

SB2066



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
SB2066

Introduced 2/25/2005, by Sen. Larry K. Bomke

SYNOPSIS AS INTRODUCED:

820 ILCS 405/1300

from Ch. 48, par. 540

Amends the Unemployment Insurance Act. Deletes provisions that an individual may voluntarily elect to have income tax deducted and withheld from his or her unemployment insurance benefit payments only if the Director of the Department of Employment Security promulgates rules concerning the withholding. Effective immediately.

LRB094 11386 BDD 42268 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning employment.

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

4 Section 5. The Unemployment Insurance Act is amended by
5 changing Section 1300 as follows:

6 (820 ILCS 405/1300) (from Ch. 48, par. 540)

7 Sec. 1300. Waiver or transfer of benefit rights - Partial
8 exemption.

9 (A) Except as otherwise provided herein any agreement by an
10 individual to waive, release or commute his rights under this
11 Act shall be void.

12 (B) Benefits due under this Act shall not be assigned,
13 pledged, encumbered, released or commuted and shall be exempt
14 from all claims of creditors and from levy, execution and
15 attachment or other remedy for recovery or collection of a
16 debt. However, nothing in this Section shall prohibit a
17 specified or agreed upon deduction from benefits by an
18 individual, or a court or administrative order for withholding
19 of income, for payment of past due child support from being
20 enforced and collected by the Department of Public Aid on
21 behalf of persons receiving a grant of financial aid under
22 Article IV of the Illinois Public Aid Code, persons for whom an
23 application has been made and approved for child support
24 enforcement services under Section 10-1 of such Code, or
25 persons similarly situated and receiving like services in other
26 states. It is provided that:

27 (1) The aforementioned deduction of benefits and order
28 for withholding of income apply only if appropriate
29 arrangements have been made for reimbursement to the
30 Director by the Department of Public Aid for any
31 administrative costs incurred by the Director under this
32 Section.

1 (2) The Director shall deduct and withhold from
2 benefits payable under this Act, or under any arrangement
3 for the payment of benefits entered into by the Director
4 pursuant to the powers granted under Section 2700 of this
5 Act, the amount specified or agreed upon. In the case of a
6 court or administrative order for withholding of income,
7 the Director shall withhold the amount of the order.

8 (3) Any amount deducted and withheld by the Director
9 shall be paid to the Department of Public Aid or the State
10 Disbursement Unit established under Section 10-26 of the
11 Illinois Public Aid Code, as directed by the Department of
12 Public Aid, on behalf of the individual.

13 (4) Any amount deducted and withheld under subsection
14 (3) shall for all purposes be treated as if it were paid to
15 the individual as benefits and paid by such individual to
16 the Department of Public Aid or the State Disbursement Unit
17 in satisfaction of the individual's child support
18 obligations.

19 (5) For the purpose of this Section, child support is
20 defined as those obligations which are being enforced
21 pursuant to a plan described in Title IV, Part D, Section
22 454 of the Social Security Act and approved by the
23 Secretary of Health and Human Services.

24 (6) The deduction of benefits and order for withholding
25 of income for child support shall be governed by Titles III
26 and IV of the Social Security Act and all regulations duly
27 promulgated thereunder.

28 (C) Nothing in this Section prohibits an individual from
29 voluntarily electing to have federal income tax deducted and
30 withheld from his or her unemployment insurance benefit
31 payments.

32 (1) The Director shall, at the time that an individual
33 files his or her claim for benefits that establishes his or
34 her benefit year, inform the individual that:

35 (a) unemployment insurance is subject to federal,
36 State, and local income taxes;

1 (b) requirements exist pertaining to estimated tax
2 payments;

3 (c) the individual may elect to have federal income
4 tax deducted and withheld from his or her payments of
5 unemployment insurance in the amount specified in the
6 federal Internal Revenue Code; and

7 (d) the individual is permitted to change a
8 previously elected withholding status.

9 (2) Amounts deducted and withheld from unemployment
10 insurance shall remain in the unemployment fund until
11 transferred to the federal taxing authority as a payment of
12 income tax.

13 (3) The Director shall follow all procedures specified
14 by the United States Department of Labor and the federal
15 Internal Revenue Service pertaining to the deducting and
16 withholding of income tax.

17 (4) Amounts shall be deducted and withheld in
18 accordance with the priorities established in rules
19 promulgated by the Director.

20 (D) Nothing in this Section prohibits an individual from
21 voluntarily electing to have State of Illinois income tax
22 deducted and withheld from his or her unemployment insurance
23 benefit payments ~~if such deduction and withholding is provided~~
24 ~~for pursuant to rules promulgated by the Director.~~

25 (1) ~~The~~ If ~~pursuant to rules promulgated by the~~
26 ~~Director, an individual may voluntarily elect to have State~~
27 ~~of Illinois income tax deducted and withheld from his or~~
28 ~~her unemployment insurance benefit payments, the~~ Director
29 shall, at the time that an individual files his or her
30 claim for benefits that establishes his or her benefit
31 year, in addition to providing the notice required under
32 subsection C, inform the individual that:

33 (a) the individual may elect to have State of
34 Illinois income tax deducted and withheld from his or
35 her payments of unemployment insurance ~~in the amount~~
36 ~~specified pursuant to rules promulgated by the~~

1 ~~Director~~; and

2 (b) the individual is permitted to change a
3 previously elected withholding status.

4 (2) Amounts deducted and withheld from unemployment
5 insurance shall remain in the unemployment fund until
6 transferred to the Department of Revenue as a payment of
7 State of Illinois income tax.

8 (3) Amounts shall be deducted and withheld in
9 accordance with the priorities established in rules
10 promulgated by the Director.

11 (E) Nothing in this Section prohibits the deduction and
12 withholding of an uncollected overissuance of food stamp
13 coupons from unemployment insurance benefits pursuant to this
14 subsection (E).

15 (1) At the time that an individual files a claim for
16 benefits that establishes his or her benefit year, that
17 individual must disclose whether or not he or she owes an
18 uncollected overissuance (as defined in Section 13(c)(1)
19 of the federal Food Stamp Act of 1977) of food stamp
20 coupons. The Director shall notify the State food stamp
21 agency enforcing such obligation of any individual who
22 discloses that he or she owes an uncollected overissuance
23 of food stamp coupons and who meets the monetary
24 eligibility requirements of subsection E of Section 500.

25 (2) The Director shall deduct and withhold from any
26 unemployment insurance benefits payable to an individual
27 who owes an uncollected overissuance of food stamp coupons:

28 (a) the amount specified by the individual to the
29 Director to be deducted and withheld under this
30 subsection (E);

31 (b) the amount (if any) determined pursuant to an
32 agreement submitted to the State food stamp agency
33 under Section 13(c)(3)(A) of the federal Food Stamp Act
34 of 1977; or

35 (c) any amount otherwise required to be deducted
36 and withheld from unemployment insurance benefits

1 pursuant to Section 13(c)(3)(B) of the federal Food
2 Stamp Act of 1977.

3 (3) Any amount deducted and withheld pursuant to this
4 subsection (E) shall be paid by the Director to the State
5 food stamp agency.

6 (4) Any amount deducted and withheld pursuant to this
7 subsection (E) shall for all purposes be treated as if it
8 were paid to the individual as unemployment insurance
9 benefits and paid by the individual to the State food stamp
10 agency as repayment of the individual's uncollected
11 overissuance of food stamp coupons.

12 (5) For purposes of this subsection (E), "unemployment
13 insurance benefits" means any compensation payable under
14 this Act including amounts payable by the Director pursuant
15 to an agreement under any federal law providing for
16 compensation, assistance, or allowances with respect to
17 unemployment.

18 (6) This subsection (E) applies only if arrangements
19 have been made for reimbursement by the State food stamp
20 agency for the administrative costs incurred by the
21 Director under this subsection (E) which are attributable
22 to the repayment of uncollected overissuances of food stamp
23 coupons to the State food stamp agency.

24 (Source: P.A. 91-212, eff. 7-20-99; 91-712, eff. 7-1-00;
25 92-590, eff. 7-1-02.)

26 Section 99. Effective date. This Act takes effect upon
27 becoming law.