



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

HB5794

Introduced 2/16/2012, by Rep. Renée Kosel

#### 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, 2012.

LRB097 19218 WGH 64460 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 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 2012.