

**ILLINOIS DEPARTMENT OF EMPLOYMENT SECURITY ANNUAL REPORT  
ON ACTS AND DOINGS  
FOR FISCAL YEAR 2025**

The Illinois Department of Employment Security (IDES) is the code department of the Illinois state government that administers unemployment benefits, manages the Wagner-Peyser program for the state of Illinois, including employment services and Illinois Job Link, and publishes labor market information.

IDES administers the Unemployment Insurance Trust Fund, collecting employer contributions and disbursing benefits to unemployed claimants; provides employment services to employers and job seekers throughout Illinois; and provides employment and wage data for research and the development of sound public workforce policy, among other duties.

**UNEMPLOYMENT RATE STABLE IN FISCAL YEAR 2025**

The fiscal year 2025 job market in Illinois tracked closely with that of Fiscal Year 2024: over-the-year job growth for the year ending June 2025 was nearly 0.5 percent, adding approximately 28,000 new jobs. Job gains were concentrated in several sectors: health care/social assistance (+24,200 jobs), local government (+16,100 jobs), leisure/hospitality (+7,600 jobs) and non-durable goods manufacturing (+6,000 jobs). These gains were offset by losses in the following sectors: professional/technical services (including temporary help services, -18,900 jobs), durable goods manufacturing (-9,700 jobs), and transportation/warehousing/utilities (-2,000 jobs).

The Illinois unemployment rate in Fiscal Year 2025 was slightly elevated at 4.88% over its previous year level of 4.85%, while the number of unemployed persons dropped by approximately nine percent, or 31,000 individuals. Nevertheless, the benefits paid to eligible unemployed persons rose from \$2.164 billion (Fiscal Year 2024) to \$2.364 billion (Fiscal Year 2025), a nine percent increase.

<b>Count of Initial Unemployment Claims by Week for Fiscal Year 2025</b>				
<b>Week Ending</b>	<b>Regular</b>	<b>PEUC</b>	<b>EB</b>	<b>Total</b>
7/6/2024	9,470	0	0	9,470
7/13/2024	9,574	2	1	9,577
7/20/2024	8,409	0	0	8,409
7/27/2024	7,817	1	0	7,818
8/3/2024	8,396	1	0	8,397
8/10/2024	8,593	0	0	8,593
8/17/2024	8,166	0	0	8,166
8/24/2024	7,970	1	1	7,972
8/31/2024	8,092	1	0	8,093
9/7/2024	7,342	1	0	7,343

9/14/2024	7,498	0	0	7,498
9/21/2024	7,545	1	0	7,546
9/28/2024	7,818	0	0	7,818
10/5/2024	8,780	0	0	8,780
10/12/2024	8,102	0	0	8,102
10/19/2024	7,669	0	0	7,669
10/26/2024	8,735	0	0	8,735
11/2/2024	8,948	0	0	8,948
11/9/2024	10,071	0	0	10,071
11/16/2024	10,231	0	0	10,231
11/23/2024	13,045	0	0	13,045
11/30/2024	11,351	0	0	11,351
12/7/2024	18,777	1	0	18,778
12/14/2024	15,258	0	0	15,258
12/21/2024	16,599	2	0	16,601
12/28/2024	16,722	0	0	16,722
1/4/2025	13,297	0	0	13,297
1/11/2025	18,931	0	0	18,931
1/18/2025	13,627	0	1	13,628
1/25/2025	10,407	0	0	10,407
2/1/2025	10,535	2	1	10,538
2/8/2025	9,560	0	0	9,560
2/15/2025	9,527	0	0	9,527
2/22/2025	11,066	1	0	11,067
3/1/2025	10,015	0	0	10,015
3/8/2025	10,013	1	0	10,014
3/15/2025	8,648	0	0	8,648
3/22/2025	8,954	0	0	8,954
3/29/2025	10,240	1	0	10,241
4/5/2025	10,615	0	0	10,615
4/12/2025	9,295	0	0	9,295
4/19/2025	9,289	0	0	9,289
4/26/2025	8,704	0	0	8,704
5/3/2025	9,131	0	0	9,131
5/10/2025	9,573	0	0	9,573
5/17/2025	10,735	0	0	10,735
5/24/2025	9,991	0	0	9,991
5/31/2025	10,396	0	0	10,396
6/7/2025	12,064	0	0	12,064
6/14/2025	10,086	0	0	10,086
6/21/2025	8,237	0	0	8,237
6/28/2025	10,077	0	0	10,077
<b>Total</b>	<b>533,991</b>	<b>16</b>	<b>4</b>	<b>534,011</b>

## **UNEMPLOYMENT INSURANCE MODERNIZATION**

During Fiscal Year 2025, IDES developed tools and refined UI service delivery systems to improve services for claimants and employers, and to increase program integrity. The Department has created internal fraud detection and prevention dashboards to combat fraud, waste, and abuse. The Department also developed and launched a new benefit charging system, moving away from a decades-old legacy system.

IDES continues to improve the claimant experience by enhancing the document upload tools, implementing automated workflows to increase efficiency of services, developing an online portal to enable better self-service options for claimants to interact with IDES, as well as continuing to practice plain language communications.

## **PROVIDING EMPLOYMENT AND BUSINESS SERVICES**

Under the federal Wagner-Peyser Act (Title III of the federal Workforce Innovation and Opportunity Act [WIOA]), IDES provided a range of employment services to both individual job seekers (including UI claimants and the general public) and employers. In Fiscal Year 2025, 29,546 individuals received Basic or Individualized Career Services, including 3,065 veterans. 524 of those veterans received individual career services through the U.S. Department of Labor Jobs for Veterans State Grant (JVSG) Program.

Additionally, IDES provided a range of services to employers and worked with state and local workforce partners to deliver those services. In Fiscal Year 2025, IDES made 3,358 in-person contacts with employers and hosted 346 hiring events.

## **GROWTH OF THE WORKSHARE IL AND REEMPLOYMENT SERVICES AND ELIGIBILITY ASSESSMENT PROGRAM (RESEA) PROGRAMS**

- **WorkShare IL**

The WorkShare IL program is the short-time compensation program in Illinois under Section 502 of the Illinois Unemployment Insurance Act. This is a voluntary program for employers to assist in averting layoffs. Under the program, if an employer reduces the hours of its workers, it may apply for a *pro rata* percentage of unemployment insurance benefits for the affected workers. For example, if an employer reduces the hours of its workers by 20 percent, the workers may be eligible for 20 percent of their weekly benefit amount of unemployment insurance benefits. Between July 1, 2024 and June 30, 2025, 56 employers in Illinois had active plans in the program, and a total of 489 individuals received benefits under WorkShareIL plans.

The program started in Fiscal Year 2022 and has been steadily growing since then. IDES and the Department of Commerce & Economic Opportunity (DCEO) continue to collaborate to conduct outreach for the program to businesses across the state. DCEO previously procured a marketing vendor, which continues to work with both agencies to develop a range of marketing materials. In

Fiscal Year 2025, the program was marketed via social media and advertised in industry newsletters. The program was also exhibited at major industry events, and IDES' business outreach staff conducted in-person and virtual presentations.

- **Reemployment Services and Eligibility Assessment program (RESEA)**

The RESEA program provides tailored services for unemployment insurance claimants who are most likely to exhaust their benefits before finding work. Services include a self-assessment and a one-on-one appointment to help the claimant improve their resume, focus their job search, and create an Individual Reemployment Plan.

In Fiscal Year 2025, IDES provided RESEA services to 21,574 UI claimants, reflecting a significant increase from the 19,453 served in Fiscal Year 2024, and a nearly 40% increase from Fiscal Year 2023. In Fiscal Year 2026, the Department will continue to improve and expand those services even further by adding an online self-directed component, and standardizing program offerings across IDES offices. A pilot for this expansion is currently under way.

## **LEGISLATIVE AMENDMENTS TO THE UNEMPLOYMENT INSURANCE ACT**

Public Act 104-0285 made certain changes to the Unemployment Insurance Act, 820 ILCS 405/100 *et seq.* ("Act"), effective January 1, 2026:

- Section 601B of the Act:
  - Includes licensed and practicing nurse practitioner and physician assistant in categories of health care workers who can deem a claimant physically unable to work.
  - Creates a pilot program for claims dated 12/28/2025 through 12/24/2028 to not bar eligibility if a claimant is deemed unable to work due to a mental health disability by a licensed and practicing psychiatrist.
  - Requires the Department to file a report on or before 1/1/2030 estimating the fiscal impact of the bullet point directly above on the UTF.
- Section 900 of the Act:
  - Authorizes the Director to cooperate with the Office of the Treasurer for recovery of unclaimed property of claimants who owe an overpayment.
- Section 901 of the Act:
  - Provides that recovery of overpayments may be sought through any manner that employer debt may be recovered in Sections 2206, 2400, 2401, 2401.1, 2402, and 2403 of the Act.
- Section 901.2 (new) of the Act:
  - Allows for recovery of funds in a debit card account when:
    - The account has never been activated and there is no transfer of funds in the preceding 12 months, then all funds may be recovered; and

- The account has been activated, there is no transaction on the account in the preceding 12 months, the account owner owes an overpayment, then the amount of the overpayment may be recovered.
- Section 2206.1 of the Act:
  - Authorizes the Director to cooperate with the Office of the Treasurer for recovery of unclaimed property of employers who owe contributions, interest, penalties, or fees.
- Section 2404 of the Act:
  - Provides authority to seek a court order enjoining an employer from operating in Illinois if the employer refuses or fails to file new hire reports or reports of wages paid to the workforce as required by the Act.

## **WORKING WITH ILLINOIS EMPLOYERS ON TRUST FUND CONTRIBUTIONS**

The Illinois Unemployment Insurance Act provides a specific formula to establish annual employer contribution rates. In Fiscal Year 2025, employers' contribution rates were computed in conformity with Sections 1500 through 1510 of the Act. They were determined using components such as the adjusted state experience factor, the benefit ratio, and the fund-building rate. Approximately 77% of Illinois employers had a rate based on their own experience, and the remaining 23% (those with less than 4 years of experience) were assigned a standard rate. Only the first \$13,916 of wages paid to a worker in the calendar year 2025 were subject to the payment of contributions.

The Act allows not-for-profit employers and governmental entities to elect for reimbursement of the Unemployment Insurance Trust Fund on a dollar-for-dollar basis for charges related to their employees, rather than making regular contributions. The Department provided services to both types of employers throughout Fiscal Year 2025.

Throughout Fiscal Year 2025, the Department maintained an Employer Hotline to assist and educate employers on Unemployment Insurance account-related inquiries. In accordance with the Act and promulgated administrative rules, the Department continued its employer audit program, completing 2,110 audits during the fiscal year.

- **State Information Data Exchange System (SIDES)**

The State Information Data Exchange System (SIDES) is a web-based platform that allows electronic transmission of information regarding unemployment insurance claims between IDES and employers. Employers that participate in this system may submit information regarding UI claimants in electronic, rather than paper, form. That transmission method is more efficient and secure, resulting in fewer errors or overpayments. In Fiscal Year 2026, IDES will add an "Additional Fact-Finding" component to its SIDES portal for employers to allow for timely electronic processing, communication, and document sharing during a claim investigation. IDES

will also conduct an outreach campaign to increase employer participation in the SIDES portal, improving accuracy and reducing the administrative burden for businesses and IDES.

## **FISCAL RESPONSIBILITY**

During Fiscal Year 2025, the Department saw a number of positive results from its strategic focus on fiscal responsibility and maximization of IDES resources. Working in conjunction with financial institutions and law enforcement partners, IDES recovered \$76.8 million in fraudulent pandemic funds in addition to \$82.3 million in overpayments recovered through traditional recovery processes. Expenditure analyses and adjustments related to various pandemic-era grant programs enabled \$43 million to be returned to GRF and yielded an additional \$22.9 million in federal revenue.

IDES implemented various cost-saving measures to limit its annual expenditures. IDES moved its central office in Chicago, reducing its footprint and saving \$5.8 million in annual lease costs. An additional \$675k in annual costs were cut by virtue of an agencywide initiative to reduce obsolete or duplicative tech equipment.

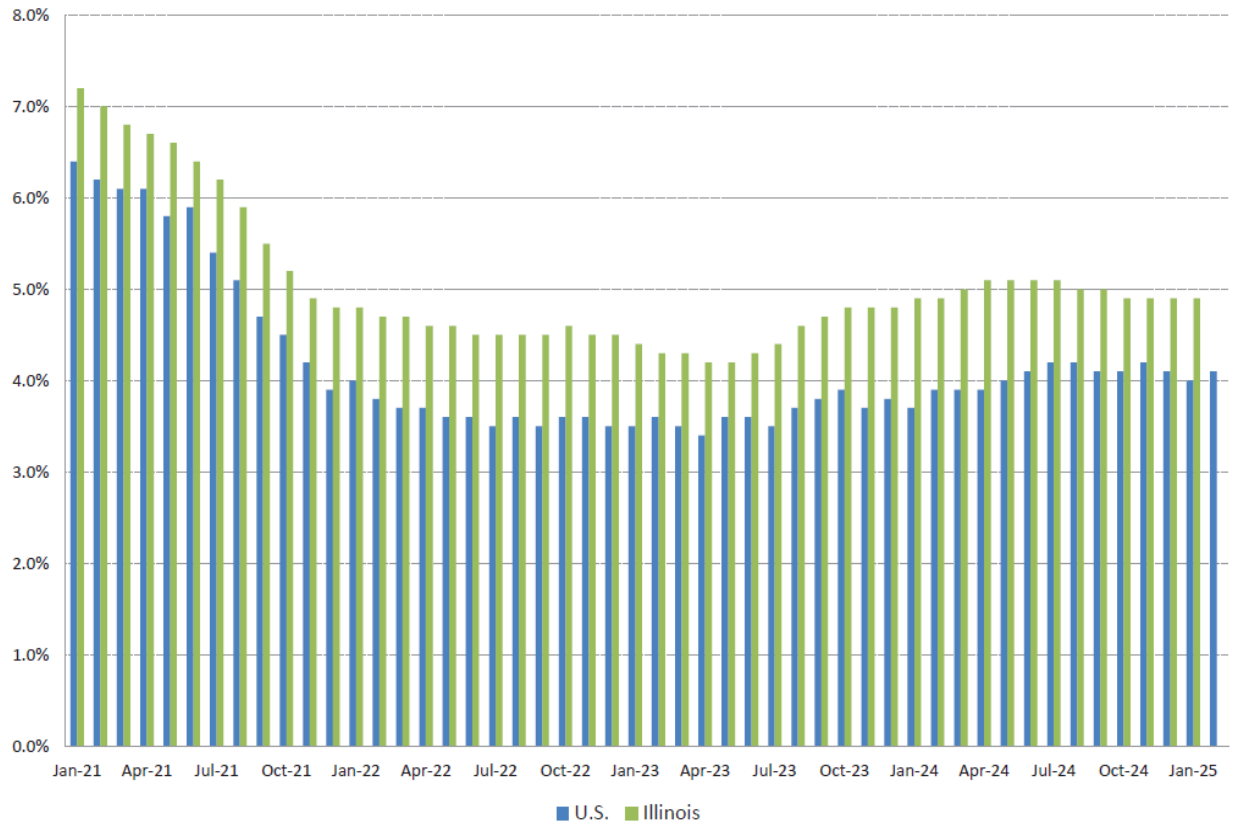
Finally, the Unemployment Insurance Trust Fund paid the second annual installment of an interest-free pandemic-related loan from the General Revenue Fund. The \$450 million loan is required to be repaid to the Illinois Budget Stabilization Fund in the amount of \$45 million annually if certain conditions are met as set forth in 820 ILCS 405/2101.1.

## **LABOR MARKET ANALYSES**

The Department provides quarterly presentations to the Employment Security Advisory Board, which is comprised of members of the public, employers, and the labor community. Central to these presentations are economic projections prepared by the Department's Economic Information and Analysis division. These projections forecast the health of the Unemployment Insurance Trust Fund as well as the expected movement of the unemployment rate.

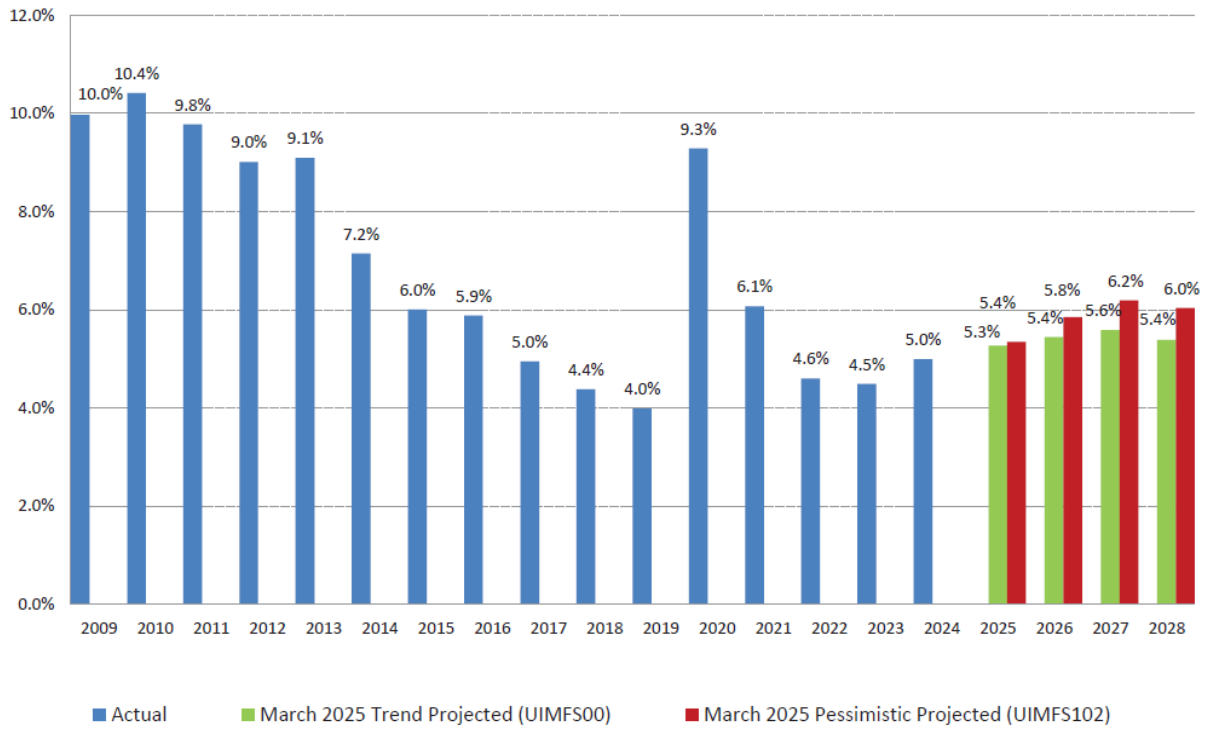
The were as follows:

### Monthly Unemployment Rates Seasonally Adjusted



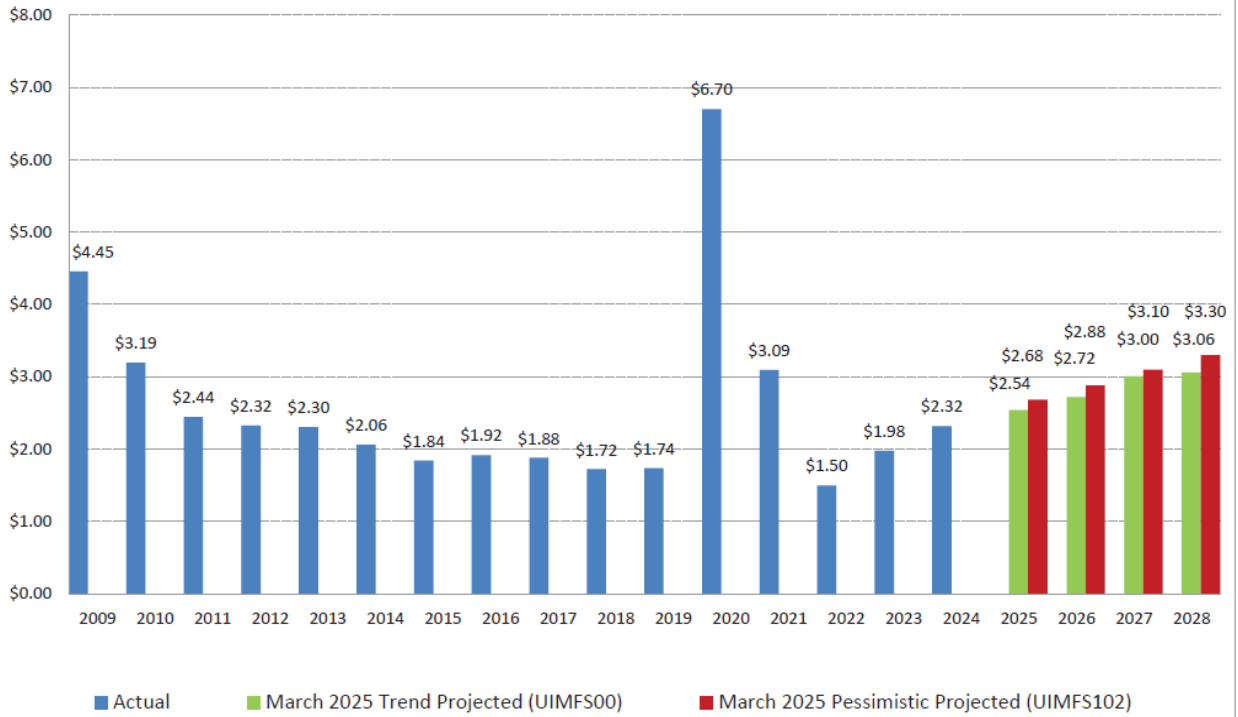
final quarterly projections of Fiscal Year 2025

## Illinois Civilian Unemployment Rate Annual Averages

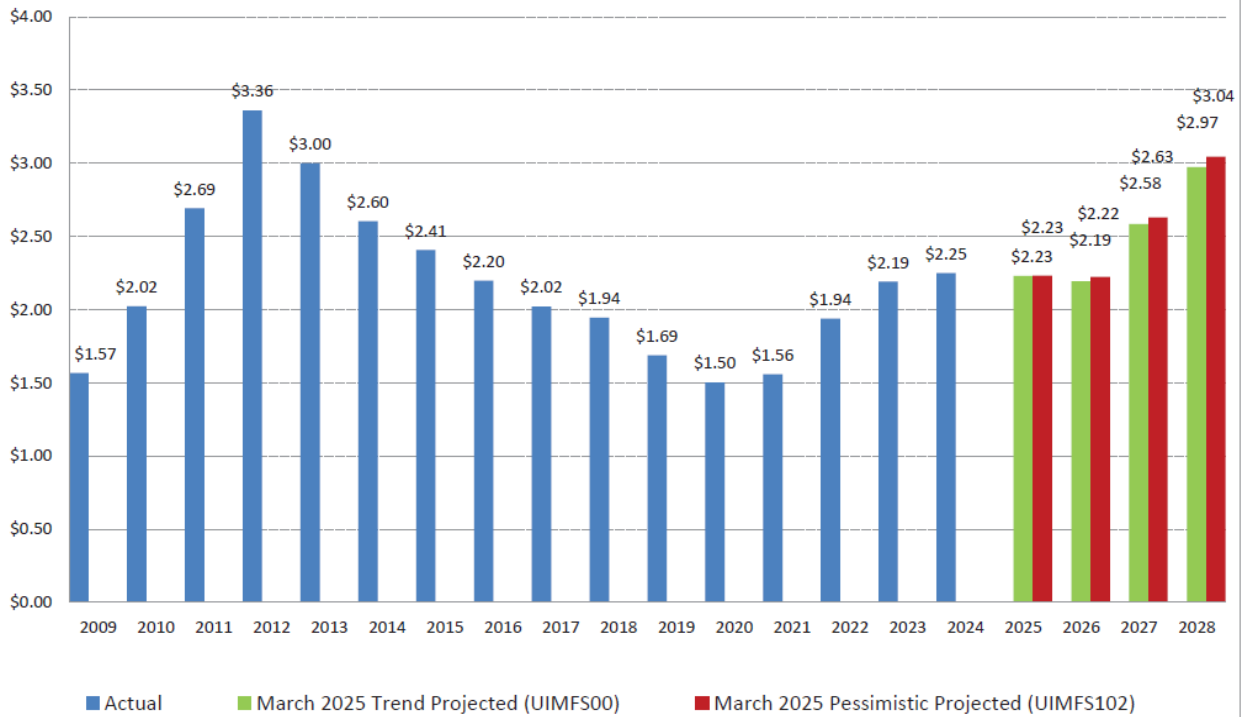


Data Source for projected values: S&P Global

### Total State UI Benefits Paid (Billions, Regular UI & State Share of EB)

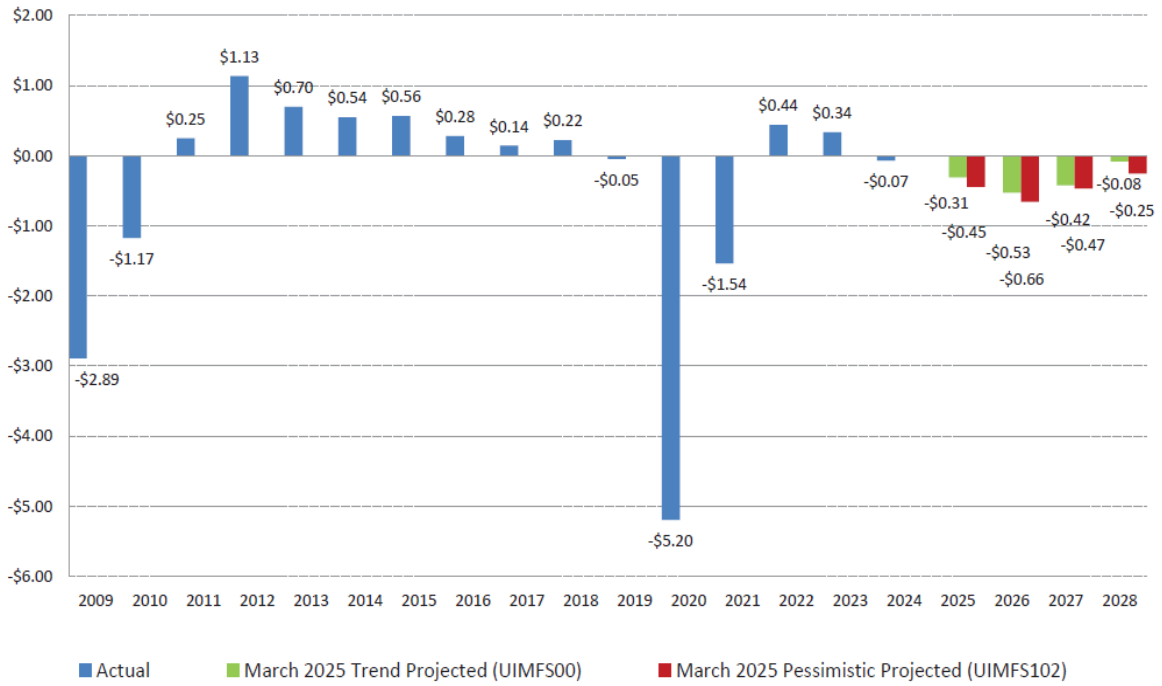


### UI Contribution Revenue (Billions)\*



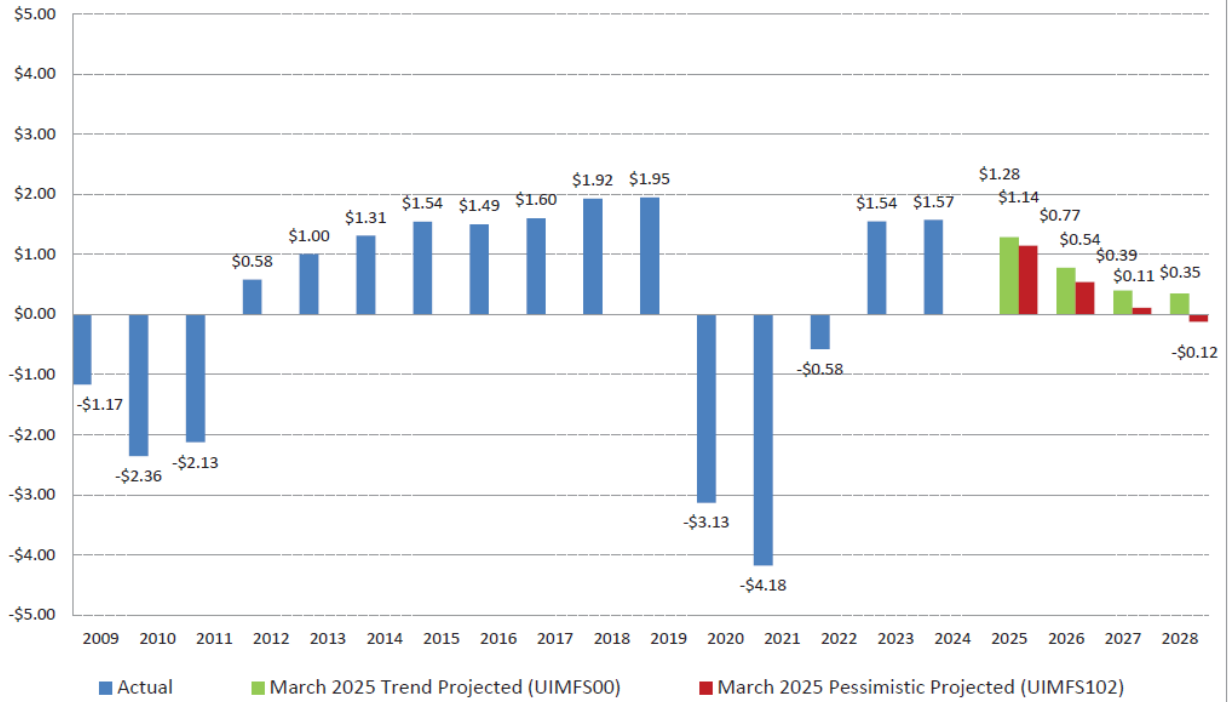
\*(includes employer contributions, fund building receipts, and reimbursable revenue)

### Revenue Surplus/Deficit (Billions)\*



\*(includes FUTA penalties and excludes interest earned and special federal transfers)

### Year-End Net UI Trust Fund Balance (Billions)\*



\*(includes all net bond proceeds and interest earned and excludes federal loan debt and fund building receipts (in periods of public bond indebtedness))