

Rep. Frank J. Mautino

Filed: 5/27/2014

| | 09800SB3530ham004 LRB098 17883 JLS 60276 a |
|----|---|
| 1 | AMENDMENT TO SENATE BILL 3530 |
| 2 | AMENDMENT NO Amend Senate Bill 3530, AS AMENDED |
| 3 | with reference to page and line numbers of House Amendment No |
| 4 | 3, on page 1 by deleting lines 4 through 16; and |
| 5 | by deleting page 2; and |
| 6 | on page 3 by deleting lines 1 through 5; and |
| | |
| 7 | on page 3 by replacing line 22 with the following: |
| 8 | "changing Sections 206.1, 225, 245, 702, 1402, 2101, 2201 |
| 9 | 2201.1, and 2401"; and |
| | |
| 10 | on page 3, line 23, by deleting "and 2403"; and |
| 11 | on page 6 by inserting immediately below line 20 the following: |

09800SB3530ham004 -2- LRB098 17883 JLS 60276 a

| 1 | "(820 ILCS 405/225) (from Ch. 48, par. 335) |
|----|--|
| 2 | Sec. 225. This Section, and not Section 212 of this Act, |
| 3 | controls the determination of employment status for services |
| 4 | performed by individuals in the delivery or distribution of |
| 5 | newspapers or shopping news. |
| 6 | (A) The term "employment" shall not include services |
| 7 | performed by an individual under the age of eighteen in the |
| 8 | delivery or distribution of newspapers or shopping news. |
| 9 | (B) The term "employment" does not include the performance |
| 10 | of freelance editorial or photographic work for a newspaper. |
| 11 | (B-5) The employment status of individuals engaged in the |
| 12 | delivery of newspapers or shopping news shall be determined as |
| 13 | provided in this subsection. The term "employment" does not |
| 14 | include the delivery or distribution of newspapers or shopping |
| 15 | news if at least one of the following 4 elements is present: |
| 16 | (1) The individual performing the services gains the |
| 17 | profits and bears the losses of the services. |
| 18 | (2) The person or firm for whom the services are |
| 19 | performed does not represent the individual as an employee |
| 20 | to its customers. |
| 21 | (3) The individual hires his or her own helpers or |
| 22 | employees, without the need for approval from the person or |
| 23 | firm for whom the services are performed, and pays them |
| 24 | without reimbursement from that person or firm. |
| 25 | (4) Once the individual leaves the premises of the |
| 26 | person or firm for whom the services are performed or the |

09800SB3530ham004

26

1printing plant, the individual operates free from the2direction and control of the person or firm, except as is3necessary for the person or firm to ensure quality control4of the newspapers or shopping news, including, but not5limited to, the condition of the newspapers or shopping6news upon delivery and the location and timing of delivery7of the newspapers or shopping news.

8 (C) <u>Notwithstanding subsection (B-5), the</u> The term 9 "employment" does not include the delivery or distribution of 10 newspapers or shopping news to the ultimate consumer if:

(1) substantially all of the remuneration for the performance of the services is directly related to sales, "per piece" fees, or other output, rather than to the number of hours worked; and

15 (2) the services are performed under a written contract 16 between the individual and the person or firm for whom the 17 services are performed, and the contract provides that the 18 individual will not be treated as an employee for federal 19 tax purposes.

20 (3) Delivery or distribution to the ultimate consumer21 does not include:

(i) delivery or distribution for sale or resale,
including, but not limited to, distribution to a
newsrack or newsbox, salesperson, newsstand or retail
establishment;

(ii) distribution for further distribution,

1

regardless of subsequent sale or resale.

(D) Subsections (B-5) and Subsection (C) shall not apply in 2 any individual who provides delivery or 3 the case of 4 distribution services for a newspaper pursuant to the terms of 5 a collective bargaining agreement and shall not be construed to alter or amend the application or interpretation of any 6 existing collective bargaining agreement. Further, subsections 7 8 (B-5) and subsection (C) shall not be construed as evidence of 9 the existence or non-existence of an employment relationship 10 under any other Sections of this Act or other existing laws.

(E) Subsections (B), (B-5), and (C) shall not apply to services that are required to be covered as a condition of approval of this Act by the United States Secretary of Labor under Section 3304 (a)(6)(A) of the Federal Unemployment Tax Act.

16 (Source: P.A. 87-1178.)

17 (820 ILCS 405/245) (from Ch. 48, par. 370)

Sec. 245. Coordination with Federal Unemployment Tax Act. Notwithstanding any provisions of this Act to the contrary, excepting the exemptions from the definition of employment contained in Sections 212.1, 217.1, 217.2, 226, and 231 and subsections (B), (B-5), and (C) B and C of Section 225:

A. The term "employer" includes any employing unit which is an "employer" under the provisions of the Federal Unemployment Tax Act, or which is required, pursuant to such Act, to be an 09800SB3530ham004 -5- LRB098 17883 JLS 60276 a

"employer" under this Act as a condition for the Federal approval of this Act requisite to the full tax credit, against the tax imposed by the Federal Act, for contributions paid by employers pursuant to this Act.

5 B. The term "employment" includes any services performed 6 within the State which constitute "employment" under the provisions of the Federal Unemployment Tax Act, or which are 7 required, pursuant to such Act, to be "employment" under this 8 9 Act as a condition for the Federal approval of this Act 10 requisite to the full tax credit, against the tax imposed by 11 the Federal Act, for contributions paid by employers pursuant to this Act. 12

C. The term "wages" includes any remuneration for services performed within this State which is subject to the payment of taxes under the provisions of the Federal Unemployment Tax Act. (Source: P.A. 89-252, eff. 8-8-95; 89-649, eff. 8-9-96.)"; and

17 on page 37 by deleting lines 10 through 25; and

18 by deleting page 38; and

19 on page 39 by deleting lines 1 through 23.