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LRB097 23473 GRL 72402 r

1 HOUSE RESOLUTION

2 WHEREAS, Small businesses are the engine for job recovery
3 in the State of Illinois; and

4 WHEREAS, Adding a new employee for a small business is one
5 of the most important decisions a small business owner can
6 make; and

7 WHEREAS, Letting an employee go, either for cause or
8 because of a poor fit, affects the experience rating of an
9 employer, which determines the unemployment insurance tax rate
10 the employer pays; and

11 WHEREAS, The experience rating calculation affects a small
12 business that lets a single employee go disproportionately more
13 than a large business that lets a single employee go, as a
14 single employee is a much larger percentage of the workforce of
15 a small business than a large business; and

16 WHEREAS, Small businesses are particularly leery of a
17 higher experience rating, as that will lead to a higher
18 unemployment insurance tax rate; and

19 WHEREAS, Current law only permits employers 30 working days
20 to review the performance of a new employee before that

1 employee impacts the experience rating of the employer; and

2 WHEREAS, Many small business employers believe that 30 days
3 is not enough time to properly review whether a new employee is
4 the right fit for a company; and

5 WHEREAS, The relatively short period of time before an
6 employer is liable for a higher experience rating to pay the
7 unemployment benefits of a former employee is a disincentive to
8 hiring; and

9 WHEREAS, A more reasonable period of time, such as 90 days,
10 would lessen this disincentive to hiring; and

11 WHEREAS, This period of time before the experience rating
12 of an employer is affected for an employee that does not work
13 out is unrelated to the question of how many weeks of benefits
14 an employee is entitled to; therefore, be it

15 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE
16 NINETY-SEVENTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that
17 all stakeholders in the State's unemployment insurance system
18 are encouraged to consider the best amount of time to give
19 employers to decide whether an employee is a good fit before
20 their experience rating is affected, in order to encourage job
21 growth.