

MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE ILLINOIS DEPARTMENT OF EMPLOYMENT SECURITY  
AND

[\_\_\_\_\_]

This Memorandum of Understanding (“MOU”) is made and entered into as of the date of its execution by and between the Illinois Department of Employment Security (“IDES”) and [\_\_\_\_\_] (hereinafter referred to as “Service Bureau”) (collectively “the Parties”).

WHEREAS, Service Bureau is an entity that is authorized, by Power of Attorney, to represent its clients in matters before IDES and the Director of IDES (“the Director”); and

WHEREAS, the Parties desire to exchange confidential information to effectively and efficiently process or resolve matters before IDES and the Director of IDES; and

WHEREAS, Section 1900 of the Act provides that information obtained from any individual or employing unit during the administration of the Act is confidential and not open to public inspection, and allows IDES to disclose information to an employing unit or its agent only if deemed by the Director as necessary to enable the employing unit to fully discharge its obligations or safeguard its rights under the Act;

NOW THEREFORE, in consideration of the foregoing recitals and mutual covenants and promises herein, the Parties agree as follows:

- A. **Recitals:** The above Recitals are expressly incorporated into this MOU in their entirety as part of this MOU.
- B. **Definitions:** For purposes of this MOU, the following terms shall have the meaning ascribed to them below:
  - 1. “Client” means an employer who has authorized Service Bureau, on forms prescribed by IDES, to represent the employer before IDES and the Director.
  - 2. “Power of Attorney” or “POA” means an authorization by a client, on forms prescribed by IDES, for Service Bureau to represent the client before IDES and the Director in any and all matters, to act in the client’s stead with the same consequences as the client, and to receive any and all information requested by Service Bureau pertaining to the client’s liability for the payment of contributions, interest, and penalties under the Illinois Unemployment Insurance Act (“Act”) [820 ILCS 405/100 et seq.].
- C. **POA Recognition**
  - 1. Service Bureau agrees that, from and after the date of full execution of this MOU, Service Bureau shall maintain in its records a copy of the fully executed POA of each client that it represents or has

represented. IDES may, in its discretion, request that Service Bureau provide IDES a copy of the POA in Service Bureau's records for any client Service Bureau represents or has represented before IDES. Service Bureau agrees to provide IDES with the requested POA within 72 hours of request.

2. Service Bureau agrees that it will provide IDES, through the POA portal on the MyTax Illinois website (mytax.illinois.gov), with the following information about each Service Bureau client that has provided Service Bureau with a POA:
  - a. the client's Federal Employer Identification Number (FEIN);
  - b. the client's Illinois Unemployment Insurance Account Number;
  - c. the termination date of the POA, if any; and
  - d. which types of IDES correspondence, if any, the client has authorized Service Bureau to receive.

The effective date of the POA, and the effective date of any change to an existing POA, is the date Service Bureau uploads, without error, the information required by this subsection through the POA portal on the MyTax Illinois website. Service Bureau agrees not to take any action governed by the terms of the POA prior to its effective date or after its termination date.

3. Service Bureau agrees that it will notify IDES, through the POA portal on the MyTax Illinois website, of each client that has provided Service Bureau in the preceding business day with a new or amended POA or termination notice of a POA. A POA may be terminated by either Service Bureau or one of its clients. Once IDES receives notice, from Service Bureau or one of its clients, that a Service Bureau client has withdrawn authorization, IDES will cease communication with Service Bureau concerning that client unless and until Service Bureau or its client reauthorizes IDES to continue to communicate with Service Bureau.
4. Within a commercially reasonable period of time, IDES will process the information provided by Service Bureau pursuant to this Section and confirm receipt thereof by providing a confirmation number.
5. IDES will disclose to Service Bureau, consistent with, and limited to, the authority granted in the executed POA, confidential information necessary to assist Service Bureau with representing its client before IDES.
6. The services, forms and procedures described in this Section may be amended only upon written mutual agreement of the Parties.

#### **D. Verification**

IDES reserves the right to deny Service Bureau access to a client's confidential information when Service Bureau fails to verify the client's personally identifiable information, such as the client's FEIN or account number.

#### **E. Indemnification and Hold Harmless**

Service Bureau agrees to indemnify and hold the State of Illinois, IDES, its officers, employees, agents and volunteers harmless from any claim, action, or cause of action, legal or equitable, including any damages, costs, losses, liabilities, settlements, judgments, expenses, and fees, including without limitation, attorneys' fees and expenses and the corresponding value of services of in-house attorneys, or other relief, arising out of Service Bureau's use and maintenance of the information provided under this MOU. Service Bureau further agrees and acknowledges that the State of Illinois, IDES, its officers, employees, agents, and volunteers do not and shall not: (i) endorse Service Bureau or its use and maintenance of the provided information; (ii) assume any responsibility regarding Service Bureau's use and maintenance of the provided information; nor (iii) assume any legal liability under any theory, legal or equitable, for any claim, action, or cause of action, including any relief, relating in any way to Service Bureau's use and maintenance of the provided information.

#### **F. Governing Law**

This MOU shall be governed by, subject to, and construed in accordance with the Constitution, laws, regulations, and legal authority of the State of Illinois. The State of Illinois, IDES does not waive sovereign immunity by entering into this MOU.

#### **G. Compliance with Law**

Service Bureau, its officers, employees, agents and contractors shall comply fully with all applicable federal, state, and local laws, rules, ordinances, regulations, orders, license and permit requirements, and other legal authority in the performance of this MOU.

#### **H. Complete Agreement/Amendment**

This MOU contains the entire agreement between the Parties and supersedes all previous agreements and proposals, oral or written, regarding the matters addressed herein. This Agreement may be amended upon written mutual agreement of the Parties.

#### **I. Assignment**

This MOU may not be assigned, in whole or in part, by Service Bureau without the prior written consent of IDES.

#### **J. Severability**

Any portion of this MOU that is held to be invalid or unenforceable by any legal authority of competent jurisdiction shall be deemed severed from this MOA to the extent of such invalidity or unenforceability, and the rest of said portion and the remainder of this MOA shall not be affected and shall remain in full force and effect.

**K. Term and Termination**

The term of this MOU is [\_\_\_\_\_] years commencing upon the date of full execution by both Parties. Except in the case of immediate suspension or termination as provided in this Section, either party may terminate this MOU at any time by giving written notice to the other party at least sixty (60) calendar days prior to the effective date of termination. Service Bureau agrees that if notice is provided to terminate this MOU, that Service Bureau will withdraw its authorization to represent each of its clients through the POA portal on the MyTax Illinois website prior to the effective date of termination. Service Bureau’s responsibilities and duties under Section E shall survive the termination of this MOU.

IDES may immediately suspend or terminate this MOU, in whole or in part, if it determines that Service Bureau has violated its obligations under this MOU, including, but not limited to, failure to provide a copy of a requested POA.

\_\_\_\_\_ shall act as the IDES coordinator for this MOU.

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

\_\_\_\_\_ shall act as the Service Bureau coordinator for this MOU.

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

In Witness Whereof, each party has hereunto caused this MOU to be executed by its duly authorized representative.

Illinois Department of Employment Security [\_\_\_\_\_]

\_\_\_\_\_  
By: Raymond P. Marchiori

Its: Acting Director

Date: \_\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_

Its: \_\_\_\_\_

\_\_\_\_\_