



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

HB5670

Introduced 2/9/2010, by Rep. Timothy L. Schmitz

#### SYNOPSIS AS INTRODUCED:

820 ILCS 405/1300

from Ch. 48, par. 540

Amends the Unemployment Insurance Act. Provides that an individual may voluntarily elect to have current child support payments deducted and withheld from his or her unemployment insurance benefit payments, and that the Director of Employment Security shall adopt rules for the implementation of the new provision.

LRB096 18719 WGH 34103 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

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 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 Healthcare and  
21 Family Services on behalf of persons receiving a grant of  
22 financial aid under Article IV of the Illinois Public Aid Code,  
23 persons for whom an application has been made and approved for

1 child support enforcement services under Section 10-1 of such  
2 Code, or persons similarly situated and receiving like services  
3 in other states. It is provided that:

4 (1) The aforementioned deduction of benefits and order  
5 for withholding of income apply only if appropriate  
6 arrangements have been made for reimbursement to the  
7 Director by the Department of Healthcare and Family  
8 Services for any administrative costs incurred by the  
9 Director under this Section.

10 (2) The Director shall deduct and withhold from  
11 benefits payable under this Act, or under any arrangement  
12 for the payment of benefits entered into by the Director  
13 pursuant to the powers granted under Section 2700 of this  
14 Act, the amount specified or agreed upon. In the case of a  
15 court or administrative order for withholding of income,  
16 the Director shall withhold the amount of the order.

17 (3) Any amount deducted and withheld by the Director  
18 shall be paid to the Department of Healthcare and Family  
19 Services or the State Disbursement Unit established under  
20 Section 10-26 of the Illinois Public Aid Code, as directed  
21 by the Department of Healthcare and Family Services, on  
22 behalf of the individual.

23 (4) Any amount deducted and withheld under subsection  
24 (3) shall for all purposes be treated as if it were paid to  
25 the individual as benefits and paid by such individual to  
26 the Department of Healthcare and Family Services or the

1 State Disbursement Unit in satisfaction of the  
2 individual's child support obligations.

3 (5) For the purpose of this Section, child support is  
4 defined as those obligations which are being enforced  
5 pursuant to a plan described in Title IV, Part D, Section  
6 454 of the Social Security Act and approved by the  
7 Secretary of Health and Human Services.

8 (6) The deduction of benefits and order for withholding  
9 of income for child support shall be governed by Titles III  
10 and IV of the Social Security Act and all regulations duly  
11 promulgated thereunder.

12 (B-5) Nothing in this Section prohibits an individual from  
13 voluntarily electing to have current child support payments  
14 deducted and withheld from his or her unemployment insurance  
15 benefit payments. The Director shall adopt rules for the  
16 implementation of this subsection (B-5).

17 (C) Nothing in this Section prohibits an individual from  
18 voluntarily electing to have federal income tax deducted and  
19 withheld from his or her unemployment insurance benefit  
20 payments.

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

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

26 (b) requirements exist pertaining to estimated tax

1 payments;

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

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

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

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

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

19 (D) Nothing in this Section prohibits an individual from  
20 voluntarily electing to have State of Illinois income tax  
21 deducted and withheld from his or her unemployment insurance  
22 benefit payments.

23 (1) The Director shall, at the time that an individual  
24 files his or her claim for benefits that establishes his or  
25 her benefit year, in addition to providing the notice  
26 required under subsection C, inform the individual that:

1           (a) the individual may elect to have State of  
2 Illinois income tax deducted and withheld from his or  
3 her payments of unemployment insurance; and

4           (b) the individual is permitted to change a  
5 previously elected withholding status.

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

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

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

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

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

4           (a) the amount specified by the individual to the  
5 Director to be deducted and withheld under this  
6 subsection (E);

7           (b) the amount (if any) determined pursuant to an  
8 agreement submitted to the State food stamp agency  
9 under Section 13(c)(3)(A) of the federal Food Stamp Act  
10 of 1977; or

11           (c) any amount otherwise required to be deducted  
12 and withheld from unemployment insurance benefits  
13 pursuant to Section 13(c)(3)(B) of the federal Food  
14 Stamp Act of 1977.

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

18           (4) Any amount deducted and withheld pursuant to this  
19 subsection (E) shall for all purposes be treated as if it  
20 were paid to the individual as unemployment insurance  
21 benefits and paid by the individual to the State food stamp  
22 agency as repayment of the individual's uncollected  
23 overissuance of food stamp coupons.

24           (5) For purposes of this subsection (E), "unemployment  
25 insurance benefits" means any compensation payable under  
26 this Act including amounts payable by the Director pursuant

1 to an agreement under any federal law providing for  
2 compensation, assistance, or allowances with respect to  
3 unemployment.

4 (6) This subsection (E) applies only if arrangements  
5 have been made for reimbursement by the State food stamp  
6 agency for the administrative costs incurred by the  
7 Director under this subsection (E) which are attributable  
8 to the repayment of uncollected overissuances of food stamp  
9 coupons to the State food stamp agency.

10 (Source: P.A. 94-237, eff. 1-1-06; 95-331, eff. 8-21-07.)