



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB4659

by Rep. Bill Mitchell

SYNOPSIS AS INTRODUCED:

820 ILCS 405/407.5 new

Amends the Unemployment Insurance Act. Provides for the creation of a program of shared work benefits, under which an individual is deemed unemployed in any week if the individual works less than his or her normal hours or number of days in a week for the individual's regular employer and the Director of Employment Security finds that the regular employer has reduced or restricted the individual's hours or days of work or has rehired an individual previously laid off and reduced that individual's hours or days of work from those previously worked as the result of a plan by the regular employer to reduce unemployment and stabilize the work force through a program of sharing the work remaining after a reduction in total hours of work and a corresponding reduction in wages, among not less than 10% of the employer's regular permanent work force involved in the affected work unit or units. Provides for: computation of benefits; limits on benefits; determinations; reduction of benefits; payments; submission of forms and certifications; requirements; administration; creation of a Shared Work Benefits Fund; and other matters. Effective July 1, 2010.

LRB096 14837 WGH 29701 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 10. The Unemployment Insurance Act is amended by
5 adding Section 407.5 as follows:

6 (820 ILCS 405/407.5 new)

7 Sec. 407.5. Shared Work Benefits.

8 A. Notwithstanding any other provision of this Act, for the
9 purposes of this Section an individual is "unemployed" in any
10 week if the individual works less than his or her normal hours
11 or number of days in a week for the individual's regular
12 employer, and the Director finds that the regular employer has
13 reduced or restricted the individual's hours or days of work,
14 or has rehired an individual previously laid off and reduced
15 that individual's hours or days of work from those previously
16 worked, as the result of a plan by the regular employer to
17 reduce unemployment and stabilize the work force through a
18 program of sharing the work remaining after a reduction in
19 total hours of work and a corresponding reduction in wages,
20 among not less than 10% of the employer's regular permanent
21 work force involved in the affected work unit or units.

22 B. Except as otherwise provided in this Section, each
23 individual eligible under this Act who is "unemployed" in any

1 week shall be paid with respect to that week a weekly shared
2 work benefit amount equal to the percentage of reduction of the
3 individual's wages resulting from reduced hours or days of
4 work, rounded to the nearest 10%, multiplied by 50% of the
5 lesser of the individual's current full time weekly wage
6 rounded to the next higher dollar or the Statewide average
7 weekly wage as defined in paragraph 2 of subsection B of
8 Section 401 of this Act, except that this provision shall apply
9 only if the percentage of reduction is 10% or more. The shared
10 work benefit amount shall be rounded (if not already a multiple
11 of one dollar) to the next higher dollar.

12 C. No individual shall be paid any benefits under this
13 Section in excess of 20 weeks of benefits during a period of 52
14 consecutive weeks, beginning with the first week of benefits
15 paid under this Section. An individual shall be ineligible for
16 benefits under this Section for any week with respect to which
17 the individual has made a claim for unemployment insurance
18 benefits pursuant to any other Section of this Act or under an
19 unemployment insurance law of any other State or Canada or
20 under an unemployment insurance system established by an Act of
21 Congress; provided, however, that if the appropriate agency
22 finally determines that the individual is not entitled to
23 unemployment insurance benefits for the week or weeks involved
24 and that determination has become final and unappealable, the
25 ineligibility arising from the making of a claim under this
26 subsection shall not apply.

1 D. Any amount payable under this Section shall be reduced
2 by the amount of any and all compensation payable for personal
3 services whether performed as an employee or an independent
4 contractor or as a juror or as a witness, except compensation
5 payable by the regular employer not in excess of compensation
6 payable for reduced hours of work assigned an individual by the
7 regular employer under a shared work plan.

8 E. All benefits payable under this Section shall be paid
9 from the Shared Work Benefits Fund which is hereby created.
10 Following any biweekly period or periods, participating
11 employers shall submit to the Department, on forms provided by
12 the Director, a list of those employees who, during any prior
13 biweekly period or periods, are entitled to shared work
14 benefits, the week or weeks for which they are entitled, and
15 the amount of such benefits to be paid to each employee.
16 Additional information shall be submitted as may be required by
17 the Director. The completed form shall be accompanied by the
18 employer's payment in an amount equal to all benefits to be
19 paid for the biweekly period or periods pursuant to this
20 Section. The employer's form shall also be accompanied by the
21 certifications, on forms provided by the Director, of each
22 employee entitled to receive shared work benefits for the
23 biweekly period or periods. The employee certification form
24 shall include such information as may be required by the
25 Director. All amounts collected pursuant to this Section shall
26 be deposited into the Shared Work Benefits Fund. No benefits

1 may be paid under this Section to an employee of an employer
2 for any period for which the employer has not submitted the
3 necessary forms or payments.

4 F. Except as otherwise provided by or inconsistent with
5 this Section, all provisions of this Act and authorized
6 regulations apply to benefits under this Section. Authorized
7 regulations may, to the extent permitted by federal law, make
8 such distinctions and requirements as may be necessary in the
9 procedures and provisions applicable to unemployed individuals
10 to carry out the purposes of this Section. No employee shall be
11 required to register for work or actively seek work as a
12 condition of receiving benefits under this Section.

13 G. The Department, in the administration of the program
14 created by this Section, shall establish guidelines which
15 ensure the equitable and consistent administration of the
16 program.

17 H. The program created by this Section shall not affect any
18 pension or insurance benefit of employees participating in the
19 program.

20 I. Employees shall not be eligible to receive any benefits
21 under this Section unless their employer agrees, in writing,
22 and their bargaining agent pursuant to any applicable
23 collective bargaining agreement agrees, in writing, to
24 voluntarily participate in the shared work program approved by
25 the Director.

26 J. The Director shall receive and hold, as custodian, all

1 moneys paid to the Shared Work Benefits Fund in a
2 nonappropriated local account. The moneys in such account
3 (which shall be kept separate and apart from all other public
4 moneys) shall be expended solely for the payment of benefits
5 under the provisions of this Act and in accordance with any
6 guidelines the Director may subsequently develop. The General
7 Assembly shall appropriate funds for the administration of the
8 Shared Work Program. In the event that the funds appropriated
9 for the administration of the Shared Work Program are
10 insufficient for the proper administration of this Program, as
11 determined by the Director, the Program and any benefits
12 payable pursuant to this Section shall terminate until such
13 time as the Director determines that a sufficient appropriation
14 is available.

15 Section 99. Effective date. This Act takes effect July 1,
16 2010.