employer
14 occurred as a result of his detention, incarceration, or
15 imprisonment under State, local, or federal law.

16 E. For the purposes of Sections 302, 409, 701, 1403,
17 1404, 1405 and 1508.1, last employer means the employer that:

18 1. is charged for benefit payments which become
19 benefit charges under this Section, or

20 2. would have been liable for such benefit charges
21 if it had not elected to make payments in lieu of
22 contributions.

23 (Source: P.A. 86-3; 87-1178.)

24 (820 ILCS 405/1505) (from Ch. 48, par. 575)

25 Sec. 1505. Adjustment of state experience factor. The
26 state experience factor shall be adjusted in accordance with
27 the following provisions:

28 A. This subsection shall apply to each calendar year
29 prior to 1980 for which a state experience factor is being
30 determined.

31 For every \$7,000,000 (or fraction thereof) by which the
32 amount standing to the credit of this State's account in the
33 unemployment trust fund as of June 30 of the calendar year

1 immediately preceding the calendar year for which the state
2 experience factor is being determined falls below
3 \$450,000,000, the state experience factor for the succeeding
4 calendar year shall be increased 1 percent absolute.

5 For every \$7,000,000 (or fraction thereof) by which the
6 amount standing to the credit of this State's account in the
7 unemployment trust fund as of June 30 of the calendar year
8 immediately preceding the calendar year for which the state
9 experience factor is being determined exceeds \$450,000,000,
10 the state experience factor for the succeeding year shall be
11 reduced 1 percent absolute.

12 B. This subsection shall apply to the calendar years
13 1980 through 1987, for which the state experience factor is
14 being determined.

15 For every \$12,000,000 (or fraction thereof) by which the
16 amount standing to the credit of this State's account in the
17 unemployment trust fund as of June 30 of the calendar year
18 immediately preceding the calendar year for which the state
19 experience factor is being determined falls below
20 \$750,000,000, the state experience factor for the succeeding
21 calendar year shall be increased 1 percent absolute.

22 For every \$12,000,000 (or fraction thereof) by which the
23 amount standing to the credit of this State's account in the
24 unemployment trust fund as of June 30 of the calendar year
25 immediately preceding the calendar year for which the state
26 experience factor is being determined exceeds \$750,000,000,
27 the state experience factor for the succeeding year shall be
28 reduced 1 percent absolute.

29 C. This subsection shall apply to the calendar year 1988
30 and each calendar year thereafter, for which the state
31 experience factor is being determined.

32 1. For every \$50,000,000 (or fraction thereof) by
33 which the adjusted trust fund balance falls below the
34 target balance set forth in this subsection \$750,000,000,

1 the state experience factor for the succeeding year shall
2 be increased one percent absolute.

3 For every \$50,000,000 (or fraction thereof) by which
4 the adjusted trust fund balance exceeds the target
5 balance set forth in this subsection \$750,000,000, the
6 state experience factor for the succeeding year shall be
7 decreased by one percent absolute.

8 The target balance in each calendar year prior to
9 2003 is \$750,000,000. The target balance in calendar year
10 2003 is \$920,000,000. The target balance in calendar year
11 2004 is \$960,000,000. The target balance in calendar year
12 2005 and each calendar year thereafter is \$1,000,000,000.

13 2. For the purposes of this subsection:

14 "Net trust fund balance" is the amount standing to
15 the credit of this State's account in the unemployment
16 trust fund as of June 30 of the calendar year immediately
17 preceding the year for which a state experience factor is
18 being determined.

19 "Adjusted trust fund balance" is the net trust fund
20 balance minus the sum of the benefit reserves for fund
21 building for July 1, 1987 through June 30 of the year
22 prior to the year for which the state experience factor
23 is being determined. The adjusted trust fund balance
24 shall not be less than zero. If the preceding
25 calculation results in a number which is less than zero,
26 the amount by which it is less than zero shall reduce the
27 sum of the benefit reserves for fund building for
28 subsequent years.

29 For the purpose of determining the state experience
30 factor for 1989 and for each calendar year thereafter,
31 the following "benefit reserves for fund building" shall
32 apply for each state experience factor calculation in
33 which that 12 month period is applicable:

34 a. For the 12 month period ending on June 30,

1 1988, the "benefit reserve for fund building" shall
2 be 8/104th of the total benefits paid from January
3 1, 1988 through June 30, 1988.

4 b. For the 12 month period ending on June 30,
5 1989, the "benefit reserve for fund building" shall
6 be the sum of:

7 i. 8/104ths of the total benefits paid
8 from July 1, 1988 through December 31, 1988,
9 plus

10 ii. 4/108ths of the total benefits paid
11 from January 1, 1989 through June 30, 1989.

12 c. For the 12 month period ending on June 30,
13 1990, the "benefit reserve for fund building" shall
14 be 4/108ths of the total benefits paid from July 1,
15 1989 through December 31, 1989.

16 d. For 1992 and for each calendar year
17 thereafter, the "benefit reserve for fund building"
18 for the 12 month period ending on June 30, 1991 and
19 for each subsequent 12 month period shall be zero.

20 3. Notwithstanding the preceding provisions of this
21 subsection, for calendar years 1988 through 2003, the
22 state experience factor shall not be increased or
23 decreased by more than 15 percent absolute.

24 D. Notwithstanding the provisions of subsection C, the
25 adjusted state experience factor:

26 1. Shall be 111 percent for calendar year 1988;

27 2. Shall not be less than 75 percent nor greater
28 than 135 percent for calendar years year 1989 through
29 2003; and shall not be less than 75% nor greater than
30 150% for calendar year 2004 and each calendar year
31 thereafter;

32 3. Shall not be decreased by more than 5 percent
33 absolute for any calendar year, beginning in calendar
34 year 1989 and through calendar year 1992, by more than 6%

1 absolute for calendar years 1993 through 1995, and by
2 more than 10% absolute for calendar years year 1999
3 through 2003 and by more than 12% absolute for calendar
4 year 2004 and each calendar year thereafter, from the
5 adjusted state experience factor of the calendar year
6 preceding the calendar year for which the adjusted state
7 experience factor is being determined;

8 4. Shall not be increased by more than 15% absolute
9 for calendar year 1993, by more than 14% absolute for
10 calendar years 1994 and 1995, and by more than 10%
11 absolute for calendar years year 1999 through 2003 and by
12 more than 16% absolute for calendar year 2004 and each
13 calendar year thereafter, from the adjusted state
14 experience factor for the calendar year preceding the
15 calendar year for which the adjusted state experience
16 factor is being determined;

17 5. Shall be 100% for calendar years 1996, 1997, and
18 1998.

19 E. The amount standing to the credit of this State's
20 account in the unemployment trust fund as of June 30 shall be
21 deemed to include as part thereof (a) any amount receivable
22 on that date from any Federal governmental agency, or as a
23 payment in lieu of contributions under the provisions of
24 Sections 1403 and 1405 B and paragraph 2 of Section 302C, in
25 reimbursement of benefits paid to individuals, and (b)
26 amounts credited by the Secretary of the Treasury of the
27 United States to this State's account in the unemployment
28 trust fund pursuant to Section 903 of the Federal Social
29 Security Act, as amended, including any such amounts which
30 have been appropriated by the General Assembly in accordance
31 with the provisions of Section 2100 B for expenses of
32 administration, except any amounts which have been obligated
33 on or before that date pursuant to such appropriation.

34 (Source: P.A. 89-446, eff. 2-8-96.)

1 (820 ILCS 405/1506.3) (from Ch. 48, par. 576.3)
 2 Sec. 1506.3. Fund building rates - Temporary
 3 Administrative Funding.

4 A. Notwithstanding any other provision of this Act, the
 5 following fund building rates shall be in effect for the
 6 following calendar years:

7 For each employer whose contribution rate for 1988, 1989,
 8 1990, the first, third, and fourth quarters of 1991, 1992,
 9 1993, 1994, 1995, and 1997 through 2003 and ~~any calendar year~~
 10 ~~thereafter~~ would, in the absence of this Section, be 0.2% or
 11 higher, a contribution rate which is the sum of such rate and
 12 a fund building rate of 0.4%;

13 For each employer whose contribution rate for the second
 14 quarter of 1991 would, in the absence of this Section, be
 15 0.2% or higher, a contribution rate which is the sum of such
 16 rate and 0.3%;

17 For each employer whose contribution rate for 1996 would,
 18 in the absence of this Section, be 0.1% or higher, a
 19 contribution rate which is the sum of such rate and 0.4%;

20 For each employer whose contribution rate for 2004
 21 through 2009 would, in the absence of this Section, be 0.2%
 22 or higher, a contribution rate which is the sum of such rate
 23 and the following: a fund building rate of 0.7% for 2004; a
 24 fund building rate of 0.9% for 2005; a fund building rate of
 25 0.8% for 2006 and 2007; a fund building rate of 0.6% for
 26 2008; a fund building rate of 0.4% for 2009.

27 For each employer whose contribution rate for 2010 and
 28 any calendar year thereafter would, in the absence of this
 29 Section, be 0.2% or higher, a contribution rate which is the
 30 sum of such rate and a fund building rate equal to the sum of
 31 the rate adjustment applicable to that year pursuant to
 32 Section 1400.1, plus the fund building rate in effect
 33 pursuant to this Section for the immediately preceding
 34 calendar year. Notwithstanding any provision to the contrary,

1 the fund building rate in effect for any calendar year after
2 calendar year 2009 shall not be less than 0.4% or greater
3 than 0.55%.

4 Notwithstanding the preceding paragraphs of this Section
5 or any other provision of this Act, except for the provisions
6 contained in Section 1500 pertaining to rates applicable to
7 employers classified under the Standard Industrial Code, or
8 another classification system sanctioned by the United States
9 Department of Labor and prescribed by the Director by rule,
10 no employer whose total wages for insured work paid by him
11 during any calendar quarter in 1988 and any calendar year
12 thereafter are less than \$50,000 shall pay contributions at a
13 rate with respect to such quarter which exceeds the
14 following: with respect to calendar year 1988, 5%; with
15 respect to 1989 and any calendar year thereafter, 5.4%.

16 Notwithstanding the preceding paragraph of this Section,
17 or any other provision of this Act, no employer's
18 contribution rate with respect to calendar years 1993 through
19 1995 shall exceed 5.4% if the employer ceased operations at
20 an Illinois manufacturing facility in 1991 and remained
21 closed at that facility during all of 1992, and the employer
22 in 1993 commits to invest at least \$5,000,000 for the purpose
23 of resuming operations at that facility, and the employer
24 rehires during 1993 at least 250 of the individuals employed
25 by it at that facility during the one year period prior to
26 the cessation of its operations, provided that, within 30
27 days after the effective date of this amendatory Act of 1993,
28 the employer makes application to the Department to have the
29 provisions of this paragraph apply to it. The immediately
30 preceding sentence shall be null and void with respect to an
31 employer which by December 31, 1993 has not satisfied the
32 rehiring requirement specified by this paragraph or which by
33 December 31, 1994 has not made the investment specified by
34 this paragraph. All payments attributable to the fund

1 building rate established pursuant to this Section with
2 respect to the fourth quarter of calendar year 2003, the
3 first quarter of calendar year 2004 and any calendar quarter
4 thereafter as of the close of which there are either bond
5 obligations outstanding pursuant to the Illinois Unemployment
6 Insurance Trust Fund Financing Act, or bond obligations
7 anticipated to be outstanding as of either or both of the 2
8 immediately succeeding calendar quarters, shall be directed
9 for deposit into the Master Bond Fund.

10 B. Notwithstanding any other provision of this Act, for
11 the second quarter of 1991, the contribution rate of each
12 employer as determined in accordance with Sections 1500,
13 1506.1, and subsection A of this Section shall be equal to
14 the sum of such rate and 0.1%; provided that this subsection
15 shall not apply to any employer whose rate computed under
16 Section 1506.1 for such quarter is between 5.1% and 5.3%,
17 inclusive, and who qualifies for the 5.4% rate ceiling
18 imposed by the last paragraph of subsection A for such
19 quarter. All payments made pursuant to this subsection shall
20 be deposited in the Employment Security Administrative Fund
21 established under Section 2103.1 and used for the
22 administration of this Act.

23 C. Payments received by the Director which are
24 insufficient to pay the total contributions due under the Act
25 shall be first applied to satisfy the amount due pursuant to
26 subsection B.

27 C-1. Payments received by the Director with respect to
28 the fourth quarter of calendar year 2003, the first quarter
29 of calendar year 2004 and any calendar quarter thereafter as
30 of the close of which there are either bond obligations
31 outstanding pursuant to the Illinois Unemployment Insurance
32 Trust Fund Financing Act, or bond obligations anticipated to
33 be outstanding as of either or both of the 2 immediately
34 succeeding calendar quarters, shall, to the extent they are

1 insufficient to pay the total amount due under the Act with
 2 respect to the quarter, be first applied to satisfy the
 3 amount due with respect to that quarter and attributable to
 4 the fund building rate established pursuant to this Section.
 5 Notwithstanding any other provision to the contrary, with
 6 respect to an employer whose contribution rate with respect
 7 to a quarter subject to this subsection would have exceeded
 8 5.4% but for the 5.4% rate ceiling imposed pursuant to
 9 subsection A, the amount due from the employer with respect
 10 to that quarter and attributable to the fund building rate
 11 established pursuant to subsection A shall equal the amount,
 12 if any, by which the amount due and attributable to the 5.4%
 13 rate exceeds the amount that would have been due and
 14 attributable to the employer's rate determined pursuant to
 15 Sections 1500 and 1506.1, without regard to the fund building
 16 rate established pursuant to subsection A.

17 D. All provisions of this Act applicable to the
 18 collection or refund of any contribution due under this Act
 19 shall be applicable to the collection or refund of amounts
 20 due pursuant to subsection B and amounts directed pursuant to
 21 this Section for deposit into the Master Bond Fund to the
 22 extent they would not otherwise be considered as
 23 contributions.

24 (Source: P.A. 91-342, eff. 1-1-00.)

25 (820 ILCS 405/1507) (from Ch. 48, par. 577)

26 Sec. 1507. Contribution rates of successor and
 27 predecessor employing units.

28 A. Whenever any employing unit succeeds to substantially
 29 all of the employing enterprises of another employing unit,
 30 then in determining contribution rates for any calendar year,
 31 the experience rating record of the predecessor prior to the
 32 succession shall be transferred to the successor and
 33 thereafter it shall not be treated as the experience rating

1 record of the predecessor, except as provided in subsection
2 B. For the purposes of this Section, such experience rating
3 record shall consist of all years during which liability for
4 the payment of contributions was incurred by the predecessor
5 prior to the succession, all benefit wages based upon wages
6 paid by the predecessor prior to the succession, all benefit
7 charges based on separations from, or reductions in work
8 initiated by, benefits-paid-by the predecessor prior to the
9 succession, and all wages for insured work paid by the
10 predecessor prior to the succession. This amendatory Act of
11 the 93rd General Assembly is intended to be a continuation of
12 prior law.

13 B. The provisions of this subsection shall be applicable
14 only to the determination of contribution rates for the
15 calendar year 1956 and for each calendar year thereafter.
16 Whenever any employing unit has succeeded to substantially
17 all of the employing enterprises of another employing unit,
18 but the predecessor employing unit has retained a distinct
19 severable portion of its employing enterprises or whenever
20 any employing unit has succeeded to a distinct severable
21 portion which is less than substantially all of the employing
22 enterprises of another employing unit, the successor
23 employing unit shall acquire the experience rating record
24 attributable to the portion to which it has succeeded, and
25 the predecessor employing unit shall retain the experience
26 rating record attributable to the portion which it has
27 retained, if--

28 1. It files a written application for such
29 experience rating record which is joined in by the
30 employing unit which is then entitled to such experience
31 rating record; and

32 2. The joint application contains such information
33 as the Director shall by regulation prescribe which will
34 show that such experience rating record is identifiable

1 and segregable and, therefore, capable of being
2 transferred; and

3 3. The joint application is filed prior to
4 whichever of the following dates is the latest: (a) July
5 1, 1956; (b) one year after the date of the succession;
6 or (c) the date that the rate determination of the
7 employing unit which has applied for such experience
8 rating record has become final for the calendar year
9 immediately following the calendar year in which the
10 succession occurs. The filing of a timely joint
11 application shall not affect any rate determination which
12 has become final, as provided by Section 1509.

13 If all of the foregoing requirements are met, then the
14 Director shall transfer such experience rating record to the
15 employing unit which has applied therefor, and it shall not
16 be treated as the experience rating record of the employing
17 unit which has joined in the application.

18 Whenever any employing unit is reorganized into two or
19 more employing units, and any of such employing units are
20 owned or controlled by the same interests which owned or
21 controlled the predecessor prior to the reorganization, and
22 the provisions of this subsection become applicable thereto,
23 then such affiliated employing units during the period of
24 their affiliation shall be treated as a single employing unit
25 for the purpose of determining their rates of contributions.

26 C. For the calendar year in which a succession occurs
27 which results in the total or partial transfer of a
28 predecessor's experience rating record, the contribution
29 rates of the parties thereto shall be determined in the
30 following manner:

31 1. If any of such parties had a contribution rate
32 applicable to it for that calendar year, it shall
33 continue with such contribution rate.

34 2. If any successor had no contribution rate

1 applicable to it for that calendar year, and only one
2 predecessor is involved, then the contribution rate of
3 the successor shall be the same as that of its
4 predecessor.

5 3. If any successor had no contribution rate
6 applicable to it for that calendar year, and two or more
7 predecessors are involved, then the contribution rate of
8 the successor shall be computed, on the combined
9 experience rating records of the predecessors or on the
10 appropriate part of such records if any partial transfer
11 is involved, as provided in Sections 1500 to 1507,
12 inclusive.

13 4. Notwithstanding the provisions of paragraphs 2
14 and 3 of this subsection, if any succession occurs prior
15 to the calendar year 1956 and the successor acquires part
16 of the experience rating record of the predecessor as
17 provided in subsection B of this Section, then the
18 contribution rate of that successor for the calendar year
19 in which such succession occurs shall be 2.7 percent.

20 (Source: P.A. 90-554, eff. 12-12-97; 91-342, eff. 1-1-00.)

21 (820 ILCS 405/1511.1 new)

22 Sec. 1511.1. Effects of 2004 Solvency Legislation. The
23 Employment Security Advisory Board shall hold public hearings
24 on the progress toward meeting the Trust Fund solvency
25 projections made in accordance with this amendatory Act of
26 the 93d General Assembly. The hearings shall also consider
27 issues related to benefit eligibility, benefit levels,
28 employer contributions, and future trust fund solvency goals.
29 The Board shall, in accordance with its operating
30 resolutions, approve and report findings from the hearings to
31 the Illinois General Assembly by April 1, 2007. A copy of the
32 findings shall be available to the public on the Department's
33 website.

1 (820 ILCS 405/2100) (from Ch. 48, par. 660)

2 Sec. 2100. Handling of funds - Bond - Accounts.

3 A. All contributions and payments in lieu of
4 contributions collected under this Act, including but not
5 limited to fund building receipts, together with any interest
6 thereon; all penalties collected pursuant to this Act; any
7 property or securities acquired through the use thereof; all
8 moneys advanced to this State's account in the unemployment
9 trust fund pursuant to the provisions of Title XII of the
10 Social Security Act, as amended; all moneys directed for
11 transfer from the Master Bond Fund to this State's account in
12 the unemployment trust fund received--from--the--federal--tax
13 avoidance-surecharge-established-by-Section-1506.4; all moneys
14 received from the Federal government as reimbursements
15 pursuant to Section 204 of the Federal-State Extended
16 Unemployment Compensation Act of 1970, as amended; all moneys
17 credited to this State's account in the unemployment trust
18 fund pursuant to Section 903 of the Federal Social Security
19 Act, as amended; and all earnings of such property or
20 securities and any interest earned upon any such moneys shall
21 be paid or turned over to and held by the Director, as
22 ex-officio custodian of the clearing account, the
23 unemployment trust fund account and the benefit account, and
24 by the State Treasurer, as ex-officio custodian of the
25 special administrative account, separate and apart from all
26 public moneys or funds of this State, as hereinafter
27 provided. Such moneys shall be administered by the Director
28 exclusively for the purposes of this Act.

29 No such moneys shall be paid or expended except upon the
30 direction of the Director in accordance with such regulations
31 as he shall prescribe pursuant to the provisions of this Act.

32 The State Treasurer shall be liable on his general
33 official bond for the faithful performance of his duties in
34 connection with the moneys in the special administrative

1 account provided for under this Act. Such liability on his
2 official bond shall exist in addition to the liability upon
3 any separate bond given by him. All sums recovered for
4 losses sustained by the account shall be deposited in that
5 account.

6 The Director shall be liable on his general official bond
7 for the faithful performance of his duties in connection with
8 the moneys in the clearing account, the benefit account and
9 unemployment trust fund account provided for under this Act.
10 Such liability on his official bond shall exist in addition
11 to the liability upon any separate bond given by him. All
12 sums recovered for losses sustained by any one of the
13 accounts shall be deposited in the account that sustained
14 such loss.

15 The Treasurer shall maintain for such moneys a special
16 administrative account. The Director shall maintain for
17 such moneys 3 separate accounts: a clearing account, a
18 benefit account and an unemployment trust fund account. All
19 moneys payable under this Act (except moneys requisitioned
20 from this State's account in the unemployment trust fund and
21 deposited in the benefit account), including but not limited
22 to moneys directed for transfer from the Master Bond Fund to
23 this State's account in the unemployment trust fund, upon
24 receipt thereof by the Director, shall be immediately
25 deposited in the clearing account; provided, however, that,
26 except as is otherwise provided in this Section, interest and
27 penalties shall not be deemed a part of the clearing account
28 but shall be transferred immediately upon clearance thereof
29 to the special administrative account.

30 After clearance thereof, all other moneys in the clearing
31 account shall be immediately deposited by the Director with
32 the Secretary of the Treasury of the United States of America
33 to the credit of the account of this State in the
34 unemployment trust fund, established and maintained pursuant

1 to the Federal Social Security Act, as amended, except fund
2 building receipts, which shall be deposited into the Master
3 Bond Fund. The benefit account shall consist of all moneys
4 requisitioned from this State's account in the unemployment
5 trust fund. The moneys in the benefit account shall be
6 expended in accordance with regulations prescribed by the
7 Director and solely for the payment of benefits, refunds of
8 contributions, interest and penalties under the provisions of
9 the Act, the payment of health insurance in accordance with
10 Section 410 of this Act, and the transfer or payment of funds
11 to any Federal or State agency pursuant to reciprocal
12 arrangements entered into by the Director under the
13 provisions of Section 2700E, except that moneys credited to
14 this State's account in the unemployment trust fund pursuant
15 to Section 903 of the Federal Social Security Act, as
16 amended, shall be used exclusively as provided in subsection
17 B. For purposes of this Section only, to the extent allowed
18 by applicable legal requirements, the payment of benefits
19 includes but is not limited to the payment of principal on
20 any bonds issued pursuant to the Illinois Unemployment
21 Insurance Trust Fund Financing Act, exclusive of any interest
22 or administrative expenses in connection with the bonds. The
23 Director shall, from time to time, requisition from the
24 unemployment trust fund such amounts, not exceeding the
25 amounts standing to the State's account therein, as he deems
26 necessary solely for the payment of such benefits, refunds,
27 and funds, for a reasonable future period. The Director, as
28 ex-officio custodian of the benefit account, which shall be
29 kept separate and apart from all other public moneys, shall
30 issue his checks for the payment of such benefits, refunds,
31 health insurance and funds solely from the moneys so received
32 into the benefit account. However, after January 1, 1987, no
33 check shall be drawn on such benefit account unless at the
34 time of drawing there is sufficient money in the account to

1 pay the check. The Director shall retain in the clearing
2 account an amount of interest and penalties equal to the
3 amount of interest and penalties to be refunded from the
4 benefit account. After clearance thereof, the amount so
5 retained shall be immediately deposited by the Director, as
6 are all other moneys in the clearing account, with the
7 Secretary of the Treasury of the United States. If, at any
8 time, an insufficient amount of interest and penalties is
9 available for retention in the clearing account, no refund of
10 interest or penalties shall be made from the benefit account
11 until a sufficient amount is available for retention and is
12 so retained, or until the State Treasurer, upon the direction
13 of the Director, transfers to the Director a sufficient
14 amount from the special administrative account, for immediate
15 deposit in the benefit account.

16 Any balance of moneys requisitioned from the unemployment
17 trust fund which remains unclaimed or unpaid in the benefit
18 account after the expiration of the period for which such
19 sums were requisitioned shall either be deducted from
20 estimates of and may be utilized for authorized expenditures
21 during succeeding periods, or, in the discretion of the
22 Director, shall be redeposited with the Secretary of the
23 Treasury of the United States to the credit of the State's
24 account in the unemployment trust fund.

25 Moneys in the clearing, benefit and special
26 administrative accounts shall not be commingled with other
27 State funds but they shall be deposited as required by law
28 and maintained in separate accounts on the books of a savings
29 and loan association or bank.

30 No bank or savings and loan association shall receive
31 public funds as permitted by this Section, unless it has
32 complied with the requirements established pursuant to
33 Section 6 of "An Act relating to certain investments of
34 public funds by public agencies", approved July 23, 1943, as

1 now or hereafter amended.

2 B. Moneys credited to the account of this State in the
3 unemployment trust fund by the Secretary of the Treasury of
4 the United States pursuant to Section 903 of the Social
5 Security Act may be requisitioned from this State's account
6 and used as authorized by Section 903. Any interest required
7 to be paid on advances under Title XII of the Social Security
8 Act shall be paid in a timely manner and shall not be paid,
9 directly or indirectly, by an equivalent reduction in
10 contributions or payments in lieu of contributions from
11 amounts in this State's account in the unemployment trust
12 fund. Such moneys may be requisitioned and used for the
13 payment of expenses incurred for the administration of this
14 Act, but only pursuant to a specific appropriation by the
15 General Assembly and only if the expenses are incurred and
16 the moneys are requisitioned after the enactment of an
17 appropriation law which:

18 1. Specifies the purpose or purposes for which such
19 moneys are appropriated and the amount or amounts
20 appropriated therefor;

21 2. Limits the period within which such moneys may
22 be obligated to a period ending not more than 2 years
23 after the date of the enactment of the appropriation law;
24 and

25 3. Limits the amount which may be obligated during
26 any fiscal year to an amount which does not exceed the
27 amount by which (a) the aggregate of the amounts
28 transferred to the account of this State pursuant to
29 Section 903 of the Social Security Act exceeds (b) the
30 aggregate of the amounts used by this State pursuant to
31 this Act and charged against the amounts transferred to
32 the account of this State.

33 For purposes of paragraph (3) above, amounts obligated
34 for administrative purposes pursuant to an appropriation

1 shall be chargeable against transferred amounts at the exact
2 time the obligation is entered into. The appropriation,
3 obligation, and expenditure or other disposition of money
4 appropriated under this subsection shall be accounted for in
5 accordance with standards established by the United States
6 Secretary of Labor.

7 Moneys appropriated as provided herein for the payment of
8 expenses of administration shall be requisitioned by the
9 Director as needed for the payment of obligations incurred
10 under such appropriation. Upon requisition, such moneys shall
11 be deposited with the State Treasurer, who shall hold such
12 moneys, as ex-officio custodian thereof, in accordance with
13 the requirements of Section 2103 and, upon the direction of
14 the Director, shall make payments therefrom pursuant to such
15 appropriation. Moneys so deposited shall, until expended,
16 remain a part of the unemployment trust fund and, if any will
17 not be expended, shall be returned promptly to the account of
18 this State in the unemployment trust fund.

19 C. The Governor is authorized to apply to the United
20 States Secretary of Labor for an advance or advances to this
21 State's account in the unemployment trust fund pursuant to
22 the conditions set forth in Title XII of the Federal Social
23 Security Act, as amended. The amount of any such advance may
24 be repaid from this State's account in the unemployment trust
25 fund ~~provided--that--if--the--federal--penalty-tax-avoidance~~
26 ~~surcharge-established-by-Section-1506.4-is-in-effect-for-that~~
27 ~~year,--any-outstanding-advance--shall--first--be--repaid--from~~
28 ~~amounts--in--this--State's--account-in-the-unemployment-trust~~
29 ~~fund-which-were-received-from-such-surcharge-by-November-9-of~~
30 ~~each-year.~~

31 (Source: P.A. 91-342, eff. 1-1-00.)

32 (820 ILCS 405/2106.1 new)

33 Sec. 2106.1. Master Bond Fund. There is hereby

1 established the Master Bond Fund held by the Director or his
2 or her designee as ex-officio custodian thereof separate and
3 apart from all other State funds. The moneys in the Fund
4 shall be used in accordance with the Illinois Unemployment
5 Insurance Trust Fund Financing Act.

6 (820 ILCS 405/1506.4 rep.)

7 (820 ILCS 405/2104 rep.)

8 Section 13.4. The Unemployment Insurance Act is amended
9 by repealing Sections 1506.4 and 2104.

10 Section 14. Effective Date. This Act takes effect on
11 January 1, 2004.