



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB1771

Introduced 2/25/2005, by Sen. James A. DeLeo

SYNOPSIS AS INTRODUCED:

820 ILCS 405/1403

from Ch. 48, par. 553

Amends the Unemployment Insurance Act. Provides that, on July 1, 2005 or as soon thereafter as may be reasonably practicable, all remaining funds in the State Employees' Unemployment Benefit Fund shall be transferred to the clearing account, and provides that the State Employees' Unemployment Benefit Fund is abolished upon the transfer of those funds. Provides that, on and after July 1, 2005, transfers to the clearing account for payment of benefits to individuals with respect to whom the State or its wholly owned instrumentalities is the last employer shall be made directly from such funds and accounts as the appropriations to the Department of Employment Security authorize, as designated by the Director of Employment Security. Eliminates certain language regarding transfers in 1989 and earlier years, and makes other changes. Effective July 1, 2005.

LRB094 03704 WGH 33709 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning unemployment insurance.

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

4 Section 5. The Unemployment Insurance Act is amended by
5 changing Section 1403 as follows:

6 (820 ILCS 405/1403) (from Ch. 48, par. 553)

7 Sec. 1403. Financing benefits paid to state employees.
8 Benefits paid to individuals with respect to whom ~~on the basis~~
9 ~~of wages paid to them for insured work in the employ of this~~
10 ~~State or any of its wholly owned instrumentalities~~ is the last
11 employer as provided in Section 1502.1 shall be financed by
12 appropriations to the Department of Employment Security. ~~There~~
13 ~~is hereby established a special fund to be known as the State~~
14 ~~Employees' Unemployment Benefit Fund. Such Fund shall consist~~
15 ~~of and there shall be deposited in such Fund all moneys~~
16 ~~appropriated to the Department of Employment Security pursuant~~
17 ~~to this Section, all interest earned upon such moneys, any~~
18 ~~property or securities acquired through the use thereof, all~~
19 ~~earnings of such property or securities, and all other moneys~~
20 ~~for the Fund received from any other source. The Fund shall be~~
21 ~~held by the State Treasurer, as ex officio custodian thereof,~~
22 ~~separate and apart from all public moneys or funds of this~~
23 ~~State, but the moneys in the Fund shall be deposited as~~
24 ~~required by law and maintained in a separate account on the~~
25 ~~books of a savings and loan association or bank. The Fund shall~~
26 ~~be administered by the Director exclusively for the purposes of~~
27 ~~this Section. No moneys in the Fund shall be paid or expended~~
28 ~~except upon the direction of the Director exclusively for the~~
29 ~~purposes of this Section.~~

30 The State Treasurer shall be liable on his general official
31 bond for the faithful performance of his duties with regard to
32 ~~as custodian of~~ such moneys as may come into his hands by

1 virtue of this Section. Such liability on his official bond
2 shall exist in addition to the liability upon any separate bond
3 given by him. All sums recovered for losses sustained by the
4 clearing account ~~Fund~~ herein described shall be deposited
5 therein.

6 In lieu of contributions required of other employers under
7 this Act, ~~the State Treasurer, upon the direction of the~~
8 ~~Director, shall transfer to and deposit in the clearing account~~
9 ~~established by Section 2100, an amount equivalent to the amount~~
10 ~~of regular benefits and one half the amount of extended~~
11 ~~benefits (defined in Section 409) paid for weeks which begin~~
12 ~~before January 1, 1979, and to the amount of all benefits paid~~
13 ~~for weeks which begin on and after January 1, 1979, to~~
14 ~~individuals who, during their respective base periods, were~~
15 ~~paid wages for insured work by the State or any of its wholly~~
16 ~~owned instrumentalities. If an individual was paid such wages~~
17 ~~during his base period both by the State or any of such~~
18 ~~instrumentalities and by one or more other employers, the~~
19 ~~amount to be so transferred by the State Treasurer with respect~~
20 ~~to such individual shall be a sum which bears the same ratio to~~
21 ~~the total benefits paid to the individual as the wages for~~
22 ~~insured work paid to the individual during his base period by~~
23 ~~the State and any such instrumentalities bear to the total~~
24 ~~wages for insured work paid to the individual during the base~~
25 ~~period by all of the employers. Notwithstanding the previous~~
26 ~~provisions of this Section with respect to benefit years~~
27 ~~beginning prior to July 1, 1989, any adjustment after September~~
28 ~~30, 1989 to the base period wages paid to the individual by any~~
29 ~~employer shall not affect the ratio for determining the amount~~
30 ~~to be transferred to the clearing account by the State~~
31 ~~Treasurer. Provided, however, that with respect to benefit~~
32 ~~years beginning on or after July 1, 1989, the State Treasurer~~
33 shall transfer to and deposit in the clearing account an amount
34 equal to 100% of regular benefits, including dependents'
35 allowances, and 100% of extended benefits, including
36 dependents' allowances paid to an individual, but only if the

1 State: (a) is the last employer as provided in Section 1502.1
2 and (b) paid, to the individual receiving benefits, wages for
3 insured work during his base period. If the State meets the
4 requirements of (a) but not (b), ~~with respect to benefit years~~
5 ~~beginning on or after July 1, 1989,~~ it shall be required to
6 make payments in an amount equal to 50% of regular benefits,
7 including dependents' allowances, and 50% of extended
8 benefits, including dependents' allowances, paid to an
9 individual.

10 On and after July 1, 2005, transfers to the clearing
11 account pursuant to this Section shall be made directly from
12 such funds and accounts as the appropriations to the Department
13 authorize, as designated by the Director. On July 1, 2005, or
14 as soon thereafter as may be reasonably practicable, all
15 remaining funds in the State Employees' Unemployment Benefit
16 Fund shall be transferred to the clearing account, and, upon
17 the transfer of those funds, the State Employees' Unemployment
18 Benefit Fund is abolished.

19 The Director shall ascertain the amount to be so
20 transferred and deposited by the State Treasurer as soon as
21 practicable after the end of each calendar quarter. The
22 provisions of paragraphs 4 and 5 of Section 1404B shall be
23 applicable to a determination of the amount to be so
24 transferred and deposited. Such deposit shall be made by the
25 State Treasurer at such times and in such manner as the
26 Director may determine and direct.

27 Every department, institution, agency and instrumentality
28 of the State of Illinois shall make available to the Director
29 such information with respect to any individual who has
30 performed insured work for it as the Director may find
31 practicable and necessary for the determination of such
32 individual's rights under this Act. Each such department,
33 institution, agency and instrumentality shall file such
34 reports with the Director as he may by regulation prescribe.

35 (Source: P.A. 86-3.)

1 Section 99. Effective date. This Act takes effect July 1,
2 2005.