

HB3975



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB3975

Introduced 1/11/2012, by Rep. Karen May

SYNOPSIS AS INTRODUCED:

820 ILCS 405/611

from Ch. 48, par. 441

Amends the Unemployment Insurance Act. Provides that none of the amount received by an individual as primary social security old age and disability retirement benefits shall constitute disqualifying income.

LRB097 15941 AEK 61088 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 611 as follows:

6 (820 ILCS 405/611) (from Ch. 48, par. 441)

7 Sec. 611. Retirement pay. A. For the purposes of this
8 Section "disqualifying income" means:

9 1. The entire amount which an individual has received or
10 will receive with respect to a week in the form of a retirement
11 payment (a) from an individual or organization (i) for which he
12 performed services during his base period or which is liable
13 for benefit charges or payments in lieu of contributions as a
14 result of the payment of benefits to such individual and (ii)
15 which pays all of the cost of such retirement payment, or (b)
16 from a trust, annuity or insurance fund or under an annuity or
17 insurance contract, to or under which an individual or
18 organization for which he performed services during his base
19 period or which is liable for benefit charges or payments in
20 lieu of contributions as a result of the payment of benefits to
21 such individual pays or has paid all of the premiums or
22 contributions; and

23 2. One-half the amount which an individual has received or

1 will receive with respect to a week in the form of a retirement
2 payment (a) from an individual or organization (i) for which he
3 performed services during his base period or which is liable
4 for benefit charges or payments in lieu of contributions as a
5 result of the payment of benefits to such individual and (ii)
6 which pays some, but not all, of the cost of such retirement
7 payment, or (b) from a trust, annuity or insurance fund
8 ~~(including primary social security old age and disability~~
9 ~~retirement benefits, including those based on self employment)~~
10 or under an annuity or insurance contract, to or under which an
11 individual or organization for which he performed services
12 during his base period or which is liable for benefit charges
13 or payments in lieu of contributions as a result of the payment
14 of benefits to such individual pays or has paid some, but not
15 all, of the premiums or contributions.

16 2.1. Notwithstanding paragraphs 1 and 2 above, because the
17 individual contributed to the cost of the benefits, none of the
18 amount which an individual has received or will receive with
19 respect to a week in the form of primary social security old
20 age and disability retirement benefits, including those based
21 on self-employment, shall constitute disqualifying income.

22 3. Notwithstanding ~~paragraphs~~ ~~paragraph~~ 1, 2 and 2.1 ~~2~~
23 above, the entire amount which an individual has received or
24 will receive, with respect to any week which begins after March
25 31, 1980, of any governmental or other pension, retirement, or
26 retired pay, annuity or any other similar periodic payment

1 which is based on any previous work of such individual during
2 his base period or which is liable for benefit charges or
3 payments in lieu of contributions as a result of the payment of
4 benefits to such individual. This paragraph shall be in effect
5 only if it is required as a condition for full tax credit
6 against the tax imposed by the Federal Unemployment Tax Act.

7 B. Whenever an individual has received or will receive a
8 retirement payment for a month, an amount shall be deemed to
9 have been paid him for each day equal to one-thirtieth of such
10 retirement payment. If the retirement payment is for a
11 half-month, an amount shall be deemed to have been paid the
12 individual for each day equal to one-fifteenth of such
13 retirement payment. If the retirement payment is for any other
14 period, an amount shall be deemed to have been paid the
15 individual for each day in such period equal to the retirement
16 payment divided by the number of days in the period.

17 C. An individual shall be ineligible for benefits for any
18 week with respect to which his disqualifying income equals or
19 exceeds his weekly benefit amount. If such disqualifying income
20 with respect to a week totals less than the benefits for which
21 he would otherwise be eligible under this Act, he shall be
22 paid, with respect to such week, benefits reduced by the amount
23 of such disqualifying income.

24 D. To assure full tax credit to the employers of this State
25 against the tax imposed by the Federal Unemployment Tax Act,
26 the Director shall take any action as may be necessary in the

1 administration of paragraph 3 of subsection A of this Section
2 to insure that the application of its provisions conform to the
3 requirements of such Federal Act as interpreted by the United
4 States Secretary of Labor or other appropriate Federal agency.
5 (Source: P.A. 86-3.)