ILLINOIS UNEMPLOYMENT INSURANCE LAW HANDBOOK

ILLINOIS UNEMPLOYMENT INSURANCE ACT
820 ILCS 405/100-3200

HEALTH CARE WORKER BACKGROUND CHECK ACT
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NOTE: Each section of the Unemployment Insurance Act that appears in this Handbook and in the Table of Contents of this Handbook has a title for the section. Wherever a section title contains an "*", that denotes that the section title does not appear in the Unemployment Insurance Act. A section title with an "*" has been included in this Handbook for the ease of the reader.

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ILLINOIS DEPARTMENT OF EMPLOYMENT SECURITY

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THE UNEMPLOYMENT INSURANCE ACT
(820 ILCS 405/100-3200)

Sec. 100. Declaration of public policy.
As a guide to the interpretation and application of this Act the public policy of the State is declared as follows: Economic insecurity due to involuntary unemployment has become a serious menace to the health, safety, morals and welfare of the people of the State of Illinois. Involuntary unemployment is, therefore, a subject of general interest and concern which requires appropriate action by the legislature to prevent its spread and to lighten its burden which now so often falls with crushing force upon the unemployed worker and his family. Poverty, distress and suffering have prevailed throughout the State because funds have not been accumulated in times of plentiful opportunities for employment for the support of unemployed workers and their families during periods of unemployment, and the taxpayers have been unfairly burdened with the cost of supporting able-bodied workers who are unable to secure employment. Farmers and rural communities particularly are unjustly burdened with increased taxation for the support of industrial workers at the very time when agricultural incomes are reduced by lack of purchasing power in the urban markets. It is the considered judgment of the General Assembly that in order to lessen the menace to the health, safety and morals of the people of Illinois, and to encourage stabilization of employment, compulsory unemployment insurance upon a statewide scale providing for the setting aside of reserves during periods of employment to be used to pay benefits during periods of unemployment, is necessary.
(Source: P.A. 79-98.)

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Sec. 200. Definitions.

Unless the context indicates otherwise, the terms used in this Act have the meaning ascribed to them in Sections 201 to 247, inclusive.

(Source: P.A. 77-1443.)

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Sec. 201. "Director" and "Department" defined*

"Director" means the Director of the Department of Employment Security, and "Department" means the Department of Employment Security.
(Source: P.A. 83-1503.)

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Sec. 202. “Benefits” defined*

“Benefits” means the money payments payable to an individual as provided in this Act, with respect to his unemployment.

(Source: Laws 1951, p. 32.)

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Sec. 203. "Employment office" defined*

"Employment office" means a free public employment office or branch thereof operated by this State or any other State as a part of a State controlled system of public employment offices or by a Federal agency or any agency of a foreign government charged with the administration of an unemployment compensation program or free public employment offices.

(Source: Laws 1951, p. 32.)

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Sec. 204. "Employing unit" defined*

"Employing unit" means any individual or type of organization, including the State of Illinois, each of its political subdivisions and municipal corporations, and each instrumentality of any one or more of the foregoing; and any partnership, association, trust, estate, joint-stock company, insurance company, or corporation, whether domestic or foreign, or the receiver, trustee in bankruptcy, trustee or successor thereof, or the legal representative of a deceased person, which has or subsequent to January 1, 1936, had in its employ one or more individuals performing services for it within this State. All individuals performing services within this State for any employing unit which maintains two or more separate establishments within this State shall be deemed to be employed by a single employing unit for all purposes of this Act.

A talent or modeling agency that is licensed under the Private Employment Agency Act is not the employing unit with respect to the performance of services for which an individual has been referred by the agency.

(Source: P.A. 89-649, eff. 8-9-96.)

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Sec. 205. "Employer" defined*

"Employer" means:

A. With respect to the years 1937, 1938, and 1939, any employing unit which has or had in employment eight or more individuals on some portion of a day, but not necessarily simultaneously, and irrespective of whether the same individuals are or were employed on each such day within each of twenty or more calendar weeks, whether or not such weeks are or were consecutive, within either the current or preceding calendar year;

B. 1. With respect to the years 1940 through 1955, inclusive, any employing unit which has or had in employment six or more individuals within each of twenty or more calendar weeks (but not necessarily simultaneously and irrespective of whether the same individuals are or were employed in each such week), whether or not such weeks are or were consecutive, within either the current or preceding calendar year;

2. With respect to the years 1956 through 1971, inclusive, any employing unit which has or had in employment four or more individuals within each of twenty or more calendar weeks (but not necessarily simultaneously and irrespective of whether the same individuals are or were employed in each such week), whether or not such weeks are or were consecutive, within either the current or preceding calendar year;

3. With respect to the years 1972 and thereafter, except as provided in subsection K and in Section 301, any employing unit which (1) pays or paid, for services in employment, wages of at least $1500 within any calendar quarter in either the current or preceding calendar year; or (2) has or had in employment at least one individual on some portion of a day, irrespective of whether the same individual is or was employed on each such day, within each of twenty or more calendar weeks, whether or not such weeks are or were consecutive, within either the current or preceding calendar year;

4. With respect to the years 1972 and thereafter, any nonprofit organization as defined in Section 211.2, except as provided in subsection K and in Section 301;

5. With respect to the years 1972 and thereafter, the State of Illinois and each of its instrumentalities; and with respect to the years 1978 and thereafter, each governmental entity referred to in clause (B) of Section 211.1, except as provided in Section 301;

6. With respect to the years 1978 and thereafter, any employing unit for which service in agricultural labor is performed in employment as defined in Section 211.4, except as provided in subsection K and in Section 301;

7. With respect to the years 1978 and thereafter, any employing unit for which domestic service is performed in employment as defined in Section 211.5, except as provided in subsection K and in Section 301;

C. Any individual or employing unit which succeeded to the organization, trade, or business of another employing unit which at the time of such succession was an employer, and any individual or employing unit which succeeded to the organization, trade, or business of any distinct severable portion of another employing unit, which portion, if treated as a separate employing unit, would have been, at the time of the succession, an employer under subsections A or B of this Section;

D. Any individual or employing unit which succeeded to any of the assets of an employer or to any of the assets of a distinct severable portion thereof, if such portion, when treated as a separate employing unit would be an employer under subsections A or B of this Section, by any means whatever, otherwise than in the ordinary course of business, unless and until it is proven in any proceeding where such issue is involved that all of the following exist:

1. The successor unit has not assumed a substantial amount of the predecessor unit's obligations; and

2. The successor unit has not acquired a substantial amount of the predecessor unit's good will; and
3. The successor unit has not continued or resumed a substantial part of the business of the predecessor unit in the same establishment;

E. Any individual or employing unit which succeeded to the organization, trade, or business, or to any of the assets of a predecessor unit (unless and until it is proven in any proceeding where such issue is involved that all the conditions enumerated in subsection D of this Section exist), if the experience of the successor unit subsequent to such succession plus the experience of the predecessor unit prior to such succession, both within the same calendar year, would equal the experience necessary to constitute an employing unit an employer under subsections A or B of this Section;

For the purposes of this subsection, the term "predecessor unit" shall include any distinct severable portion of an employing unit.

F. With respect to the years 1937 through 1955, inclusive, any employing unit which together with one or more other employing units is owned or controlled, directly or indirectly, by legally enforceable means or otherwise, by the same interests, or which owns or controls one or more other employing units directly or indirectly, by legally enforceable means or otherwise, and which if treated as a single unit with such other employing units or interests or both would be an employer under subsections A or B of this Section;

G. Any employing unit which, having become an employer under subsections A, B, C, D, E, or F of this Section, has not, under Section 301, ceased to be an employer;

H. For the effective period of its election pursuant to Section 302, any other employing unit which has elected to become fully subject to this Act;

I. Any employing unit which is an employer under Section 245;

J. Any employing unit which, having become an employer under Section 245, has not, with respect to the year 1960 or thereafter, ceased to be an employer under Section 301; or

J-1. On and after December 21, 2000, any Indian tribe for which service in "employment" as defined under this Act is performed.

K. In determining whether or not an employing unit for which service other than domestic service is also performed is an employer under paragraphs 3, 4, or 6 of subsection B, the domestic service of an individual and the wages paid therefor shall not be taken into account. In determining whether or not an employing unit for which service other than agricultural labor is also performed is an employer under paragraphs 4 or 7 of subsection B, the service of an individual in agricultural labor and the wages paid therefor shall not be taken into account. An employing unit which is an employer under paragraph 6 of subsection B is an employer under paragraph 3 of subsection B.

(Source: P.A. 92-555, eff. 6-24-02.)

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Sec. 205.1. Indian tribe.

"Indian tribe" has the meaning given to that term by Section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450(e)), and includes any subdivision, subsidiary, or business enterprise wholly owned by such an Indian tribe.

(Source: P.A. 92-555, eff. 6-24-02.)

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Sec. 206. "Employment" defined*

Subject to the provisions of Sections 207 to 233, inclusive, and of subsection B of Section 245, "employment" means any service performed prior to July 1, 1940, which was employment as defined in this Act prior to that date, and any service after June 30, 1940, performed by an individual for an employing unit, including service in interstate commerce and service on land which is owned, held or possessed by the United States, and including all services performed by an officer of a business corporation, without regard to whether such services are executive, managerial, or manual in nature, and without regard to whether such officer is or is not a stockholder or a member of the board of directors of the corporation.

(Source: Laws 1951, p. 32.)

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Sec. 206.1. Employment; employee leasing company.

A. For purposes of this Section:
   1. "Client" means an individual or entity which has contracted with an employee leasing company to supply it with or assume responsibility for personnel management of one or more workers to perform services on an on-going basis rather than under a temporary help arrangement, as defined in Section 15 of the Employee Leasing Company Act.
   2. "Employee leasing company" means an individual or entity which contracts with a client to supply or assume responsibility for personnel management of one or more workers to perform services for the client on an on-going basis rather than under a temporary help arrangement, as defined in Section 15 of the Employee Leasing Company Act.

B. Subject to subsection C, services performed by an individual under a contract between an employee leasing company and client, including but not limited to services performed in the capacity of a corporate officer of the client, are services in "employment" of the employee leasing company and are not services in "employment" of the client if all of the following conditions are met:
   1. The employee leasing company pays the individual for the services directly from its own accounts; and
   2. The employee leasing company, exclusively or in conjunction with the client, retains the right to direct and control the individual in the performance of the services; and
   3. The employee leasing company, exclusively or in conjunction with the client, retains the right to hire and terminate the individual; and
   4. The employee leasing company reports each client in the manner the Director prescribes by regulation; and
   5. The employee leasing company has provided, and there remains in effect, such irrevocable indemnification, as the Director may require by rule, to create a primary obligation on the part of the provider to the Illinois Department of Employment Security for obligations of the employee leasing company accrued and final under this Act. The rule may prescribe the form the indemnification shall take including, but not limited to, a surety bond or an irrevocable standby letter of credit. The obligation required pursuant to the rule shall not exceed $1,000,000.

C. Notwithstanding subsection B, services performed by an individual under a contract between an employee leasing company and client, including but not limited to services performed in the capacity of a corporate officer of the client, are services in "employment" of the client and are not services in "employment" of the employee leasing company if:
   1. The contribution rate, or, where applicable, the amended contribution rate, of the client is greater than the sum of the fund building rate established for the year pursuant to Section 1506.3 of this Act plus the greater of 2.7% or 2.7% times the adjusted state experience factor for the year; and
   2. The contribution rate, or, where applicable, the amended contribution rate, of the employee leasing company is less than the contribution rate, or, where applicable, the amended contribution rate of the client by more than 1.5% absolute.

D. Except as provided in this Section and notwithstanding any other provision of this Act to the contrary, services performed by an individual under a contract between an employee leasing company and client, including but not limited to services performed in the capacity of a corporate officer of the client, are services in "employment" of the client and are not services in "employment" of the employee leasing company.

E. Nothing in this Section shall be construed or used to effect the existence of an employment relationship other than for purposes of this Act.

(Source: P.A. 98-1133, eff. 12-23-14.)

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Sec. 207. Employment; services included*

The term "employment" shall include an individual's entire service, within or both within and without this State, if

A. The service is localized in this State; or

B. The service is not localized in any State but some of the service is performed in this State and (1) the base of the operations, or, if there is no base of operations, then, the place from which such service is directed or controlled is in this State; or (2) the base of operations or place from which such service is directed or controlled is not in any State in which some part of the service is performed but the individual's residence is in this State; or

C. The service is not localized in any State but, after 1961, is performed by an individual employed on or in connection with an American aircraft, if

1. The contract of service is entered into within this State, or
2. The contract of service is not entered into within this State or within any other State and, during the performance of the contract of service and while the individual is employed on the aircraft, it touches at an air field in this State; provided, however, that the Director may enter into arrangements with other States, pursuant to Section 2700, with respect to such aircraft which touch at an air field in more than one State; Provided, that the individual is employed on or in connection with such American aircraft when outside the United States. The term "American aircraft" means an aircraft registered under the laws of the United States.

(Source: Laws 1961, p. 1784.)

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Sec. 208. Service deemed localized*

Service shall be deemed to be localized within a State if-

A. The service is performed entirely within such State; or

B. The service is performed both within and without such State, but the service performed without such State is incidental to the individual's service within the State.

(Source: Laws 1951, p. 32.)

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Sec. 208.1. Service performed by citizen outside United States; definitions*

A. The term "employment" shall include the service of an individual who is a citizen of the United States, performed outside the United States after December 31, 1971, (except in Canada, and in the case of the Virgin Islands after December 31, 1971, and prior to January 1 of the year following the year in which the United States Secretary of Labor approves the unemployment compensation law of the Virgin Islands under Section 3304(a) of the Internal Revenue Code of 1954), in the employ of an American employer (other than service which is defined as "employment" under the provisions of Sections 207 and 208 or the parallel provisions of the unemployment compensation law of another State), if:

1. The employer's principal place of business in the United States is located in this State; or
2. The employer has no place of business in the United States, but (a) the employer is an individual who is a resident of this State; or (b) the employer is a corporation which is organized under the laws of this State; or (c) the employer is a partnership or a trust and the number of partners or trustees who are residents of this State is greater than the number who are residents of any one other State; or
3. None of the criteria of paragraphs 1 and 2 is met but the employer has elected coverage under this Act pursuant to Section 302 or, the employer having failed to elect coverage under the unemployment compensation law of any State, the individual has made a claim for benefits under this Act, based on wages for such service.

B. When used in this Section:

"American employer" means (1) an individual who is a resident of the United States; or (2) a partnership if two-thirds or more of the partners are residents of the United States; or (3) a trust, if all of the trustees are residents of the United States; or (4) a corporation organized under the laws of the United States or of any State.

"United States" includes the States of the United States of America, the District of Columbia, Puerto Rico, and the Virgin Islands.

(Source: P.A. 80-2dSS-1.)

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Sec. 208.2. Service performed in any state or Canada where contributions not required; service directed or controlled in Illinois*

Notwithstanding the provisions of Section 207, the term “employment” includes an individual’s service, whenever performed within any State or Canada, if (A) contributions are not required with respect to any part of such service under an unemployment compensation law of any other State or Canada, and (B) the place from which the service is directed or controlled is in this State.
(Source: P.A. 77-1443.)

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Sec. 209. Service entirely without the State*

Services not covered under Section 207 and performed entirely without this State, with respect to no part of which contributions are required and paid under an unemployment compensation law of any other State or of the Federal Government, shall be deemed to be employment if the Director approves the election of the employing unit for whom such services are performed that the entire service of such individual shall be deemed to be employment.

(Source: Laws 1951, p. 32.)

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Sec. 210. Services covered by arrangement whereby all services performed for employing unit are deemed performed within State*

Services covered by an arrangement pursuant to Section 2700 between the Director and the agency charged with the administration of any other State or Federal unemployment compensation law, or the unemployment compensation law of Canada, pursuant to which all services performed by an individual for an employing unit are deemed to be performed entirely within this State, shall be deemed to be employment.

(Source: P.A. 77-1443.)

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Sec. 211. Service performed by officer or member of crew of American vessel*

Notwithstanding any other provisions of this Act, the term "employment" shall include all service performed by an officer or member of the crew of an American vessel on or in connection with such vessel, provided that the operating office, from which the operations of such vessel operating on navigable waters within or within and without the United States are ordinarily and regularly supervised, managed, directed and controlled, is within this State.

(Source: Laws 1951, p. 32.)

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Sec. 211.1. Service in employ of State or instrumentalities*

Except as provided in Section 220, the term "employment" shall include (A) service performed after December 31, 1971, by an individual in the employ of this State or any of its instrumentalities (and by an individual in the employ of this State or any of its instrumentalities and one or more other States or their instrumentalities for a hospital or institution of higher education located in this State), provided that such service is excluded from the definition of "employment" in the Federal Unemployment Tax Act solely by reason of Section 3306(c)(7) of that Act; (B) service performed after December 31, 1977 by an individual in the employ of this State or any of its instrumentalities, or any political subdivision or municipal corporation thereof or any of their instrumentalities, or any instrumentality of more than one of the foregoing, or any instrumentality of any of the foregoing and one or more other States or political subdivisions, provided that such service is excluded from the definition of "employment" in the Federal Unemployment Tax Act by Section 3306(c)(7) of that Act; and (C) service performed after December 20, 2000, by an individual in the employ of an Indian tribe.

(Source: P.A. 92-555, eff. 6-24-02.)

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Sec. 211.2. Service in employ of nonprofit organization*

Except as provided in Section 211.3, the term "employment" shall include service performed after December 31, 1971, by an individual in the employ of a nonprofit organization. As used in this Act, the term "nonprofit organization" means a religious, charitable, educational, or other nonprofit organization defined in Section 501 (c) (3) of the Internal Revenue Code of 1986 which is exempt from income tax under Section 501 (a) of that Code, and which has or had in employment 4 or more individuals within each of 20 or more calendar weeks (but not necessarily simultaneously and irrespective of whether the same individuals are or were employed in each such week), whether or not such weeks are or were consecutive, within either the current or preceding calendar year (or which has elected, pursuant to Section 302, to be an employer); provided, that services performed for the organization are excluded from the definition of "employment" in the Federal Unemployment Tax Act solely by reason of Section 3306 (c) (8) of that Act. An employing unit cannot be a nonprofit organization prior to 1972.
(Source: P.A. 86-3.)

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Sec. 211.3. Service not included for purposes of section 211.2*

For the purpose of Section 211.2, the term "employment" shall not include services performed

A. In the employ of (1) a church or convention or association of churches, or (2) an organization or school which is not an institution of higher education, which is operated primarily for religious purposes and which is operated, supervised, controlled or principally supported by a church or convention or association of churches;

B. By a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order;

C. Prior to January 1, 1978, in the employ of a school which is not an institution of higher education;

D. In a facility conducted for the purpose of carrying out a program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury or providing remunerative work for individuals who because of their impaired physical or mental capacity cannot be readily absorbed in the competitive labor market, by an individual receiving such rehabilitation or remunerative work;

E. As part of an unemployment work-relief or work-training program assisted or financed in whole or in part by any Federal agency or an agency of a State or political subdivision or municipal corporation thereof, by an individual receiving such work-relief or work-training; or

F. After December 31, 1977, by an inmate of a custodial or penal institution.

(Source: P.A. 80-2dSS-1.)

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Sec. 211.4. Service performed by individual in agricultural labor*

A. Notwithstanding any other provision of this Act, the term "employment" shall include service performed after December 31, 1977, by an individual in agricultural labor as defined in Section 214 when:
   1. Such service is performed for an employing unit which (a) paid cash wages of $20,000 or more during any calendar quarter in either the current or preceding calendar year to an individual or individuals employed in agricultural labor (not taking into account service in agricultural labor performed before January 1, 1980, by a noncitizen referred to in paragraph 2); or (b) employed in agricultural labor (not taking into account service in agricultural labor performed before January 1, 1980, by a noncitizen referred to in paragraph 2) 10 or more individuals within each of 20 or more calendar weeks (but not necessarily simultaneously and irrespective of whether the same individuals are or were employed in each such week), whether or not such weeks are or were consecutive, within either the current or preceding calendar year.
   2. Such service is not performed in agricultural labor if performed before January 1, 1980 or on or after the effective date of this amendatory Act of the 96th General Assembly, by an individual who is a noncitizen admitted to the United States to perform service in agricultural labor pursuant to Sections 214(c) and 101(a)(15)(H) of the Immigration and Nationality Act.

B. For the purposes of this Section, any individual who is a member of a crew furnished by a crew leader to perform service in agricultural labor for any other employing unit shall be treated as performing service in the employ of such crew leader if (1) the leader holds a valid certificate of registration under the Farm Labor Contractor Registration Act of 1963, or substantially all the members of such crew operate or maintain tractors, mechanized harvesting or crop dusting equipment, or any other mechanized equipment, which is provided by the crew leader; and (2) the service of such individual is not in employment for such other employing unit within the meaning of subsections A and C of Section 212, and of Section 213.

C. For the purposes of this Section, any individual who is furnished by a crew leader to perform service in agricultural labor for any other employing unit, and who is not treated as performing service in the employ of such crew leader under subsection B, shall be treated as performing service in the employ of such other employing unit, and such employing unit shall be treated as having paid cash wages to such individual in an amount equal to the amount of cash wages paid to the individual by the crew leader (either on his own behalf or on behalf of such other employing unit) for the service in agricultural labor performed for such other employing unit.

D. For the purposes of this Section, the term "crew leader" means an individual who (1) furnishes individuals to perform service in agricultural labor for any other employing unit; (2) pays (either on his own behalf or on behalf of such other employing unit) the individuals so furnished by him for the service in agricultural labor performed by them; and (3) has not entered into a written agreement with such other employing unit under which an individual so furnished by him is designated as performing services in the employ of such other employing unit.

(Source: P.A. 96-1208, eff. 1-1-11; 102-1030, eff. 5-27-22.)

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Sec. 211.5. Domestic service*

The term “employment” shall include domestic service after December 31, 1977, in a private home, local college club or local chapter of a college fraternity or sorority performed for an employing unit which paid cash wages of $1,000 or more in any calendar quarter in either the current or preceding calendar year to an individual or individuals employed in such domestic service.

(Source: P.A. 80-2dSS-1.)

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Sec. 212. Independent contractors*

Service performed by an individual for an employing unit, whether or not such individual employs others in connection with the performance of such services, shall be deemed to be employment unless and until it is proven in any proceeding where such issue is involved that--

A. Such individual has been and will continue to be free from control or direction over the performance of such services, both under his contract of service and in fact; and

B. Such service is either outside the usual course of the business for which such service is performed or that such service is performed outside of all the places of business of the enterprise for which such service is performed; and

C. Such individual is engaged in an independently established trade, occupation, profession, or business.

(Source: Laws 1951, p. 32.)

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Sec. 212.1. Truck Owner-Operator.

(a) The term "employment" shall not include services performed by an individual as an operator of a truck, truck-tractor, or tractor, provided the person or entity to which the individual is contracted for service shows that the individual:

(1) Is either:

(i) Registered or licensed as a motor carrier of real or personal property by the Illinois Commerce Commission, the Interstate Commerce Commission, or any successor agencies, or

(ii) Operating the equipment under an owner-operator lease contract with the person or entity, when the person or entity is registered, licensed, or both, as a motor carrier of real or personal property licensed by the Illinois Commerce Commission, the Interstate Commerce Commission, or any successor agencies; and

(2) Has the right to terminate the lease contract and thereafter has the right to perform the same or similar services, on whatever basis and whenever he or she chooses, for persons or entities other than the person or entity to which the individual is contracted for services;

(3) Is not required by the person or entity to which the individual is contracted for services to perform services, or be available to perform services, at specific times or according to a schedule or for a number of hours specified by the person or entity, provided that pickup or delivery times specified by a shipper or receiver shall not be deemed specified by the person or entity;

(4) Either leases the equipment or holds title to the equipment, provided that the individual or entity from which the equipment is leased, or which holds any security or other interest in the equipment, is not:

(i) The person or entity to which the individual is contracted for service, or

(ii) Owned, controlled, or operated by or in common with, to any extent, whether directly or indirectly, the person or entity to which the individual is contracted for services or a family member of a shareholder, owner, or partner of the person or entity;

(5) Pays all costs of licensing and operating the equipment (except when federal or State law or regulation requires the carrier to pay), and the costs are not separately reimbursed by any other individual or entity; and

(6) Maintains a separate business identity, offering or advertising his or her services to the public, by displaying its name and address on the equipment or otherwise.

(b) Subsection (a) shall not apply:

(1) If, as a condition for retaining the individual's services, the person or entity to which the individual is contracted specifies the person or entity from which the equipment is to be leased or purchased; or

(2) To any 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.

(c) Nothing in this Section shall be construed or used to effect the existence or non-existence of an employment relationship other than for purposes of this Act.

(d) For purposes of this Section:

(1) "Family member" means any parent, sibling, child, sibling of a parent, or any of the foregoing relations by marriage.

(2) "Ownership", "control", or "operation" may be through any one or more natural persons or proxies, powers of attorney, nominees, proprietorships, partnerships, associations,

corporations, trusts, joint stock companies, or other entities or devices, or any combination thereof.

(3) “Person or entity” means a sole proprietorship, partnership, association, corporation, or any other legal entity.

(Source: P.A. 89-252, eff. 8-8-95.)

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Sec. 213. Employment by employing unit*

Each individual performing services for, or assisting in performing the work of, any person in the employment of an employing unit shall be deemed to be employed by such employing unit for all the purposes of this Act, whether such services were procured or were paid for directly by such employing unit or by such person, provided the employing unit had actual or constructive knowledge of the work.
(Source: Laws 1951, p. 32.)

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Sec. 214. Agricultural labor not included; "farm" defined*

The term "employment" does not include agricultural or aquacultural labor, except as provided in Section 211.4. With respect to the period prior to January 1, 1972, the term "agricultural labor" means the services included within the term by this Act as amended and in effect on September 15, 1969. On and after January 1, 1972, the term "agricultural labor" means all services performed:

A. On a farm, in the employ of any person, in connection with cultivating the soil or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of live stock, bees, poultry, and fur-bearing animals and wildlife;

B. In the employ of the owner or tenant or other operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of such farm and its tools and equipment;

C. In connection with the ginning of cotton, or the operation or maintenance of ditches, canals, reservoirs, or waterways not owned or operated for profit, used exclusively for supplying and storing water for farming purposes;

D. In the employ of the operator of a farm, or of a group of operators of farms (or a cooperative organization of which such operators are members), in handling, planting, drying, packing, packaging, processing, freezing, grading, storing or delivering to storage or to market or to a carrier for transportation to market, in its unmanufactured state, any agricultural or horticultural commodity; but only if such operator or operators produced more than one-half of the commodity with respect to which such service is performed. The provisions of this subsection shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption.

As used in this Section, the term "farm" includes stock, dairy, poultry, fruit, fur-bearing animal, and truck farms, plantations, ranches, nurseries, ranges, greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards.

The term "aquacultural labor" means all services performed in connection with the production of aquatic products, including any aquatic plants and animals or their by-products that are produced, grown, managed, harvested and marketed on an annual, semi-annual, biennial or short-term basis, in permitted aquaculture facilities.

(Source: P.A. 102-555, eff. 1-1-22.)

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Sec. 215. Domestic service not included*

Except as provided in Section 211.5, the term “employment” shall not include domestic service in a private home, local college club, or local chapter of a college fraternity or sorority.

(Source: P.A. 80-2dSS-1.)

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Sec. 216. Services on or in connection with vessel or aircraft*

A. The term "employment" shall not include service performed as an officer or member of a crew on or in connection with a vessel which is not an American vessel; and service performed as an officer or member of a crew of an American vessel on or in connection with such vessel, if the operating office, from which the operations of the vessel operating on navigable waters within or within and without the United States are ordinarily and regularly supervised, managed, directed and controlled, is without this State. The term "American vessel" means any vessel documented or numbered under the laws of the United States; and includes any vessel which is neither documented or numbered under the laws of the United States nor documented under the laws of any foreign country, if its crew is employed solely by one or more citizens or residents of the United States or corporations organized under the laws of the United States or of any State.

B. The term "employment" shall not include service performed by an individual on or in connection with an aircraft which is not an American aircraft, if the individual is employed on or in connection with such aircraft when outside the United States. The term "American aircraft" means an aircraft registered under the laws of the United States.

(Source: Laws 1961, p. 1784.)

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Sec. 217. Real estate salesmen; sellers of consumer products*

(a) The term "employment" shall not include services performed as a real estate salesman to the extent that such services are compensated for by commission.

(b) After December 31, 1986, the term "employment" shall not include services performed as a direct seller engaged in the trade or business of selling, or soliciting the sale of, consumer products to any buyer on a buy-sell basis, a deposit-commission basis, or any similar basis in the home or in an establishment other than a permanent retail establishment, if:

(1) Substantially all the remuneration, whether or not paid in cash, for the performance of such services is directly related to sales or other output, including the performance of services, rather than to the number of hours worked; and

(2) The services performed by the person are performed pursuant to a written contract between such person and the person for whom the services are performed, and such contract provides that the person will not be treated as an employee with respect to such services for federal tax purposes.

(Source: P.A. 85-956.)

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Sec. 217.1. Real estate transaction closing agents.

(a) The term "employment" does not include services performed by an individual as a real estate transaction closing agent when the individual has entered into a contract that specifies the relationship of the individual to the title insurance company to be that of an independent contractor and not that of an employee and is compensated on a per closing basis. For purposes of this Section, a "real estate transaction closing agent" is an individual assigned by a title insurance company solely to ensure that the execution of documents related to the closing of a real estate sale or the refinancing of a real estate loan and the disbursement of closing funds are in conformity with the instructions of the entity financing the transaction, or in a cash transaction, to assure proper disbursement of funds as directed by parties having an interest in the transaction.

(b) Subsection (a) shall not apply to any 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.

(Source: P.A. 89-649, eff. 8-9-96.)

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Sec. 217.2. Real estate appraisers.

(a) The term "employment" does not include services performed by an individual as a real estate appraiser under a written independent contractor agreement if the agreement provides that:
  (1) The individual shall be compensated on a fee per appraisal basis; and
  (2) The individual is free to accept or reject appraisal requests made by the person for whom the services are being performed, or the individual is not prohibited from contracting to perform those services for a person other than the person for whom the services are being performed, or both.

(b) Subsection (a) shall not apply to any 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.

(Source: P.A. 89-649, eff. 8-9-96.)

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Sec. 218. Parent, child or spouse, service performed for*

The term “employment” shall not include service performed by an individual in the employ of his son, daughter, or spouse, and service performed by a child under the age of 18 in the employ of his father or mother.

(Source: P.A. 79-817.)

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Sec. 219. United States Government or another state, services performed for*

The term "employment" shall not include service performed in the employ of any other State or its political subdivisions, or of the United States Government, or of an instrumentality of any other State or States or their political subdivisions or of the United States except that, in the event that the Congress of the United States shall permit States to require any instrumentalities of the United States to make payments of contributions under a State Unemployment Compensation Act (and to comply with State regulations thereunder), then, to the extent permitted by Congress, and from and after the date as of which such permission becomes effective, all of the provisions of this Act shall be applicable to such instrumentalities and to services performed for such instrumentalities in the same manner, to the same extent, and on the same terms as to all other employers, employing units, individuals, and services; provided, that if this State shall not be certified for any year by the Secretary of Labor of the United States of America or other appropriate Federal agency under Section 3304 of the Federal Internal Revenue Code of 1954, then the payments required of such instrumentalities with respect to such year shall be refunded by the Director in accordance with the provisions of Section 2201.

(Source: Laws 1955, p. 744.)

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Sec. 220. State or subdivisions, service performed for*

A. The term "employment" shall not include service performed prior to 1972 in the employ of this State, or of any political subdivision thereof, or of any wholly owned instrumentality of this State or its political subdivisions.

B. The term "employment" shall not include service, performed after 1971 and before 1978, in the employ of this State or any of its instrumentalities:
   1. In an elective position;
   2. Of a professional or consulting nature, compensated on a per diem or retainer basis;
   3. For a State prison or other State correctional institution, by an inmate of the prison or correctional institution;
   4. As part of an unemployment work-relief or work-training program assisted or financed in whole or in part by any Federal agency or an agency of this State, by an individual receiving such work-relief or work-training;
   5. In a facility conducted for the purpose of carrying out a program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury or providing remunerative work for individuals who because of their impaired physical or mental capacity cannot be readily absorbed in the competitive labor market, by an individual receiving such rehabilitation or remunerative work;
   6. Directly for the Illinois State Fair during its active duration (including the week immediately preceding and the week immediately following the Fair);
   7. Directly and solely in connection with an emergency, in fire-fighting, snow removal, flood control, control of the effects of wind or flood, and the like, by an individual hired solely for the period of such emergency;
   8. In the Illinois National Guard, directly and solely in connection with its summer training camps or during emergencies, by an individual called to duty solely for such purposes.

C. Except as provided in Section 302, the term "employment" shall not include service performed in the employ of a political subdivision or a municipal corporation, or an instrumentality of one or more of the foregoing or of this State and one or more of the foregoing. This subsection shall not apply to service performed after December 31, 1977.

D. The term "employment" shall not include service performed after December 31, 1977:
   1. In the employ of a governmental entity referred to in clause (B) of Section 211.1 if such service is performed in the exercise of duties
      a. As an elected official;
      b. As a member of a legislative body, or a member of the judiciary, of this State or a political subdivision or municipal corporation;
      c. As a member of the Illinois National Guard or Air National Guard;
      d. As a worker serving on a temporary basis in case of fire, storm, snow, earthquake, flood, or similar emergency;
      e. In a position which, under or pursuant to the laws of this State, is designated as a major nontenured policymaking or advisory position, or as a policymaking position the performance of the duties of which ordinarily does not require more than 8 hours per week.
   2. As part of an unemployment work-relief or work-training program assisted or financed in whole or in part by any Federal agency or an agency of this State, or a political subdivision or municipal corporation, by an individual receiving such work-relief or work-training.
   3. In a facility conducted for the purpose of carrying out a program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or

injury or providing remunerative work for individuals who because of their impaired physical or mental capacity cannot be readily absorbed in the competitive labor market, by an individual receiving such rehabilitation or remunerative work.

4. By an inmate of a custodial or penal institution.

E. The term "employment" shall not include service performed on or after January 1, 2002 in the employ of a governmental entity referred to in clause (B) of Section 211.1 if the service is performed in the exercise of duties as an election official or election worker and the amount of remuneration received by the individual during the calendar year for service as an election official or election worker is less than $1,000.

F. The term "employment" shall not include service performed in the employ of an Indian tribe if such service is performed in the exercise of duties:

1. as an elected official;
2. as a member of a legislative body, or a member of the judiciary, of that Indian tribe;
3. as a worker serving on a temporary basis in case of fire, storm, snow, earthquake, flood, or similar emergency;
4. in a position which, under or pursuant to tribal law, is designated as a major nontenured policymaking or advisory position, or as a policymaking position the performance of the duties of which ordinarily does not require more than 8 hours per week;
5. as part of an unemployment work-relief or work-training program assisted or financed in whole or in part by any federal agency or an agency of this State, or a political subdivision or municipal corporation, or an Indian tribe, by an individual receiving such work-relief or work training;
6. in a facility conducted for the purpose of carrying out a program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury or providing remunerative work for individuals who because of their impaired physical or mental capacity cannot be readily absorbed in the competitive labor market, by an individual receiving such rehabilitation or remunerative work;
7. by an inmate of a custodial or penal institution.

(Source: P.A. 92-441, eff. 1-1-02; 92-555, eff. 6-24-02.)

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Sec. 221. Religious, charitable, scientific, literary or educational corporations, services performed for*

The term “employment” does not include service performed in the employ of a corporation, community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda or otherwise attempting to influence legislation. On and after January 1, 1972, the provisions of this Section do not apply to services performed in the employ of a nonprofit organization as defined in Section 211.2.
(Source: P.A. 77-1443.)

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Sec. 222. Federal unemployment compensation system, service with respect to which unemployment compensation is payable under*

The term "employment" shall not include service with respect to which unemployment compensation is payable under an unemployment compensation system established by an Act of Congress; provided that the Director is hereby authorized to enter into agreements with the proper agencies under such Act of Congress, which shall become effective ten days after the date of such agreement, to provide reciprocal treatment to individuals who have, after acquiring potential rights to benefits under this Act, acquired rights to unemployment compensation under such Act of Congress or who have, after acquiring potential rights to unemployment compensation under such Act of Congress, acquired rights to benefits under this Act.

(Source: Laws 1951, p. 32.)

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Sec. 223. Services performed for organizations exempt from federal income tax*

The term "employment" shall not include service performed in any calendar quarter in the employ of any organization exempt from income tax under Section 501 (a) of the Federal Internal Revenue Code of 1954 (other than an organization described in Section 401(a) of the Internal Revenue Code of 1954) or under Section 521 of the Internal Revenue Code of 1954 if the remuneration for such service is less than $50.
(Source: P.A. 77-1443.)

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Sec. 224. Service for school, college or university by spouse of student*

The term "employment" shall not include service performed in the employ of a school, college, or university, (A) by a student who is enrolled and is regularly attending classes at such school, college or university, or (B) by the spouse of such student if the spouse is advised, at the time the spouse commences to perform such service, that (1) the employment of the spouse to perform such service is provided under a program to provide financial assistance to the student by the school, college, or university, and (2) such employment will not be covered by any program of unemployment compensation.
(Source: P.A. 81-1130.)

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Sec. 225. Services performed delivering newspapers or shopping news; performance of freelance editorial or photographic work*

This Section, and not Section 212 of this Act, controls the determination of employment status for services performed by individuals in the delivery or distribution of newspapers or shopping news.

(A) The term "employment" shall not include services performed by an individual under the age of eighteen in the delivery or distribution of newspapers or shopping news.

(B) The term "employment" does not include the performance of freelance editorial or photographic work for a newspaper.

(B-5) The employment status of individuals engaged in the delivery of newspapers or shopping news shall be determined as provided in this subsection. The term "employment" does not include the delivery or distribution of newspapers or shopping news if at least one of the following 4 elements is present:

(1) The individual performing the services gains the profits and bears the losses of the services.

(2) The person or firm for whom the services are performed does not represent the individual as an employee to its customers.

(3) The individual hires his or her own helpers or employees, without the need for approval from the person or firm for whom the services are performed, and pays them without reimbursement from that person or firm.

(4) Once the individual leaves the premises of the person or firm for whom the services are performed or the printing plant, the individual operates free from the direction and control of the person or firm, except as is necessary for the person or firm to ensure quality control of the newspapers or shopping news, including, but not limited to, the condition of the newspapers or shopping news upon delivery and the location and timing of delivery of the newspapers or shopping news.

(C) Notwithstanding subsection (B-5), the term "employment" does not include the delivery or distribution of 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

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

(3) Delivery or distribution to the ultimate consumer 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, regardless of subsequent sale or resale.

(D) Subsections (B-5) and (C) shall not apply in the case of any individual who provides delivery or distribution services for a newspaper pursuant to the terms of a collective bargaining agreement and shall not be construed to alter or amend the application or interpretation of any existing collective bargaining agreement. Further, subsections (B-5) and (C) shall not be construed as evidence of the existence or non-existence of an employment relationship 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.

(Source: P.A. 98-1133, eff. 12-23-14.)

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Sec. 226. Bets or wagers; selling of pools; lotteries; services in connection with*

The term “employment” shall not include services performed in connection with the illegal recording or making of bets or wagers or the selling of pools upon any contest or race; or in connection with the playing of or betting in any game of chance involving the losing or winning of money or any other thing of value; or in connection with the illegal operation of any lottery whether by dice, lot, numbers, game, hazard, or other gambling device.

(Source: Laws 1951, p. 32.)

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Sec. 227. Services by full-time student in work experience program*

The term "employment" shall not include service performed after 1971 by an individual who is enrolled at a nonprofit or public educational institution, which normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on, as a student in a full-time program, taken for credit at such institution, which combines academic instruction with work experience, if such service is an integral part of such program, and such institution has so certified to the employer, except that this Section shall not apply to service performed in a program established for or on behalf of an employer or group of employers.
(Source: P.A. 83-71.)

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Sec. 228. Insurance agent or solicitor on commission basis*

The term "employment" shall not include services performed by an individual as an insurance agent or insurance solicitor, if all such services performed by such individual are performed for remuneration solely by way of commission.

(Source: Laws 1951, p. 32.)

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Sec. 229. Services deemed performed entirely outside State by reciprocal arrangement*

The term "employment" shall not include services covered by an arrangement pursuant to Section 2700 whereby all services performed by an individual for an employing unit are deemed to be performed entirely outside of this State.

(Source: Laws 1951, p. 32.)

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Sec. 230. Services to hospital by patient, student nurse and intern not included*

The term "employment" shall not include service performed after 1971:

(A) In the employ of a hospital, if such service is performed by a patient of the hospital.

(B) As a student nurse in the employ of a hospital or a nurses' training school by an individual who is enrolled and is regularly attending classes in a nurses' training school approved pursuant to the Nurse Practice Act.

(C) As an intern in the employ of a hospital by an individual who has completed a 4 years' course in a medical school chartered or approved pursuant to State law.

(Source: P.A. 95-639, eff. 10-5-07.)

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Sec. 231. Services for employing unit subject to Act solely because of section 245*

The term “employment” shall not include services performed for an employing unit which is subject to this Act solely because of subsection A of Section 245, if and while such employing unit, with written approval of the Director, duly covers under the unemployment compensation law of another State all services for it which would otherwise be covered under this Act, provided that those individuals whose services are hereby excluded shall be counted in determining whether such employing unit is an employer under Section 205. Such approval may be withdrawn by the Director upon written notice to such employing unit, addressed to its last known address and, in the event of such withdrawal, such services shall again be deemed employment subject to this Act as of the date such services ceased or could have ceased to be employment, by the reasonably prompt filing of an application for termination of coverage, under the unemployment compensation law of such other state.

(Source: Laws 1951, p. 32.)

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Sec. 232. Employment, when director's services not included*

The term "employment" shall not include services performed by a director of a corporation while acting in the capacity of a director on or for a committee provided for by law, or by charter or by by-laws of the corporation. This Section shall not apply to the services described in Section 211.2.
(Source: P.A. 77-1443.)

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Sec. 232.1. Caddie*

The term employment shall not include services performed by an individual under the age of 22 who is a full-time student and acting as a caddie in assisting a golf player during a round of golf primarily by handling the player's clubs when paid directly by the club member or indirectly by the club acting as agent for the member.

(Source: P.A. 86-1015.)

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Sec. 232.2. Students; organized camps.

A. The term "employment" does not include service performed by a full-time student in the employ of an organized camp if:
   1. the camp:
      (a) did not operate for more than 7 months in the calendar year and did not operate for more than 7 months in the preceding calendar year; or
      (b) had average gross receipts for any 6 months in the preceding calendar year which were not more than 33 1/3% of its average gross receipts for the other 6 months in the preceding calendar year; and
   2. the full-time student performs services in the employ of the camp for less than 13 calendar weeks in the calendar year.

B. For the purposes of this Section, an individual shall be treated as a full-time student for any period:
   1. during which the individual is enrolled as a full-time student at an educational institution; or
   2. which is between academic years or terms if:
      (a) the individual was enrolled as a full-time student at an educational institution for the immediately preceding academic year or term; and
      (b) there is a reasonable assurance that the individual will be so enrolled for the immediately succeeding academic year or term after the period described in clause (a) of this subdivision 2.

(Source: P.A. 92-433, eff. 1-1-02.)

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Sec. 233. "Included and excluded services."

If the services performed during one-half or more of any pay period by an individual for an employing unit constitute employment, all the services of such individual for such period shall be deemed to be employment; but if the services performed during more than one-half of any such pay period by an individual for an employing unit do not constitute employment, then none of the services of such individual for such period shall be deemed to be employment. As used in this Section the term "pay period" means a period (of not more than thirty-one consecutive days) for which a payment of remuneration is ordinarily made to an individual in the employ of an employing unit. This Section shall not be applicable with respect to services performed in a pay period by an individual in the employ of an employing unit where any of such service is excepted by Section 222.

(Source: Laws 1951, p. 32.)

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Sec. 234. "Wages" defined*

Subject to the provisions of Sections 235 and 245 C, "wages" means every form of remuneration for personal services, including salaries, commissions, bonuses, and the reasonable money value of all remuneration in any medium other than cash. The reasonable money value of remuneration in any medium other than cash shall be estimated and determined in accordance with rules prescribed by the Director. Such rules shall be based upon the reasonable past experience of the workers and the employing units concerned therewith.

Where gratuities are customarily received by an individual in the course of his work from persons other than his employer, such gratuities shall, subject to the provisions of this paragraph, be treated as wages received from his employer. Each such employer shall notify each such individual of his duty to report currently the amount of such gratuities to such employer and the Director shall, by regulation, prescribe the manner of notification and of reporting. The amount of gratuities so reported shall constitute a conclusive determination of the amount received unless the employer, within the time prescribed by regulation, notifies the Director of his disagreement therewith. Gratuities not so reported to the employer in the manner prescribed by such regulations of the Director shall not be wages for any of the purposes of this Act.

(Source: P.A. 84-1390.)

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Sec. 235. Wages not to include certain remuneration*

(I) The term "wages" does not include:

A. With respect to calendar years prior to calendar year 2023, the maximum amount includable as "wages" shall be determined pursuant to this Section as in effect prior to the effective date of this amendatory Act of the 102nd General Assembly.

With respect to the calendar year 2023, the term "wages" shall include only the remuneration paid to an individual by an employer during that period with respect to employment which does not exceed $13,271.

With respect to the calendar year 2024, the term "wages" shall include only the remuneration paid to an individual by an employer during that period with respect to employment which does not exceed $13,590.

With respect to the calendar year 2025, the term "wages" shall include only the remuneration paid to an individual by an employer during that period with respect to employment which does not exceed $13,916.

With respect to the calendar year 2026, the term "wages" shall include only the remuneration paid to an individual by an employer during that period with respect to employment which does not exceed $14,250.

With respect to the calendar year 2027, and each calendar year thereafter, the term "wages" shall include only the remuneration paid to an individual by an employer during that period with respect to employment which does not exceed $14,592.

The remuneration paid to an individual by an employer with respect to employment in another State or States, upon which contributions were required of such employer under an unemployment compensation law of such other State or States, shall be included as a part of the remuneration herein referred to. For the purposes of this subsection, any employing unit which succeeds to the organization, trade, or business, or to substantially all of the assets of another employing unit, or to the organization, trade, or business, or to substantially all of the assets of a distinct severable portion of another employing unit, shall be treated as a single unit with its predecessor for the calendar year in which such succession occurs; any employing unit which is owned or controlled by the same interests which own or control another employing unit shall be treated as a single unit with the unit so owned or controlled by such interests for any calendar year throughout which such ownership or control exists; and, with respect to any trade or business transfer subject to subsection A of Section 1507.1, a transferee, as defined in subsection G of Section 1507.1, shall be treated as a single unit with the transferor, as defined in subsection G of Section 1507.1, for the calendar year in which the transfer occurs. This subsection applies only to Sections 1400, 1405A, and 1500.

A-1. (Blank).

B. The amount of any payment (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment), made to, or on behalf of, an individual or any of the individual's dependents under a plan or system established by an employer which makes provision generally for individuals performing services for the employer (or for such individuals generally and their dependents) or for a class or classes of such individuals (or for a class or classes of such individuals and their dependents), on account of (1) sickness or accident disability (except

those sickness or accident disability payments which would be includable as "wages" in Section 3306(b)(2)(A) of the Federal Internal Revenue Code of 1954, in effect on January 1, 1985, such includable payments to be attributable in such manner as provided by Section 3306(b) of the Federal Internal Revenue Code of 1954, in effect on January 1, 1985), or (2) medical or hospitalization expenses in connection with sickness or accident disability, or (3) death.

C. Any payment made to, or on behalf of, an employee or the employee's beneficiary which would be excluded from "wages" by subparagraph (A), (B), (C), (D), (E), (F) or (G), of Section 3306(b)(5) of the Federal Internal Revenue Code of 1954, in effect on January 1, 1985.

D. The amount of any payment on account of sickness or accident disability, or medical or hospitalization expenses in connection with sickness or accident disability, made by an employer to, or on behalf of, an individual performing services for the employer after the expiration of six calendar months following the last calendar month in which the individual performed services for such employer.

E. Remuneration paid in any medium other than cash by an employing unit to an individual for service in agricultural labor as defined in Section 214.

F. The amount of any supplemental payment made by an employer to an individual performing services for the employer, other than remuneration for services performed, under a shared work plan approved by the Director pursuant to Section 407.1.

(II) (Blank).

(Source: P.A. 102-1105, eff. 1-1-23; 103-1059, eff. 12-20-24.)

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Sec. 236. "Insured work" defined*

"Insured work" means services performed in employment for employers.
(Source: Laws 1951, p. 32.)

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Sec. 237. "Base period" defined*

A. "Base period" means the first four of the last five completed calendar quarters immediately preceding the benefit year. Further, any wages which had previously been used to establish a valid claim pursuant to Section 242 and with respect to which benefits have been paid shall not be included in the base period provided for in this subsection.

B. Notwithstanding subsection A, an individual, who has been awarded temporary total disability under any workers' compensation act or any occupational diseases act and does not qualify for the maximum weekly benefit amount under Section 401 because he was unemployed and awarded temporary total disability during the base period determined in accordance with subsection A, shall have his weekly benefit amount, if it is greater than the weekly benefit amount determined in accordance with subsection A, determined by the base period of a benefit year which began on the date of the beginning of the first week for which he was awarded temporary total disability under any workers' compensation act or occupational diseases act, provided, however, that such base period shall not begin more than one year prior to the individual's base period as determined under subsection A. Further, any wages which had previously been used to establish a valid claim pursuant to Section 242 and with respect to which benefits have been paid shall not be included in the base period provided for in this subsection.

C. With respect to an individual who is ineligible to receive benefits under this Act by reason of the provisions of Section 500E during the base periods determined in accordance with subsections A and B, "base period" means the last 4 completed calendar quarters immediately preceding the benefit year. This subsection shall not apply to establish any benefit year beginning prior to January 1, 2008.

D. Notwithstanding the foregoing provisions of this Section, "base period" means the base period as defined in the unemployment compensation law of any State under which benefits are payable to an individual on the basis of a combination of his wages pursuant to an arrangement described in Section 2700 F.

(Source: P.A. 93-634, eff. 1-1-04.)

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Sec. 238. "Calendar quarter" defined*

"Calendar quarter" means the period of three consecutive calendar months ending on March 31, June 30, September 30, or December 31, or the equivalent thereof as the Director may by regulation prescribe.
(Source: Laws 1951, p. 32.)

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Sec. 239. "Unemployed individual".
An individual shall be deemed unemployed in any week with respect to which no wages are payable to him and during which he performs no services or in any week of less than full-time work if the wages payable to him with respect to such week are less than his weekly benefit amount. The Director shall prescribe regulations applicable to unemployed individuals making such distinctions in the procedures as to total unemployment, part-total unemployment, partial unemployment of individuals, and other forms of short-time work as the Director deems necessary.

An individual's week of unemployment shall be deemed to commence only after his registration at an employment office, except as the Director may by regulation otherwise prescribe if he finds that the foregoing requirement with respect to registration would be inequitable or administratively impracticable.
(Source: P.A. 77-1443.)

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Sec. 240. "Contributions" defined*

"Contributions" means the money payments required from employers for the purpose of paying benefits.
(Source: Laws 1951, p. 32.)

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Sec. 240.1. Fund Building Receipts*

"Fund Building Receipts" means amounts directed for deposit into the Master Bond Fund pursuant to Section 1506.3.

(Source: P.A. 93-634, eff. 1-1-04.)

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Sec. 241. "Week" defined*

Prior to September 27, 1959, "week" means such period of seven consecutive days as the Director may by regulation prescribe. On and after September 27, 1959, "week" means

A. Calendar week, or
B. Any seven consecutive day period with respect to which no wages are payable to an individual and during which he performs no services, which occurs within two calendar weeks in each of which he is not unemployed; or
C. Any seven consecutive day period which ends after September 26, 1959, and before October 3, 1959.

The Director may by regulation prescribe that a week shall be deemed to be "in," "within," or "during" any benefit year which includes the greater part of such week.
(Source: Laws 1959, p. 2169.)

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Sec. 242. "Benefit year" defined*

"Benefit year" with respect to any individual means the one-year period beginning with the first day of the week with respect to which the individual first files a valid claim for benefits and, thereafter, the one-year period beginning with the first day of the week with respect to which such individual again files a valid claim after the termination of his last preceding benefit year or, in the case of an individual all of whose benefit rights or any remaining portion thereof have been canceled pursuant to the provisions of Section 602B, the one-year period beginning with the first day of the week with respect to which such individual again files a valid claim. Any claim for benefits made in accordance with the provisions of Section 700 shall be deemed to be a "valid claim" for the purposes of this paragraph if the individual has met the requirements of Section 500 E.

Notwithstanding the foregoing provisions of this Section, "benefit year" means the benefit year as defined in the unemployment compensation law of any State under which benefits are payable to an individual on the basis of a combination of his wages pursuant to an arrangement described in Section 2700 F.
(Source: P.A. 82-22.)

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Sec. 243. "Board of Review" defined*

"Board of Review" means the Board of Review created by Section 5-125 of the Departments of State Government Law (20 ILCS 5/5-125).

(Source: P.A. 91-239, eff. 1-1-00.)

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Sec. 244. "State" defined*

"State" includes, in addition to the States of the United States of America, the District of Columbia, Puerto Rico, and the Virgin Islands of the United States.

(Source: P.A. 76-1063.)

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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) 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 "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.

B. The term "employment" includes any services performed within the State which constitute "employment" under the provisions of the Federal Unemployment Tax Act, or which are required, pursuant to such Act, to be "employment" 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.

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. 98-1133, eff. 12-23-14.)

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Sec. 246. "Institution of higher education" defined*

"Institution of higher education" means an educational institution which

A. Admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate; and
B. Is legally authorized in this State to provide a program of education beyond high school; and
C. Provides an educational program for which it awards a bachelor's or higher degree, or provides a program which is acceptable for full credit toward such a degree, a program of post-graduate or post-doctoral studies, or a program of training to prepare students for gainful employment in a recognized occupation; and
D. Is a public institution or a nonprofit organization.

(Source: P.A. 77-1443.)

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Sec. 247. "Hospital" defined*

"Hospital" means any institution for the conduct, operation or maintenance of which a license is required by the Hospital Licensing Act; or an institution (or a facility within an institution) maintained and operated by this State, or by any of its political subdivisions or municipal corporations, or by an instrumentality of one or more of the foregoing, primarily engaged in providing medical care to individuals, including diagnostic, therapeutic, psychiatric, or obstetrical services.
(Source: P.A. 77-1443.)

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Sec. 300. Duration of coverage.
Except as is provided in Sections 301 and 302, any employing unit which is or becomes an employer within any calendar year shall be subject to this Act during the whole of such calendar year.
(Source: P.A. 87-1178.)

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Sec. 301. Termination of coverage.

A. An employing unit shall cease to be an employer as of the first day of January of any calendar year, only if it files with the Director, prior to the 1st day of February of such year, a written application for termination of coverage, and the Director finds that the employment experience of such employer within the preceding calendar year was not sufficient to render an employing unit an employer under the provisions of subsections A or B of Section 205. For the purposes of this Section, the two or more employing units mentioned in subsections C, D, E, or F of Section 205 shall be treated as a single employing unit.

B. Notwithstanding the provisions of Section 205 and subsection A of this Section, an employing unit shall cease to be an employer as of the last day of a calendar quarter in which it ceases to pay wages for services in employment and ceases to have any individual performing services for it, provided that either it files with the Director, within 5 days after the date on which wage reports are due for the calendar quarter, a written application for termination of coverage and the Director approves the application, or the Director has determined on his or her own initiative, pursuant to standards established under duly promulgated rules, that the employing unit has permanently ceased to pay wages for services in employment and permanently ceased to have any individual performing services for it. If an employing unit's coverage is terminated under this subsection B, the termination of coverage shall be rescinded as of the date that the employing unit begins, later in the same calendar year or in the succeeding calendar year, to have any individual perform services for it on any part of any day.

(Source: P.A. 90-554, eff. 12-12-97.)

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Sec. 302. Election of coverage.

A. An employing unit not otherwise subject to this Act, which files with the Director its written election to become an employer for not less than two calendar years, shall, with the written approval of the election by the Director, become an employer to the same extent as all other employers, as of the date stated in the approval, and shall cease to be subject to this Act as of January 1 of any calendar year subsequent to such two calendar years, only if prior to February 1 of that year it has filed with the Director a written notice to that effect. The Director shall approve any election so filed if he finds that the employment record of the applicant has not been or is not likely to be such as will unduly threaten the full payment of benefits when due under this Act.

B. Any employing unit for which services that do not constitute employment are performed may file with the Director a written election that all such services performed by individuals in its employ in one or more distinct establishments or places of business shall be deemed to constitute employment for all the purposes of this Act for not less than two calendar years. Upon the written approval of the election by the Director, the services shall be deemed to constitute employment from and after the date stated in the approval. The services shall cease to be deemed employment as of January 1 of any calendar year subsequent to such two calendar years, only if prior to February 1 of that year the employing unit has filed with the Director a written notice to that effect. The basis for the approval by the Director of the election under this subsection shall be the same as that provided under subsection A of this Section.

C. Subsections A and B shall not apply to a political subdivision or a municipal corporation, or an instrumentality of one or more of the foregoing or of this State and one or more of the foregoing, and subsection B shall not apply to this State or any of its instrumentalities, except that a political subdivision or municipal corporation of this State may file with the Director a written election that it be an employer with respect to the services (except any services enumerated in Section 211.3) performed prior to January 1, 1978, by individuals in its employ in all of the hospitals and institutions of higher education operated by it and that such services be employment for all the purposes of this Act for not less than two calendar years. The effective date of the written election shall be any date after December 31, 1971, designated by the employing unit, provided that the date shall not be prior to January 1 of the calendar year in which the written election has been filed. The services described in this subsection shall cease to be employment and the employing unit shall cease to be an employer as of January 1 of any calendar year subsequent to the two calendar years hereinabove mentioned only if, prior to February 1 of that year, it files with the Director a written notice to that effect.

1. With respect to the effective period of its election to be an employer, the political subdivision or municipal corporation (unless it elects to make payments under the provisions of paragraph 2) shall make payments in lieu of contributions the amounts of which shall be determined, in accordance with the provisions of Sections 1400 and 1500, in the same manner and on the same basis as the amounts are determined for employers who incur liability for the payment of contributions. All of the provisions of this Act applicable to employers who incur liability for the payment of contributions shall apply to a political subdivision or municipal corporation which becomes subject to the making of payments in lieu of contributions under this paragraph.
2. In lieu of the payments required by paragraph 1, a political subdivision or municipal corporation which has elected to be an employer may elect to make payments in lieu of contributions: with respect to benefit years beginning prior to July 1, 1989, in amounts equal to the amounts of regular benefits and one-half the extended benefits (defined in Section 409) paid to individuals for any weeks which begin on or after the effective date of the election to make such payments, on the basis of wages for insured work paid to them by the political

subdivision or municipal corporation during their respective base periods; and, with respect to benefit years beginning on or after July 1, 1989, in amounts equal to the amounts specified in the third and fourth sentences of subsection B of Section 1405 paid to individuals where such political subdivision or municipal corporation was the last employer of the individual as provided in Section 1502.1 with respect to a benefit year beginning during the effective period of the election. An election to make payments pursuant to this paragraph shall be made in accordance with and subject to the provisions of subsection A of Section 1404, applicable to elections by nonprofit organizations. All of the provisions of Section 1404 (except subsection E), applicable to payments in lieu of contributions by nonprofit organizations, shall be applicable to payments in lieu of contributions by a political subdivision or municipal corporation pursuant to this paragraph. For the purposes of this paragraph, the term "contributions" (relating to payments determined pursuant to Sections 1400 and 1500) which appears in Section 1404 means the payments in lieu of contributions required by paragraph 1 of this subsection; and the term "incurred liability" for the payment of contributions, or any variant thereof, which appears in Section 1404 means "became liable" for the payments in lieu of contributions required by paragraph 1 of this subsection, or a like variant thereof, as the case may be.

(Source: P.A. 85-956.)

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Sec. 400. Payment of benefits.
All benefits shall be paid through employment offices, as hereinafter provided, in accordance with such regulations as the Director may prescribe.
(Source: Laws 1951, p. 32.)

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Sec. 401. Weekly Benefit Amount - Dependents' Allowances.

(I) A. With respect to any week beginning in a benefit year beginning prior to January 4, 2004, an individual's weekly benefit amount shall be an amount equal to the weekly benefit amount as defined in the provisions of this Act as amended and in effect on November 18, 2011.

B. 1. With respect to any benefit year beginning on or after January 4, 2004 and before January 6, 2008, an individual's weekly benefit amount shall be 48% of the individual's prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar; provided, however, that the weekly benefit amount cannot exceed the maximum weekly benefit amount and cannot be less than $51. Except as otherwise provided in this Section, with respect to any benefit year beginning on or after January 6, 2008, an individual's weekly benefit amount shall be 47% of the individual's prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar; provided, however, that the weekly benefit amount cannot exceed the maximum weekly benefit amount and cannot be less than $51. With respect to any benefit year beginning on or after January 1, 2027 and before January 1, 2028, an individual's weekly benefit amount shall be 40.6% of the individual's prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar; provided, however, that the weekly benefit amount cannot exceed the maximum weekly benefit amount and cannot be less than $51.

2. For the purposes of this subsection:

An individual's "prior average weekly wage" means the total wages for insured work paid to that individual during the 2 calendar quarters of the individual's base period in which such total wages were highest, divided by 26. If the quotient is not already a multiple of one dollar, it shall be rounded to the nearest dollar; however if the quotient is equally near 2 multiples of one dollar, it shall be rounded to the higher multiple of one dollar.

"Determination date" means June 1 and December 1 of each calendar year except that, for the purposes of this Act only, there shall be no June 1 determination date in any year.

"Determination period" means, with respect to each June 1 determination date, the 12 consecutive calendar months ending on the immediately preceding December 31 and, with respect to each December 1 determination date, the 12 consecutive calendar months ending on the immediately preceding June 30.

"Benefit period" means the 12 consecutive calendar month period beginning on the first day of the first calendar month immediately following a determination date, except that, with respect to any calendar year in which there is a June 1 determination date, "benefit period" shall mean the 6 consecutive calendar month period beginning on the first day of the first calendar month immediately following the preceding December 1 determination date and the 6 consecutive calendar month period beginning on the first day of the first calendar month immediately following the June 1 determination date.

"Gross wages" means all the wages paid to individuals during the determination period immediately preceding a determination date for insured work, and reported to the Director by employers prior to the first day of the third calendar month preceding that date.

"Covered employment" for any calendar month means the total number of individuals, as determined by the Director, engaged in insured work at mid-month.

"Average monthly covered employment" means one-twelfth of the sum of the covered employment for the 12 months of a determination period.

"Statewide average annual wage" means the quotient, obtained by dividing gross wages by average monthly covered employment for the same determination period, rounded (if not already a multiple of one cent) to the nearest cent.

"Statewide average weekly wage" means the quotient, obtained by dividing the statewide average annual wage by 52, rounded (if not already a multiple of one cent) to the nearest cent. Notwithstanding any provision of this Section to the contrary, the statewide average weekly wage for any benefit period prior to calendar year 2012 shall be as determined by the provisions of this Act as amended and in effect on November 18, 2011. Notwithstanding any provisions of this Section to the contrary, the statewide average weekly wage for the benefit period of calendar year 2012 shall be $856.55 and for each calendar year thereafter, the statewide average weekly wage shall be the statewide average weekly wage, as determined in accordance with this sentence, for the immediately preceding benefit period plus (or minus) an amount equal to the percentage change in the statewide average weekly wage, as computed in accordance with the first sentence of this paragraph, between the 2 immediately preceding benefit periods, multiplied by the statewide average weekly wage, as determined in accordance with this sentence, for the immediately preceding benefit period. However, for purposes of the Workers' Compensation Act, the statewide average weekly wage will be computed using June 1 and December 1 determination dates of each calendar year and such determination shall not be subject to the limitation of the statewide average weekly wage as computed in accordance with the preceding sentence of this paragraph.

With respect to any week beginning in a benefit year beginning prior to January 4, 2004, "maximum weekly benefit amount" with respect to each week beginning within a benefit period shall be as defined in the provisions of this Act as amended and in effect on November 18, 2011.

With respect to any benefit year beginning on or after January 4, 2004 and before January 6, 2008, "maximum weekly benefit amount" with respect to each week beginning within a benefit period means 48% of the statewide average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar.

Except as otherwise provided in this Section, with respect to any benefit year beginning on or after January 6, 2008, "maximum weekly benefit amount" with respect to each week beginning within a benefit period means 47% of the statewide average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar.

With respect to any benefit year beginning on or after January 1, 2027 and before January 1, 2028, "maximum weekly benefit amount" with respect to each week beginning within a benefit period means 40.6% of the statewide average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar.

C. With respect to any week beginning in a benefit year beginning prior to January 4, 2004, an individual's eligibility for a dependent allowance with respect to a nonworking spouse or one or more dependent children shall be as defined by the provisions of this Act as amended and in effect on November 18, 2011.

With respect to any benefit year beginning on or after January 4, 2004 and before January 6, 2008, an individual to whom benefits are payable with respect to any week shall, in addition to those benefits, be paid, with respect to such week, as follows: in the case of an individual with a nonworking spouse, 9% of the individual's prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar, provided, that the total amount payable to the individual with respect to a week shall not exceed 57% of the statewide average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar; and in the case of an individual with a dependent child or dependent children, 17.2% of the individual's prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar, provided that the total amount payable to the individual with respect to a week shall not exceed 65.2% of the statewide average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar.

With respect to any benefit year beginning on or after January 6, 2008 and before January 1, 2010, an individual to whom benefits are payable with respect to any week shall, in addition to those benefits, be paid, with respect to such week, as follows: in the case of an individual with a nonworking spouse, 9% of the individual's prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar, provided, that the total amount payable to the individual with respect to a week shall not exceed 56% of the statewide average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar; and in the case of an individual with a dependent child or dependent children, 18.2% of the individual's prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar, provided that the total amount payable to the individual with respect to a week shall not exceed 65.2% of the statewide average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar.

The additional amount paid pursuant to this subsection in the case of an individual with a dependent child or dependent children shall be referred to as the "dependent child allowance", and the percentage rate by which an individual's prior average weekly wage is multiplied pursuant to this subsection to calculate the dependent child allowance shall be referred to as the "dependent child allowance rate".

Except as otherwise provided in this Section, with respect to any benefit year beginning on or after January 1, 2010, an individual to whom benefits are payable with respect to any week shall, in addition to those benefits, be paid, with respect to such week, as follows: in the case of an individual with a nonworking spouse, the greater of (i) 9% of the individual's prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar, or (ii) $15, provided that the total amount payable to the individual with respect to a week shall not exceed 56% of the statewide average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar; and in the case of an individual with a dependent child or dependent children, the greater of (i) the product of the dependent child allowance rate multiplied by the individual's

prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar, or (ii) the lesser of $50 or 50% of the individual's weekly benefit amount, rounded (if not already a multiple of one dollar) to the next higher dollar, provided that the total amount payable to the individual with respect to a week shall not exceed the product of the statewide average weekly wage multiplied by the sum of 47% plus the dependent child allowance rate, rounded (if not already a multiple of one dollar) to the next higher dollar.

With respect to any benefit year beginning on or after January 1, 2027 and before January 1, 2028, an individual to whom benefits are payable with respect to any week shall, in addition to those benefits, be paid, with respect to such week, as follows: in the case of an individual with a nonworking spouse, the greater of (i) 9% of the individual's prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar, or (ii) $15, provided that the total amount payable to the individual with respect to a week shall not exceed 49.6% of the statewide average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar; and in the case of an individual with a dependent child or dependent children, the greater of (i) the product of the dependent child allowance rate multiplied by the individual's prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar, or (ii) the lesser of $50 or 50% of the individual's weekly benefit amount, rounded (if not already a multiple of one dollar) to the next higher dollar, provided that the total amount payable to the individual with respect to a week shall not exceed the product of the statewide average weekly wage multiplied by the sum of 40.6% plus the dependent child allowance rate, rounded (if not already a multiple of one dollar) to the next higher dollar.

With respect to each benefit year beginning after calendar year 2012, the dependent child allowance rate shall be the sum of the allowance adjustment applicable pursuant to Section 1400.1 to the calendar year in which the benefit year begins, plus the dependent child allowance rate with respect to each benefit year beginning in the immediately preceding calendar year, except as otherwise provided in this subsection. The dependent child allowance rate with respect to each benefit year beginning in calendar year 2010 shall be 17.9%. The dependent child allowance rate with respect to each benefit year beginning in calendar year 2011 shall be 17.4%. The dependent child allowance rate with respect to each benefit year beginning in calendar year 2012 shall be 17.0% and, with respect to each benefit year beginning after calendar year 2012, shall not be less than 17.0% or greater than 17.9%.

For the purposes of this subsection:

"Dependent" means a child or a nonworking spouse.

"Child" means a natural child, stepchild, or adopted child of an individual claiming benefits under this Act or a child who is in the custody of any such individual by court order, for whom the individual is supplying and, for at least 90 consecutive days (or for the duration of the parental relationship if it has existed for less than 90 days) immediately preceding any week with respect to which the individual has filed a claim, has supplied more than one-half the cost of support, or has supplied at least 1/4 of the cost of support if the individual and the other parent, together, are supplying and, during the aforesaid period, have supplied more than one-half the cost of support, and are, and were during the aforesaid period, members of the same household; and who, on the first day of such week (a) is under 18 years of age, or (b) is, and has been during the immediately

preceding 90 days, unable to work because of illness or other disability: provided, that no person who has been determined to be a child of an individual who has been allowed benefits with respect to a week in the individual's benefit year shall be deemed to be a child of the other parent, and no other person shall be determined to be a child of such other parent, during the remainder of that benefit year.

"Nonworking spouse" means the lawful husband or wife of an individual claiming benefits under this Act, for whom more than one-half the cost of support has been supplied by the individual for at least 90 consecutive days (or for the duration of the marital relationship if it has existed for less than 90 days) immediately preceding any week with respect to which the individual has filed a claim, but only if the nonworking spouse is currently ineligible to receive benefits under this Act by reason of the provisions of Section 500E.

An individual who was obligated by law to provide for the support of a child or of a nonworking spouse for the aforesaid period of 90 consecutive days, but was prevented by illness or injury from doing so, shall be deemed to have provided more than one-half the cost of supporting the child or nonworking spouse for that period.

(II) (Blank).
(Source: P.A. 102-671, eff. 11-30-21; 102-700, eff. 4-19-22; 102-1105, eff. 1-1-23; 103-1059, eff. 12-20-24.)

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Sec. 401.5. Exclusion of student aid.
For purposes of determining eligibility for or the amount of any benefits under this Act, the Department shall exclude from consideration any financial assistance received, under any student aid program administered by an agency of this State or the federal government, by a person who is enrolled as a full-time or part-time student at any public or private university, college, or community college in this State.
(Source: P.A. 88-436.)

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Sec. 402. Reduced weekly benefits.

Each eligible individual who is unemployed in any week, as defined in Section 239, shall be paid, with respect to such week, a benefit in an amount equal to his weekly benefit amount (plus dependents' allowances) less that part of wages (if any) payable to him with respect to such week which is in excess of 50% of his weekly benefit amount, provided that such benefit for any benefit week shall be reduced by: (1) the amount of any holiday pay which the individual is entitled to receive, and receives, for any workday in such week, and (2) the amount of any vacation wages allocated to such week by the individual's employer pursuant to Section 610 of this Act, and (3) one-fifth of the weekly benefit amount for each normal workday during which such individual is unable to work or unavailable for work, and provided, further, that this subsection shall not be construed so as to effect any change in the status of part-time workers as defined in Section 407. Such benefit, if not a multiple of $1, shall be computed to the next higher multiple of $1.

(Source: P.A. 82-22.)

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Sec. 403. Maximum total amount of benefits.

(I) A. With respect to any benefit year beginning prior to September 30, 1979, any otherwise eligible individual shall be entitled, during such benefit year, to a maximum total amount of benefits as shall be determined in the manner set forth in this Act as amended and in effect on November 9, 1977.

B. With respect to any benefit year beginning on or after September 30, 1979, except as otherwise provided in this Section, any otherwise eligible individual shall be entitled, during such benefit year, to a maximum total amount of benefits equal to 26 times the individual's weekly benefit amount plus dependents' allowances, or to the total wages for insured work paid to such individual during the individual's base period, whichever amount is smaller. With respect to any benefit year beginning in calendar year 2012, any otherwise eligible individual shall be entitled, during such benefit year, to a maximum total amount of benefits equal to 25 times the individual's weekly benefit amount plus dependents' allowances, or to the total wages for insured work paid to such individual during the individual's base period, whichever amount is smaller. With respect to any benefit year beginning on or after January 1, 2027 and before January 1, 2028, any otherwise eligible individual shall be entitled, during such benefit year, to a maximum total amount of benefits equal to 23 times the individual's weekly benefit amount plus dependents' allowances, or to the total wages for insured work paid to such individual during the individual's base period, whichever amount is smaller.

(II) (Blank).

(Source: P.A. 102-671, eff. 11-30-21; 102-700, eff. 4-19-22; 102-1105, eff. 1-1-23; 103-1059, eff. 12-20-24.)

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Sec. 404. Payment of benefits due to deceased individuals.
The Director may prescribe regulations to provide for the payment of benefits which are due and payable, to the legal representative, dependents, relatives or next of kin of persons since deceased. Such regulations need not conform with the statutes governing decedent estates, and such payment shall be deemed a valid payment to the same extent as if made to the legal representative of the deceased.
(Source: Laws 1951, p. 32.)

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Sec. 405. When wages payable treated as wages paid.
The Director may, for the purpose of determining benefit rights of a claimant, treat wages payable but unpaid as wages paid, where such wages are not paid because of the insolvency, bankruptcy, or other financial difficulty of the employer.
(Source: Laws 1951, p. 32.)

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Sec. 406. Benefits after termination of military service.
An individual otherwise eligible for benefits shall not be disqualified from the receipt thereof by reason of being entitled to readjustment allowances under the Servicemen's Readjustment Act of 1944; provided, however, that the filing of a valid claim in any benefit year for readjustment allowance under said Act by a claimant for any week shall, when followed by authorization of payment thereof, be deemed an election by such claimant to avail himself of his rights to readjustment allowances under such Servicemen's Readjustment Act throughout the benefit year in which such week occurs in preference to those under this Act, and shall disqualify such claimant for benefits until whichever of the following events first occurs: (A) the exhaustion of all his rights to readjustment allowances under the Servicemen's Readjustment Act of 1944 or (B) the end of such benefit year.
(Source: Laws 1951, p. 32.)

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Sec. 407. Part-time workers.
As used in this Section, the term "part-time worker" means an individual whose normal work is in an occupation in which his services are not required for the customary scheduled full time hours or days prevailing in the establishment in which he is employed or who, owing to personal circumstances does not customarily work the customary scheduled full time hours or days prevailing in the establishment in which he is employed.

The Director may, in his discretion, after giving interested parties fair notice and opportunity to be heard, prescribe fair and reasonable general rules applicable to part-time workers for determining their weekly benefit amount and their total wages in insured work required to qualify such workers for benefits. Such rules shall, with respect to such workers, supersede any inconsistent provisions of this Act, but, so far as practicable, shall secure results reasonably similar to those provided in the analogous provisions of this Act. Such rules shall be made with due regard to the customary hours or days during which such individual works in such employment and to the wages payable therefor as compared with the wages that would have been payable therefor, if such individual were employed for the full time hours or days during which persons are customarily employed at full time in such work by such employer.
(Source: Laws 1951, p. 32.)

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Sec. 408.5. Additional Benefits.

A. Additional benefits shall be available:
   1. only with respect to benefit years beginning on or after April 1, 2015 and prior to the effective date of this amendatory Act of the 99th General Assembly; and
   2. to an otherwise eligible individual: (a) who was certified as eligible to apply for adjustment assistance under the federal Trade Act of 1974, as amended, on or after January 1, 2015; (b) who has not received the maximum amount of trade readjustment allowances payable to him or her pursuant to paragraph (1) of subsection (a) of Section 233 of the federal Trade Act of 1974, as amended, as a result of the certification referenced in item (a) of this paragraph 2; and (c) whose total or partial unemployment is attributable to a layoff from a steel manufacturer.

B. An individual shall be eligible to receive additional benefits pursuant to this Section for a week if he or she: (1) has met the requirements of Section 500E of this Act; (2) is an exhaustee; and (3) except when the result would be inconsistent with the provisions of this Section, has satisfied the requirements of this Act for the receipt of regular benefits as that term is defined in Section 409 of this Act.

C. For the purposes of this Section, an individual is an exhaustee with respect to a week if:
   1. prior to such week: (a) he or she has received, with respect to his or her current benefit year that includes such week, the maximum total amount of benefits to which he or she was entitled under the provisions of Section 403B, and all of the regular benefits (including dependents' allowances) to which he or she had entitlement (if any) on the basis of wages or employment under any other State unemployment compensation law; or (b) he or she has received all the regular benefits available to him or her with respect to his or her current benefit year that includes such week, under this Act and under any other State unemployment compensation law, after a cancellation of some or all of his or her wage credits or the partial or total reduction of his or her regular benefit rights; or (c) his or her benefit year terminated, and he or she cannot meet the qualifying wage requirements of Section 500E of this Act or the qualifying wage or employment requirements of any other State unemployment compensation law to establish a new benefit year which would include such week or, having established a new benefit year that includes such week, he or she is ineligible for regular benefits by reason of Section 607 of this Act or a like provision of any other State unemployment compensation law; and
   2. for such week: (a) he or she has no right to benefits or allowances, as the case may be, under the Railroad Unemployment Insurance Act, the federal Trade Act of 1974, as amended, or such other federal laws as are specified in regulations of the United States Secretary of Labor or other appropriate federal agency; and (b) he or she has not received and is not seeking benefits under the unemployment compensation law of Canada, except that if he or she is seeking such benefits and the appropriate agency finally determines that he or she is not entitled to benefits under such law, this clause shall not apply; and
   3. the week for which additional benefits are being claimed is not later than seventy-eight weeks after the end of the individual's benefit year for which benefits can be claimed under this Section.

   For the purposes of clauses (a) and (b) of paragraph 1 of this subsection, an individual shall be deemed to have received, with respect to his or her current benefit year, the maximum total amount of benefits to which he or she was entitled or all of the regular benefits to which he or she had entitlement, or all of the regular benefits available to him or her, as the case may be, even though: (a) as a result of a pending reconsideration or appeal with respect to the "finding" defined in Section 701, or of a pending appeal with respect to wages or employment or both under any other State unemployment compensation law, he or she may subsequently be determined to be entitled to more

regular benefits; or (b) by reason of a seasonality provision in a State unemployment compensation law which establishes the weeks of the year for which regular benefits may be paid to individuals on the basis of wages in seasonal employment he or she may be entitled to regular benefits for future weeks but such benefits are not payable with respect to the week for which he or she is claiming additional benefits, provided that he or she is otherwise an exhaustee under the provisions of this subsection with respect to his or her rights to regular benefits, under such seasonality provision, during the portion of the year in which that week occurs; or (c) having established a benefit year, no regular benefits are payable to him or her with respect to such year because his or her wage credits were cancelled or his or her rights to regular benefits were totally reduced by reason of the application of a disqualification provision of a State unemployment compensation law.

An individual shall not cease to be an exhaustee with respect to any week solely because he or she meets the qualifying wage requirements of Section 500E for a part of such week.

D. The provisions of Section 607 and the waiting period requirements of Section 500D shall not be applicable to any week with respect to which benefits are otherwise payable under this Section.

E. With respect to any week payable under this Section, an exhaustee's "weekly additional benefit amount" shall be the same as his or her weekly benefit amount during his or her benefit year which includes such week or, if such week is not in a benefit year, during his or her applicable benefit year, as defined in regulations issued by the United States Secretary of Labor or other appropriate federal agency. If the exhaustee had more than one weekly benefit amount during his or her benefit year, his or her weekly additional benefit amount with respect to such week shall be the latest of such weekly benefit amounts.

F. An eligible exhaustee shall be entitled to a maximum total amount of additional benefits equal to the maximum total amount of benefits to which he or she was entitled under Section 403B, plus dependents' allowances, during his or her applicable benefit year, minus the sum of any trade readjustment allowances he or she has received as a result of the certification referenced in item (a) of paragraph 2 of subsection A.

G. 1. A claims adjudicator shall examine the first claim filed by an individual who meets the requirements of subsection A and, on the basis of the information in his or her possession, shall make an "additional benefits finding". Such finding shall state whether or not the individual has met the requirement of subsection E of Section 500 of this Act, is an exhaustee and, if so, his or her weekly additional benefit amount and the maximum total amount of additional benefits to which he or she is entitled. The claims adjudicator shall promptly notify the individual of his or her "additional benefits finding", and shall promptly notify the individual's most recent employing unit and the individual's last employer (referred to in Section 1502.1) that the individual has filed a claim for additional benefits. The claims adjudicator may reconsider his or her "additional benefits finding" at any time within 2 years after the close of the individual's applicable benefit year, and shall promptly notify the individual of such reconsidered finding. All of the provisions of this Act applicable to reviews from findings or reconsidered findings made pursuant to Sections 701 and 703 which are not inconsistent with the provisions of this subsection shall be applicable to reviews from additional benefits findings and reconsidered additional benefits findings.

2. If, pursuant to the reconsideration or appeal with respect to a "finding", referred to in subsection C, an exhaustee is found to be entitled to more regular benefits and, by reason

thereof, is entitled to more additional benefits, the claims adjudicator shall make a reconsidered additional benefits finding and shall promptly notify the exhaustee thereof.

H. Benefits payable pursuant to this Section shall be paid from the unemployment trust fund.

I. No employer shall be chargeable for the additional benefits paid under this Section.

J. To ensure full compliance and coordination with all applicable federal laws, including, but not limited to, the federal Trade Act of 1974, as amended, the Federal Unemployment Tax Act, and the Social Security Act, the Director shall take any action or issue any regulations necessary in the administration of this Section to ensure that its provisions are so interpreted and applied as to meet the requirements of such federal Act as interpreted by the United States Secretary of Labor or other appropriate Federal agency.

(Source: P.A. 99-912, eff. 12-19-16.)

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Sec. 409. Extended Benefits.

A. For the purposes of this Section:

1. "Extended benefit period" means a period which begins with the third week after a week for which there is a State "on" indicator; and ends with either of the following weeks, whichever occurs later: (1) the third week after the first week for which there is a State "off" indicator, or (2) the thirteenth consecutive week of such period. No extended benefit period shall begin by reason of a State "on" indicator before the fourteenth week following the end of a prior extended benefit period.
2. There is a "State 'on' indicator" for a week if (a) the Director determines, in accordance with the regulations of the United States Secretary of Labor or other appropriate Federal agency, that for the period consisting of such week and the immediately preceding twelve weeks, the rate of insured unemployment (not seasonally adjusted) in this State (1) equaled or exceeded 5% and equaled or exceeded 120% of the average of such rates for the corresponding 13-week period ending in each of the preceding 2 calendar years, or (2) equaled or exceeded 6 percent, or (b) the United States Secretary of Labor determines that (1) the average rate of total unemployment in this State (seasonally adjusted) for the period consisting of the most recent 3 months for which data for all states are published before the close of such week equals or exceeds 6.5%, and (2) the average rate of total unemployment in this State (seasonally adjusted) for the 3-month period referred to in (1) equals or exceeds 110% of such average rate for either (or both) of the corresponding 3-month periods ending in the 2 preceding calendar years. Clause (b) of this paragraph shall only apply to weeks beginning on or after February 22, 2009, through the end of the fourth week prior to the last week for which federal sharing is provided as authorized by Section 2005(a) of Public Law 111-5 without regard to Section 2005(c) of Public Law 111-5 and is inoperative as of the end of the last week for which federal sharing is provided as authorized by Section 2005(a) of Public Law 111-5 and to weeks beginning on or after March 15, 2020 through the end of the fourth week prior to the last week for which federal sharing is provided as authorized by Section 4105 of Public Law 116-127, or any amendments thereto, and is inoperative as of the end of the last week for which federal sharing is provided as authorized by Section 4105 of Public Law 116-127, or any amendments thereto.

2.1. With respect to benefits for weeks of unemployment beginning after December 17, 2010, and ending on or before the earlier of the latest date permitted under federal law or the end of the fourth week prior to the last week for which federal sharing is provided as authorized by Section 2005(a) of Public Law 111-5 without regard to Section 2005(c) of Public Law 111-5, the determination of whether there has been a State "on" indicator pursuant to paragraph 2 shall be made as if, in clause (a) of paragraph 2, the phrase "2 calendar years" were "3 calendar years" and as if, in clause (b) of paragraph 2, the word "either" were "any", the word "both" were "all", and the phrase "2 preceding calendar years" were "3 preceding calendar years".

3. There is a "State 'off' indicator" for a week if there is not a State 'on' indicator for the week pursuant to paragraph 2.
4. "Rate of insured unemployment", for the purpose of paragraph 2, means the percentage derived by dividing (a) the average weekly number of individuals filing claims for "regular benefits" in this State for weeks of unemployment with respect to the most recent 13 consecutive week period, as determined by the Director on the basis of his reports to the United States Secretary of Labor or other appropriate Federal agency, by (b) the average monthly employment covered under this Act for the first four of the most recent six completed calendar quarters ending before the close of such 13-week period.

5. "Regular benefits" means benefits, other than extended benefits and additional benefits, payable to an individual (including dependents' allowances) under this Act or under any other State unemployment compensation law (including benefits payable to Federal civilian employees and ex-servicemen pursuant to 5 U.S.C. chapter 85).
6. "Extended benefits" means benefits (including benefits payable to Federal civilian employees and ex-servicemen pursuant to 5 U.S.C. chapter 85) payable to an individual under the provisions of this Section for weeks which begin in his eligibility period.
7. "Additional benefits" means benefits totally financed by a State and payable to exhaustees (as defined in subsection C) by reason of conditions of high unemployment or by reason of other specified factors. If an individual is eligible to receive extended benefits under the provisions of this Section and is eligible to receive additional benefits with respect to the same week under the law of another State, he may elect to claim either extended benefits or additional benefits with respect to the week.
8. "Eligibility period" means the period consisting of the weeks in an individual's benefit year which begin in an extended benefit period and, if his benefit year ends within such extended benefit period, any weeks thereafter which begin in such period. An individual's eligibility period shall also include such other weeks as federal law may allow.
9. Notwithstanding any other provision to the contrary, no employer shall be liable for payments in lieu of contributions pursuant to Section 1404, by reason of the payment of extended benefits which are wholly reimbursed to this State by the Federal Government or would have been wholly reimbursed to this State by the Federal Government if the employer had paid all of the claimant's wages during the applicable base period. Extended benefits shall not become benefit charges under Section 1501.1 if they are wholly reimbursed to this State by the Federal Government or would have been wholly reimbursed to this State by the Federal Government if the employer had paid all of the claimant's wages during the applicable base period. For purposes of this paragraph, extended benefits will be considered to be wholly reimbursed by the Federal Government notwithstanding the operation of Section 204(a)(2)(D) of the Federal-State Extended Unemployment Compensation Act of 1970.

B. An individual shall be eligible to receive extended benefits pursuant to this Section for any week which begins in his eligibility period if, with respect to such week (1) he has been paid wages for insured work during his base period equal to at least 1 1/2 times the wages paid in that calendar quarter of his base period in which such wages were highest; (2) he has met the requirements of Section 500E of this Act; (3) he is an exhaustee; and (4) except when the result would be inconsistent with the provisions of this Section, he has satisfied the requirements of this Act for the receipt of regular benefits.

C. An individual is an exhaustee with respect to a week which begins in his eligibility period if:
1. Prior to such week (a) he has received, with respect to his current benefit year that includes such week, the maximum total amount of benefits to which he was entitled under the provisions of Section 403B, and all of the regular benefits (including dependents' allowances) to which he had entitlement (if any) on the basis of wages or employment under any other State unemployment compensation law; or (b) he has received all the regular benefits available to him with respect to his current benefit year that includes such week, under this Act and under any other State unemployment compensation law, after a cancellation of some or all of his wage credits or the partial or total reduction of his regular benefit rights; or (c) his benefit year terminated, and he cannot meet the qualifying wage requirements of Section 500E of this Act or the qualifying wage or employment requirements of any other State unemployment compensation law to establish a new benefit year which would include such week or, having

established a new benefit year that includes such week, he is ineligible for regular benefits by reason of Section 607 of this Act or a like provision of any other State unemployment compensation law; and

2. For such week (a) he has no right to benefits or allowances, as the case may be, under the Railroad Unemployment Insurance Act, or such other Federal laws as are specified in regulations of the United States Secretary of Labor or other appropriate Federal agency; and (b) he has not received and is not seeking benefits under the unemployment compensation law of Canada, except that if he is seeking such benefits and the appropriate agency finally determines that he is not entitled to benefits under such law, this clause shall not apply.
3. For the purposes of clauses (a) and (b) of paragraph 1 of this subsection, an individual shall be deemed to have received, with respect to his current benefit year, the maximum total amount of benefits to which he was entitled or all of the regular benefits to which he had entitlement, or all of the regular benefits available to him, as the case may be, even though (a) as a result of a pending reconsideration or appeal with respect to the "finding" defined in Section 701, or of a pending appeal with respect to wages or employment or both under any other State unemployment compensation law, he may subsequently be determined to be entitled to more regular benefits; or (b) by reason of a seasonality provision in a State unemployment compensation law which establishes the weeks of the year for which regular benefits may be paid to individuals on the basis of wages in seasonal employment he may be entitled to regular benefits for future weeks but such benefits are not payable with respect to the week for which he is claiming extended benefits, provided that he is otherwise an exhaustee under the provisions of this subsection with respect to his rights to regular benefits, under such seasonality provision, during the portion of the year in which that week occurs; or (c) having established a benefit year, no regular benefits are payable to him with respect to such year because his wage credits were cancelled or his rights to regular benefits were totally reduced by reason of the application of a disqualification provision of a State unemployment compensation law.

D. 1. The provisions of Section 607 and the waiting period requirements of Section 500D shall not be applicable to any week with respect to which benefits are otherwise payable under this Section.
   2. An individual shall not cease to be an exhaustee with respect to any week solely because he meets the qualifying wage requirements of Section 500E for a part of such week.

E. With respect to any week which begins in his eligibility period, an exhaustee's "weekly extended benefit amount" shall be the same as his weekly benefit amount during his benefit year which includes such week or, if such week is not in a benefit year, during his applicable benefit year, as defined in regulations issued by the United States Secretary of Labor or other appropriate Federal agency. If the exhaustee had more than one weekly benefit amount during his benefit year, his weekly extended benefit amount with respect to such week shall be the latest of such weekly benefit amounts.

F. 1. An eligible exhaustee shall be entitled, during any eligibility period, to a maximum total amount of extended benefits equal to the lesser of the following amounts, not including any Federal Pandemic Unemployment Compensation amounts provided for in Section 2104 of Public Law 116-136:
      a. Fifty percent of the maximum total amount of benefits to which he was entitled under Section 403B during his applicable benefit year;
      b. Thirteen times his weekly extended benefit amount as determined under subsection E; or

c. Thirty-nine times his or her average weekly extended benefit amount, reduced by the regular benefits (not including any dependents' allowances) paid to him or her during such benefit year.

2. An eligible exhaustee shall be entitled, during a "high unemployment period", to a maximum total amount of extended benefits equal to the lesser of the following amounts:
   a. Eighty percent of the maximum total amount of benefits to which he or she was entitled under Section 403B during his or her applicable benefit year;
   b. Twenty times his or her weekly extended benefit amount as determined under subsection E; or
   c. Forty-six times his or her average weekly extended benefit amount, reduced by the regular benefits (not including any dependents' allowances) paid to him or her during such benefit year.

   For purposes of this paragraph, the term "high unemployment period" means any period during which (i) clause (b) of paragraph (2) of subsection A is operative and (ii) an extended benefit period would be in effect if clause (b) of paragraph (2) of subsection A of this Section were applied by substituting "8%" for "6.5%".
3. Notwithstanding paragraphs 1 and 2 of this subsection F, and if the benefit year of an individual ends within an extended benefit period, the remaining balance of extended benefits that the individual would, but for this subsection F, be otherwise entitled to receive in that extended benefit period, for weeks of unemployment beginning after the end of the benefit year, shall be reduced (but not below zero) by the product of the number of weeks for which the individual received any amounts as trade readjustment allowances as defined in the federal Trade Act of 1974 within that benefit year multiplied by his weekly benefit amount for extended benefits.

G. 1. A claims adjudicator shall examine the first claim filed by an individual with respect to his eligibility period and, on the basis of the information in his possession, shall make an "extended benefits finding". Such finding shall state whether or not the individual has met the requirement of subsection B(1), is an exhaustee and, if he is, his weekly extended benefit amount and the maximum total amount of extended benefits to which he is entitled. The claims adjudicator shall promptly notify the individual of his "extended benefits finding", and shall promptly notify the individual's most recent employing unit and the individual's last employer (referred to in Section 1502.1) that the individual has filed a claim for extended benefits. The claims adjudicator may reconsider his "extended benefits finding" at any time within one year after the close of the individual's eligibility period, and shall promptly notify the individual of such reconsidered finding. All of the provisions of this Act applicable to reviews from findings or reconsidered findings made pursuant to Sections 701 and 703 which are not inconsistent with the provisions of this subsection shall be applicable to reviews from extended benefits findings and reconsidered extended benefits findings.

2. If, pursuant to the reconsideration or appeal with respect to a "finding", referred to in paragraph 3 of subsection C, an exhaustee is found to be entitled to more regular benefits and, by reason thereof, is entitled to more extended benefits, the claims adjudicator shall make a reconsidered extended benefits finding and shall promptly notify the exhaustee thereof.

H. Whenever an extended benefit period is to begin in this State because there is a State "on" indicator, or whenever an extended benefit period is to end in this State because there is a State "off" indicator, the Director shall make an appropriate public announcement.

I. Computations required by the provisions of paragraph 4 of subsection A shall be made by the Director in accordance with regulations prescribed by the United States Secretary of Labor, or other appropriate Federal agency.

J. 1. Interstate Benefit Payment Plan means the plan approved by the Interstate Conference of Employment Security Agencies under which benefits shall be payable to unemployed individuals absent from the state (or states) in which benefit credits have been accumulated.

2. An individual who commutes from his state of residence to work in another state and continues to reside in such state of residence while filing his claim for unemployment insurance under this Section of the Act shall not be considered filing a claim under the Interstate Benefit Payment Plan so long as he files his claim in and continues to report to the employment office under the regulations applicable to intrastate claimants in the state in which he was so employed.

3. "State" when used in this subsection includes States of the United States of America, the District of Columbia, Puerto Rico and the Virgin Islands. For purposes of this subsection, the term "state" shall also be construed to include Canada.

4. Notwithstanding any other provision of this Act, an individual shall be eligible for a maximum of 2 weeks of benefits payable under this Section after he files his initial claim for extended benefits in an extended benefit period, as defined in paragraph 1 of subsection A, under the Interstate Benefit Payment Plan unless there also exists an extended benefit period, as defined in paragraph 1 of subsection A, in the state where such claim is filed. Such maximum eligibility shall continue as long as the individual continues to file his claim under the Interstate Benefit Payment Plan, notwithstanding that the individual moves to another state where an extended benefit period exists and files for weeks prior to his initial Interstate claim in that state.

5. To assure full tax credit to the employers of this state against the tax imposed by the Federal Unemployment Tax Act, the Director shall take any action or issue any regulations necessary in the administration of this subsection to insure that its provisions are so interpreted and applied as to meet the requirements of such Federal Act as interpreted by the United States Secretary of Labor or other appropriate Federal agency.

K. 1. Notwithstanding any other provisions of this Act, an individual shall be ineligible for the payment of extended benefits for any week of unemployment in his eligibility period if the Director finds that during such period:

a. he failed to accept any offer of suitable work (as defined in paragraph 3 below) or failed to apply for any suitable work to which he was referred by the Director; or

b. he failed to actively engage in seeking work as prescribed under paragraph 5 below.

2. Any individual who has been found ineligible for extended benefits by reason of the provisions of paragraph 1 of this subsection shall be denied benefits beginning with the first day of the week in which such failure has occurred and until he has been employed in each of 4 subsequent weeks (whether or not consecutive) and has earned remuneration equal to at least 4 times his weekly benefit amount.

3. For purposes of this subsection only, the term "suitable work" means, with respect to any individual, any work which is within such individual's capabilities, provided, however, that the gross average weekly remuneration payable for the work:

a. must exceed the sum of (i) the individual's extended weekly benefit amount as determined under subsection E above plus (ii) the amount, if any, of supplemental unemployment benefits (as defined in Section 501(c)(17)(D) of the Internal Revenue Code of 1954) payable to such individual for such week; and further,

b. is not less than the higher of –

(i) the minimum wage provided by Section 6 (a)(1) of the Fair Labor Standards Act of 1938, without regard to any exemption; or

(ii) the applicable state or local minimum wage;

c. provided, however, that no individual shall be denied extended benefits for failure to accept an offer of or apply for any job which meets the definition of suitability as described above if:
   (i) the position was not offered to such individual in writing or was not listed with the employment service;
   (ii) such failure could not result in a denial of benefits under the definition of suitable work for regular benefits claimants in Section 603 to the extent that the criteria of suitability in that Section are not inconsistent with the provisions of this paragraph 3;
   (iii) the individual furnishes satisfactory evidence to the Director that his prospects for obtaining work in his customary occupation within a reasonably short period are good. If such evidence is deemed satisfactory for this purpose, the determination of whether any work is suitable with respect to such individual shall be made in accordance with the definition of suitable work for regular benefits in Section 603 without regard to the definition specified by this paragraph.

4. Notwithstanding the provisions of paragraph 3 to the contrary, no work shall be deemed to be suitable work for an individual which does not accord with the labor standard provisions required by Section 3304(a)(5) of the Internal Revenue Code of 1954 and set forth herein under Section 603 of this Act.
5. For the purposes of subparagraph b of paragraph 1, an individual shall be treated as actively engaged in seeking work during any week if –
   a. the individual has engaged in a systematic and sustained effort to obtain work during such week, and
   b. the individual furnishes tangible evidence that he has engaged in such effort during such week.
6. The employment service shall refer any individual entitled to extended benefits under this Act to any suitable work which meets the criteria prescribed in paragraph 3.
7. Notwithstanding any other provision of this Act, an individual shall not be eligible to receive extended benefits, otherwise payable under this Section, with respect to any week of unemployment in his eligibility period if such individual has been held ineligible for benefits under the provisions of Sections 601, 602 or 603 of this Act until such individual had requalified for such benefits by returning to employment and satisfying the monetary requalification provision by earning at least his weekly benefit amount.
8. In response to the COVID-19 public health emergency, the Director may prescribe such rules as allowed by federal law limiting the work search requirements under subsection K.

L. The Governor may, if federal law so allows, elect, in writing, to pay individuals, otherwise eligible for extended benefits pursuant to this Section, any other federally funded unemployment benefits, including but not limited to benefits payable pursuant to the federal Supplemental Appropriations Act, 2008, as amended, and Public Law 116-136, prior to paying them benefits under this Section.

M. The provisions of this Section, as revised by this amendatory Act of the 96th General Assembly, are retroactive to February 22, 2009. The provisions of this amendatory Act of the 96th General Assembly with regard to subsection L and paragraph 8 of subsection A clarify authority already provided.

N. The provisions of this Section, as revised by this amendatory Act of the 101st General Assembly, are retroactive to March 15, 2020.

(Source: P.A. 101-633, eff. 6-5-20.)

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Sec. 410. Health insurance deductions; regulations*

The Director may prescribe regulations authorizing the deduction from an eligible individual's weekly benefit amount of an amount to pay for health insurance if the individual elects to have such deduction made and the deduction is made under a program approved by the United States Secretary of Labor in accordance with Section 3304(a)(4)(C) of the Internal Revenue Code.

(Source: P.A. 84-26.)

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Sec. 500. Eligibility for benefits.

An unemployed individual shall be eligible to receive benefits with respect to any week only if the Director finds that:

A. He has registered for work at and thereafter has continued to report at an employment office in accordance with such regulations as the Director may prescribe, except that the Director may, by regulation, waive or alter either or both of the requirements of this subsection as to individuals attached to regular jobs, and as to such other types of cases or situations with respect to which he finds that compliance with such requirements would be oppressive or inconsistent with the purposes of this Act, provided that no such regulation shall conflict with Section 400 of this Act.

B. He has made a claim for benefits with respect to such week in accordance with such regulations as the Director may prescribe.

C. He is able to work, and is available for work; provided that during the period in question he was actively seeking work and he has certified such. Whenever requested to do so by the Director, the individual shall, in the manner the Director prescribes by regulation, inform the Department of the places at which he has sought work during the period in question. Nothing in this subsection shall limit the Director's approval of alternate methods of demonstrating an active search for work based on regular reporting to a trade union office.

1. If an otherwise eligible individual is unable to work or is unavailable for work on any normal workday of the week, he shall be eligible to receive benefits with respect to such week reduced by one-fifth of his weekly benefit amount for each day of such inability to work or unavailability for work. For the purposes of this paragraph, an individual who reports on a day subsequent to his designated report day shall be deemed unavailable for work on his report day if his failure to report on that day is without good cause, and on each intervening day, if any, on which his failure to report is without good cause. As used in the preceding sentence, "report day" means the day which has been designated for the individual to report to file his claim for benefits with respect to any week. This paragraph shall not be construed so as to effect any change in the status of part-time workers as defined in Section 407.
2. An individual shall be considered to be unavailable for work on days listed as whole holidays in "An Act to revise the law in relation to promissory notes, bonds, due bills and other instruments in writing," approved March 18, 1874, as amended; on days which are holidays in his religion or faith, and on days which are holidays according to the custom of his trade or occupation, if his failure to work on such day is a result of the holiday. In determining the claimant's eligibility for benefits and the amount to be paid him, with respect to the week in which such holiday occurs, he shall have attributed to him as additional earnings for that week an amount equal to one-fifth of his weekly benefit amount for each normal work day on which he does not work because of a holiday of the type above enumerated.
3. An individual shall be deemed unavailable for work if, after his separation from his most recent employing unit, he has removed himself to and remains in a locality where opportunities for work are substantially less favorable than those in the locality he has left.
4. An individual shall be deemed unavailable for work with respect to any week which occurs in a period when his principal occupation is that of a student in attendance at, or on vacation from, a public or private school.
5. Notwithstanding any other provisions of this Act, an individual shall not be deemed unavailable for work or to have failed actively to seek work, nor shall he be ineligible for benefits by reason of the application of the provisions of Section 603, with respect to any week, because he is enrolled in and is in regular attendance at a training course approved for him by the Director:

(a) but only if, with respect to that week, the individual presents, upon request, to the claims adjudicator referred to in Section 702 a statement executed by a responsible person connected with the training course, certifying that the individual was in full-time attendance at such course during the week. The Director may approve such course for an individual only if he finds that (1) reasonable work opportunities for which the individual is fitted by training and experience do not exist in his locality; (2) the training course relates to an occupation or skill for which there are, or are expected to be in the immediate future, reasonable work opportunities in his locality; (3) the training course is offered by a competent and reliable agency, educational institution, or employing unit; (4) the individual has the required qualifications and aptitudes to complete the course successfully; and (5) the individual is not receiving and is not eligible (other than because he has claimed benefits under this Act) for subsistence payments or similar assistance under any public or private retraining program: Provided, that the Director shall not disapprove such course solely by reason of clause (5) if the subsistence payment or similar assistance is subject to reduction by an amount equal to any benefits payable to the individual under this Act in the absence of the clause. In the event that an individual's weekly unemployment compensation benefit is less than his certified training allowance, that person shall be eligible to receive his entire unemployment compensation benefits, plus such supplemental training allowances that would make an applicant's total weekly benefit identical to the original certified training allowance.

(b) The Director shall have the authority to grant approval pursuant to subparagraph (a) above prior to an individual's formal admission into a training course. Requests for approval shall not be made more than 30 days prior to the actual starting date of such course. Requests shall be made at the appropriate unemployment office.

(c) The Director shall for purposes of paragraph C have the authority to issue a blanket approval of training programs implemented pursuant to the federal Workforce Innovation and Opportunity Act if both the training program and the criteria for an individual's participation in such training meet the requirements of this paragraph C.

(d) Notwithstanding the requirements of subparagraph (a), the Director shall have the authority to issue blanket approval of training programs implemented under the terms of a collective bargaining agreement.

6. Notwithstanding any other provisions of this Act, an individual shall not be deemed unavailable for work or to have failed actively to seek work, nor shall he be ineligible for benefits, by reason of the application of the provisions of Section 603 with respect to any week because he is in training approved under Section 236 (a)(1) of the federal Trade Act of 1974, nor shall an individual be ineligible for benefits under the provisions of Section 601 by reason of leaving work voluntarily to enter such training if the work left is not of a substantially equal or higher skill level than the individual's past adversely affected employment as defined under the federal Trade Act of 1974 and the wages for such work are less than 80% of his average weekly wage as determined under the federal Trade Act of 1974.

D. If his benefit year begins prior to July 6, 1975 or subsequent to January 2, 1982, he has been unemployed for a waiting period of 1 week during such benefit year. If his benefit year begins on or after July 6, l975, but prior to January 3, 1982, and his unemployment continues for more than three weeks during such benefit year, he shall be eligible for benefits with respect to each week of such unemployment, including the first week thereof. An individual shall be deemed to be unemployed within the meaning of this subsection while receiving public assistance as remuneration for services performed on work projects financed from funds made available to

governmental agencies for such purpose. No week shall be counted as a week of unemployment for the purposes of this subsection:

1. Unless it occurs within the benefit year which includes the week with respect to which he claims payment of benefits, provided that, for benefit years beginning prior to January 3, 1982, this requirement shall not interrupt the payment of benefits for consecutive weeks of unemployment; and provided further that the week immediately preceding a benefit year, if part of one uninterrupted period of unemployment which continues into such benefit year, shall be deemed (for the purpose of this subsection only and with respect to benefit years beginning prior to January 3, 1982, only) to be within such benefit year, as well as within the preceding benefit year, if the unemployed individual would, except for the provisions of the first paragraph and paragraph 1 of this subsection and of Section 605, be eligible for and entitled to benefits for such week.
2. If benefits have been paid with respect thereto.
3. Unless the individual was eligible for benefits with respect thereto except for the requirements of this subsection and of Section 605.

D-5. Notwithstanding subsection D, if the individual's benefit year begins on or after March 8, 2020, but prior to the week following the later of (a) the last week of a disaster period established by the Gubernatorial Disaster Proclamation in response to COVID-19, dated March 9, 2020, and any subsequent Gubernatorial Disaster Proclamation in response to COVID-19 or (b) the last week for which federal sharing is provided as authorized by Section 2105 of Public Law 116-136 or any amendment thereto, the individual is not subject to the requirement that the individual be unemployed for a waiting period of one week during such benefit year.

E. With respect to any benefit year beginning prior to January 3, 1982, he has been paid during his base period wages for insured work not less than the amount specified in Section 500E of this Act as amended and in effect on October 5, 1980. With respect to any benefit year beginning on or after January 3, 1982, he has been paid during his base period wages for insured work equal to not less than $1,600, provided that he has been paid wages for insured work equal to at least $440 during that part of his base period which does not include the calendar quarter in which the wages paid to him were highest.

F. During that week he has participated in reemployment services to which he has been referred, including but not limited to job search assistance services, pursuant to a profiling system established by the Director by rule in conformity with Section 303(j)(1) of the federal Social Security Act, unless the Director determines that:

1. the individual has completed such services; or
2. there is justifiable cause for the claimant’s failure to participate in such services.

This subsection F is added by this amendatory Act of 1995 to clarify authority already provided under subsections A and C in connection with the unemployment insurance claimant profiling system required under subsections (a)(10) and (j)(1) of Section 303 of the federal Social Security Act as a condition of federal funding for the administration of the Unemployment Insurance Act.

(Source: P.A. 100-477, eff. 9-8-17; 101-633, eff. 6-5-20.)

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Sec. 500.1. Illinois Worker Adjustment and Retraining Notification Act; federal Worker Adjustment and Retraining Notification Act.

Benefits payable under this Act may not be denied or reduced because of the receipt of payments related to an employer's violation of the Illinois Worker Adjustment and Retraining Notification Act or the federal Worker Adjustment and Retraining Notification Act (29 U.S.C. 2101 et seq.).

(Source: P.A. 93-915, eff. 1-1-05.)

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Sec. 501. Eligibility on basis of wages for previously uncovered services.

A. Solely for the purposes of subsection E of Section 500, and notwithstanding any other provisions of this Act, the term "wages for insured work" as used in the said subsection E, shall include, with respect to any benefit year beginning on or after January 1, 1978, and before May 1, 1979, wages paid for previously uncovered services. For such purposes, the term "previously uncovered services" means services (except to the extent that assistance under Title II of the Federal Emergency Jobs and Unemployment Assistance Act of 1974 was paid on the basis of such services):

1. Which were not "employment" as defined in Sections 206 to 233, inclusive, and in subsection B of Section 245, or pursuant to Section 302, at any time during the one year period ending December 31, 1975; and
2. Which (a) are agricultural labor which would have been employment as defined in Section 211.4 had it been performed after December 31, 1977, or domestic service which would have been employment as defined in Section 211.5 had it been performed after December 31, 1977, or (b) are services performed for a governmental entity referred to in Section 211.1 (other than the State of Illinois and its wholly owned instrumentalities), or for a not-for-profit school which is not an institution of higher education defined in Section 246.

B. Notwithstanding any other provisions of this Act, no employer shall be liable for payments in lieu of contributions (other than payments in lieu of contributions pursuant to paragraph 1 of Section 302 C) by reason of the payment of benefits on the basis of wages paid for previously uncovered services, to the extent that reimbursement for such benefits is made to this State by the Federal Government pursuant to Section 121 of the Federal Unemployment Compensation Amendments of 1976; and wages for previously uncovered services on which such benefits are based shall not become benefit wages. Wages shall become benefit wages only when an individual is paid benefits (in the amount and pursuant to the conditions specified in Section 1501) which are not reimbursed to this State by the Federal Government. If an individual would be ineligible for benefits under subsection E of Section 500 but for the wages paid for previously uncovered services, payments in lieu of contributions (other than payments pursuant to paragraph 1 of Section 302 C) shall not be due on the basis of any benefits paid to such individual, and the wages on which such benefits are based shall not become benefit wages.

(Source: P.A. 80-2dSS-1.)

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Sec. 502. Eligibility for benefits under the Short-Time Compensation Program.

A. The Director may by rule establish a short-time compensation program consistent with this Section. No short-time compensation shall be payable except as authorized by rule.

B. As used in this Section:

"Affected unit" means a specified plant, department, shift, or other definable unit that includes 2 or more workers to which an approved short-time compensation plan applies.

"Health and retirement benefits" means employer-provided health benefits and retirement benefits under a defined benefit pension plan (as defined in Section 414(j) of the Internal Revenue Code) or contributions under a defined contribution plan (defined in Section 414(i) of the Internal Revenue Code), which are incidents of employment in addition to the cash remuneration earned.

"Short-time compensation" means the unemployment benefits payable to employees in an affected unit under an approved short-time compensation plan, as distinguished from the unemployment benefits otherwise payable under this Act.

"Short-time compensation plan" means a plan submitted by an employer, for approval by the Director, under which the employer requests the payment of short-time compensation to workers in an affected unit of the employer to avert layoffs.

"Usual weekly hours of work" means the usual hours of work for full-time or part-time employees in the affected unit when that unit is operating on its regular basis, not to exceed 40 hours and not including hours of overtime work.

"Unemployment insurance" means the unemployment benefits payable under this Act other than short-time compensation and includes any amounts payable pursuant to an agreement under any Federal law providing for compensation, assistance, or allowances with respect to unemployment.

C. An employer wishing to participate in the short-time compensation program shall submit a signed written short-time compensation plan to the Director for approval. The Director shall develop an application form to request approval of a short-time compensation plan and an approval process. The application shall include:

1. The employer's unemployment insurance account number, the affected unit covered by the plan, including the number of full-time or part-time workers in such unit, the percentage of workers in the affected unit covered by the plan, identification of each individual employee in the affected unit by name and social security number, and any other information required by the Director to identify plan participants.
2. A description of how workers in the affected unit will be notified of the employer's participation in the short-time compensation plan if such application is approved, including how the employer will notify those workers in a collective bargaining unit as well as any workers in the affected unit who are not in a collective bargaining unit. If the employer will not provide advance notice to workers in the affected unit, the employer shall explain in a statement in the application why it is not feasible to provide such notice.
3. The employer's certification that it has the approval of the plan from all collective bargaining representatives of employees in the affected unit and has notified all employees in the affected unit who are not in a collective bargaining unit of the plan.

4. The employer's certification that it will not hire additional part-time or full-time employees for, or transfer employees to, the affected unit, while the program is in operation.
5. A requirement that the employer identify the usual weekly hours of work for employees in the affected unit and the specific percentage by which their hours will be reduced during all weeks covered by the plan. An application shall specify the percentage of reduction for which a short-time compensation application may be approved which shall be not less than 20% and not more than 60%. If the plan includes any week for which the employer regularly provides no work (due to a holiday or other plant closing), then such week shall be identified in the application.
6. Certification by the employer that, if the employer provides health and retirement benefits to any employee whose usual weekly hours of work are reduced under the program, such benefits will continue to be provided to the employee participating in the short-time compensation program under the same terms and conditions as though the usual weekly hours of work of such employee had not been reduced or to the same extent as other employees not participating in the short-time compensation program. For defined benefit retirement plans, the hours that are reduced under the short-time compensation plan shall be credited for purposes of participation, vesting, and accrual of benefits as though the usual weekly hours of work had not been reduced. The dollar amount of employer contributions to a defined contribution plan that are based on a percentage of compensation may be less due to the reduction in the employee's compensation. Notwithstanding any other provision to the contrary, a certification that a reduction in health and retirement benefits is scheduled to occur during the duration of the plan and will be applicable equally to employees who are not participating in the short-time compensation program and to those employees who are participating satisfies this paragraph.
7. Certification by the employer that the aggregate reduction in work hours is in lieu of layoffs (temporary or permanent layoffs, or both). The application shall include an estimate of the number of workers who would have been laid off in the absence of the short-time compensation plan.
8. Agreement by the employer to: furnish reports to the Director relating to the proper conduct of the plan; allow the Director or his or her authorized representatives access to all records necessary to approve or disapprove the plan application, and after approval of a plan, to monitor and evaluate the plan; and follow any other directives the Director deems necessary for the agency to implement the plan and which are consistent with the requirements for plan applications.
9. Certification by the employer that participation in the short-time compensation plan and its implementation is consistent with the employer's obligations under applicable Federal and Illinois laws.
10. The effective date and duration of the plan, which shall expire no later than the end of the 12th full calendar month after the effective date.
11. Any other provision added to the application by the Director that the United States Secretary of Labor determines to be appropriate for purposes of a short-time compensation program.

D. The Director shall approve or disapprove a short-time compensation plan in writing within 45 days of its receipt and promptly communicate the decision to the employer. A decision disapproving the plan shall clearly identify the reasons for the disapproval. The disapproval shall be final, but the employer shall be allowed to submit another short-time compensation plan for approval not earlier than 30 days from the date of the disapproval.

E. The short-time compensation plan shall be effective on the mutually agreed upon date by the employer and the Director, which shall be specified in the notice of approval to the employer. The plan shall expire on the date specified in the notice of approval, which shall be mutually agreed on by the employer and Director but no later than the end of the 12th full calendar month after its effective date. However, if a short-time compensation plan is revoked by the Director, the plan shall terminate on the date specified in the Director's written order of revocation. An employer may terminate a short-time compensation plan at any time upon written notice to the Director. Upon receipt of such notice from the employer, the Director shall promptly notify each member of the affected unit of the termination date. An employer may submit a new application to participate in another short-time compensation plan at any time after the expiration or termination date.

F. The Director may revoke approval of a short-time compensation plan for good cause at any time, including upon the request of any of the affected unit's employees or their collective bargaining representative. The revocation order shall be in writing and shall specify the reasons for the revocation and the date the revocation is effective. The Director may periodically review the operation of each employer's short-time compensation plan to assure that no good cause exists for revocation of the approval of the plan. Good cause shall include, but not be limited to, failure to comply with the assurances given in the plan, termination of the approval of the plan by a collective bargaining representative of employees in the affected unit, unreasonable revision of productivity standards for the affected unit, conduct or occurrences tending to defeat the intent and effective operation of the short-time compensation plan, and violation of any criteria on which approval of the plan was based.

G. An employer may request a modification of an approved plan by filing a written request to the Director. The request shall identify the specific provisions proposed to be modified and provide an explanation of why the proposed modification is appropriate for the short-time compensation plan. The Director shall approve or disapprove the proposed modification in writing within 30 days of receipt and promptly communicate the decision to the employer. The Director, in his or her discretion, may approve a request for modification of the plan based on conditions that have changed since the plan was approved provided that the modification is consistent with and supports the purposes for which the plan was initially approved. A modification may not extend the expiration date of the original plan, and the Director must promptly notify the employer whether the plan modification has been approved and, if approved, the effective date of modification. An employer is not required to request approval of plan modification from the Director if the change is not substantial, but the employer must report every change to plan to the Director promptly and in writing. The Director may terminate an employer's plan if the employer fails to meet this reporting requirement. If the Director determines that the reported change is substantial, the Director shall require the employer to request a modification to the plan.

H. An individual is eligible to receive short-time compensation with respect to any week only if the individual is eligible for unemployment insurance pursuant to subsection E of Section 500, not otherwise disqualified for unemployment insurance, and:

1. During the week, the individual is employed as a member of an affected unit under an approved short-time compensation plan, which was approved prior to that week, and the plan is in effect with respect to the week for which short-time compensation is claimed.
2. Notwithstanding any other provision of this Act relating to availability for work and actively seeking work, the individual is available for the individual's usual hours of work with the short-time compensation employer, which may include, for purposes of this Section, participating in training to enhance job skills that is approved by the Director, including but not limited to as

employer-sponsored training or training funded under the federal Workforce Innovation and Opportunity Act.

3. Notwithstanding any other provision of law, an individual covered by a short-time compensation plan is deemed unemployed in any week during the duration of such plan if the individual's remuneration as an employee in an affected unit is reduced based on a reduction of the individual's usual weekly hours of work under an approved short-time compensation plan.

I. The short-time compensation weekly benefit amount shall be the product of the percentage of reduction in the individual's usual weekly hours of work multiplied by the sum of the regular weekly benefit amount for a week of total unemployment plus any applicable dependent allowance pursuant to subsection C of Section 401.

1. An individual may be eligible for short-time compensation or unemployment insurance, as appropriate, except that no individual shall be eligible for combined benefits (excluding any payments attributable to a dependent allowance pursuant to subsection C of Section 401) in any benefit year in an amount more than the maximum benefit amount, nor shall an individual be paid short-time compensation benefits for more than 52 weeks under a short-time compensation plan.
2. The short-time compensation paid to an individual (excluding any payments attributable to a dependent allowance pursuant to subsection C of Section 401) shall be deducted from the maximum benefit amount established for that individual's benefit year.
3. Provisions applicable to unemployment insurance claimants shall apply to short-time compensation claimants to the extent that they are not inconsistent with short-time compensation provisions. An individual who files an initial claim for short-time compensation benefits shall receive a monetary determination.
4. The following provisions apply to individuals who work for both a short-time compensation employer and another employer during weeks covered by the approved short-time compensation plan:
    i. If combined hours of work in a week for both employers do not result in a reduction of at least 20% of the usual weekly hours of work with the short-time compensation employer, the individual shall not be entitled to benefits under this Section.
    ii. If combined hours of work for both employers results in a reduction equal to or greater than 20% of the usual weekly hours of work for the short-time compensation employer, the short-time compensation benefit amount payable to the individual is reduced for that week and is determined by multiplying the percentage by which the combined hours of work have been reduced by the sum of the weekly benefit amount for a week of total unemployment plus any applicable dependent allowance pursuant to subsection C of Section 401. A week for which benefits are paid under this subparagraph shall be reported as a week of short-time compensation.
    iii. If an individual worked the reduced percentage of the usual weekly hours of work for the short-time compensation employer and is available for all his or her usual hours of work with the short-time compensation employer, and the individual did not work any hours for the other employer either because of the lack of work with that employer or because the individual is excused from work with the other employer, the individual shall be eligible for short-time compensation for that week. The benefit amount for such week shall be calculated as provided in the introductory clause of this subsection I.

iv. An individual who is not provided any work during a week by the short-time compensation employer, or any other employer, and who is otherwise eligible for unemployment insurance shall be eligible for the amount of regular unemployment insurance determined without regard to this Section.

v. An individual who is not provided any work by the short-time compensation employer during a week, but who works for another employer and is otherwise eligible may be paid unemployment insurance for that week subject to the disqualifying income and other provisions applicable to claims for regular unemployment insurance.

J. Short-time compensation shall be charged to employers in the same manner as unemployment insurance is charged under Illinois law. Employers liable for payments in lieu of contributions shall have short-time compensation attributed to service in their employ in the same manner as unemployment insurance is attributed. Notwithstanding any other provision to the contrary, to the extent that short-term compensation payments under this Section are reimbursed by the federal government, no benefit charges or payments in lieu of contributions shall be accrued by a participating employer.

K. A short-time compensation plan shall not be approved for an employer that is delinquent in the filing of any reports required or the payment of contributions, payments in lieu of contributions, interest, or penalties due under this Act through the date of the employer's application.

L. Overpayments of other benefits under this Act may be recovered from an individual receiving short-time compensation under this Act in the manner provided under Sections 900 and 901. Overpayments under the short-time compensation plan may be recovered from an individual receiving other benefits under this Act in the manner provided under Sections 900 and 901.

M. An individual who has received all of the short-time compensation or combined unemployment insurance and short-time compensation available in a benefit year shall be considered an exhaustee for purposes of extended benefits, as provided under the provisions of Section 409, and, if otherwise eligible under those provisions, shall be eligible to receive extended benefits.

(Source: P.A. 100-477, eff. 9-8-17.)

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Sec. 600. Disqualifications.
An individual shall be ineligible for benefits, as provided in Sections 601 to 614, inclusive.
(Source: P.A. 80-2dSS-1.)

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Sec. 601. Voluntary leaving.

A. An individual shall be ineligible for benefits for the week in which the individual has left work voluntarily without good cause attributable to the employing unit and, thereafter, until the individual has become reemployed and has had earnings equal to or in excess of the individual's current weekly benefit amount in each of four calendar weeks which are either for services in employment, or have been or will be reported pursuant to the provisions of the Federal Insurance Contributions Act by each employing unit for which such services are performed and which submits a statement certifying to that fact.

B. The provisions of this Section shall not apply to an individual who has left work voluntarily:

1. Because the individual, prior to voluntarily leaving:
   (a) is deemed physically unable to perform the individual's work by a licensed and practicing physician, licensed and practicing nurse practitioner, or licensed and practicing physician assistant and the employer is unable to accommodate the individual;
   (b) for claims dated December 28, 2025 through December 24, 2028, is deemed to be unable to perform the individual's work due to a mental health disability by a licensed and practicing psychiatrist and the employer is unable to accommodate the individual; or
   (c) is providing necessary assistance to care for the individual's spouse, child, or parent who, according to a licensed and practicing physician or as otherwise reasonably verified, is in poor physical or mental health or is a person with a mental or physical disability and the employer is unable to accommodate the individual's need to provide such assistance;
2. To accept other bona fide work and, after such acceptance, the individual is either not unemployed in each of 2 weeks, or earns remuneration for such work equal to at least twice the individual's current weekly benefit amount;
3. In lieu of accepting a transfer to other work offered to the individual by the employing unit under the terms of a collective bargaining agreement or pursuant to an established employer plan, program, or policy, if the acceptance of such other work by the individual would require the separation from that work of another individual currently performing it;
4. Solely because of the sexual harassment of the individual by another employee. Sexual harassment means (1) unwelcome sexual advances, requests for sexual favors, sexually motivated physical contact or other conduct or communication which is made a term or condition of the employment or (2) the employee's submission to or rejection of such conduct or communication which is the basis for decisions affecting employment, or (3) when such conduct or communication has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment and the employer knows or should know of the existence of the harassment and fails to take timely and appropriate action;
5. Which the individual had accepted after separation from other work, and the work which the individual left voluntarily would be deemed unsuitable under the provisions of Section 603;
6. (a) Because the individual left work due to verified domestic violence as defined in Section 103 of the Illinois Domestic Violence Act of 1986 where the domestic violence caused the individual to reasonably believe that the individual's continued employment would jeopardize the individual's safety or the safety of the individual's spouse, minor child, or parent if the individual provides the following:
   (i) notice to the employing unit of the reason for the individual's voluntarily leaving; and

(ii) to the Department provides:

(A) an order of protection or other documentation of equitable relief issued by a court of competent jurisdiction; or

(B) a police report or criminal charges documenting the domestic violence; or

(C) medical documentation of the domestic violence; or

(D) evidence of domestic violence from a member of the clergy, attorney, counselor, social worker, health worker or domestic violence shelter worker.

(b) If the individual does not meet the provisions of subparagraph (a), the individual shall be held to have voluntarily terminated employment for the purpose of determining the individual's eligibility for benefits pursuant to subsection A.

(c) Notwithstanding any other provision to the contrary, evidence of domestic violence experienced by an individual, or the individual's spouse, minor child, or parent, including the individual's statement and corroborating evidence, shall not be disclosed by the Department unless consent for disclosure is given by the individual.

7. Because, due to a change in location of employment of the individual's spouse, the individual left work to accompany the individual's spouse to a place from which it is impractical to commute or because the individual left employment to accompany a spouse who has been reassigned from one military assignment to another. The employer's account, however, shall not be charged for any benefits paid out to the individual who leaves work under a circumstance described in this paragraph.

C. Within 90 days of the effective date of this amendatory Act of the 96th General Assembly, the Department shall promulgate rules, pursuant to the Illinois Administrative Procedure Act and consistent with Section 903(f)(3)(B) of the Social Security Act, to clarify and provide guidance regarding eligibility and the prevention of fraud.

D. On or before January 1, 2030, the Department shall file a report with the General Assembly setting forth the estimated fiscal impact of subparagraph (b) of paragraph 1 of subsection B of section 601 on the Unemployment Insurance Trust Fund.

(Source: P.A. 99-143, eff. 7-27-15; 104-285, eff. 1-1-26.)

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Sec. 602. Discharge for misconduct – Felony.

A. An individual shall be ineligible for benefits for the week in which he has been discharged for misconduct connected with his work and, thereafter, until he has become reemployed and has had earnings equal to or in excess of his current weekly benefit amount in each of four calendar weeks which are either for services in employment, or have been or will be reported pursuant to the provisions of the Federal Insurance Contributions Act by each employing unit for which such services are performed and which submits a statement certifying to that fact. The requalification requirements of the preceding sentence shall be deemed to have been satisfied, as of the date of reinstatement, if, subsequent to his discharge by an employing unit for misconduct connected with his work, such individual is reinstated by such employing unit. For purposes of this subsection, the term "misconduct" means the deliberate and willful violation of a reasonable rule or policy of the employing unit, governing the individual's behavior in performance of his work, provided such violation has harmed the employing unit or other employees or has been repeated by the individual despite a warning or other explicit instruction from the employing unit. The previous definition notwithstanding, "misconduct" shall include any of the following work-related circumstances:

1. Falsification of an employment application, or any other documentation provided to the employer, to obtain employment through subterfuge.
2. Failure to maintain licenses, registrations, and certifications reasonably required by the employer, or those that the individual is required to possess by law, to perform his or her regular job duties, unless the failure is not within the control of the individual.
3. Knowing, repeated violation of the attendance policies of the employer that are in compliance with State and federal law following a written warning for an attendance violation, unless the individual can demonstrate that he or she has made a reasonable effort to remedy the reason or reasons for the violations or that the reason or reasons for the violations were out of the individual's control. Attendance policies of the employer shall be reasonable and provided to the individual in writing, electronically, or via posting in the workplace.
4. Damaging the employer's property through conduct that is grossly negligent.
5. Refusal to obey an employer's reasonable and lawful instruction, unless the refusal is due to the lack of ability, skills, or training for the individual required to obey the instruction or the instruction would result in an unsafe act.
6. Consuming alcohol or illegal or non-prescribed prescription drugs, or using an impairing substance in an off-label manner, on the employer's premises during working hours in violation of the employer's policies.
7. Reporting to work under the influence of alcohol, illegal or non-prescribed prescription drugs, or an impairing substance used in an off-label manner in violation of the employer's policies, unless the individual is compelled to report to work by the employer outside of scheduled and on-call working hours and informs the employer that he or she is under the influence of alcohol, illegal or non-prescribed prescription drugs, or an impairing substance used in an off-label manner in violation of the employer's policies.
8. Grossly negligent conduct endangering the safety of the individual or co-workers.

For purposes of paragraphs 4 and 8, conduct is "grossly negligent" when the individual is, or reasonably should be, aware of a substantial risk that the conduct will result in the harm sought to be prevented and the conduct constitutes a substantial deviation from the standard of care a reasonable person would exercise in the situation.

Nothing in paragraph 6 or 7 prohibits the lawful use of over-the-counter drug products as defined in Section 206 of the Illinois Controlled Substances Act, provided that the medication does not affect the safe performance of the employee's work duties.

B. Notwithstanding any other provision of this Act, no benefit rights shall accrue to any individual based upon wages from any employer for service rendered prior to the day upon which such individual was discharged because of the commission of a felony in connection with his work, or because of theft in connection with his work, for which the employer was in no way responsible; provided, that the employer notified the Director of such possible ineligibility within the time limits specified by regulations of the Director, and that the individual has admitted his commission of the felony or theft to a representative of the Director, or has signed a written admission of such act and such written admission has been presented to a representative of the Director, or such act has resulted in a conviction or order of supervision by a court of competent jurisdiction; and provided further, that if by reason of such act, he is in legal custody, held on bail or is a fugitive from justice, the determination of his benefit rights shall be held in abeyance pending the result of any legal proceedings arising therefrom.

(Source: P.A. 101-652, eff. 1-1-23.)

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Sec. 603. Refusal of work.

An individual shall be ineligible for benefits if he has failed, without good cause, either to apply for available, suitable work when so directed by the employment office or the Director, or to accept suitable work when offered him by the employment office or an employing unit, or to return to his customary self-employment (if any) when so directed by the employment office or the Director. Such ineligibility shall continue for the week in which such failure occurred and, thereafter, until he has become reemployed and has had earnings equal to or in excess of his current weekly benefit amount in each of four calendar weeks which are either for services in employment, or have been or will be reported pursuant to the provisions of the Federal Insurance Contributions Act by each employing unit for which such services are performed and which submits a statement certifying to that fact.

In determining whether or not any work is suitable for an individual, consideration shall be given to the degree of risk involved to his health, safety, and morals, his physical fitness and prior training, his experience and prior earnings, his length of unemployment and prospects for securing local work in his customary occupation, and the distance of the available work from his residence.

Notwithstanding any other provisions of this Act, no work shall be deemed suitable and benefits shall not be denied under this Act to any otherwise eligible individual for refusing to accept new work under any of the following conditions:

If the position offered is vacant due directly to a strike, lockout, or other labor dispute; if the wages, hours, or other conditions of the work offered are substantially less favorable to the individual than those prevailing for similar work in the locality; if, as a condition of being employed, the individual would be required to join a company union or to resign from or refrain from joining any bona fide labor organization; if the position offered is a transfer to other work offered to the individual by the employing unit under the terms of a collective bargaining agreement or pursuant to an established employer plan, program, or policy, when the acceptance of such other work by the individual would require the separation from that work of another individual currently performing it.
(Source: P.A. 82-22.)

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Sec. 604. Labor dispute.

An individual shall be ineligible for benefits for any week with respect to which it is found that his total or partial unemployment is due to a stoppage of work which exists because of a labor dispute at the factory, establishment, or other premises at which he is or was last employed. The term "labor dispute" does not include an individual's refusal to work because of his employer's failure to pay accrued earned wages within 10 working days from the date due, or to pay any other uncontested accrued obligation arising out of his employment within 10 working days from the date due.

For the purpose of disqualification under this Section the term "labor dispute" does not include a lockout by an employer, and no individual shall be denied benefits by reason of a lockout, provided that no individual shall be eligible for benefits during a lockout who is ineligible for benefits under another Section of this Act, and provided further that no individual locked out by an employer shall be eligible for benefits for any week during which (1) the recognized or certified collective bargaining representative of the locked out employees refuses to meet under reasonable conditions with the employer to discuss the issues giving rise to the lockout or (2) there is a final adjudication under the National Labor Relations Act that during the period of the lockout the recognized or certified collective bargaining representative of the locked-out employees has refused to bargain in good faith with the employer over issues giving rise to the lockout, or (3) the lockout has resulted as a direct consequence of a violation by the recognized or certified collective bargaining representative of the locked out employees of the provisions of an existing collective bargaining agreement. An individual's total or partial unemployment resulting from any reduction in operations or reduction of force or layoff of employees by an employer made in the course of or in anticipation of collective bargaining negotiations between a labor organization and such employer, is not due to a stoppage of work which exists because of a labor dispute until the date of actual commencement of a strike or lockout.

This Section shall not apply if it is shown that (A) the individual is not participating in or financing or directly interested in the labor dispute which caused the stoppage of work and (B) he does not belong to a grade or class of workers of which immediately before the commencement of the stoppage there were members employed at the premises at which the stoppage occurs, any of whom are participating in or financing or directly interested in the dispute; provided, that a lockout by the employer or an individual's failure to cross a picket line at such factory, establishment, or other premises shall not, in itself, be deemed to be participation by him in the labor dispute. If in any case, separate branches of work which are commonly conducted as separate businesses in separate premises are conducted in separate departments of the same premises, each such department shall, for the purpose of this Section, be deemed to be a separate factory, establishment, or other premises.

Whenever any claim involves the provisions of this Section, the claims adjudicator referred to in Section 702 shall make a separate determination as to the eligibility or ineligibility of the claimant with respect to the provisions of this Section. This separate determination may be appealed to the Director in the manner prescribed by Section 800.

(Source: P.A. 93-1088, eff. 1-1-06.)

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Sec. 605. Receipt of unemployment benefits under another law.

An individual shall be ineligible for benefits for any week with respect to which he has received or is seeking unemployment benefits under an unemployment compensation law of the United States or any other State or Canada, provided, that if the appropriate agency of the United States or of such other State or Canada finally determines that he is not entitled to such unemployment benefits, this ineligibility shall not apply.

(Source: P.A. 77-1443.)

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Sec. 606. Receipt of Workers' Compensation.

An individual shall be ineligible for benefits for any week with respect to which he is receiving or has received remuneration in the form of compensation for temporary disability under the Workers' Compensation Act of this State, or under a workers' compensation law of any other State or of the United States. If such remuneration is less than the benefits which would otherwise be due under this Act, he shall be entitled to receive for such week, if otherwise eligible, benefits reduced by the amount of such remuneration.

(Source: P.A. 81-992.)

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Sec. 607. Ineligibility after 26 weeks - Work requirement for second benefit year.

A. An individual shall be ineligible for benefits whenever, in any period commencing with a compensable week of unemployment, he has been allowed his full weekly benefit amount for each of twenty-six weeks, until he has earned wages equal to at least three times his current weekly benefit amount in bona fide work, reduced by an amount equal to his current weekly benefit amount for each week, if any, in which he was not unemployed within such period, whereupon he shall again, if otherwise eligible, be permitted to receive his full weekly benefit amount for twenty-six weeks.

If, however, a compensable week of unemployment is followed by three or more weeks (not necessarily consecutive) in each of which he earned wages for bona fide work equal to at least his then current weekly benefit amount, such period shall be deemed to commence immediately after the last week in which he earned such wages.

This subsection is applicable only to weeks in benefit years which begin prior to January 1, 1972.

B. An individual shall be ineligible for benefits for any week in a benefit year which begins on or after January 1, 1972, unless, subsequent to the beginning of his immediately preceding benefit year with respect to which benefits were paid to him, he performed bona fide work and earned remuneration for such work equal to at least 3 times his current weekly benefit amount.

(Source: P.A. 77-1443.)

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Sec. 609. Evasion of disqualifications.

An individual shall be ineligible for benefits for any week in which he causes himself to be unavailable for work with intent to avoid any of the disqualifications imposed under the provisions of Sections 601 to 608, inclusive, notwithstanding any provisions of section 500 C to the contrary.

(Source: Laws 1951, p. 32.)

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Sec. 610. Vacation pay.

A. Whenever an employer has announced a period of shutdown for the taking of inventory or for vacation purposes, or both, and at the time of or during such shutdown makes a payment or becomes obligated or holds himself ready to make such payment to an individual as vacation pay, or as vacation pay allowance, or as pay in lieu of vacation, or as standby pay, such sum shall be deemed "wages" as defined in Section 234, and shall be treated as provided in subsection C of this Section.

B. Whenever in connection with any separation or layoff of an individual, his employer makes a payment or payments to him, or becomes obligated and holds himself ready to make such payment to him as, or in the nature of, vacation pay, or vacation pay allowance, or as pay in lieu of vacation, and within 10 calendar days after notification of the filing of his claim, designates (by notice to the Director) the period to which such payment shall be allocated (provided, that if such designated period is extended by the employer, he may again similarly designate an extended period, by giving notice thereof not later than the beginning of the extension of such period, with the same effect as if such period of extension were included in the original designation), the amount of any such payment, or obligation to make payment, shall be deemed "wages" as defined in Section 234, and shall be treated as provided in subsection C of this Section.

C. If the employer has not designated the period provided for in subsection B within the prescribed time limits, the wages referred to in subsection B shall not be attributed or be deemed payable to such individual with respect to any week after such separation or layoff. Of the wages described in subsection A (whether or not the employer has designated the period therein described), or of the wages described in subsection B if the period therein described has been designated by the employer as therein provided, a sum equal to such individual's wages for a normal work day shall be attributed to, or deemed to be payable to him with respect to, the first and each subsequent work day except paid holidays in such period until such amount so paid or owing is exhausted. If an employee is entitled to receive and receives holiday pay for any work day in such designated period, such pay shall be deemed "wages" and the period herein designated shall be extended by such paid holiday. Any individual receiving or entitled to receive wages as provided in this Section shall be ineligible for benefits for any week in which the sums, so designated or attributed to such normal work days, equal or exceed his weekly benefit amount. If no amount is so paid or owing, or if in any week the amount so paid or owing is insufficient to attribute any sum as wages, or if the amount so designated or attributed as wages is less than such individual's weekly benefit amount, he shall be deemed "unemployed" as defined in Section 239.

(Source: P.A. 81-1521.)

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Sec. 611. Retirement pay.

A. For the purposes of this Section "disqualifying income" means:

1. The entire amount which an individual has received or will receive with respect to a week in the form of a retirement payment (a) from an individual or organization (i) for which he performed services during his base period or which is liable for benefit charges or payments in lieu of contributions as a result of the payment of benefits to such individual and (ii) which pays all of the cost of such retirement payment, or (b) from a trust, annuity or insurance fund or under an annuity or insurance contract, to or under which an individual or organization for which he performed services during his base period or which is liable for benefit charges or payments in lieu of contributions as a result of the payment of benefits to such individual pays or has paid all of the premiums or contributions; and
2. One-half the amount which an individual has received or will receive with respect to a week in the form of a retirement payment (a) from an individual or organization (i) for which he performed services during his base period or which is liable for benefit charges or payments in lieu of contributions as a result of the payment of benefits to such individual and (ii) which pays some, but not all, of the cost of such retirement payment, or (b) from a trust, annuity or insurance fund or under an annuity or insurance contract, to or under which an individual or organization for which he performed services during his base period or which is liable for benefit charges or payments in lieu of contributions as a result of the payment of benefits to such individual pays or has paid some, but not all, of the premiums or contributions.
3. Notwithstanding paragraphs 1 and 2 above, the entire amount which an individual has received or will receive, with respect to any week which begins after March 31, 1980, of any governmental or other pension, retirement, or retired pay, annuity or any other similar periodic payment which is based on any previous work of such individual during his base period or which is liable for benefit charges or payments in lieu of contributions as a result of the payment of benefits to such individual. This paragraph shall be in effect only if it is required as a condition for full tax credit against the tax imposed by the Federal Unemployment Tax Act.
4. Notwithstanding paragraphs 1, 2, and 3 above, none of the amount that an individual has received or will receive with respect to a week in the form of social security old age, survivors, and disability benefits under 42 U.S.C. Section 401 et seq., including those based on self-employment, shall constitute disqualifying income.

B. Whenever an individual has received or will receive a retirement payment for a month, an amount shall be deemed to have been paid him for each day equal to one-thirtieth of such retirement payment. If the retirement payment is for a half-month, an amount shall be deemed to have been paid the individual for each day equal to one-fifteenth of such retirement payment. If the retirement payment is for any other period, an amount shall be deemed to have been paid the individual for each day in such period equal to the retirement payment divided by the number of days in the period.

C. An individual shall be ineligible for benefits for any week with respect to which his disqualifying income equals or exceeds his weekly benefit amount. If such disqualifying income with respect to a week totals less than the benefits for which he would otherwise be eligible under this Act, he shall be paid, with respect to such week, benefits reduced by the amount of such disqualifying income.

D. To assure full tax credit to the employers of this State against the tax imposed by the Federal Unemployment Tax Act, the Director shall take any action as may be necessary in the administration of paragraph 3 of subsection A of this Section to insure that the application of its

provisions conform to the requirements of such Federal Act as interpreted by the United States Secretary of Labor or other appropriate Federal agency.

(Source: P.A. 86-3; 99-488, eff. 1-3-16)

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Sec. 611.1. (Repealed).
(Source: P.A. 97-621, eff. 11-18-11. Repealed by P.A. 99-933, eff. 1-27-17.)

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Sec. 612. Academic personnel; ineligibility between academic years or terms.

A. Benefits based on wages for services which are employment under the provisions of Sections 211.1, 211.2, and 302C shall be payable in the same amount, on the same terms, and subject to the same conditions as benefits payable on the basis of wages for other services which are employment under this Act; except that:

1. An individual shall be ineligible for benefits, on the basis of wages for employment in an instructional, research, or principal administrative capacity performed for an institution of higher education, for any week which begins during the period between two successive academic years, or during a similar period between two regular terms, whether or not successive, or during a period of paid sabbatical leave provided for in the individual's contract, if the individual has a contract or contracts to perform services in any such capacity for any institution or institutions of higher education for both such academic years or both such terms.

This paragraph 1 shall apply with respect to any week which begins prior to January 1, 1978.

2. An individual shall be ineligible for benefits, on the basis of wages for service in employment in any capacity other than those referred to in paragraph 1, performed for an institution of higher learning, for any week which begins after September 30, 1983, during a period between two successive academic years or terms, if the individual performed such service in the first of such academic years or terms and there is a reasonable assurance that the individual will perform such service in the second of such academic years or terms.
3. An individual shall be ineligible for benefits, on the basis of wages for service in employment in any capacity other than those referred to in paragraph 1, performed for an institution of higher education, for any week which begins after January 5, 1985, during an established and customary vacation period or holiday recess, if the individual performed such service in the period immediately before such vacation period or holiday recess and there is a reasonable assurance that the individual will perform such service in the period immediately following such vacation period or holiday recess.

B. Benefits based on wages for services which are employment under the provisions of Sections 211.1 and 211.2 shall be payable in the same amount, on the same terms, and subject to the same conditions, as benefits payable on the basis of wages for other services which are employment under this Act, except that:

1. An individual shall be ineligible for benefits, on the basis of wages for service in employment in an instructional, research, or principal administrative capacity performed for an educational institution, for any week which begins after December 31, 1977, during a period between two successive academic years, or during a similar period between two regular terms, whether or not successive, or during a period of paid sabbatical leave provided for in the individual's contract, if the individual performed such service in the first of such academic years (or terms) and if there is a contract or a reasonable assurance that the individual will perform service in any such capacity for any educational institution in the second of such academic years (or terms).
2. An individual shall be ineligible for benefits, on the basis of wages for service in employment in any capacity other than those referred to in paragraph 1, performed for an educational institution, for any week which begins after December 31, 1977, during a period between two successive academic years or terms, if the individual performed such service in the first of such academic years or terms and there is a reasonable assurance that the individual will perform such service in the second of such academic years or terms.
3. An individual shall be ineligible for benefits, on the basis of wages for service in employment in any capacity performed for an educational institution, for any week which begins after

January 5, 1985, during an established and customary vacation period or holiday recess, if the individual performed such service in the period immediately before such vacation period or holiday recess and there is a reasonable assurance that the individual will perform such service in the period immediately following such vacation period or holiday recess.

4. An individual shall be ineligible for benefits on the basis of wages for service in employment in any capacity performed in an educational institution while in the employ of an educational service agency for any week which begins after January 5, 1985, (a) during a period between two successive academic years or terms, if the individual performed such service in the first of such academic years or terms and there is a reasonable assurance that the individual will perform such service in the second of such academic years or terms; and (b) during an established and customary vacation period or holiday recess, if the individual performed such service in the period immediately before such vacation period or holiday recess and there is a reasonable assurance that the individual will perform such service in the period immediately following such vacation period or holiday recess. The term "educational service agency" means a governmental agency or governmental entity which is established and operated exclusively for the purpose of providing such services to one or more educational institutions.

C. 1. If benefits are denied to any individual under the provisions of paragraph 2 of either subsection A or B of this Section for any week which begins on or after September 3, 1982 and such individual is not offered a bona fide opportunity to perform such services for the educational institution for the second of such academic years or terms, such individual shall be entitled to a retroactive payment of benefits for each week for which the individual filed a timely claim for benefits as determined by the rules and regulations issued by the Director for the filing of claims for benefits, provided that such benefits were denied solely because of the provisions of paragraph 2 of either subsection A or B of this Section.

2. If benefits on the basis of wages for service in employment in other than an instructional, research, or principal administrative capacity performed in an educational institution while in the employ of an educational service agency are denied to any individual under the provisions of subparagraph (a) of paragraph 4 of subsection B and such individual is not offered a bona fide opportunity to perform such services in an educational institution while in the employ of an educational service agency for the second of such academic years or terms, such individual shall be entitled to a retroactive payment of benefits for each week for which the individual filed a timely claim for benefits as determined by the rules and regulations issued by the Director for the filing of claims for benefits, provided that such benefits were denied solely because of subparagraph (a) of paragraph 4 of subsection B of this Section.

D. Notwithstanding any other provision in this Section or paragraph 2 of subsection C of Section 500 to the contrary, with respect to a week of unemployment beginning on or after March 15, 2020, and before September 4, 2021 (including any week of unemployment beginning on or after January 1, 2021 and on or before June 25, 2021 (the effective date of Public Act 102-26)), benefits shall be payable to an individual on the basis of wages for employment in other than an instructional, research, or principal administrative capacity performed for an educational institution or an educational service agency under any of the circumstances described in this Section, to the extent permitted under Section 3304(a)(6) of the Federal Unemployment Tax Act, as long as the individual is otherwise eligible for benefits

(Source: P.A. 101-633, eff. 6-5-20; 102-26, eff. 6-25-21; 102-687, eff. 12-17-21.)

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Sec. 613. Athletes - ineligibility between sport seasons.
An individual shall be ineligible for benefits, on the basis of wages for any services if substantially all of such services consist of participating in sports or athletic events or training or preparing so to participate, for any week which begins (after December 31, 1977) during the period between two successive sport seasons (or similar periods), if the individual performed such services in the first of such seasons (or similar periods) and there is a reasonable assurance that the individual will perform such services in the later of such seasons (or similar periods).
(Source: P.A. 80-2dSS-1.)

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Sec. 614. Noncitizens – ineligibility.

A noncitizen shall be ineligible for benefits for any week which begins after December 31, 1977, on the basis of wages for services performed by such noncitizen, unless the noncitizen was an individual who was lawfully admitted for permanent residence at the time such services were performed or otherwise was permanently residing in the United States under color of law at the time such services were performed (including a noncitizen who was lawfully present in the United States as a result of the application of the provisions of Section 212(d) (5) of the Immigration and Nationality Act); provided, that any modifications of the provisions of Section 3304(a) (14) of the Federal Unemployment Tax Act which

A. Specify other conditions or another effective date than stated herein for ineligibility for benefits based on wages for services performed by noncitizens, and

B. Are required to be implemented 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, shall be applicable under the provisions of this Section.

Any data or information required of individuals who claim benefits for the purpose of determining whether benefits are not payable to them pursuant to this Section shall be uniformly required of all individuals who claim benefits.

If an individual would otherwise be eligible for benefits, no determination shall be made that such individual is ineligible for benefits pursuant to this Section because of the individual's noncitizen status, except upon a preponderance of the evidence.

(Source: P.A. 86-3; 87-122; 102-1030, eff. 5-27-22.)

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Sec. 700. Filing claims for benefits.

Claims for benefits shall be made in accordance with such regulations as the Director may prescribe. Each employer shall post and maintain printed statements concerning such regulations or such other matters as the Director may by regulation prescribe in places readily accessible to individuals in such employer's service. Each employer shall supply to such individuals copies of such printed statements or materials relating to claims for benefits as the Director may by regulation prescribe. Such printed statements shall be supplied by the Director to each employer without cost to the employer.

(Source: Laws 1951, p. 32.)

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Sec. 701. Findings.

A representative designated by the Director, and hereinafter referred to as a claims adjudicator, shall promptly examine the first claim filed by a claimant for each benefit year and, on the basis of the information in his possession, shall make a "finding." Such "finding" shall be a statement of the amount of wages for insured work paid to the claimant during each quarter in the base period by each employer. On the basis of the "finding," the claims adjudicator shall decide whether or not such claim is valid under Section 500 E, and, if so valid, shall compute the weekly benefit amount payable to the claimant and the maximum amount payable with respect to such benefit year; and shall promptly notify the claimant thereof, shall notify his most recent employing unit, and with respect to benefit years beginning on or after July 1, 1989, shall also notify the individual's last employer (referred to in Section 1502.1) that such claim has been filed. The claims adjudicator shall promptly notify the claimant of his "finding."

(Source: P.A. 86-3.)

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Sec. 702. Determinations.

The claims adjudicator shall for each week with respect to which the claimant claims benefits or waiting period credit, make a "determination" which shall state whether or not the claimant is eligible for such benefits or waiting period credit and the sum to be paid the claimant with respect to such week. The claims adjudicator shall promptly notify the claimant and such employing unit as shall, within the time and in the manner prescribed by the Director, have filed a sufficient allegation that the claimant is ineligible to receive benefits or waiting period credit for said week, of his "determination" and the reasons therefor. The Director may, by rule adopted with the advice and aid of the Employment Security Advisory Board, require that an employing unit with 25 or more individuals in its employ during a calendar year, or an entity representing 5 or more employing units during a calendar year, file an allegation of ineligibility electronically in a manner prescribed by the Director for the one year period commencing on July 1 of the immediately succeeding calendar year and ending on June 30 of the second succeeding calendar year. In making his "determination," the claims adjudicator shall give consideration to the information, if any, contained in the employing unit's allegation, whether or not the allegation is sufficient. The claims adjudicator shall deem an employing unit's allegation sufficient only if it contains a reason or reasons therefor (other than general conclusions of law, and statements such as "not actively seeking work" or "not available for work" shall be deemed, for this purpose, to be conclusions of law). If the claims adjudicator deems an allegation insufficient, he shall make a decision accordingly, and shall notify the employing unit of such decision and the reasons therefor. Such decision may be appealed by the employing unit to a Referee within the time limits prescribed by Section 800 for appeal from a "determination". Any such appeal, and any appeal from the Referee's decision thereon, shall be governed by the applicable provisions of Sections 801, 803, 804 and 805.

(Source: P.A. 97-621, eff. 11-18-11; 98-1133, eff. 12-23-14.)

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Sec. 703. Reconsideration of findings or determinations.

The claims adjudicator may reconsider his finding at any time within thirteen weeks after the close of the benefit year. He may reconsider his determination at any time within one year after the last day of the week for which the determination was made, except that if the issue is whether or not, by reason of a back pay award made by any governmental agency or pursuant to arbitration proceedings, or by reason of a payment of wages wrongfully withheld by an employing unit, an individual has received wages for a week with respect to which he or she has received benefits, such reconsidered determination may be made at any time within 3 years after the last day of the week, or if the issue is whether or not an individual misstated earnings for any week beginning on or after March 15, 2020, such reconsidered determination may be made at any time within 5 years after the last day of the week. No finding or determination shall be reconsidered at any time after appeal therefrom has been taken pursuant to the provisions of Section 800, except where a case has been remanded to the claims adjudicator by a Referee, the Director or the Board of Review, and except, further, that if an issue as to whether or not the claimant misstated his earnings is newly discovered, the determination may be reconsidered after and notwithstanding the fact that the decision upon the appeal has become final. Notice of such reconsidered determination or reconsidered finding shall be promptly given to the parties entitled to notice of the original determination or finding, as the case may be, in the same manner as is prescribed therefor, and such reconsidered determination or reconsidered finding shall be subject to appeal in the same manner and shall be given the same effect as is provided for an original determination or finding.

The changes made by this amendatory Act of the 102nd General Assembly apply retroactively to March 15, 2020.

(Source: P.A. 92-396, eff. 1-1-02; 102-700, eff. 4-19-22.)

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Sec. 705. Effect of finality of finding of claims adjudicator, referee, or board of review – estoppel. If, in any "finding" made by a claims adjudicator or in any decision rendered by a Referee or the Board of Review, it is found that the claimant has been paid wages for insured work by any employing unit or units in his base period, and such "finding" of the claims adjudicator or decision of the Referee or the Board of Review becomes final, each such employing unit as shall have been a party to the claims adjudicator's "finding" as provided in Section 701, or to the proceedings before the Referee, or the Board of Review, and shall have been given notice of such "finding" of the claims adjudicator, or proceedings before the Referee or the Board of Review, as the case may be, and an opportunity to be heard, shall be forever estopped to deny in any proceeding whatsoever that during such base period it was an employer as defined by this Act, that the wages paid by such employing unit to the claimant were wages for insured work, and that the wages paid by it for services rendered for it by any individual under circumstances substantially the same as those under which the claimant's services were performed were wages for insured work.
(Source: P.A. 77-1443.)

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Sec. 706. Benefits undisputed or allowed - Prompt payment.

Benefits shall be paid promptly in accordance with a claims adjudicator's finding and determination, or reconsidered finding or reconsidered determination, or the decision of a Referee, the Board of Review or a reviewing court, upon the issuance of such finding and determination, reconsidered finding, reconsidered determination or decision, regardless of the pendency of the period to apply for reconsideration, file an appeal, or file a complaint for judicial review, or the pendency of any such application or filing, unless and until such finding, determination, reconsidered finding, reconsidered determination or decision has been modified or reversed by a subsequent reconsidered finding or reconsidered determination or decision, in which event benefits shall be paid or denied with respect to weeks thereafter in accordance with such reconsidered finding, reconsidered determination, or modified or reversed finding, determination, reconsidered finding, reconsidered determination or decision. Except as otherwise provided in this Section, if benefits are paid pursuant to a finding or a determination, or a reconsidered finding, or a reconsidered determination, or a decision of a Referee, the Board of Review or a court, which is finally reversed or modified in subsequent proceedings with respect thereto, the benefit wages on which such benefits are based shall, for the purposes set forth in Section 1502, or benefit charges, for purposes set forth in Section 1502.1, be treated in the same manner as if such final reconsidered finding, reconsidered determination, or decision had been the finding or determination of the claims adjudicator. If benefits are paid pursuant to a finding, determination, reconsidered finding or determination, or a decision of a Referee, the Board of Review, or a court which is finally reversed or modified in subsequent proceedings with respect thereto, the benefit charges, for purposes set forth in Section 1502.1, shall be treated in the same manner as if the finding, determination, reconsidered finding or determination, or decision of the Referee, the Board of Review, or the court pursuant to which benefits were paid had not been reversed if: (1) the benefits were paid because the employer or an agent of the employer was at fault for failing to respond timely or adequately to the Department's request for information relating to the claim; and (2) the employer or agent has established a pattern of failing to respond timely or adequately to such requests.
(Source: P.A. 97-791, eff. 1-1-13.)

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Sec. 800. Appeals to referee or director.

Except as hereinafter provided, appeals from a claims adjudicator shall be taken to a Referee. Whenever a "determination" of a claims adjudicator involves a decision as to eligibility under Section 604, appeals shall be taken to the Director or his representative designated for such purpose. Unless the claimant or any other party entitled to notice of the claims adjudicator's "finding" or "determination," as the case may be, or the Director, within 30 calendar days after the delivery of the claims adjudicator's notification of such "finding" or "determination," or within 30 calendar days after such notification was mailed to his last known address, files an appeal therefrom, such "finding" or "determination" shall be final as to all parties given notice thereof.

(Source: P.A. 81-1521.)

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Sec. 801. Decision of referee or director.

A. Unless such appeal is withdrawn, a Referee or the Director, as the case may be, shall afford the parties reasonable opportunity for a fair hearing. At any hearing, the record of the claimant's registration for work, or of the claimant's certification that, during the week or weeks affected by the hearing, he was able to work, available for work, and actively seeking work, or any document in the files of the Department of Employment Security submitted to it by any of the parties, shall be a part of the record, and shall be competent evidence bearing upon the issues. The failure of the claimant or other party to appear at a hearing, unless he is the appellant, shall not preclude a decision in his favor if, on the basis of all the information in the record, he is entitled to such decision. The Referee or the Director, as the case may be, shall affirm, modify, or set aside the claims adjudicator's "finding" or "determination," or both, as the case may be, or may remand the case, in whole or in part, to the claims adjudicator, and, in such event, shall state the questions requiring further consideration, and give such other instructions as may be necessary. The parties shall be duly notified of such decision, together with the reasons therefor. The decision of the Referee shall be final, unless, within 30 calendar days after the date of mailing of such decision, further appeal to the Board of Review is initiated pursuant to Section 803.

B. Except as otherwise provided in this subsection, the Director may by regulation allow the Referee, upon the request of a party for good cause shown, before or after the Referee issues his decision, to reopen the record to take additional evidence or to reconsider the Referee's decision or both to reopen the record and reconsider the Referee's decision. Where the Referee issues a decision, he shall not reconsider his decision or reopen the record to take additional evidence after an appeal of the decision is initiated pursuant to Section 803 or if the request is made more than 30 calendar days, or fewer days if prescribed by the Director, after the date of mailing of the Referee's decision. The allowance or denial of a request to reopen the record, where the request is made before the Referee issues a decision, is not separately appealable but may be raised as part of the appeal of the Referee's decision. The allowance of a request to reconsider is not separately appealable but may be raised as part of the appeal of the Referee's reconsidered decision. A party may appeal the denial of a timely request to reconsider a decision within 30 calendar days after the date of mailing of notice of such denial, and any such appeal shall constitute a timely appeal of both the denial of the request to reconsider and the Referee's decision. Whenever reference is made in this Act to the Referee's decision, the term "decision" includes a reconsidered decision under this subsection.

(Source: P.A. 88-655, eff. 9-16-94.)

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Sec. 802. Appointment of referees and providing legal services in disputed claims.

A. To hear and decide disputed claims, the Director shall obtain an adequate number of impartial Referees selected in accordance with the provisions of the "Personnel Code" enacted by the Sixty-ninth General Assembly. No person shall participate on behalf of the Director or the Board of Review in any case in which he is an interested party. The Director shall provide the Board of Review and such Referees with proper facilities and supplies and with assistants and employees (selected in accordance with the provisions of the "Personnel Code" enacted by the Sixty-ninth General Assembly) necessary for the execution of their functions.

B. As provided in Section 1700.1, effective January 1, 1989, the Director shall establish a program for providing services by licensed attorneys at law to advise and represent, at hearings before the Referee, the Director or the Director's Representative, or the Board of Review, "small employers", as defined in rules promulgated by the Director, and issued pursuant to the results of the study referred to in Section 1700.1, and individuals who have made a claim for benefits with respect to a week of unemployment, whose claim has been disputed, and who are eligible under rules promulgated by the Director which are issued pursuant to the results of the study referred to in Section 1700.1.

For the period beginning July 1, 1994, and extending through June 30, 1996, no legal services shall be provided under the program established under this subsection.

For the period beginning July 1, 1990, and extending through June 30, 1991, no legal services shall be provided under the program established pursuant to this subsection.

(Source: P.A. 88-655, eff. 9-16-94; 89-21, eff. 6-6-95.)

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Sec. 803. Board of review – Decisions.

The Board of Review may, on its own motion or upon appeal by any party to the determination or finding, affirm, modify, or set aside any decision of a Referee. The Board of Review in its discretion, may take additional evidence in hearing such appeals, or may remand the case, in whole or in part, to a Referee or claims adjudicator, and, in such event, shall state the questions requiring further consideration and give such other instructions as may be necessary. The Director may remove to the Board of Review or transfer to another Referee the proceedings on any claim pending before a Referee. Any proceedings so removed to the Board of Review shall be heard in accordance with the requirements of Section 801 by the Board of Review. At any hearing before the Board of Review, in the absence or disqualification of any member thereof representing either the employee or employer class, the hearing shall be conducted by the member not identified with either of such classes. Upon receipt of an appeal by any party to the findings and decision of a Referee, the Board of Review shall promptly notify all parties entitled to notice of the Referee's decision that the appeal has been filed, and shall inform each party of the right to apply for a Notice of Right to Sue as provided for in this Section. The Board of Review shall provide transcripts of the proceedings before the Referee within 35 days of the date of the filing of an appeal by any party. The Board of Review shall make a final determination on the appeal within 120 days of the date of the filing of the appeal and shall notify the parties of its final determination or finding, or both, within the same 120 day period. The period for making a final determination may be extended by the Board of Review to no more than 30 additional days upon written request of either party, for good cause shown.

At any time after the expiration of the aforesaid 120 day period, or the expiration of any extension thereof, and prior to the date the Board of Review makes a final determination on the appeal, the party claiming to be aggrieved by the decision of the Referee may apply in writing by certified mail, return receipt requested, to the Board of Review for a Notice of Right to Sue. The Board of Review shall issue, within 14 days of the date that the application was mailed to it, a Notice of Right to Sue to all parties entitled to notice of the Referee's decision, unless, within that time, the Board has issued its final decision. The Notice of Right to Sue shall notify the parties that the findings and decision of the Referee shall be the final administrative decision on the appeal, and it shall further notify any party claiming to be aggrieved thereby that he may seek judicial review of the final decision of the referee under the provisions of the Administrative Review Law. If the Board issues a Notice of Right to Sue, the date that such notice is served upon the parties shall determine the time within which to commence an action for judicial review. Any decision issued by the Board after the aforesaid 14 day period shall be null and void. If the Board fails to either issue its decision or issue a Notice of Right to Sue within the prescribed 14 day period, then the findings and decision of the Referee shall, by operation of law, become the final administrative decision on the appeal. In such an instance, the period within which to commence an action for judicial review pursuant to the Administrative Review Law shall begin to run on the 15th day after the date of mailing of the application for the Notice of Right to Sue. If no party applies for a Notice of Right to Sue, the decision of the Board of Review, issued at any time, shall be the final decision on the appeal.
(Source: P.A. 84-26.)

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Sec. 804. Conduct of hearings-Service of notice.

The manner in which disputed claims for benefits shall be presented and the conduct of hearings and appeals shall be in accordance with regulations prescribed by the Director for determining the rights of the parties. A full and complete record shall be kept of all proceedings in connection with a disputed claim. All testimony at any hearing upon a disputed claim shall be recorded but need not be transcribed unless the disputed claim is further appealed.

Whenever the giving of notice is required by Sections 701, 702, 703, 801, 803, 805, and 900, it may be given and be completed by mailing the same to the last known address of the person entitled thereto. If agreed to by the person or entity entitled to notice, notice may be given and completed electronically, in the manner prescribed by rule, by posting the notice on a secure web site accessible to the person or entity and sending notice of the posting to the last known e-mail address of the person or entity.
(Source: P.A. 97-621, eff. 11-18-11.)

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Sec. 805. Additional parties.

The Director, Referee, and the Board of Review, in any hearing involving benefit claims, may add parties, whenever in his or its discretion, it is necessary to the proper disposition of the case. Such additional parties shall be entitled to reasonable notice of the proceedings and an opportunity to be heard.

(Source: Laws 1951, p. 844.)

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Sec. 806. Representation.

Any individual or entity in any proceeding before the Director or his representative, or the Referee or the Board of Review, may be represented by a union or any duly authorized agent.

(Source: P.A. 85-956.)

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Sec. 900. Recoupment and recovery.

A. Whenever an individual has received any sum as benefits for which he or she is found to have been ineligible, the individual must be provided written notice of the individual's appeal rights, including the ability to request waiver of any recoupment ordered and the standard for such waiver to be granted. Thereafter, the amount thereof may be recovered by suit in the name of the People of the State of Illinois, or, from benefits payable to the individual, may be recouped:

1. At any time, if, to receive such sum, the individual knowingly made a false statement or knowingly failed to disclose a material fact.
2. Within 3 years from any date prior to January 1, 1984, on which the individual has been found to have been ineligible for any other reason, pursuant to a reconsidered finding or a reconsidered determination, or pursuant to the decision of a Referee (or of the Director or Director's representative under Section 604) which modifies or sets aside a finding or a reconsidered finding or a determination or a reconsidered determination; or within 5 years from any date after December 31, 1983, on which the individual has been found to have been ineligible for any other reason, pursuant to a reconsidered finding or a reconsidered determination, or pursuant to the decision of a Referee (or of the Director or Director's representative under Section 604) which modifies or sets aside a finding or a reconsidered finding or a determination or a reconsidered determination. Recoupment pursuant to the provisions of this paragraph from benefits payable to an individual for any week may be waived upon the individual's request, if the sum referred to in paragraph A was received by the individual without fault on the individual's part and if such recoupment would be against equity and good conscience. Such waiver may be denied with respect to any subsequent week if, in that week, the facts and circumstances upon which waiver was based no longer exist.

Recovery by suit in the name of the People of the State of Illinois, recoupment pursuant to paragraph 2 of this subsection A from benefits payable to an individual for any week, and, notwithstanding any provision to the contrary in the Illinois State Collection Act of 1986, withholding pursuant to subsection E shall be permanently waived if the sum referred to in this subsection A was received by the individual without fault on the individual's part and if such recoupment would be against equity and good conscience, and the sum referred to in this subsection A was received by the individual on or after March 8, 2020, but prior to the last day of a disaster period established by the gubernatorial disaster proclamation in response to COVID-19, dated March 9, 2020, and any consecutive gubernatorial disaster proclamation in response to COVID-19. To be eligible for permanent waiver under this paragraph, an individual must request a waiver pursuant to this paragraph within 45 days of the mailing date of the notice from the Department that the individual may request a waiver. A determination under this paragraph may be appealed to a Referee within the time limits prescribed by Section 800 for an appeal from a determination. Any such appeal, and any appeal from the Referee's decision thereon, shall be governed by the applicable provisions of Sections 801, 803, 804, and 805. This paragraph shall not apply with respect to benefits that are received pursuant to any program that the Department administers as an agent of the federal government and for which the individual is found to have been ineligible.

B. Whenever the claims adjudicator referred to in Section 702 decides that any sum received by a claimant as benefits shall be recouped, or denies recoupment waiver requested by the claimant, the Department shall promptly notify the claimant of the decision and the reasons therefor. The decision and the notice thereof shall state the amount to be recouped, the weeks with respect to which such sum was received by the claimant, and the time within which it may be recouped and, as the case may be, the reasons for denial of recoupment waiver. The claims adjudicator may

reconsider the decision within one year after the date when the decision was made. Such decision or reconsidered decision may be appealed to a Referee within the time limits prescribed by Section 800 for appeal from a determination. Any such appeal, and any appeal from the Referee's decision thereon, shall be governed by the applicable provisions of Sections 801, 803, 804 and 805. No recoupment shall be begun until the expiration of the time limits prescribed by Section 800 of this Act or, if an appeal has been filed, until the decision of a Referee has been made thereon affirming the decision of the claims adjudicator.

C. Any sums recovered under the provisions of this Section shall be treated as repayments to the Department of sums improperly obtained by the claimant.

D. Whenever, by reason of a back pay award made by any governmental agency or pursuant to arbitration proceedings, or by reason of a payment of wages wrongfully withheld by an employing unit, an individual has received wages for weeks with respect to which the individual has received benefits, the amount of such benefits may be recouped or otherwise recovered as herein provided. An employing unit making a back pay award to an individual for weeks with respect to which the individual has received benefits shall make the back pay award by check payable jointly to the individual and to the Department.

E. The amount recouped pursuant to paragraph 2 of subsection A from benefits payable to an individual for any week shall not exceed 25% of the individual's weekly benefit amount.

In addition to the remedies provided by this Section, when an individual has received any sum as benefits for which the individual is found to be ineligible, the Director may request the Comptroller to withhold such sum in accordance with Section 10.05 of the State Comptroller Act and the Director may request the Secretary of the Treasury to withhold such sum to the extent allowed by and in accordance with Section 6402(f) of the federal Internal Revenue Code of 1986, as amended. Benefits paid pursuant to this Act shall not be subject to such withholding. Where the Director requests withholding by the Secretary of the Treasury pursuant to this Section, in addition to the amount of benefits for which the individual has been found ineligible, the individual shall be liable for any legally authorized administrative fee assessed by the Secretary, with such fee to be added to the amount to be withheld by the Secretary.

F. The Director may cooperate with and enter into agreements with the State Treasurer for the recovery of unclaimed property held by the State Treasurer in the name of an individual who received benefits for which the individual was determined to be ineligible under this Act. The amount of unclaimed property the Director is authorized to recover under this subsection is limited to the amount of benefits an individual received for which the individual was determined to be ineligible and any penalties provided for in this Act and rules adopted under this Act. Any funds recovered under this subsection shall be returned to the fund from which they were withdrawn.

(Source: P.A. 102-26, eff. 6-25-21; 104-285, eff. 1-1-26.)

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Sec. 901. Fraud - Repayment – Ineligibility.

A. An individual who, for the purpose of obtaining benefits, knowingly makes a false statement or knowingly fails to disclose a material fact, and thereby obtains any sum as benefits for which the individual is not eligible:

1. Shall be required to repay such sum in cash, or the amount thereof may be recovered or recouped pursuant to the provisions of Section 900.
2. Shall be ineligible, except to the extent that such benefits are subject to recoupment pursuant to this Section, for benefits for the week in which the individual has been notified of the determination of the claims adjudicator referred to in Section 702 that the individual has committed the offense described in the first paragraph and, thereafter, for 6 weeks (with respect to each of which the individual would be eligible for benefits but for the provisions of this paragraph, not including weeks for which such benefits are subject to recoupment pursuant to this Section) for the first offense, and for 2 additional weeks (with respect to each of which the individual would be eligible for benefits but for the provisions of this paragraph, not including weeks for which such benefits are subject to recoupment pursuant to this Section) for each subsequent offense. For the purposes of this paragraph, a separate offense shall be deemed to have been committed in each week for which such an individual has received a sum as benefits for which the individual was not eligible. No ineligibility under the provisions of this paragraph shall accrue with respect to any week beginning after whichever of the following occurs first: (1) 26 weeks (with respect to each of which the individual would be eligible for benefits but for the provisions of this paragraph, not including weeks for which such benefits are subject to recoupment pursuant to this Section) have elapsed since the date that the individual is notified of the determination of the claims adjudicator referred to in Section 702 that the individual has committed the offense described in the first paragraph, or (2) 2 years have elapsed since the date that is notified of the determination of the claims adjudicator referred to in Section 702 that the individual has committed the offense described in the first paragraph.

B. The amount of benefits that an individual received for which the individual was determined to be ineligible due to fraud, plus any penalties provided for by this Act and rules adopted under this Act, may be recovered in any manner provided for in Sections 2206, 2400, 2401. 2401.1, 2402, and 2403 for the recovery of past-due contributions, interest, and penalties from employers, and those Sections of this Act shall apply to an individual who received benefits for which the individual was determined to be ineligible due to fraud.

(Source: P.A. 91-342, eff. 1-1-00; 104-285, eff. 1-1-26.)

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Sec. 901.1. Additional penalty.

In addition to the penalties imposed under Section 901, an individual who, for the purposes of obtaining benefits, knowingly makes a false statement or knowingly fails to disclose a material fact, and thereby obtains any sum as benefits for which he or she is not eligible, shall be required to pay a penalty in an amount equal to 15% of such sum. All of the provisions of Section 900 applicable to the recovery of sums described in paragraph 1 of subsection A of Section 900 shall apply to penalties imposed pursuant to this Section. All penalties collected under this Section shall be treated in the same manner as benefits recovered from such individual.

(Source: P.A. 97-791, eff. 1-1-13.)

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Sec. 901.2. Return of debit card funds.

A. As allowed for under federal law, the Director is authorized to directly request and accept the return of funds from a debit card issuer for and debit card account that received benefits, if there is no transfer of funds through the benefits system to the debit card account during the preceding 12 months and if the account has never been activated.

B. As provided under federal law, the Director may directly request and accept the return of funds from a debit card issuer for any debit card account that received benefits and was activated if no transaction has been conducted on the account during the preceding 12 months and the individual associated with the account received benefits for which the individual was determined to be ineligible. The amount that the Director is authorized to accept from the debit card issuer under this subsection is limited to the amount of benefits an individual received for which the individual was determined to be ineligible and any penalties provided for in this Act and rules adopted under this Act.

C. Any funds recovered under this Section shall be returned to the fund from which they were withdrawn.

(Source: P.A. 104-285, eff. 1-1-26.)

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Sec. 1000. Oaths-Certifications-Subpoenas.

The Director, claims adjudicator, or other representative of the Director and any Referee and the Board of Review, or any member thereof, shall have the power, in the discharge of the duties imposed by this Act, to administer oaths and affirmations, certify to all official acts, and issue subpoenas to compel the attendance and testimony of witnesses, and the production of papers, books, accounts and documents deemed necessary as evidence in connection with a disputed claim or the administration of this Act.
(Source: P.A. 77-1443.)

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Sec. 1001. Testimony-Immunity.

No person shall be excused from testifying or from producing any papers, books, accounts, or documents in any investigation or inquiry or upon any hearing, when ordered to do so by the Director, Board of Review, or member thereof, or any claims adjudicator, Referee, or a representative of the Director, upon the ground that the testimony or evidence, documentary or otherwise, may tend to incriminate him or subject him to a penalty or forfeiture. But no person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter or thing concerning which he may testify or produce evidence, documentary or otherwise, before any such person or Board of Review: Provided, that such immunity shall extend only to a natural person, who, in obedience to a subpoena, and after claiming his privilege, shall, upon order, give testimony under oath or produce evidence, documentary or otherwise, under oath. No person so testifying shall be exempt from prosecution and punishment for perjury committed in so testifying.

(Source: P.A. 77-1443.)

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Sec. 1002. Attendance of witnesses - Production of papers.
All subpoenas issued under the terms of this Act may be served by any person of full age. The fees of witnesses for attendance and travel shall be the same as fees of witnesses before the circuit courts of this State, such fees to be paid when the witness is excused from further attendance. The payment of such fees shall be made in the same manner as are other expenses incurred in the administration of this Act. A subpoena issued shall be served in the same manner as a subpoena issued out of a court.

Any person who shall be served with a subpoena to appear and testify or to produce books, papers, accounts, or documents, issued by the Director or by any claims adjudicator or other representative of the Director, or by any Referee or the Board of Review, or member thereof, in the course of an inquiry, investigation, or hearing conducted under any of the provisions of this Act, and who refuses or neglects to appear or to testify or to produce books, papers, accounts, and documents relevant to said inquiry, investigation, or hearing as commanded in such subpoena, shall be guilty of a Class A misdemeanor.

Any circuit court of this State, upon application by the Director, or claims adjudicator, or other representative of the Director, or by any Referee or the Board of Review, or any member thereof, may, in its discretion, compel the attendance of witnesses, the production of books, papers, accounts, and documents, and the giving of testimony before such person or Board by an attachment for contempt or otherwise, in the same manner as production of evidence may be compelled before the court.
(Source: P.A. 83-334.)

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Sec. 1003. Depositions.

The deposition of any witness residing within or without the State may be taken at the instance of any claims adjudicator, Referee, member of the Board of Review, field auditor, Director's representative, or any of the parties to any proceeding arising under the provisions of this Act in the manner prescribed by law for the taking of like depositions in civil cases in the courts of this State. The Director may, at the request of any such person, issue a dedimus potestatem or commission under the seal of the Department of Employment Security in the same manner as the proper clerk's office is authorized to issue such dedimus potestatem or commission under the seal of the court in connection with any matter pending in the circuit courts of this State.

(Source: P.A. 83-1503.)

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Sec. 1004. Record of proceedings.

The Director shall provide facilities for the taking of testimony and the recording of proceedings at the hearings before the Director, his representative, the Board of Review, or a Referee. All expenses arising pursuant to this Section shall be paid in the same manner as other expenses incurred pursuant to this Act. (Source: Laws 1951, p. 844.)

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Sec. 1100. Review by the courts of decisions on benefits.
Any decision of the Board of Review (or of the Director in cases of decisions made pursuant to Sections 800 and 801) shall be reviewable only under and in accordance with the provisions of the Administrative Review Law, provided that judicial review thereof shall be permitted only after any party claiming to be aggrieved thereby has exhausted his administrative remedies as provided by this Act. The Director shall be deemed to have been a party to any administrative proceeding before the Board of Review and shall be represented by the Attorney General in any judicial action involving any such decision. The provisions of the Administrative Review Law, and all amendments and modifications thereof, and the rules adopted pursuant thereto, shall apply to and govern all proceedings for the judicial review of final administrative decisions of the Director or Board of Review hereunder. The term "administrative decision" is defined as in Section 3-101 of the Code of Civil Procedure.

The party aggrieved by the decision of the Board of Review (or the decision of the Director rendered pursuant to Sections 800 and 801) may secure judicial review thereof in the circuit court of the county in which he resides, or in the county in which his principal place of business is located, or if he does not reside within the State of Illinois and has no place of business within this State, then in the circuit court of Cook County.

Such proceedings before the courts shall be given precedence over all other civil cases except cases arising under the Workers' Compensation Act of this State.

The Board of Review or the Director, as the case may be, shall certify the record of the proceedings to the circuit court and shall prepare a true and correct typewritten copy of such testimony and a true and correct copy of all other matters contained in such record and certified to by the secretary thereof.

Judgments and orders of the circuit court under this Act shall be reviewed by appeal in the same manner as in other civil cases.

The clerk of any court rendering a decision affecting or affirming any decision of the Board of Review or of the Director, as the case may be, shall promptly furnish the Director and the Board of Review with a copy of such decision, without charge, and the Board of Review or the Director, as the case may be, shall enter an order in accordance with such decision.
(Source: P.A. 88-655, eff. 9-16-94.)

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Sec. 1200. Compensation of attorneys.
No fee shall be charged any claimant in any proceeding under this Act by the Director or his representatives, or by the Referees or Board of Review, or by any court or the clerks thereof except as provided herein.

Any individual claiming benefits in any proceeding before the Director or his representative, or the Referee or the Board of Review, or his or its representatives, or a court, may be represented by counsel or other duly authorized agent; but no such counsel or agents shall either charge or receive for such services more than an amount approved by the Board of Review or, in cases arising under Section 604, by the Director.

After reasonable notice and a hearing before the Department's representative, any attorney found to be in violation of any provision of this Section shall be required to make restitution of any excess fees charged plus interest at a reasonable rate as determined by the Department's representative.
(Source: P.A. 93-215, eff. 1-1-04.)

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Sec. 1300. Waiver or transfer of benefit rights - Partial exemption.

(A) Except as otherwise provided herein any agreement by an individual to waive, release or commute his rights under this Act shall be void.

(B) Benefits due under this Act shall not be assigned, pledged, encumbered, released or commuted and shall be exempt from all claims of creditors and from levy, execution and attachment or other remedy for recovery or collection of a debt. However, nothing in this Section shall prohibit a specified or agreed upon deduction from benefits by an individual, or a court or administrative order for withholding of income, for payment of past due child support from being enforced and collected by the Department of Healthcare and Family Services on behalf of persons receiving a grant of financial aid under Article IV of the Illinois Public Aid Code, persons for whom an application has been made and approved for child support enforcement services under Section 10-1 of such Code, or persons similarly situated and receiving like services in other states. It is provided that:

(1) The aforementioned deduction of benefits and order for withholding of income apply only if appropriate arrangements have been made for reimbursement to the Department by the Department of Healthcare and Family Services for any administrative costs incurred under this Section.

(2) The Director shall deduct and withhold from benefits payable under this Act, or under any arrangement for the payment of benefits entered into by the Director pursuant to the powers granted under Section 2700 of this Act, the amount specified or agreed upon. In the case of a court or administrative order for withholding of income, the Director shall withhold the amount of the order.

(3) Any amount deducted and withheld by the Director shall be paid to the Department of Healthcare and Family Services or the State Disbursement Unit established under Section 10-26 of the Illinois Public Aid Code, as directed by the Department of Healthcare and Family Services, on behalf of the individual.

(4) Any amount deducted and withheld under subsection (3) shall for all purposes be treated as if it were paid to the individual as benefits and paid by such individual to the Department of Healthcare and Family Services or the State Disbursement Unit in satisfaction of the individual's child support obligations.

(5) For the purpose of this Section, child support is defined as those obligations which are being enforced pursuant to a plan described in Title IV, Part D, Section 454 of the Social Security Act and approved by the Secretary of Health and Human Services.

(6) The deduction of benefits and order for withholding of income for child support shall be governed by Titles III and IV of the Social Security Act and all regulations duly promulgated thereunder.

(C) Nothing in this Section prohibits an individual from voluntarily electing to have federal income tax deducted and withheld from his or her unemployment insurance benefit payments.

(1) The Director shall, at the time that an individual files his or her claim for benefits that establishes his or her benefit year, inform the individual that:

(a) unemployment insurance is subject to federal, State, and local income taxes;

(b) requirements exist pertaining to estimated tax payments;

(c) the individual may elect to have federal income tax deducted and withheld from his or her payments of unemployment insurance in the amount specified in the federal Internal Revenue Code; and

(d) the individual is permitted to change a previously elected withholding status.

(2) Amounts deducted and withheld from unemployment insurance shall remain in the unemployment fund until transferred to the federal taxing authority as a payment of income tax.
(3) The Director shall follow all procedures specified by the United States Department of Labor and the federal Internal Revenue Service pertaining to the deducting and withholding of income tax.
(4) Amounts shall be deducted and withheld in accordance with the priorities established in rules promulgated by the Director.

(D) Nothing in this Section prohibits an individual from voluntarily electing to have State of Illinois income tax deducted and withheld from his or her unemployment insurance benefit payments.
(1) The Director shall, at the time that an individual files his or her claim for benefits that establishes his or her benefit year, in addition to providing the notice required under subsection C, inform the individual that:
(a) the individual may elect to have State of Illinois income tax deducted and withheld from his or her payments of unemployment insurance; and
(b) the individual is permitted to change a previously elected withholding status.
(2) Amounts deducted and withheld from unemployment insurance shall remain in the unemployment fund until transferred to the Department of Revenue as a payment of State of Illinois income tax.
(3) Amounts shall be deducted and withheld in accordance with the priorities established in rules promulgated by the Director.

(E) Nothing in this Section prohibits the deduction and withholding of an uncollected overissuance of food stamp coupons from unemployment insurance benefits pursuant to this subsection (E).
(1) At the time that an individual files a claim for benefits that establishes his or her benefit year, that individual must disclose whether or not he or she owes an uncollected overissuance (as defined in Section 13(c)(1) of the federal Food Stamp Act of 1977) of food stamp coupons. The Director shall notify the State food stamp agency enforcing such obligation of any individual who discloses that he or she owes an uncollected overissuance of food stamp coupons and who meets the monetary eligibility requirements of subsection E of Section 500.
(2) The Director shall deduct and withhold from any unemployment insurance benefits payable to an individual who owes an uncollected overissuance of food stamp coupons:
(a) the amount specified by the individual to the Director to be deducted and withheld under this subsection (E);
(b) the amount (if any) determined pursuant to an agreement submitted to the State food stamp agency under Section 13(c)(3)(A) of the federal Food Stamp Act of 1977; or
(c) any amount otherwise required to be deducted and withheld from unemployment insurance benefits pursuant to Section 13(c)(3)(B) of the federal Food Stamp Act of 1977.
(3) Any amount deducted and withheld pursuant to this subsection (E) shall be paid by the Director to the State food stamp agency.
(4) Any amount deducted and withheld pursuant to this subsection (E) shall for all purposes be treated as if it were paid to the individual as unemployment insurance benefits and paid by the individual to the State food stamp agency as repayment of the individual's uncollected overissuance of food stamp coupons.
(5) For purposes of this subsection (E), "unemployment insurance benefits" means any compensation payable under this Act including amounts payable by the Director pursuant to an agreement under any federal law providing for compensation, assistance, or allowances with respect to unemployment.

(6) This subsection (E) applies only if arrangements have been made for reimbursement by the State food stamp agency for the administrative costs incurred by the Director under this subsection (E) which are attributable to the repayment of uncollected overissuances of food stamp coupons to the State food stamp agency.

(Source: P.A. 97-791, eff. 1-1-13.)

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Sec. 1400. Payment of contributions.

On and after July 1, 1937, contributions shall accrue and become payable by each employer for each calendar year in which he is subject to this Act, with respect to wages payable for employment occurring during the six months' period beginning July 1, 1937, and the calendar years 1938, 1939, and 1940. For the year 1941 and for each calendar year thereafter, contributions shall accrue and become payable by each employer upon the wages paid with respect to employment after December 31, 1940. Except as otherwise provided in Section 1400.2, such contributions shall become due and shall be paid quarterly on or before the last day of the month next following the calendar quarter for which such contributions have accrued; except that any employer who is delinquent in filing a contribution report or in paying his contributions for any calendar quarter may, at the discretion of the Director, be required to report and to pay contributions on a calendar month basis. Such contributions shall not be deducted, in whole or in part, from the wages of individuals in such employer's employ. If the Director shall find that the collection of any contributions will be jeopardized by delay, he may declare the same to be immediately due and payable.

In the payment of any contributions, interest, or penalties, a fractional part of a cent shall be disregarded unless it amounts to one-half cent or more, in which case it shall be increased to one cent.

The Director may by regulation provide that if, at any time, a total amount of less than $2 is payable with respect to a quarter, including any contributions, payments in lieu of contributions, interest or penalties, such amount may be disregarded. Any amounts disregarded under this paragraph are deemed to have been paid for all other purposes of this Act. Nothing in this paragraph is intended to relieve any employer from filing any reports required by this Act or by any rules or regulations adopted by the Director pursuant to this Act.

Except with respect to the provisions concerning amounts that may be disregarded pursuant to regulation, this Section does not apply to any nonprofit organization or any governmental entity referred to in subsection B of Section 1405 for any period with respect to which it does not incur liability for the payment of contributions by reason of having elected to make payments in lieu of contributions, or to any political subdivision or municipal corporation for any period with respect to which it is not subject to payments in lieu of contributions under the provisions of paragraph 1 of Section 302C by reason of having elected to make payments in lieu of contributions under paragraph 2 of that Section, or to the State of Illinois or any of its instrumentalities.

The Director may, by regulation, provide that amounts due from an employing unit for contributions, payments in lieu of contributions, penalties, or interest be paid by an electronic funds transfer, including amounts paid on behalf of an employing unit by an entity representing the employing unit. The regulation shall not apply to an employing unit until the Director notifies the employing unit of the regulation. Except as otherwise provided in this Section, where the employing unit, within 30 days of the date of service of the notice sent pursuant to this amendatory Act of the 98th General Assembly, notifies the Director that it declines to pay by electronic funds transfer, the regulation shall not apply to the employing unit. Except as otherwise provided in this Section, where the employing unit, within 30 days of the date of service of a notice sent pursuant to Section 1509 of this Act, notifies the Director that it declines to pay by electronic funds transfer, the regulation shall not apply to the employing unit with respect to any payment due after the date the employing unit so notifies the Director. The Director is authorized to provide by regulation reasonable penalties for employing units that are subject to and fail to comply with such a regulation. Any employing unit that is not subject to the regulation may elect to become subject to the regulation by paying

amounts due for contributions, payments in lieu of contributions, penalties, or interest by an electronic funds transfer. Notwithstanding any other provision to the contrary, in the case of an entity representing 5 or more employing units, neither the entity nor the employing units (for as long as they are represented by that entity) shall have the option to decline to pay by electronic funds transfer.
(Source: P.A. 98-107, eff. 7-23-13.)

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Sec. 1400.1. Solvency Adjustments.

(I) As used in this Section, "prior year's trust fund balance" means the net amount standing to the credit of this State's account in the unemployment trust fund (less all outstanding advances to that account, including but not limited to advances pursuant to Title XII of the federal Social Security Act) as of June 30 of the immediately preceding calendar year.

The wage base adjustment, rate adjustment, and allowance adjustment applicable to any calendar year prior to 2023 shall be as determined pursuant to this Section as in effect prior to the effective date of this amendatory Act of the 102nd General Assembly.

The rate adjustment and allowance adjustment applicable to calendar year 2023 and each calendar year thereafter shall be as follows:

If the prior year's trust fund balance is less than $525,000,000, the rate adjustment shall be 0.05%, and the allowance adjustment shall be -0.3% absolute.

If the prior year's trust fund balance is equal to or greater than $525,000,000 but less than $1,225,000,000, the rate adjustment shall be 0.025%, and the allowance adjustment shall be -0.2% absolute.

If the prior year's trust fund balance is equal to or greater than $1,225,000,000 but less than $1,750,000,000, the rate adjustment shall be 0, and the allowance adjustment shall be -0.1% absolute.

If the prior year's trust fund balance is equal to or greater than $1,750,000,000 but less than $2,275,000,000, the rate adjustment shall be 0, and the allowance adjustment shall be 0.1% absolute.

If the prior year's trust fund balance is equal to or greater than $2,275,000,000 but less than $2,975,000,000, the rate adjustment shall be -0.025%, and the allowance adjustment shall be 0.2% absolute.

If the prior year’s trust fund balance is equal to or greater than $2,975,000,000, the rate adjustment shall be -0.05%, and the allowance adjustment shall be 0.3% absolute.

(II) (Blank).

(Source: P.A. 102-1105, eff. 1-1-23; 103-1059, eff. 12-20-24.)

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Sec. 1400.2. Annual reporting and paying; household workers.

This Section applies to an employer who solely employs one or more household workers with respect to whom the employer files federal unemployment taxes as part of his or her federal income tax return, or could file federal unemployment taxes as part of his or her federal income tax return if the worker or workers were providing services in employment for purposes of the federal unemployment tax. For purposes of this Section, "household worker" has the meaning ascribed to it for purposes of Section 3510 of the federal Internal Revenue Code. If an employer to whom this Section applies notifies the Director, in writing, that he or she wishes to pay his or her contributions for each quarter and submit his or her wage reports for each month or quarter, as the case may be, on an annual basis, then the due date for filing the reports and paying the contributions shall be April 15 of the calendar year immediately following the close of the months or quarters to which the reports and quarters to which the contributions apply, except that the Director may, by rule, establish a different due date for good cause.

(Source: P.A. 97-689, eff. 6-14-12.)

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Sec. 1401. Interest.

Any employer who shall fail to pay any contributions (including any amounts due pursuant to Section 1506.3) when required of him by the provisions of this Act and the rules and regulations of the Director, whether or not the amount thereof has been determined and assessed by the Director, shall pay to the Department, in addition to such contribution, interest thereon at the rate of one percent (1%) per month and one-thirtieth (1/30) of one percent (1%) for each day or fraction thereof computed from the day upon which said contribution became due. After 1981, such interest shall accrue at the rate of 2% per month, computed at the rate of 12/365 of 2% for each day or fraction thereof, upon any unpaid contributions which become due, provided that, after 1987, for the purposes of calculating interest due under this Section only, payments received more than 30 days after such contributions become due shall be deemed received on the last day of the month preceding the month in which they were received except that, if the last day of such preceding month is less than 30 days after the date that such contributions became due, then such payments shall be deemed to have been received on the 30th day after the date such contributions became due.

However, all or part of any interest may be waived by the Director for good cause shown.
(Source: P.A. 97-791, eff. 1-1-13.)

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Sec. 1402. Penalties.

A. If any employer fails, within the time prescribed in this Act as amended and in effect on October 5, 1980, and the regulations of the Director, to file a report of wages paid to each of his workers, or to file a sufficient report of such wages after having been notified by the Director to do so, for any period which begins prior to January 1, 1982, he shall pay to the Department as a penalty a sum determined in accordance with the provisions of this Act as amended and in effect on October 5, 1980.

B. Except as otherwise provided in this Section, any employer who fails to file a report of wages paid to each of his workers for any period which begins on or after January 1, 1982, within the time prescribed by the provisions of this Act and the regulations of the Director, or, if the Director pursuant to such regulations extends the time for filing the report, fails to file it within the extended time, shall, in addition to any sum otherwise payable by him under the provisions of this Act, pay to the Department as a penalty a sum equal to the lesser of (1) $5 for each $10,000 or fraction thereof of the total wages for insured work paid by him during the period or (2) $2,500, for each month or part thereof of such failure to file the report. With respect to an employer who has elected to file reports of wages on an annual basis pursuant to Section 1400.2, in assessing penalties for the failure to submit all reports by the due date established pursuant to that Section, the 30-day period immediately following the due date shall be considered as one month.

If the Director deems an employer's report of wages paid to each of his workers for any period which begins on or after January 1, 1982, insufficient, he shall notify the employer to file a sufficient report. If the employer fails to file such sufficient report within 30 days after the mailing of the notice to him, he shall, in addition to any sum otherwise payable by him under the provisions of this Act, pay to the Department as a penalty a sum determined in accordance with the provisions of the first paragraph of this subsection, for each month or part thereof of such failure to file such sufficient report after the date of the notice.

For wages paid in calendar years prior to 1988, the penalty or penalties which accrue under the two foregoing paragraphs with respect to a report for any period shall not be less than $100, and shall not exceed the lesser of (1) $10 for each $10,000 or fraction thereof of the total wages for insured work paid during the period or (2) $5,000. For wages paid in calendar years after 1987, the penalty or penalties which accrue under the 2 foregoing paragraphs with respect to a report for any period shall not be less than $50, and shall not exceed the lesser of (1) $10 for each $10,000 or fraction of the total wages for insured work paid during the period or (2) $5,000. With respect to an employer who has elected to file reports of wages on an annual basis pursuant to Section 1400.2, for purposes of calculating the minimum penalty prescribed by this Section for failure to file the reports on a timely basis, a calendar year shall constitute a single period. For reports of wages paid after 1986, the Director shall not, however, impose a penalty pursuant to either of the two foregoing paragraphs on any employer who can prove within 30 working days after the mailing of a notice of his failure to file such a report, that (1) the failure to file the report is his first such failure during the previous 20 consecutive calendar quarters, and (2) the amount of the total contributions due for the calendar quarter of such report (or, in the case of an employer who is required to file the reports on a monthly basis, the amount of the total contributions due for the calendar quarter that includes the month of such report) is less than $500.

For any month which begins on or after January 1, 2013, a report of the wages paid to each of an employer's workers shall be due on or before the last day of the month next following the calendar

month in which the wages were paid if the employer is required to report such wages electronically pursuant to the regulations of the Director; otherwise a report of the wages paid to each of the employer's workers shall be due on or before the last day of the month next following the calendar quarter in which the wages were paid.

Any employer who willfully fails to pay any contribution or part thereof, based upon wages paid prior to 1987, when required by the provisions of this Act and the regulations of the Director, with intent to defraud the Director, shall in addition to such contribution or part thereof pay to the Department a penalty equal to 50 percent of the amount of such contribution or part thereof, as the case may be, provided that the penalty shall not be less than $200.

Any employer who willfully fails to pay any contribution or part thereof, based upon wages paid in 1987 and in each calendar year thereafter, when required by the provisions of this Act and the regulations of the Director, with intent to defraud the Director, shall in addition to such contribution or part thereof pay to the Department a penalty equal to 60% of the amount of such contribution or part thereof, as the case may be, provided that the penalty shall not be less than $400.

However, all or part of any penalty may be waived by the Director for good cause shown.

C. With regard to an employer required to report monthly pursuant to this Section, in addition to each employee's name, social security number, and wages for insured work paid during the period, the Director may, by rule, require a report to provide the following information concerning each employee: the employee's occupation, hours worked during the period, hourly wage, if applicable, and work location if the employer has more than one physical location. Notwithstanding any other provision of any other law to the contrary, information obtained pursuant to this subsection shall not be disclosed to any other public official or agency of this State or any other state to the extent it relates to a specifically identified individual or entity or to the extent that the identity of a specific individual or entity may be discerned from such information. The additional data elements required to be reported pursuant to the rule authorized by this subsection may be reported in the same electronic format as in the system maintained by the employer or employer's agent and need not be reformatted.

(Source: P.A. 97-689, eff. 6-14-12; 97-791, eff. 1-1-13; 98-463, eff. 8-16-13; 98-1133, eff. 12-23-14.)

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Sec. 1402.1. Processing fee.

A. The Director may, by rule, establish a processing fee of $50 with regard to a report of contributions due that is not required to be submitted electronically if the employer fails to submit the report on the form designated by the Director or otherwise provide all of the information required by the form designated by the Director. With respect to the first instance of such a failure after the effective date of the rule, the Director shall issue the employer a written warning instead of a processing fee, and no such processing fee shall be assessed unless the Director has issued the employer a written warning for a prior failure.

B. The Director may, by rule, establish a processing fee of $50 with regard to any payment of contributions, payment in lieu of contributions, interest, or penalty that is not made through electronic funds transfer if the employer fails to enclose the payment coupon provided by the Director with its payment or otherwise provide all of the information the coupon would provide, regardless of the amount due. With respect to the first instance of such a failure after the effective date of the rule, the Director shall issue the employer a written warning instead of a processing fee, and no such processing fee shall be assessed unless the Director has issued the employer a written warning for a prior failure.

(Source: P.A. 98-1133, eff. 12-23-14.)

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Sec. 1403. Financing benefits paid to state employees.
Benefits paid to individuals with respect to whom this State or any of its wholly owned instrumentalities is the last employer as provided in Section 1502.1 shall be financed by appropriations to the Department of Employment Security.

The State Treasurer shall be liable on his general official bond for the faithful performance of his duties with regard to such moneys as may come into his hands by virtue of this Section. Such liability on his official bond shall exist in addition to the liability upon any separate bond given by him. All sums recovered for losses sustained by the clearing account herein described shall be deposited therein.

In lieu of contributions required of other employers under this Act, the State Treasurer shall transfer to and deposit in the clearing account an amount equal to 100% of regular benefits, including dependents' allowances, and 100% of extended benefits, including dependents' allowances paid to an individual, but only if the State: (a) is the last employer as provided in Section 1502.1 and (b) paid, to the individual receiving benefits, wages for insured work during his base period. If the State meets the requirements of (a) but not (b), it shall be required to make payments in an amount equal to 50% of regular benefits, including dependents' allowances, and 50% of extended benefits, including dependents' allowances, paid to an individual.

On and after July 1, 2005, transfers to the clearing account pursuant to this Section shall be made directly from such funds and accounts as the appropriations to the Department authorize, as designated by the Director. On July 1, 2005, or as soon thereafter as may be reasonably practicable, all remaining funds in the State Employees' Unemployment Benefit Fund shall be transferred to the clearing account, and, upon the transfer of those funds, the State Employees' Unemployment Benefit Fund is abolished.

The Director shall ascertain the amount to be so transferred and deposited by the State Treasurer as soon as practicable after the end of each calendar quarter. The provisions of paragraphs 4 and 5 of Section 1404B shall be applicable to a determination of the amount to be so transferred and deposited. Such deposit shall be made by the State Treasurer at such times and in such manner as the Director may determine and direct.

Every department, institution, agency and instrumentality of the State of Illinois shall make available to the Director such information with respect to any individual who has performed insured work for it as the Director may find practicable and necessary for the determination of such individual's rights under this Act. Each such department, institution, agency and instrumentality shall file such reports with the Director as he may by regulation prescribe.
(Source: P.A. 94-233, eff. 7-14-05.)

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Sec. 1404. Payments in lieu of contributions by nonprofit organizations.

A. For the year 1972 and for each calendar year thereafter, contributions shall accrue and become payable, pursuant to Section 1400, by each nonprofit organization (defined in Section 211.2) upon the wages paid by it with respect to employment after 1971, unless the nonprofit organization elects, in accordance with the provisions of this Section, to pay, in lieu of contributions, an amount equal to the amount of regular benefits and one-half the amount of extended benefits (defined in Section 409) paid to individuals, for any weeks which begin on or after the effective date of the election, on the basis of wages for insured work paid to them by such nonprofit organization during the effective period of such election. Notwithstanding the preceding provisions of this subsection and the provisions of subsection D, with respect to benefit years beginning prior to July 1, 1989, any adjustment after September 30, 1989 to the base period wages paid to the individual by any employer shall not affect the ratio for determining the payments in lieu of contributions of a nonprofit organization which has elected to make payments in lieu of contributions. Provided, however, that with respect to benefit years beginning on or after July 1, 1989, the nonprofit organization shall be required to make payments equal to 100% of regular benefits, including dependents' allowances, and 50% of extended benefits, including dependents' allowances, paid to an individual with respect to benefit years beginning during the effective period of the election, but only if the nonprofit organization: (a) is the last employer as provided in Section 1502.1 and (b) paid to the individual receiving benefits, wages for insured work during his base period. If the nonprofit organization described in this paragraph meets the requirements of (a) but not (b), with respect to benefit years beginning on or after July 1, 1989, it shall be required to make payments in an amount equal to 50% of regular benefits, including dependents' allowances, and 25% of extended benefits, including dependents' allowances, paid to an individual with respect to benefit years beginning during the effective period of the election.

1. Any employing unit which becomes a nonprofit organization on January 1, 1972, may elect to make payments in lieu of contributions for not less than one calendar year beginning with January 1, 1972, provided that it files its written election with the Director not later than January 31, 1972.
2. Any employing unit which becomes a nonprofit organization after January 1, 1972, may elect to make payments in lieu of contributions for a period of not less than one calendar year beginning as of the first day with respect to which it would, in the absence of its election, incur liability for the payment of contributions, provided that it files its written election with the Director not later than 30 days immediately following the end of the calendar quarter in which it becomes a nonprofit organization.
3. A nonprofit organization which has incurred liability for the payment of contributions for at least 2 calendar years and is not delinquent in such payment and in the payment of any interest or penalties which may have accrued, may elect to make payments in lieu of contributions beginning January 1 of any calendar year, provided that it files its written election with the Director prior to such January 1, and provided, further, that such election shall be for a period of not less than 2 calendar years.
4. An election to make payments in lieu of contributions shall not terminate any liability incurred by an employer for the payment of contributions, interest or penalties with respect to any calendar quarter (or month, as the case may be) which ends prior to the effective period of the election.
5. A nonprofit organization which has elected, pursuant to paragraph 1, 2, or 3, to make payments in lieu of contributions may terminate the effective period of the election as of January 1 of any calendar year subsequent to the required minimum period of the election only if, prior to

such January 1, it files with the Director a written notice to that effect. Upon such termination, the organization shall become liable for the payment of contributions upon wages for insured work paid by it on and after such January 1 and, notwithstanding such termination, it shall continue to be liable for payments in lieu of contributions with respect to benefits paid to individuals on and after such January 1, with respect to benefit years beginning prior to July 1, 1989, on the basis of wages for insured work paid to them by the nonprofit organization prior to such January 1, and, with respect to benefit years beginning after June 30, 1989, if such employer was the last employer as provided in Section 1502.1 during a benefit year beginning prior to such January 1.

6. Written elections to make payments in lieu of contributions and written notices of termination of election shall be filed in such form and shall contain such information as the Director may prescribe. Upon the filing of such election or notice, the Director shall either order it approved, or, if it appears to the Director that the nonprofit organization has not filed such election or notice within the time prescribed, he shall order it disapproved. The Director shall serve notice of his order upon the nonprofit organization. The Director's order shall be final and conclusive upon the nonprofit organization unless, within 15 days after the date of mailing of notice thereof, the nonprofit organization files with the Director an application for its review, setting forth its reasons in support thereof. Upon receipt of an application for review within the time prescribed, the Director shall order it allowed, or shall order that it be denied, and shall serve notice upon the nonprofit organization of his order. All of the provisions of Section 1509, applicable to orders denying applications for review of determinations of employers' rates of contribution and not inconsistent with the provisions of this subsection, shall be applicable to an order denying an application for review filed pursuant to this subsection.

B. As soon as practicable following the close of each calendar quarter, the Director shall mail to each nonprofit organization which has elected to make payments in lieu of contributions a Statement of the amount due from it for the regular and one-half the extended benefits paid (or the amounts otherwise provided for in subsection A) during the calendar quarter, together with the names of its workers or former workers and the amounts of benefits paid to each of them during the calendar quarter, with respect to benefit years beginning prior to July 1, 1989, on the basis of wages for insured work paid to them by the nonprofit organization; or, with respect to benefit years beginning after June 30, 1989, if such nonprofit organization was the last employer as provided in Section 1502.1 with respect to a benefit year beginning during the effective period of the election. The amount due shall be payable, and the nonprofit organization shall make payment of such amount not later than 30 days after the date of mailing of the Statement. The Statement shall be final and conclusive upon the nonprofit organization unless, within 20 days after the date of mailing of the Statement, the nonprofit organization files with the Director an application for revision thereof. Such application shall specify wherein the nonprofit organization believes the Statement to be incorrect, and shall set forth its reasons for such belief. All of the provisions of Section 1508, applicable to applications for revision of Statements of Benefit Wages and Statements of Benefit Charges and not inconsistent with the provisions of this subsection, shall be applicable to an application for revision of a Statement filed pursuant to this subsection.

1. Payments in lieu of contributions made by any nonprofit organization shall not be deducted or deductible, in whole or in part, from the remuneration of individuals in the employ of the organization, nor shall any nonprofit organization require or accept any waiver of any right under this Act by an individual in its employ. The making of any such deduction or the requirement or acceptance of any such waiver is a Class A misdemeanor. Any agreement by

an individual in the employ of any person or concern to pay all or any portion of a payment in lieu of contributions, required under this Act from a nonprofit organization, is void.

2. A nonprofit organization which fails to make any payment in lieu of contributions when due under the provisions of this subsection shall pay interest thereon at the rates specified in Section 1401. A nonprofit organization which has elected to make payments in lieu of contributions shall be subject to the penalty provisions of Section 1402. In the making of any payment in lieu of contributions or in the payment of any interest or penalties, a fractional part of a cent shall be disregarded unless it amounts to one-half cent or more, in which case it shall be increased to one cent.
3. All of the remedies available to the Director under the provisions of this Act or of any other law to enforce the payment of contributions, interest, or penalties under this Act, including the making of determinations and assessments pursuant to Section 2200, are applicable to the enforcement of payments in lieu of contributions and of interest and penalties, due under the provisions of this Section. For the purposes of this paragraph, the term "contribution" or "contributions" which appears in any such provision means "payment in lieu of contributions" or "payments in lieu of contributions." The term "contribution" which appears in Section 2800 also means "payment in lieu of contributions."
4. All of the provisions of Sections 2201 and 2201.1, applicable to adjustment or refund of contributions, interest and penalties erroneously paid and not inconsistent with the provisions of this Section, shall be applicable to payments in lieu of contributions erroneously made or interest or penalties erroneously paid by a nonprofit organization.
5. Payment in lieu of contributions shall be due with respect to any sum erroneously paid as benefits to an individual unless such sum has been recouped pursuant to Section 900 or has otherwise been recovered. If such payment in lieu of contributions has been made, the amount thereof shall be adjusted or refunded in accordance with the provisions of paragraph 4 and Section 2201 if recoupment or other recovery has been made.
6. A nonprofit organization which has elected to make payments in lieu of contributions and thereafter ceases to be an employer shall continue to be liable for payments in lieu of contributions with respect to benefits paid to individuals on and after the date it has ceased to be an employer, with respect to benefit years beginning prior to July 1, 1989, on the basis of wages for insured work paid to them by it prior to the date it ceased to be an employer, and, with respect to benefit years beginning after June 30, 1989, if such employer was the last employer as provided in Section 1502.1 prior to the date that it ceased to be an employer.
7. With respect to benefit years beginning prior to July 1, 1989, wages paid to an individual during his base period, by a nonprofit organization which elects to make payments in lieu of contributions, for less than full time work, performed during the same weeks in the base period during which the individual had other insured work, shall not be subject to payments in lieu of contributions (upon such employer's request pursuant to the regulation of the Director) so long as the employer continued after the end of the base period, and continues during the applicable benefit year, to furnish such less than full time work to the individual on the same basis and in substantially the same amount as during the base period. If the individual is paid benefits with respect to a week (in the applicable benefit year) after the employer has ceased to furnish the work hereinabove described, the nonprofit organization shall be liable for payments in lieu of contributions with respect to the benefits paid to the individual after the date on which the nonprofit organization ceases to furnish the work.

C. With respect to benefit years beginning prior to July 1, 1989, whenever benefits have been paid to an individual on the basis of wages for insured work paid to him by a nonprofit organization, and

the organization incurred liability for the payment of contributions on some of the wages because only a part of the individual's base period was within the effective period of the organization's written election to make payments in lieu of contributions, the organization shall pay an amount in lieu of contributions which bears the same ratio to the total benefits paid to the individual as the total wages for insured work paid to him during the base period by the organization upon which it did not incur liability for the payment of contributions (for the aforesaid reason) bear to the total wages for insured work paid to the individual during the base period by the organization.

D. With respect to benefit years beginning prior to July 1, 1989, whenever benefits have been paid to an individual on the basis of wages for insured work paid to him by a nonprofit organization which has elected to make payments in lieu of contributions, and by one or more other employers, the nonprofit organization shall pay an amount in lieu of contributions which bears the same ratio to the total benefits paid to the individual as the wages for insured work paid to the individual during his base period by the nonprofit organization bear to the total wages for insured work paid to the individual during the base period by all of the employers. If the nonprofit organization incurred liability for the payment of contributions on some of the wages for insured work paid to the individual, it shall be treated, with respect to such wages, as one of the other employers for the purposes of this paragraph.

E. Two or more nonprofit organizations which have elected to make payments in lieu of contributions may file a joint application with the Director for the establishment of a group account, effective January 1 of any calendar year, for the purpose of sharing the cost of benefits paid on the basis of the wages for insured work paid by such nonprofit organizations, provided that such joint application is filed with the Director prior to such January 1. The application shall identify and authorize a group representative to act as the group's agent for the purposes of this paragraph, and shall be filed in such form and shall contain such information as the Director may prescribe. Upon his approval of a joint application, the Director shall, by order, establish a group account for the applicants and shall serve notice upon the group's representative of such order. Such account shall remain in effect for not less than 2 calendar years and thereafter until terminated by the Director for good cause or, as of the close of any calendar quarter, upon application by the group. Upon establishment of the account, the group shall be liable to the Director for payments in lieu of contributions in an amount equal to the total amount for which, in the absence of the group account, liability would have been incurred by all of its members; provided, with respect to benefit years beginning prior to July 1, 1989, that the liability of any member to the Director with respect to any payment in lieu of contributions, interest or penalties not paid by the group when due with respect to any calendar quarter shall be in an amount which bears the same ratio to the total benefits paid during such quarter on the basis of the wages for insured work paid by all members of the group as the total wages for insured work paid by such member during such quarter bear to the total wages for insured work paid during the quarter by all members of the group, and, with respect to benefit years beginning on or after July 1, 1989, that the liability of any member to the Director with respect to any payment in lieu of contributions, interest or penalties not paid by the group when due with respect to any calendar quarter shall be in an amount which bears the same ratio to the total benefits paid during such quarter to individuals with respect to whom any member of the group was the last employer as provided in Section 1502.1 as the total wages for insured work paid by such member during such quarter bear to the total wages for insured work paid during the quarter by all members of the group. With respect to calendar months and quarters beginning on or after January 1, 2013, the liability of any member to the Director with respect to any penalties that are assessed for failure to file a timely and sufficient report of wages and which are not paid by the group when due with respect to the calendar month or quarter, as the case may be, shall be

in an amount which bears the same ratio to the total penalties due with respect to such month or quarter as the total wages for insured work paid by such member during such month or quarter bear to the total wages for insured work paid during the month or quarter by all members of the group. All of the provisions of this Section applicable to nonprofit organizations which have elected to make payments in lieu of contributions, and not inconsistent with the provisions of this paragraph, shall apply to a group account and, upon its termination, to each former member thereof. The Director shall by regulation prescribe the conditions for establishment, maintenance and termination of group accounts, and for addition of new members to and withdrawal of active members from such accounts.

F. Whenever service of notice is required by this Section, such notice may be given and be complete by depositing it with the United States Mail, addressed to the nonprofit organization (or, in the case of a group account, to its representative) at its last known address. If such organization is represented by counsel in proceedings before the Director, service of notice may be made upon the nonprofit organization by mailing the notice to such counsel.

(Source: P.A. 97-689, eff. 6-14-12.)

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Sec. 1405. Financing Benefits for Employees of Local Governments.

A. 1. For the year 1978 and for each calendar year thereafter, contributions shall accrue and become payable, pursuant to Section 1400, by each governmental entity (other than the State of Illinois and its wholly owned instrumentalities) referred to in clause (B) of Section 211.1, upon the wages paid by such entity with respect to employment after 1977, unless the entity elects to make payments in lieu of contributions pursuant to the provisions of subsection B. Notwithstanding the provisions of Sections 1500 to 1510, inclusive, a governmental entity which has not made such election shall, for liability for contributions incurred prior to January 1, 1984, pay contributions equal to 1 percent with respect to wages for insured work paid during each such calendar year or portion of such year as may be applicable. As used in this subsection, the word "wages", defined in Section 234, is subject to all of the provisions of Section 235.

2. An Indian tribe for which service is exempted from the federal unemployment tax under Section 3306(c)(7) of the Federal Unemployment Tax Act may elect to make payments in lieu of contributions in the same manner and subject to the same conditions as provided in this Section with regard to governmental entities, except as otherwise provided in paragraphs 7, 8, and 9 of subsection B.

B. Any governmental entity subject to subsection A may elect to make payments in lieu of contributions, in amounts equal to the amounts of regular and extended benefits paid to individuals, for any weeks which begin on or after the effective date of the election, on the basis of wages for insured work paid to them by the entity during the effective period of such election. Notwithstanding the preceding provisions of this subsection and the provisions of subsection D of Section 1404, with respect to benefit years beginning prior to July 1, 1989, any adjustment after September 30, 1989 to the base period wages paid to the individual by any employer shall not affect the ratio for determining payments in lieu of contributions of a governmental entity which has elected to make payments in lieu of contributions. Provided, however, that with respect to benefit years beginning on or after July 1, 1989, the governmental entity shall be required to make payments equal to 100% of regular benefits, including dependents' allowances, and 100% of extended benefits, including dependents' allowances, paid to an individual with respect to benefit years beginning during the effective period of the election, but only if the governmental entity: (a) is the last employer as provided in Section 1502.1 and (b) paid to the individual receiving benefits, wages for insured work during his base period. If the governmental entity described in this paragraph meets the requirements of (a) but not (b), with respect to benefit years beginning on or after July 1, 1989, it shall be required to make payments in an amount equal to 50% of regular benefits, including dependents' allowances, and 50% of extended benefits, including dependents' allowances, paid to an individual with respect to benefit years beginning during the effective period of the election.

1. Any such governmental entity which becomes an employer on January 1, 1978 pursuant to Section 205 may elect to make payments in lieu of contributions for not less than one calendar year beginning with January 1, 1978, provided that it files its written election with the Director not later than January 31, 1978.

2. A governmental entity newly created after January 1, 1978, may elect to make payments in lieu of contributions for a period of not less than one calendar year beginning as of the first day with respect to which it would, in the absence of its election, incur liability for the payment of contributions, provided that it files its written election with the Director not later than 30 days immediately following the end of the calendar quarter in which it has been created.

3. A governmental entity which has incurred liability for the payment of contributions for at least 2 calendar years, and is not delinquent in such payment and in the payment of any interest or penalties which may have accrued, may elect to make payments in lieu of contributions beginning January 1 of any calendar year, provided that it files its written election with the Director prior to such January 1, and provided, further, that such election shall be for a period of not less than 2 calendar years.
4. An election to make payments in lieu of contributions shall not terminate any liability incurred by a governmental entity for the payment of contributions, interest or penalties with respect to any calendar quarter (or month, as the case may be) which ends prior to the effective period of the election.
5. The termination by a governmental entity of the effective period of its election to make payments in lieu of contributions, and the filing of and subsequent action upon written notices of termination of election, shall be governed by the provisions of paragraphs 5 and 6 of Section 1404A, pertaining to nonprofit organizations.
6. With respect to benefit years beginning prior to July 1, 1989, wages paid to an individual during his base period by a governmental entity which elects to make payments in lieu of contributions for less than full time work, performed during the same weeks in the base period during which the individual had other insured work, shall not be subject to payments in lieu of contribution (upon such employer's request pursuant to the regulation of the Director) so long as the employer continued after the end of the base period, and continues during the applicable benefit year, to furnish such less than full time work to the individual on the same basis and in substantially the same amount as during the base period. If the individual is paid benefits with respect to a week (in the applicable benefit year) after the employer has ceased to furnish the work hereinabove described, the governmental entity shall be liable for payments in lieu of contributions with respect to the benefits paid to the individual after the date on which the governmental entity ceases to furnish the work.
7. An Indian tribe may elect to make payments in lieu of contributions for calendar year 2003, provided that it files its written election with the Director not later than January 31, 2003, and provided further that it is not delinquent in the payment of any contributions, interest, or penalties.
8. Failure of an Indian tribe to make a payment in lieu of contributions, or a payment of interest or penalties due under this Act, within 90 days after the Department serves notice of the finality of a determination and assessment shall cause the Indian tribe to lose the option of making payments in lieu of contributions, effective as of the calendar year immediately following the date on which the Department serves the notice. Notice of the loss of the option to make payments in lieu of contributions may be protested in the same manner as a determination and assessment under Section 2200 of this Act.
9. An Indian tribe that, pursuant to paragraph 8, loses the option of making payments in lieu of contributions may again elect to make payments in lieu of contributions for a calendar year if: (a) the Indian tribe has incurred liability for the payment of contributions for at least one calendar year since losing the option pursuant to paragraph 8, (b) the Indian tribe is not delinquent in the payment of any liabilities under the Act, including interest or penalties, and (c) the Indian tribe files its written election with the Director not later than January 31 of the year with respect to which it is making the election.

C. As soon as practicable following the close of each calendar quarter, the Director shall mail to each governmental entity which has elected to make payments in lieu of contributions a Statement of the amount due from it for all the regular and extended benefits paid during the calendar quarter,

together with the names of its workers or former workers and the amounts of benefits paid to each of them during the calendar quarter with respect to benefit years beginning prior to July 1, 1989, on the basis of wages for insured work paid to them by the governmental entity; or, with respect to benefit years beginning after June 30, 1989, if such governmental entity was the last employer as provided in Section 1502.1 with respect to a benefit year beginning during the effective period of the election. All of the provisions of subsection B of Section 1404 pertaining to nonprofit organizations, not inconsistent with the preceding sentence, shall be applicable to payments in lieu of contributions by a governmental entity.

D. The provisions of subsections C through F, inclusive, of Section 1404, pertaining to nonprofit organizations, shall be applicable to each governmental entity which has elected to make payments in lieu of contributions.

E. 1. If an Indian tribe fails to pay any liability under this Act (including assessments of interest or penalty) within 90 days after the Department issues a notice of the finality of a determination and assessment, the Director shall immediately notify the United States Internal Revenue Service and the United States Department of Labor.

2. Notices of payment and reporting delinquencies to Indian tribes shall include information that failure to make full payment within the prescribed time frame:

a. will cause the Indian tribe to lose the exemption provided by Section 3306(c)(7) of the Federal Unemployment Tax Act with respect to the federal unemployment tax;

b. will cause the Indian tribe to lose the option to make payments in lieu of contributions.

(Source: P.A. 97-689, eff. 6-14-12.)

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Sec. 1405.1. Educational service centers; entities under joint agreements.

A. If a school district, together with either (i) an educational service center that serves that school district and is established under Section 2-3.62 of the School Code or (ii) another governmental entity that exists under a cooperative or joint agreement to which that school district and one or more other school districts are parties, concurrently employ the same individual and compensate the individual through a common paymaster that is either the governmental entity or school district, the common paymaster is considered to be the employer of the individual.

B. Notwithstanding Section 1405, for the one-year period following the effective date of this amendatory Act of 1994, an educational service center described in subsection A or another governmental entity that exists under a cooperative or joint agreement to which 2 or more school districts are parties may elect to make payments in lieu of contributions, effective with the date that the entity became liable under this Act. The right to elect under this subsection is conditioned upon the payment, within 60 days of the election, of any payments in lieu of contributions that are based on the payment of benefits within any calendar quarters completed no more than 4 years before the date of the election.

(Source: P.A. 88-655, eff. 9-16-94.)

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Sec. 1500. Rate of contribution.

A. For the six months' period beginning July 1, 1937, and for each of the calendar years 1938 to 1959, inclusive, each employer shall pay contributions on wages at the percentages specified in or determined in accordance with the provisions of this Act as amended and in effect on July 11, 1957.

B. For the calendar years 1960 through 1983, each employer shall pay contributions equal to 2.7 percent with respect to wages for insured work paid during each such calendar year, except that the contribution rate of each employer who has incurred liability for the payment of contributions within each of the three calendar years immediately preceding the calendar year for which a rate is being determined, shall be determined as provided in Sections 1501 to 1507, inclusive.

For the calendar year 1984 and each calendar year thereafter, each employer shall pay contributions at a percentage rate equal to the greatest of 2.7%, or 2.7% multiplied by the current adjusted State experience factor, as determined for each calendar year by the Director in accordance with the provisions of Sections 1504 and 1505, or the average contribution rate for his major classification in the Standard Industrial Code, or another classification sanctioned by the United States Department of Labor and prescribed by the Director by rule, with respect to wages for insured work paid during such year. The Director of Employment Security shall determine for calendar year 1984 and each calendar year thereafter by a method pursuant to adopted rules each individual employer's industrial code and the average contribution rate for each major classification in the Standard Industrial Code, or each other classification sanctioned by the United States Department of Labor and prescribed by the Director by rule. Notwithstanding the preceding provisions of this paragraph, the contribution rate for calendar years 1984, 1985 and 1986 of each employer who has incurred liability for the payment of contributions within each of the two calendar years immediately preceding the calendar year for which a rate is being determined, and the contribution rate for calendar year 1987 and each calendar year thereafter of each employer who has incurred liability for the payment of contributions within each of the three calendar years immediately preceding the calendar year for which a rate is being determined shall be determined as provided in Sections 1501 to 1507.1, inclusive. Provided, however, that the contribution rate for calendar years 1989 and 1990 of each employer who has had experience with the risk of unemployment for at least 13 consecutive months ending June 30 of the preceding calendar year shall be a rate determined in accordance with this Section or a rate determined as if it had been calculated in accordance with Sections 1501 through 1507, inclusive, whichever is greater, except that for purposes of calculating the benefit wage ratio as provided in Section 1503, such benefit wage ratio shall be a percentage equal to the total of benefit wages for the 12 consecutive calendar month period ending on the above preceding June 30, divided by the total wages for insured work subject to the payment of contributions under Sections 234, 235 and 245 for the same period and provided, further, however, that the contribution rate for calendar year 1991 and for each calendar year thereafter of each employer who has had experience with the risk of unemployment for at least 13 consecutive months ending June 30 of the preceding calendar year shall be a rate determined in accordance with this Section or a rate determined as if it had been calculated in accordance with Sections 1501 through 1507.1, inclusive, whichever is greater, except that for purposes of calculating the benefit ratio as provided in Section 1503.1, such benefit ratio shall be a percentage equal to the total of benefit charges for the 12 consecutive calendar month period ending on the above preceding June 30, multiplied by the benefit conversion factor applicable to

such year, divided by the total wages for insured work subject to the payment of contributions under Sections 234, 235 and 245 for the same period.

C. Except as expressly provided in this Act, the provisions of Sections 1500 to 1510, inclusive, do not apply to any nonprofit organization for any period with respect to which it does not incur liability for the payment of contributions by reason of having elected to make payments in lieu of contributions, or to any political subdivision or municipal corporation for any period with respect to which it is not subject to payments in lieu of contributions under the provisions of paragraph 1 of Section 302C by reason of having elected to make payments in lieu of contributions under paragraph 2 of that Section or to any governmental entity referred to in clause (B) of Section 211.1. Wages paid to an individual which are subject to contributions under Section 1405 A, or on the basis of which benefits are paid to him which are subject to payment in lieu of contributions under Sections 1403, 1404, or 1405 B, or under paragraph 2 of Section 302C, shall not become benefit wages or benefit charges under the provisions of Sections 1501 or 1501.1, respectively, except for purposes of determining a rate of contribution for 1984 and each calendar year thereafter for any governmental entity referred to in clause (B) of Section 211.1 which does not elect to make payments in lieu of contributions.

D. If an employer's business is closed solely because of the entrance of one or more of the owners, partners, officers, or the majority stockholder into the armed forces of the United States, or of any of its allies, or of the United Nations, and, if the business is resumed within two years after the discharge or release of such person or persons from active duty in the armed forces, the employer will be deemed to have incurred liability for the payment of contributions continuously throughout such period. Such an employer, for the purposes of Section 1506.1, will be deemed to have paid contributions upon wages for insured work during the applicable period specified in Section 1503 on or before the date designated therein, provided that no wages became benefit wages during the applicable period specified in Section 1503.

(Source: P.A. 94-301, eff. 1-1-06.)

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Sec. 1501. Benefit wages.

A. When an individual is paid regular benefits (defined in Section 409) under this Act, with respect to any benefit year which begins prior to November 4, 1979, which, when added to such regular benefits previously paid him for the same benefit year, equal or exceed three times his weekly benefit amount for the benefit year, his wages during his base period shall immediately become benefit wages.

B. When an individual is paid regular benefits with respect to a week in any benefit year which begins on or after November 4, 1979, an amount equal to 1/26 of the wages for insured work, but not in excess of 1/26 of $6,000, paid to him by each employer during his base period shall immediately become benefit wages provided, however, that no payment of regular benefits made on or after July 1, 1989, shall become benefit wages. Such amount, if not a multiple of $1, shall be rounded to the next higher dollar.

C. When an individual is first paid extended benefits with respect to his eligibility period (defined in Section 409), one-half of the wages for insured work paid to him by each employer during his base period applicable to the benefit year in which his eligibility period began shall immediately become benefit wages, whether or not they had previously become benefit wages. This subsection shall apply only to eligibility periods beginning in benefit years which commence prior to November 4, 1979.

D. When an individual is paid extended benefits with respect to any week in an eligibility period beginning in a benefit year commencing on or after November 4, 1979, an amount equal to 1/13 of one-half of the wages for insured work, but not in excess of 1/13 of $3,000, paid to him by each employer during his base period applicable to the benefit year in which the eligibility period began, shall immediately become benefit wages, whether or not any part of such wages had previously become benefit wages provided, however, that no payment of extended benefits made on or after July 1, 1989, shall become benefit wages. Such amount, if not a multiple of $1, shall be rounded to the next higher dollar.

E. Notwithstanding the foregoing subsections, an individual's wages shall not become benefit wages if he cannot, on the basis of such wages, meet the qualifying requirements of Section 500E, or if, by reason of the application of Section 602B, no benefit rights can accrue to him on the basis of such wages, but he is paid benefits because the wages have been combined in accordance with the provisions of Section 2700 and provided further that an individual's wages shall not become benefit wages if, by reason of the application of the third paragraph of Section 237, he is paid benefits based upon wages other than those paid in a base period as defined in the second paragraph of Section 237.

F. Notwithstanding the foregoing subsection, wages paid by a base period employer, subject to payment of contributions, to an individual who voluntarily leaves that employer shall not become benefit wages with respect to that employer but shall instead become the benefit wages of the individual's next subsequent employer if:

1. The individual had subsequent employment and earned 6 times his weekly benefit amount or more, prior to the beginning of his benefit year; or
2. For a benefit year beginning after December 31, 1986, the individual was determined to be ineligible for benefits pursuant to Section 601 from the last employing unit which was also a base period employer but thereafter earned 6 times his weekly benefit amount or more from his next subsequent employer during his benefit year, provided that the disqualifying separation occurred prior to the first payment of benefits in the individual's benefit year.

Wages paid to an individual during his base period by an employer for less than full time work, performed during the same weeks in the base period during which the individual had other insured work, shall not become benefit wages (upon such employer's request pursuant to the regulation of the Director) so long as the employer continued after the end of the base period, and continues during the applicable benefit year, to furnish such less than full time work to the individual on the same basis and in substantially the same amount during the base period. If the individual is paid benefits with respect to a week (in the applicable benefit year) after the employer has ceased to furnish the work hereinabove described, the wages paid by the employer to the individual during his base period shall become benefit wages as provided in this Section.

G. For the purposes of this Section and of Section 1504, benefits shall be deemed to have been paid on the date such payment has been mailed to the individual by the Director.

H. If any benefit wages are increased by reason of the reconsideration by a claims adjudicator of his finding, the amount of such increase shall be treated as if it became benefit wages on the day on which the claims adjudicator made the reconsidered finding.

I. Notwithstanding any other provisions of this Section, no wages paid by a base period employer shall become benefit wages after September 30, 1989, and no wages paid by a base period employer, subject to the payment of contributions, shall become the benefit wages of the individual's next subsequent employer under the provisions of subsection F above after September 30, 1989.

(Source: P.A. 85-956.)

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Sec. 1501.1. Benefit charges.

A. When an individual is paid regular benefits with respect to a week, an amount equal to such regular benefits, including dependents' allowances, shall immediately become benefit charges.

B. (Blank).

C. When an individual is paid extended benefits with respect to any week in his eligibility period, an amount equal to one-half of such extended benefits including dependents' allowances, shall immediately become benefit charges.

D. (Blank).

E. Notwithstanding the foregoing subsections, the payment of benefits shall not become benefit charges if, by reason of the application of subsection B of Section 237, he is paid benefits based upon wages other than those paid in a base period as defined in subsections A and C of Section 237.

F. (Blank).

G. (Blank).

H. For the purposes of this Section and of Section 1504, benefits shall be deemed to have been paid on the date such payment has been mailed to the individual by the Director or the date on which the Director initiates an electronic transfer of the benefits to the individual's debit card or financial institution account.

(Source: P.A. 97-791, eff. 1-1-13.)

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Sec. 1502. Employer's benefit wages.

An employer's benefit wages shall be the wages paid by him which became benefit wages. With respect to any base period applicable to a benefit year commencing prior to November 4, 1979, an employer's benefit wages with respect to any one individual shall include only the amount specified in Section 1502 of this Act as amended and in effect on November 9, 1977. With respect to each base period applicable to benefit years commencing on and after November 4, 1979 an employer's benefit wages with respect to any one individual shall not exceed the total amount of wages paid to the individual by that employer during the base period, or $6,000, whichever amount is smaller, except that an employer's benefit wages resulting from the payment of extended benefits to an individual shall not exceed 1/2 such total amount of wages, or $3,000, whichever is smaller. The sum of an employer's benefit wages resulting from the payment to the same individual of both regular benefits with respect to his benefit year and extended benefits with respect to his eligibility period which began in that benefit year shall not exceed 1 1/2 times the individual's base period wages, or $9,000, whichever is less.

(Source: P.A. 81-962.)

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Sec. 1502.1. Employer's benefit charges.

A. Benefit charges which result from payments to any claimant made on or after July 1, 1989 shall be charged:
   1. For benefit years beginning prior to July 1, 1989, to each employer who paid wages to the claimant during his base period;
   2. For benefit years beginning on or after July 1, 1989 but before January 1, 1993, to the later of:
      a. the last employer prior to the beginning of the claimant's benefit year:
         i. from whom the claimant was separated or who, by reduction of work offered, caused the claimant to become unemployed as defined in Section 239, and,
         ii. for whom the claimant performed services in employment, on each of 30 days whether or not such days are consecutive, provided that the wages for such services were earned during the period from the beginning of the claimant's base period to the beginning of the claimant's benefit year; but that employer shall not be charged if:
            (1) the claimant's last separation from that employer was a voluntary leaving without good cause, as the term is used in Section 601A or under the circumstances described in paragraphs 1 and 2 of Section 601B; or
            (2) the claimant's last separation from that employer was a discharge for misconduct or a felony or theft connected with his work from that employer, as these terms are used in Section 602; or
            (3) after his last separation from that employer, prior to the beginning of his benefit year, the claimant refused to accept an offer of or to apply for suitable work from that employer without good cause, as these terms are used in Section 603; or
            (4) the claimant, following his last separation from that employer, prior to the beginning of his benefit year, is ineligible or would have been ineligible under Section 612 if he has or had had base period wages from the employers to which that Section applies; or
            (5) the claimant subsequently performed services for at least 30 days for an individual or organization which is not an employer subject to this Act; or
      b. the single employer who pays wages to the claimant that allow him to requalify for benefits after disqualification under Section 601, 602 or 603, if:
         i. the disqualifying event occurred prior to the beginning of the claimant's benefit year, and
         ii. the requalification occurred after the beginning of the claimant's benefit year, and
         iii. even if the 30 day requirement given in this paragraph is not satisfied; but
         iv. the requalifying employer shall not be charged if the claimant is held ineligible with respect to that requalifying employer under Section 601, 602 or 603.
   3. For benefit years beginning on or after January 1, 1993, with respect to each week for which benefits are paid, to the later of:
      a. the last employer:
         i. from whom the claimant was separated or who, by reduction of work offered, caused the claimant to become unemployed as defined in Section 239, and
         ii. for whom the claimant performed services in employment, on each of 30 days whether or not such days are consecutive, provided that the wages for such services were earned since the beginning of the claimant's base period; but that employer shall not be charged if:

(1) the claimant's separation from that employer was a voluntary leaving without good cause, as the term is used in Section 601A or under the circumstances described in paragraphs 1, 2, and 6 of Section 601B; or

(2) the claimant's separation from that employer was a discharge for misconduct or a felony or theft connected with his work from that employer, as these terms are used in Section 602; or

(3) the claimant refused to accept an offer of or to apply for suitable work from that employer without good cause, as these terms are used in Section 603 (but only for weeks following the refusal of work); or

(4) the claimant subsequently performed services for at least 30 days for an individual or organization which is not an employer subject to this Act; or

(5) the claimant, following his separation from that employer, is ineligible or would have been ineligible under Section 612 if he has or had had base period wages from the employers to which that Section applies (but only for the period of ineligibility or potential ineligibility); or

b. the single employer who pays wages to the claimant that allow him to requalify for benefits after disqualification under Section 601, 602, or 603, even if the 30 day requirement given in this paragraph is not satisfied; but the requalifying employer shall not be charged if the claimant is held ineligible with respect to that requalifying employer under Section 601, 602, or 603.

B. Whenever a claimant is ineligible pursuant to Section 614 on the basis of wages paid during his base period, any days on which such wages were earned shall not be counted in determining whether that claimant performed services during at least 30 days for the employer that paid such wages as required by paragraphs 2 and 3 of subsection A.

C. If no employer meets the requirements of paragraph 2 or 3 of subsection A, then no employer will be chargeable for any benefit charges which result from the payment of benefits to the claimant for that benefit year.

D. Notwithstanding the preceding provisions of this Section, no employer shall be chargeable for any benefit charges which result from the payment of benefits to any claimant after the effective date of this amendatory Act of 1992 where the claimant's separation from that employer occurred as a result of his detention, incarceration, or imprisonment under State, local, or federal law.

D-1. Notwithstanding any other provision of this Act, including those affecting finality of benefit charges or rates, an employer shall not be chargeable for any benefit charges which result from the payment of benefits to an individual for any week of unemployment after January 1, 2003, during the period that the employer's business is closed solely because of the entrance of the employer, one or more of the partners or officers of the employer, or the majority stockholder of the employer into active duty in the Illinois National Guard or the Armed Forces of the United States.

D-2. Notwithstanding any other provision of this Act, an employer shall not be chargeable for any benefit charges that result from the payment of benefits to an individual for any week of unemployment after the effective date of this amendatory Act of the 100th General Assembly if the payment was the result of the individual voluntarily leaving work under the conditions described in item 6 of subsection C of Section 500.

E. For the purposes of Sections 302, 409, 701, 1403, 1404, 1405 and 1508.1, last employer means the employer that:

1. is charged for benefit payments which become benefit charges under this Section, or
2. would have been liable for such benefit charges if it had not elected to make payments in lieu of contributions.

(Source: P.A. 100-484, eff. 9-8-17.)

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Sec. 1502.2. Benefit conversion factor.

A. For calendar year 1991, the benefit conversion factor shall be the total benefit wages based on the total benefits paid under this Act which would have become benefit wages pursuant to Sections 1501 and 1502 for the 12 consecutive calendar month period ending June 30, 1990, if Sections 1501 and 1502 were applicable during such period, divided by the total benefits paid under this Act for the same 12 month period.

B. For calendar year 1992, the benefit conversion factor shall be the total benefit wages based on the total benefits paid under this Act which would have become benefit wages pursuant to Sections 1501 and 1502 for the 24 consecutive calendar month period ending June 30, 1991, if Sections 1501 and 1502 were applicable during such period, divided by the total benefits paid under this Act for the same 24 month period.

C. For calendar year 1993 and each calendar year thereafter, the benefit conversion factor shall be the total benefit wages based on the total benefits paid under this Act which would have become benefit wages pursuant to Sections 1501 and 1502 for the 36 consecutive calendar month period ending June 30, 1992, if Sections 1501 and 1502 were applicable during such period, divided by the total benefits paid under this Act for the same 36 month period.

D. If the number obtained in the preceding subsections is not an exact multiple of one-tenth of one percent, it shall be increased or reduced, as the case may be, to the nearer multiple of one-tenth of one percent. If such number is equally near to 2 multiples of one-tenth of one percent, it shall be increased to the higher multiple of one-tenth of one percent.

E. Notwithstanding the above provisions of this Section, the benefit conversion factor shall not exceed 167 percent.

(Source: P.A. 85-956; 85-1009.)

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Sec. 1502.3. Benefit charges; federal disasters.

Notwithstanding the provisions of Section 1502.1, no employer located in an Illinois county that has, during 1993, been declared a federal disaster area due to flooding shall be chargeable for any benefit charges which result from the payment of benefits to any individual for any weeks of unemployment during the period of the federal disaster, but only to the extent that the employer can show that the individual's unemployment was a direct result of the flooding.

(Source: P.A. 88-518.)

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Sec. 1502.4. Benefit charges; COVID-19.

A. With respect to any benefits paid for a week of unemployment that begins on or after March 15, 2020, and before December 31, 2020, and is directly or indirectly attributable to COVID-19, notwithstanding any other provisions to the contrary an employer that is subject to the payment of contributions shall not be chargeable for any benefit charges.

B. With respect to any regular benefits paid for a week of unemployment that begins on or after March 15, 2020, and before December 31, 2020, and is directly or indirectly attributable to COVID-19, notwithstanding any other provisions to the contrary except subsection E, a nonprofit organization that is subject to making payments in lieu of contributions shall be chargeable for 50% of the benefits paid.

C. With respect to any benefits paid for a week of unemployment that begins on or after March 15, 2020, and before December 31, 2020, and is directly or indirectly attributable to COVID-19, notwithstanding any other provisions to the contrary except subsection E, the State and any local government that is subject to making payments in lieu of contributions shall be chargeable for 50% of the benefits paid, irrespective of whether the State or local government paid the individual who received the benefits wages for insured work during the individual's base period.

D. Subsections A, B, and C shall only apply to the extent that the employer can show that the individual's unemployment for the week was directly or indirectly attributable to COVID-19.

E. No employer shall be chargeable for the week of benefits paid to an individual under the provisions of subsection D-5 of Section 500.

(Source: P.A. 101-633, eff. 6-5-20; 102-671, eff. 11-30-21.)

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Sec. 1502.5. Benefit charges.

A. With respect to any benefits that are paid for a week of unemployment that begins on or after January 3, 2021, and before September 4, 2021, and would not have been paid but for subsection D of Section 612, notwithstanding any other provisions to the contrary, an employer that is subject to the payment of contributions shall not be chargeable for any benefit charges.

B. With respect to any regular benefits paid for a week of unemployment that begins on or after January 3, 2021, and before September 4, 2021, and would not have been paid but for subsection D of Section 612, notwithstanding any other provisions to the contrary except subsection E of Section 1502.4, a nonprofit organization that is subject to making payments in lieu of contributions shall be chargeable for 50% of the benefits paid if the week begins before April 4, 2021, and 75% if the week begins on or after April 4, 2021.

C. With respect to any benefits paid for a week of unemployment that begins on or after January 3, 2021, and before September 4, 2021, and would not have been paid but for subsection D of Section 612, notwithstanding any other provisions to the contrary except subsection E of Section 1502.4 and irrespective of whether the State or local government paid the individual who received the benefits wages for insured work during the individual's base period, the State and any local government that is subject to making payments in lieu of contributions shall be chargeable for 50% of the benefits paid if the week begins before April 4, 2021, and 75% if the week begins on or after April 4, 2021.

(Source: P.A. 102-666, eff. 10-8-21.)

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Sec. 1503. (Repealed).
(Source: P.A. 85-1009. Repealed by P.A. 97-791, eff. 1-1-13.)

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Sec. 1503.1. Benefit ratio.

A. For calendar year 1991:
   1. For each employer who has incurred liability for the payment of contributions within each of the three calendar years immediately preceding calendar year 1991, the benefit ratio shall be a percentage equal to the total of his benefit charges for the 12 consecutive calendar month period ending on June 30, 1990, multiplied by the benefit conversion factor, divided by his total wages for insured work subject to the payment of contributions under Sections 234, 235, and 245 of this Act for the same 12 month period, provided, however, that such wages shall not include either those wages estimated by the Director prior to the issuance of a Determination and Assessment or those wages estimated as a result of an audit because of an employer's failure to report wages.
   2. For each employer who has incurred liability for the payment of contributions within each of the four calendar years immediately preceding calendar year 1991, the benefit ratio shall be a percentage equal to the total of his benefit charges for the 12 consecutive calendar month period ending on June 30, 1990, multiplied by the benefit conversion factor, and his benefit wages for the 12 consecutive calendar month period ending on June 30, 1989, divided by his total wages for insured work subject to the payment of contributions under Sections 234, 235, and 245 of this Act for the same 24 month period, provided, however, that such wages shall not include either those wages estimated by the Director prior to the issuance of a Determination and Assessment or those wages estimated as a result of an audit because of an employer's failure to report wages.
   3. For each employer who has incurred liability for the payment of contributions within each of the five calendar years immediately preceding calendar year 1991, the benefit ratio shall be a percentage equal to the total of his benefit charges for the 12 consecutive calendar month period ending on June 30, 1990, multiplied by the benefit conversion factor, and his benefit wages for the 24 consecutive calendar month period ending on June 30, 1989, divided by his total wages for insured work subject to the payment of contributions under Sections 234, 235, and 245 of this Act for the same 36 month period, provided, however, that such wages shall not include either those wages estimated by the Director prior to the issuance of a Determination and Assessment or those wages estimated as a result of an audit because of an employer's failure to report wages.

B. For calendar year 1992:
   1. For each employer who has incurred liability for the payment of contributions within each of the three calendar years immediately preceding calendar year 1992, the benefit ratio shall be a percentage equal to the total of his benefit charges for the 12 consecutive calendar month period ending on June 30, 1991, multiplied by the benefit conversion factor, divided by his total wages for insured work subject to the payment of contributions under Sections 234, 235, and 245 of this Act for the same 12 month period, provided, however, that such wages shall not include either those wages estimated by the Director prior to the issuance of a Determination and Assessment or those wages estimated as a result of an audit because of an employer's failure to report wages.
   2. For each employer who has incurred liability for the payment of contributions within each of the four calendar years immediately preceding calendar year 1992, the benefit ratio shall be a percentage equal to the total of his benefit charges for the 24 consecutive calendar month period ending on June 30, 1991, multiplied by the benefit conversion factor, divided by his total wages for insured work subject to the payment of contributions under Sections 234, 235, and 245 of this Act for the same 24 month period, provided, however, that such wages shall

not include either those wages estimated by the Director prior to the issuance of a Determination and Assessment or those wages estimated as a result of an audit because of an employer's failure to report wages.

3. For each employer who has incurred liability for the payment of contributions within each of the five calendar years immediately preceding calendar year 1992, the benefit ratio shall be a percentage equal to the total of his benefit charges for the 24 consecutive calendar month period ending on June 30, 1991, multiplied by the benefit conversion factor, and his benefit wages for the 12 consecutive calendar month period ending on June 30, 1989, divided by his total wages for insured work subject to the payment of contributions under Sections 234, 235, and 245 of this Act for the same 36 month period, provided, however, that such wages shall not include either those wages estimated by the Director prior to the issuance of a Determination and Assessment or those wages estimated as a result of an audit because of an employer's failure to report wages.

C. For calendar year 1993 and each calendar year thereafter:

1. For each employer who has incurred liability for the payment of contributions within each of the three calendar years immediately preceding the calendar year for which a rate is being determined, the benefit ratio shall be a percentage equal to the total of his benefit charges for the 12 consecutive calendar month period ending on the June 30 immediately preceding that calendar year, multiplied by the benefit conversion factor, divided by his total wages for insured work subject to the payment of contributions under Sections 234, 235, and 245 of this Act for the same 12 month period, provided, however, that such wages shall not include either those wages estimated by the Director prior to the issuance of a Determination and Assessment or those wages estimated as a result of an audit because of an employer's failure to report wages.
2. For each employer who has incurred liability for the payment of contributions within each of the four calendar years immediately preceding the calendar year for which a rate is being determined, the benefit ratio shall be a percentage equal to the total of his benefit charges for the 24 consecutive calendar month period ending on the June 30 immediately preceding that calendar year, multiplied by the benefit conversion factor, divided by his total wages for insured work subject to the payment of contributions under Sections 234, 235, and 245 of this Act for the same 24 month period, provided, however, that such wages shall not include either those wages estimated by the Director prior to the issuance of a Determination and Assessment or those wages estimated as a result of an audit because of an employer's failure to report wages.
3. For each employer who has incurred liability for the payment of contributions within each of the five calendar years immediately preceding the calendar year for which a rate is being determined, the benefit ratio shall be a percentage equal to the total of his benefit charges for the 36 consecutive calendar month period ending on the June 30 immediately preceding that calendar year, multiplied by the benefit conversion factor, divided by his total wages for insured work subject to the payment of contributions under Sections 234, 235, and 245 of this Act for the same 36 month period, provided, however, that such wages shall not include either those wages estimated by the Director prior to the issuance of a Determination and Assessment or those wages estimated as a result of an audit because of an employer's failure to report wages.

(Source: P.A. 85-956.)

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Sec. 1504. State experience factor.

A. For each calendar year prior to 1988, the total benefits paid from this State's account in the unemployment trust fund during the 36 consecutive calendar month period ending June 30 of the calendar year immediately preceding the calendar year for which a contribution rate is being determined shall be termed the loss experience. The loss experience less all repayments (including payments in lieu of contributions pursuant to Sections 1403, 1404 and 1405B and paragraph 2 of Section 302C) to this State's account in the unemployment trust fund during the same 36 consecutive calendar month period divided by the total benefit wages of all employers for the same period, after adjustment of any fraction to the nearer multiple of one percent, shall be termed the state experience factor. Whenever such fraction is exactly one-half, it shall be adjusted to the next higher multiple of one percent.

B. For calendar year 1988 and each calendar year thereafter, the state experience factor shall be the sum of all regular benefits paid plus the applicable benefit reserve for fund building, pursuant to Section 1505, during the three year period ending on June 30 of the year immediately preceding the year for which a contribution rate is being determined divided by the "net revenues" for the three year period ending on September 30 of the year immediately preceding the year for which a contribution rate is being determined, after adjustment of any fraction to the nearer multiple of one percent. Whenever such fraction is exactly one-half, it shall be adjusted to the next higher multiple of one percent.

For purposes of this subsection, "Net revenue" means, for each one year period ending on September 30, the sum of the amounts, as determined pursuant to (1) and (2) of this subsection, in each quarter of such one year period.

(1) For each calendar quarter prior to the second calendar quarter of 1988, "net revenue" means all repayments (including payments in lieu of contributions pursuant to Sections 1403, 1404 and 1405B and paragraph 2 of Section 302C) to this State's account in the unemployment trust fund less "net voluntary debt repayments" during the same calendar quarter. "Net voluntary debt repayments" means an amount equal to repayments to Title XII advances less any new advances. Any such repayments made after June 30, 1987 but prior to November 10, 1987 shall be deemed to have been made prior to June 30, 1987.

(2) For each calendar quarter after the first calendar quarter of 1988, "net revenue" shall be the sum of:

(a) the amount determined by (i) multiplying the benefit wage or benefit ratios, pursuant to Sections 1503 or 1503.1, respectively, of all employers who have not elected to make payments in lieu of contributions applicable to the prior quarter by the state experience factor for that same quarter, (ii) adding this product to the fund building factor provided for in Section 1506.3, (iii) constraining this sum by the application of Sections 1506.1 and 1506.3, except that the State experience factor shall be substituted for the adjusted State experience factor in determining these constraints, and then (iv) multiplying this sum by the total wages for insured work subject to the payment of contributions under Sections 234, 235 and 245 of each employer for the prior quarter except that such wages shall not include those wages estimated by the Director prior to the issuance of a Determination and Assessment or those wages estimated as a result of an audit because of the employer's failure to report wages; plus

(b) all payments in lieu of contributions pursuant to Sections 1403 and 1404 and subsection B of Section 1405 and paragraph 2 of subsection C of Section 302 received during the same calendar quarter. For purposes of computing "net

revenue", employers who have not incurred liability for the payment of contributions for at least three years will be excluded from the calculation as will predecessor employers pursuant to Section 1507.

C. The state experience factor shall be determined for each calendar year by the Director. Any change in the benefit wages or benefit charges of any employer or any change in contributions (including payments in lieu of contributions pursuant to Sections 1403 and 1404 and subsection B of Section 1405 and paragraph 2 of subsection C of Section 302) received into this State's account in the unemployment trust fund after June 30 of the calendar year immediately preceding the calendar year for which the state experience factor is being determined shall not affect the state experience factor as determined by the Director for that year.

(Source: P.A. 86-3.)

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Sec. 1505. Adjustment of state experience factor.

(I) A. For calendar years prior to 1988, the state experience factor shall be adjusted in accordance with the provisions of this Act as amended and in effect on November 18, 2011.

B. (Blank).

C. For calendar year 1988 and each calendar year thereafter, for which the state experience factor is being determined.

1. For every $50,000,000 (or fraction thereof) by which the adjusted trust fund balance falls below the target balance set forth in this subsection, the state experience factor for the succeeding year shall be increased one percent absolute.

For every $50,000,000 (or fraction thereof) by which the adjusted trust fund balance exceeds the target balance set forth in this subsection, the state experience factor for the succeeding year shall be decreased by one percent absolute.

The target balance in each calendar year prior to 2003 is $750,000,000. The target balance in calendar year 2003 is $920,000,000. The target balance in calendar year 2004 is $960,000,000. The target balance in calendar year 2005 and each calendar year through 2022 is $1,000,000,000. The target balance in calendar year 2023 and each calendar year thereafter is $1,750,000,000.

2. For the purposes of this subsection:

"Net trust fund balance" is the amount standing to the credit of this State's account in the unemployment trust fund as of June 30 of the calendar year immediately preceding the year for which a state experience factor is being determined.

"Adjusted trust fund balance" is the net trust fund balance minus the sum of the benefit reserves for fund building for July 1, 1987 through June 30 of the year prior to the year for which the state experience factor is being determined. The adjusted trust fund balance shall not be less than zero. If the preceding calculation results in a number which is less than zero, the amount by which it is less than zero shall reduce the sum of the benefit reserves for fund building for subsequent years.

For the purpose of determining the state experience factor for 1989 and for each calendar year thereafter, the following "benefit reserves for fund building" shall apply for each state experience factor calculation in which that 12 month period is applicable:

a. For the 12 month period ending on June 30, 1988, the "benefit reserve for fund building" shall be 8/104th of the total benefits paid from January 1, 1988 through June 30, 1988.

b. For the 12 month period ending on June 30, 1989, the "benefit reserve for fund building" shall be the sum of:

i. 8/104ths of the total benefits paid from July 1, 1988 through December 31, 1988, plus

ii. 4/108ths of the total benefits paid from January 1, 1989 through June 30, 1989.

c. For the 12 month period ending on June 30, 1990, the "benefit reserve for fund building" shall be 4/108ths of the total benefits paid from July 1, 1989 through December 31, 1989.

d. For 1992 and for each calendar year thereafter, the "benefit reserve for fund building" for the 12 month period ending on June 30, 1991 and for each subsequent 12 month period shall be zero.

3. Notwithstanding the preceding provisions of this subsection, for calendar years 1988 through 2003, the state experience factor shall not be increased or decreased by more than 15 percent absolute.

D. Notwithstanding the provisions of subsection C, the adjusted state experience factor:

1. Shall be 111 percent for calendar year 1988;

2. Shall not be less than 75 percent nor greater than 135 percent for calendar years 1989 through 2003; and shall not be less than 75% nor greater than 150% for calendar year 2004 and each calendar year thereafter, not counting any increase pursuant to subsection D-1, D-2, or D-3;

3. Shall not be decreased by more than 5 percent absolute for any calendar year, beginning in calendar year 1989 and through calendar year 1992, by more than 6% absolute for calendar years 1993 through 1995, by more than 10% absolute for calendar years 1999 through 2003 and by more than 12% absolute for calendar year 2004 and each calendar year thereafter, from the adjusted state experience factor of the calendar year preceding the calendar year for which the adjusted state experience factor is being determined;

4. Shall not be increased by more than 15% absolute for calendar year 1993, by more than 14% absolute for calendar years 1994 and 1995, by more than 10% absolute for calendar years 1999 through 2003 and by more than 16% absolute for calendar year 2004 and each calendar year thereafter, from the adjusted state experience factor for the calendar year preceding the calendar year for which the adjusted state experience factor is being determined;

5. Shall be 100% for calendar years 1996, 1997, and 1998.

D-1. The adjusted state experience factor for each of calendar years 2013 through 2015 shall be increased by 5% absolute above the adjusted state experience factor as calculated without regard to this subsection. The adjusted state experience factor for each of calendar years 2016 through 2018 shall be increased by 6% absolute above the adjusted state experience factor as calculated without regard to this subsection. The increase in the adjusted state experience factor for calendar year 2018 pursuant to this subsection shall not be counted for purposes of applying paragraph 3 or 4 of subsection D to the calculation of the adjusted state experience factor for calendar year 2019.

D-2. (Blank).

D-3. The adjusted state experience factor for calendar year 2027 shall be increased by 20% absolute above the adjusted state experience factor as calculated without regard to this subsection. The increase in the adjusted state experience factor for calendar year 2027 pursuant to this subsection shall not be counted for purposes of applying paragraph 3 or 4 of subsection D to the calculation of the adjusted state experience factor for calendar year 2028.

D-4. The adjusted state experience factor for calendar years beginning in 2024 shall be increased by 3% absolute above the adjusted state experience factor as calculated without regard to this subsection or subsection D-3. The increase in the state experience factor provided for in this subsection shall not be counted for purposes of applying paragraph 3 or 4 of subsection D to the calculation of the adjusted state experience factor for the following calendar year. This subsection shall cease to be operative beginning January 1 of the calendar year following the calendar year in which the total amount of the transfers of funds provided for in subsection B of Part (I) of Section 2101.1 equals the total amount of the appropriation.

E. The amount standing to the credit of this State's account in the unemployment trust fund as of June 30 shall be deemed to include as part thereof (a) any amount receivable on that date from any Federal governmental agency, or as a payment in lieu of contributions under the provisions of Sections 1403 and 1405 B and paragraph 2 of Section 302C, in reimbursement of benefits paid to individuals, and (b) amounts credited by the Secretary of the Treasury of the United States to this State's account in the unemployment trust fund pursuant to Section 903 of the Federal Social Security Act, as amended, including any such amounts which have been appropriated by the General Assembly in accordance with the provisions of Section 2100 B for expenses of administration, except any amounts which have been obligated on or before that date pursuant to such appropriation.

(II) (Blank).
(Source: P.A. 102-671, eff. 11-30-21; 102-700, eff. 4-19-22; 102-1105, eff. 1-1-23; 103-1059, eff. 12-20-24.)

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Sec. 1506.1. Determination of Employer's Contribution Rate.

A. The contribution rate for any calendar year prior to 1991 of each employer whose contribution rate is determined as provided in Sections 1501 through 1507, inclusive, shall be determined in accordance with the provisions of this Act as amended and in effect on November 18, 2011.

B. (Blank).

C. (Blank).

D. (Blank).

E. The contribution rate for calendar year 1991 and each calendar year thereafter of each employer who has incurred liability for the payment of contributions within each of the three calendar years immediately preceding the calendar year for which a rate is being determined shall be the product obtained by multiplying the employer's benefit ratio defined by Section 1503.1 for that calendar year by the adjusted state experience factor for the same year, provided that:

1. Except as otherwise provided in this paragraph, an employer's minimum contribution rate shall be the greater of 0.2% or the product obtained by multiplying 0.2% by the adjusted state experience factor for the applicable calendar year. An employer's minimum contribution rate shall be 0.1% for calendar year 1996. An employer's minimum contribution rate shall be 0.0% for calendar years 2012 through 2019.
2. An employer's maximum contribution rate shall be the greater of 6.4% or the product of 6.4% and the adjusted state experience factor for the applicable calendar year.
3. If any product obtained in this subsection is not an exact multiple of one-tenth of one percent, it shall be increased or reduced, as the case may be to the nearer multiple of one-tenth of one percent. If such product is equally near to two multiples of one-tenth of one percent, it shall be increased to the higher multiple of one-tenth of one percent.
4. Intermediate rates between such minimum and maximum rates shall be at one-tenth of one percent intervals.

The contribution rate of each employer for whom wages became benefit wages during the applicable period specified in Section 1503 or for whom benefit payments became benefit charges during the applicable period specified in Section 1503.1, but who did not report wages for insured work during such period, shall be the maximum contribution rate as determined by paragraph 2 of this subsection. The contribution rate for each employer for whom no wages became benefit wages during the applicable period specified in Section 1503 or for whom no benefit payments became benefit charges during the applicable period specified in Section 1503.1, and who did not report wages for insured work during such period, shall be the greater of 2.7% or 2.7% times the then current adjusted state experience factor as determined by the Director in accordance with the provisions of Sections 1504 and 1505.

F. (Blank).

G. Notwithstanding the other provisions of this Section, no employer's contribution rate with respect to calendar year 1989 and each calendar year thereafter shall exceed 5.4% of the wages for insured work paid by him during any calendar quarter, if such wages paid during such calendar quarter total less than $50,000, plus any applicable penalty contribution rate calculated pursuant to subsection C of Section 1507.1.

(Source: P.A. 97-621, eff. 11-18-11; 97-791, eff. 1-1-13.)

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Sec. 1506.3. Fund building rates - Temporary Administrative Funding.

A. Notwithstanding any other provision of this Act, an employer's contribution rate for calendar years prior to 2004 shall be determined in accordance with the provisions of this Act as amended and in effect on November 18, 2011. The following fund building rates shall be in effect for the following calendar years:

For each employer whose contribution rate for 2004 through 2009 would, in the absence of this Section, be 0.2% or higher, a contribution rate which is the sum of such rate and the following: a fund building rate of 0.7% for 2004; a fund building rate of 0.9% for 2005; a fund building rate of 0.8% for 2006 and 2007; a fund building rate of 0.6% for 2008; a fund building rate of 0.4% for 2009.

Except as otherwise provided in this Section, for each employer whose contribution rate for 2010 and any calendar year thereafter is determined pursuant to Section 1500 or 1506.1, including but not limited to an employer whose contribution rate pursuant to Section 1506.1 is 0.0%, a contribution rate which is the sum of the rate determined pursuant to Section 1500 or 1506.1 and a fund building rate equal to the sum of the rate adjustment applicable to that year pursuant to Section 1400.1, plus the fund building rate in effect pursuant to this Section for the immediately preceding calendar year.

For calendar year 2012 and any outstanding bond year thereafter, for each employer whose contribution rate is determined pursuant to Section 1500 or 1506.1, including but not limited to an employer whose contribution rate pursuant to Section 1506.1 is 0.0%, a contribution rate which is the sum of the rate determined pursuant to Section 1500 or 1506.1 and .55%. For purposes of this subsection, a calendar year is an outstanding bond year if, as of October 31 of the immediately preceding calendar year, there are bonds outstanding pursuant to the Illinois Unemployment Insurance Trust Fund Financing Act.

Notwithstanding any provision to the contrary, the fund building rate in effect for any calendar year after calendar year 2009 shall not be less than 0.4% or greater than 0.55%. Notwithstanding any other provision to the contrary, the fund building rate established pursuant to this Section shall not apply with respect to the first quarter of calendar year 2011. The changes made to Section 235 by this amendatory Act of the 97th General Assembly are intended to offset the loss of revenue to the State's account in the unemployment trust fund with respect to the first quarter of calendar year 2011 as a result of Section 1506.5 and the changes made to this Section by this amendatory Act of the 97th General Assembly.

Notwithstanding the preceding paragraphs of this Section or any other provision of this Act, except for the provisions contained in Section 1500 pertaining to rates applicable to employers classified under the Standard Industrial Code, or another classification system sanctioned by the United States Department of Labor and prescribed by the Director by rule, no employer whose total wages for insured work paid by him during any calendar quarter are less than $50,000 shall pay contributions at a rate with respect to such quarter which exceeds 5.4%, plus any penalty contribution rate calculated pursuant to subsection C of Section 1507.1.

All payments attributable to the fund building rate established pursuant to this Section with respect to the first quarter of calendar year 2013 and any calendar quarter thereafter as of the close of

which there are either bond obligations outstanding pursuant to the Illinois Unemployment Insurance Trust Fund Financing Act, or bond obligations anticipated to be outstanding as of either or both of the 2 immediately succeeding calendar quarters, shall be directed for deposit into the Master Bond Fund. Notwithstanding any other provision of this subsection, no fund building rate shall be added to any penalty contribution rate assessed pursuant to subsection C of Section 1507.1.

B. (Blank).

C. (Blank).

C-1. Payments received by the Department with respect to the first quarter of calendar year 2013 and any calendar quarter thereafter as of the close of which there are either bond obligations outstanding pursuant to the Illinois Unemployment Insurance Trust Fund Financing Act, or bond obligations anticipated to be outstanding as of either or both of the 2 immediately succeeding calendar quarters, shall, to the extent they are insufficient to pay the total amount due under the Act with respect to the quarter, be first applied to satisfy the amount due with respect to that quarter and attributable to the fund building rate established pursuant to this Section. Notwithstanding any other provision to the contrary, with respect to an employer whose contribution rate with respect to a quarter subject to this subsection would have exceeded 5.4% but for the 5.4% rate ceiling imposed pursuant to subsection A, the amount due from the employer with respect to that quarter and attributable to the fund building rate established pursuant to subsection A shall equal the amount, if any, by which the amount due and attributable to the 5.4% rate exceeds the amount that would have been due and attributable to the employer's rate determined pursuant to Sections 1500 and 1506.1, without regard to the fund building rate established pursuant to subsection A.

D. All provisions of this Act applicable to the collection or refund of any contribution due under this Act shall be applicable to the collection or refund of amounts directed pursuant to this Section for deposit into the Master Bond Fund to the extent they would not otherwise be considered as contributions.

(Source: P.A. 97-1, eff. 3-31-11; 97-621, eff. 11-18-11; 97-791, eff. 1-1-13.)

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Sec. 1506.4. (Repealed).
(Source: P.A. 87-1178. Repealed by P.A. 93-634, eff. 1-1-04.)

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Sec. 1506.5. Surcharge; specified period.

With respect to the first quarter of calendar year 2011, each employer shall pay a surcharge equal to 0.5% of the total wages for insured work subject to the payment of contributions under Sections 234, 235, and 245. The surcharge established by this Section shall be due at the same time as contributions with respect to the first quarter of calendar year 2011 are due, as provided in Section 1400. Notwithstanding any other provision to the contrary, with respect to an employer whose contribution rate with respect to the first quarter of calendar year 2011, calculated without regard to this amendatory Act of the 97th General Assembly, would have exceeded 5.4% but for the 5.4% rate ceiling imposed pursuant to subsection A of Section 1506.3, the amount due from the employer with respect to that quarter and attributable to the surcharge established pursuant to this Section shall equal the amount, if any, by which the amount due and attributable to the 5.4% rate exceeds the amount that would have been due and attributable to the employer's rate determined pursuant to Sections 1500 and 1506.1. Payments received by the Department with respect to the first quarter of calendar year 2011 shall, to the extent they are insufficient to pay the total amount due under the Act with respect to the quarter, be first applied to satisfy the amount due with respect to that quarter and attributable to the surcharge established pursuant to this Section. All provisions of this Act applicable to the collection or refund of any contribution due under this Act shall be applicable to the collection or refund of amounts due pursuant to this Section. Interest shall accrue with respect to amounts due pursuant to this Section to the same extent and under the same terms and conditions as provided by Section 1401 with respect to contributions. The changes made to Section 235 by this amendatory Act of the 97th General Assembly are intended to offset the loss of revenue to the State's account in the unemployment trust fund with respect to the first quarter of calendar year 2011 as a result of this Section 1506.5 and the changes made to Section 1506.3 by this amendatory Act of the 97th General Assembly.

(Source: P.A. 97-1, eff. 3-31-11; 97-791, eff. 1-1-13.)

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Sec. 1506.6. Surcharge; specified period.

(I) For each employer whose contribution rate for calendar year 2027 is determined pursuant to Section 1500 or 1506.1, in addition to the contribution rate established pursuant to Section 1506.3, an additional surcharge of 0.350% shall be added to the contribution rate. The surcharge established by this Section shall be due at the same time as other contributions with respect to the quarter are due, as provided in Section 1400. Payments attributable to the surcharge established pursuant to this Section shall be contributions and deposited into the clearing account.

(II) (Blank).

(Source: P.A. 102-671, eff. 11-30-21; 102-700, eff. 4-19-22; 102-1105, eff. 1-1-23; 103-1059, eff. 12-20-24.)

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Sec. 1507. Contribution rates of successor and predecessor employing units.

A. Whenever any employing unit succeeds to substantially all of the employing enterprises of another employing unit, then in determining contribution rates for any calendar year, the experience rating record of the predecessor prior to the succession shall be transferred to the successor and thereafter it shall not be treated as the experience rating record of the predecessor, except as provided in subsection B. For the purposes of this Section, such experience rating record shall consist of all years during which liability for the payment of contributions was incurred by the predecessor prior to the succession, all benefit wages based upon wages paid by the predecessor prior to the succession, all benefit charges based on separations from, or reductions in work initiated by, the predecessor prior to the succession, and all wages for insured work paid by the predecessor prior to the succession. This amendatory Act of the 93rd General Assembly is intended to be a continuation of prior law.

B. The provisions of this subsection shall be applicable only to the determination of contribution rates for the calendar year 1956 and for each calendar year thereafter. Whenever any employing unit has succeeded to substantially all of the employing enterprises of another employing unit, but the predecessor employing unit has retained a distinct severable portion of its employing enterprises or whenever any employing unit has succeeded to a distinct severable portion which is less than substantially all of the employing enterprises of another employing unit, the successor employing unit shall acquire the experience rating record attributable to the portion to which it has succeeded, and the predecessor employing unit shall retain the experience rating record attributable to the portion which it has retained, if--

1. It files a written application for such experience rating record which is joined in by the employing unit which is then entitled to such experience rating record; and
2. The joint application contains such information as the Director shall by regulation prescribe which will show that such experience rating record is identifiable and segregable and, therefore, capable of being transferred; and
3. The joint application is filed prior to whichever of the following dates is the latest: (a) July 1, 1956; (b) one year after the date of the succession; or (c) the date that the rate determination of the employing unit which has applied for such experience rating record has become final for the calendar year immediately following the calendar year in which the succession occurs. The filing of a timely joint application shall not affect any rate determination which has become final, as provided by Section 1509.

   If all of the foregoing requirements are met, then the Director shall transfer such experience rating record to the employing unit which has applied therefor, and it shall not be treated as the experience rating record of the employing unit which has joined in the application.

   Whenever any employing unit is reorganized into two or more employing units, and any of such employing units are owned or controlled by the same interests which owned or controlled the predecessor prior to the reorganization, and the provisions of this subsection become applicable thereto, then such affiliated employing units during the period of their affiliation shall be treated as a single employing unit for the purpose of determining their rates of contributions.

C. For the calendar year in which a succession occurs which results in the total or partial transfer of a predecessor's experience rating record, the contribution rates of the parties thereto shall be determined in the following manner:

1. If any of such parties had a contribution rate applicable to it for that calendar year, it shall continue with such contribution rate.
2. If any successor had no contribution rate applicable to it for that calendar year, and only one predecessor is involved, then the contribution rate of the successor shall be the same as that of its predecessor.
3. If any successor had no contribution rate applicable to it for that calendar year, and two or more predecessors are involved, then the contribution rate of the successor shall be computed, on the combined experience rating records of the predecessors or on the appropriate part of such records if any partial transfer is involved, as provided in Sections 1500 to 1507, inclusive.
4. Notwithstanding the provisions of paragraphs 2 and 3 of this subsection, if any succession occurs prior to the calendar year 1956 and the successor acquires part of the experience rating record of the predecessor as provided in subsection B of this Section, then the contribution rate of that successor for the calendar year in which such succession occurs shall be 2.7 percent.

D. The provisions of this Section shall not be applicable if the provisions of Section 1507.1 are applicable.

(Source: P.A. 93-634, eff. 1-1-04; 94-301, eff. 1-1-06.)

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Sec. 1507.1. Transfer of trade or business; contribution rate.

Notwithstanding any other provision of this Act:

A. (1) If an individual or entity transfers its trade or business, or a portion thereof, to another individual or entity and, at the time of the transfer, there is any substantial common ownership, management, or control of the transferor and transferee, then the experience rating record attributable to the transferred trade or business shall be transferred to the transferee. For purposes of this subsection, a transfer of trade or business includes but is not limited to the transfer of some or all of the transferor's workforce. For purposes of calculating the contribution rates of the transferor and transferee pursuant to this paragraph, within 30 days of the date of a transfer to which this paragraph applies, the transferor and transferee shall provide to the Department such information, as the Director by rule prescribes, which will show the portion of the transferor's experience rating record that is attributable to the transferred trade or business.

(1.5) If, following a transfer of experience rating records under paragraph (1), the Director determines that a substantial purpose of the transfer of trade or business was to obtain a reduced liability for contributions, the experience rating accounts of the employers involved shall be combined into a single account and a single rate shall be assigned to the account.

(2) For the calendar year in which there occurs a transfer to which paragraph (1) or (1.5) applies:

(a) If the transferor or transferee had a contribution rate applicable to it for the calendar year, it shall continue with that contribution rate for the remainder of the calendar year.

(b) If the transferee had no contribution rate applicable to it for the calendar year, then the contribution rate of the transferee shall be computed for the calendar year based on the experience rating record of the transferor or, where there is more than one transferor, the combined experience rating records of the transferors, subject to the 5.4% rate ceiling established pursuant to subsection G of Section 1506.1 and subsection A of Section 1506.3.

B. If any individual or entity that is not an employer under this Act at the time of the acquisition acquires the trade or business of an employing unit, the experience rating record of the acquired business shall not be transferred to the individual or entity if the Director finds that the individual or entity acquired the business solely or primarily for the purpose of obtaining a lower rate of contributions. Evidence that a business was acquired solely or primarily for the purpose of obtaining a lower rate of contributions includes but is not necessarily limited to the following: the cost of acquiring the business is low in relation to the individual's or entity's overall operating costs subsequent to the acquisition; the individual or entity discontinued the business enterprise of the acquired business immediately or shortly after the acquisition; or the individual or entity hired a significant number of individuals for performance of duties unrelated to the business activity conducted prior to acquisition.

C. An individual or entity to which subsection A applies shall pay contributions with respect to each calendar year at a rate consistent with that subsection, and an individual or entity to which subsection B applies shall pay contributions with respect to each calendar year at a rate consistent with that subsection. If an individual or entity knowingly violates or attempts to violate this subsection, the individual or entity shall be subject to the following penalties:

(1) If the individual or entity is an employer, then, in addition to the contribution rate that would otherwise be calculated (including any fund building rate provided for pursuant to Section 1506.3), the employer shall be assigned a penalty contribution rate equivalent to 50% of the contribution rate (including any fund building rate provided for pursuant to Section 1506.3), as calculated without regard to this subsection for the calendar year with respect to which the violation or attempted violation occurred and the immediately following calendar year. In the

case of an employer whose contribution rate, as calculated without regard to this subsection or Section 1506.3, equals or exceeds the maximum rate established pursuant to paragraph 2 of subsection E of Section 1506.1, the penalty rate shall equal 50% of the sum of that maximum rate and the fund building rate provided for pursuant to Section 1506.3. In the case of an employer whose contribution rate is subject to the 5.4% rate ceiling established pursuant to subsection G of Section 1506.1 and subsection A of Section 1506.3, the penalty rate shall equal 2.7%. If any product obtained pursuant to this subsection is not an exact multiple of one-tenth of 1%, it shall be increased or reduced, as the case may be, to the nearer multiple of one-tenth of 1%. If such product is equally near to 2 multiples of one-tenth of 1%, it shall be increased to the higher multiple of one-tenth of 1%. Any payment attributable to the penalty contribution rate shall be deposited into the clearing account.

(2) If the individual or entity is not an employer, the individual or entity shall be subject to a penalty of $10,000 for each violation. Any penalty attributable to this paragraph (2) shall be deposited into the Special Administrative Account.

D. An individual or entity shall not knowingly advise another in a way that results in a violation of subsection C. An individual or entity that violates this subsection shall be subject to a penalty of $10,000 for each violation. Any such penalty shall be deposited into the Special Administrative Account.

E. Any individual or entity that knowingly violates subsection C or D shall be guilty of a Class B misdemeanor. In the case of a corporation, the president, the secretary, and the treasurer, and any other officer exercising corresponding functions, shall each be subject to the aforesaid penalty for knowingly violating subsection C or D.

F. The Director shall establish procedures to identify the transfer or acquisition of a trade or business for purposes of this Section.

G. For purposes of this Section:

"Experience rating record" shall consist of years during which liability for the payment of contributions was incurred, all benefit charges incurred, and all wages paid for insured work, including but not limited to years, benefit charges, and wages attributed to an individual or entity pursuant to Section 1507 or subsection A.

"Knowingly" means having actual knowledge of or acting with deliberate ignorance of or reckless disregard for the statutory provision involved.

"Transferee" means any individual or entity to which the transferor transfers its trade or business or any portion thereof.

"Transferor" means the individual or entity that transfers its trade or business or any portion thereof.

H. This Section shall be interpreted and applied in such a manner as to meet the minimum requirements contained in any guidance or regulations issued by the United States Department of Labor. Insofar as it applies to the interpretation and application of the term "substantial", as used in subsection A, this subsection H is not intended to alter the meaning of "substantially", as used in Section 1507 and construed by precedential judicial opinion, or any comparable term as elsewhere used in this Act.

(Source: P.A. 100-484, eff. 9-8-17.)

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Sec. 1508. Statement of benefit wages and statement of benefit charges.

The Director shall periodically furnish each employer with a statement of the wages of his workers or former workers which became his benefit wages together with the names of such workers or former workers. The Director shall also periodically furnish each employer with a statement of benefits which became benefit charges together with the names of such workers or former workers. Any such statement, in absence of an application for revision thereof within 45 days from the date of mailing of such statement to his last known address, shall be conclusive and final upon the employer for all purposes and in all proceedings whatsoever. Such application for revision shall be in the form and manner prescribed by regulation of the Director. If the Director shall deem any application for revision insufficient, he shall rule such insufficient application stricken and shall serve notice of such ruling and the basis therefor upon the employer. Such ruling shall be final and conclusive upon the employer unless he shall file a sufficient application for revision within 20 days from the date of service of notice of such ruling. Upon receipt of a sufficient application for revision of such statement within the time allowed, the Director shall order such application allowed in whole or in part or shall order that such application for revision be denied and shall serve notice upon the employer of such order. Such order of the Director shall be final and conclusive at the expiration of 20 days from the date of service of such notice unless the employer shall have filed with the Director a written protest and a petition for hearing, specifying his objections thereto. Upon receipt of such petition within the 20 days allowed, the Director shall fix the time and place for a hearing and shall notify the employer thereof. At any hearing held as herein provided, the order of the Director shall be prima facie correct and the burden shall be upon the protesting employer to prove that it is incorrect. All of the provisions of this Act, applicable to hearings conducted pursuant to Section 2200 and not inconsistent with the provisions of this Section, shall be applicable to hearings conducted pursuant to this Section. No employer shall have the right to object to the benefit wages or benefit charges with respect to any worker as shown on such statement unless he shall first show that such benefit wages or benefit charges arose as a result of benefits paid to such worker in accordance with a finding, reconsidered finding, determination, or reconsidered determination, or for 1987 or any calendar year thereafter a Referee's decision, to which such employer was a party entitled to notice thereof, as provided by Sections 701 to 703, inclusive, or Section 800, and shall further show that he was not notified of such finding, reconsidered finding, determination, or reconsidered determination, or for 1987 or any calendar year thereafter such Referee's decision, in accordance with the requirements of Sections 701 to 703, inclusive, or Section 800. Nothing herein contained shall abridge the right of any employer at such hearing to object to such statement of benefit wages or statement of benefit charges on the ground that it is incorrect by reason of a clerical error made by the Director or any of his employees. The employer shall be promptly notified, by mail, of the Director's decision. Such decision shall be final and conclusive unless review is had within the time and in the manner provided by Section 2205.

(Source: P.A. 85-956.)

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Sec. 1508.1. Cancellation of Benefit Wages and Benefit Charges Due to Lack of Notice.

A. It is the purpose of this Section to provide relief to an employer who has accrued benefit wages or benefit charges resulting from the payment of benefits of which such employer has not had notice. Whenever any of the following actions taken by the Department directly results in the payment of benefits to an individual and hence causes the individual's wages to become benefit wages in accordance with the provisions of Sections 1501 and 1502 or causes the benefits to become benefits charges in accordance with Sections 1501.1 and 1502.1, such benefit wages or benefit charges shall be cancelled if the employer proves that the Department did not give notice of such actions as required by Section 804 within the following periods of time:

1. With respect to the notice to the most recent employing unit or to the last employer (referred to in Section 1502.1) issued under Section 701, within 180 days of the date of the initial finding of monetary eligibility;
2. With respect to notice of a decision pursuant to Section 701 that the employer is the last employer under Section 1502.1, within 180 days of the date of the employer's protest or appeal that he is not the last employer under Section 1502.1;
3. With respect to a determination issued under Section 702 and the rules of the Director, within 180 days of the date of an employer's notice of possible ineligibility or remanded decision of the Referee which gave rise to the determination, except that in the case of a determination issued under Section 702 in which an issue was not adjudicated at the time of the employer's notice of possible ineligibility because of the individual's failure to file a claim for a week of benefits, within 180 days of the date on which the individual first files a claim for a week of benefits;
4. With respect to a reconsidered finding or a reconsidered determination issued under Section 703, within 180 days of the date of such reconsidered finding or reconsidered determination;
5. With respect to a Referee's decision issued under Section 801 which allows benefits, within 180 days of the date of the appeal of the finding or determination of the claims adjudicator which was the basis of the Referee's decision;
6. With respect to a decision of the Director or his representative concerning eligibility under Section 604, within 180 days of the date of the report of the Director's Representative.

B. Nothing contained in this Section shall relieve an employer from the requirements for application for revision to a statement of benefit wages or statement of benefit charges pursuant to Section 1508 or any other requirement contained in this Act or in rules promulgated by the Director.

C. The Director shall promulgate rules to carry out the provisions of this Section.

(Source: P.A. 86-3.)

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Sec. 1509. Notice of employer's contribution rate.

The Director shall promptly notify each employer of his rate of contribution for each calendar year by mailing notice thereof to his last known address. Such rate determination shall be final and conclusive upon the employer for all purposes and in all proceedings whatsoever unless within 15 days after mailing of notice thereof, the employer files with the Director an application for review of such rate determination, setting forth his reasons in support thereof. Such application for review shall be in the form and manner prescribed by regulation of the Director. If the Director shall deem any application for review insufficient, he shall rule such insufficient application stricken and shall serve notice of such ruling and the basis therefor upon the employer. Such ruling shall be final and conclusive upon the employer unless he shall file a sufficient application for review within ten days from the date of service of notice of such ruling. Upon receipt of a sufficient application for review within the time allowed, the Director shall order such application for review allowed in whole or in part, or shall order that such application for review be denied, and shall serve notice upon the employer of such order. Such order of the Director shall be final and conclusive at the expiration of ten days from the date of service of such notice unless the employer shall have filed with the Director a written protest and a petition for hearing, specifying his objections thereto. Upon receipt of such petition within the ten days allowed, the Director shall fix the time and place for a hearing and shall notify the employer thereof. At any hearing held as herein provided, the order of the Director shall be prima facie correct and the burden shall be upon the protesting employer to prove that it is incorrect. All of the provisions of this Act, applicable to hearings conducted pursuant to Section 2200 and not inconsistent with the provisions of this Section, shall be applicable to hearings conducted pursuant to this Section. In any such proceeding, the employer shall be barred from questioning the amount of the benefit wages or benefit charges as shown on any statement of benefit wages or statement of benefit charges which forms the basis for the computation of such rate unless such employer shall prove that he was not, as provided in Section 1508, furnished with such statement containing the benefit wages or benefit charges which he maintains are erroneous. In such event, the employer shall have the same rights to revision of such statement in such proceedings as are provided in Section 1508. Upon the completion of such hearing, the employer shall be promptly notified by the Director, by mail, of his decision, and such decision shall be final and conclusive for all purposes and in all proceedings whatsoever unless review is had within the time and in the manner provided by Section 2205.

(Source: P.A. 85-956.)

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Sec. 1510. Service of notice.

Whenever service of notice is required by Sections 1400, 1508, and 1509, such notice may be given and be complete by depositing the same with the United States Mail, addressed to the employer at his last known address. If represented by counsel in the proceedings before the Director, then service of notice may be made upon such employer by mailing same to such counsel. If agreed to by the person or entity entitled to notice, notice may be given and completed electronically, in the manner prescribed by rule, by posting the notice on a secure web site accessible to the person or entity and sending notice of the posting to the last known e-mail address of the person or entity.

(Source: P.A. 97-621, eff. 11-18-11; 98-107, eff. 7-23-13.)

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Sec. 1511. Study of experience rating.

The Employment Security Advisory Board, created by Section 5-540 of the Departments of State Government Law (20 ILCS 5/5-540), is hereby authorized and directed to study and examine the present provisions of this Act providing for experience rating, in order to determine whether the rates of contribution will operate to replenish the amount of benefits paid and to determine the effect of experience rating upon labor and industry in this State.

The Board shall submit its findings and recommendations based thereon to the General Assembly. The Board may employ such experts and assistants as may be necessary to carry out the provisions of this Section. All expenses incurred in the making of this study, including the preparation and submission of its findings and recommendations, shall be paid in the same manner as is provided for the payment of costs of administration of this Act.

(Source: P.A. 90-372, eff. 7-1-98; 91-239, eff. 1-1-00.)

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Sec. 1511.1. Effects of 2004 Solvency Legislation.

The Employment Security Advisory Board shall hold public hearings on the progress toward meeting the Trust Fund solvency projections made in accordance with this amendatory Act of the 93d General Assembly. The hearings shall also consider issues related to benefit eligibility, benefit levels, employer contributions, and future trust fund solvency goals. The Board shall, in accordance with its operating resolutions, approve and report findings from the hearings to the Illinois General Assembly by April 1, 2007. A copy of the findings shall be available to the public on the Department's website.

(Source: P.A. 93-634, eff. 1-1-04.)

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Sec. 1600. Agreement to contributions by employees void.
Any agreement by an individual in the employ of any person or concern to pay all or any portion of an employer's contribution, required under this Act from such employer, shall be void, and no employer shall directly or indirectly make or require or accept any deduction from wages to finance the contribution required from him or require or accept any waiver of any right under this Act by an individual in his employ.
(Source: Laws 1951, p. 32.)

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Sec. 1700. Duties and powers of Director.

It shall be the duty of the Director to administer this Act. To effect such administration, there is created the Department of Employment Security, under the supervision and direction of a Director of Employment Security. The Department of Employment Security shall administer programs for unemployment compensation and a State employment service. The Director shall determine all questions of general policy, promulgate rules and regulations and be responsible for the administration of this Act.
(Source: P.A. 84-26.)

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Sec. 1700.1. Study of legal services.

The Director shall study the funding and implementation of subsection B of Section 802.
(Source: P.A. 85-956.)

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Sec. 1701. Rules and regulations.

General and special rules may be adopted, amended, or rescinded by the Director only after public hearing or opportunity to be heard thereon, of which proper notice has been given. General rules shall become effective ten days after filing with the Secretary of State and publication in one or more newspapers of general circulation in this State. Special rules shall become effective ten days after notification to or mailing to the last known address of the individuals or concerns affected thereby. Regulations may be adopted, amended, or rescinded by the Director and shall become effective ten days after filing with the Secretary of State, and such filing shall be public notice of such regulation, amendment thereto, or rescission thereof, as the case may be.

(Source: Laws 1951, p. 32.)

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Sec. 1701.1. Simplification of forms.

No later than December 31, 1993, the Director shall promulgate rules to simplify forms that the Department requires small businesses to file under this Act. As used in this Act, “small business” has the meaning ascribed to that term in Section 1-75 of the Illinois Administrative Procedure Act.

(Source: P.A. 88-518.)

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Sec. 1702. Personnel.
Subject to the other provisions of this Act, the Director is authorized to obtain, subject to the provisions of the "Personnel Code", enacted by the 69th General Assembly, such employees, accountants, experts and other persons as may be necessary in the performance of his duties under this Act.

The Director may delegate to any such person such power and authority as he deems proper for the effective administration of this Act, and may bond any person handling money or signing checks, in such penal sum as he may deem adequate for the protection of the State.
(Source: Laws 1955, p. 2174.)

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Sec. 1703. Advisory councils.

The Director may appoint local or industry advisory councils, composed in each case of an equal number of employer representatives and employee representatives who may fairly be regarded as such because of their vocation, employment, or affiliations, and of such members representing the general public as the Director may designate. The Employment Security Advisory Board and the local councils appointed by the Director pursuant to this Section shall aid the Director in formulating policies and discussing problems related to the administration of this Act and in assuring impartiality and freedom from political influence in the solution of such problems. The Employment Security Advisory Board and such local advisory councils shall serve without compensation, but shall be reimbursed for any necessary expenses.
(Source: P.A. 76-1063.)

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Sec. 1704. (Repealed).
(Source: P.A. 87-1178. Repealed by P.A. 98-107, eff. 7-23-13.)

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Sec. 1704.1. (Repealed).
(Source: P.A. 89-507, eff. 7-1-97. Repealed by P.A. 98-1133, eff. 12-23-14.)

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Sec. 1705. Employment offices; State employment service.
The Director shall create as many employment districts and establish and maintain as many State employment offices as he or she deems necessary to carry out the provisions of this Act. All such offices and agencies so created and established shall constitute the State employment service within the meaning of this Act. The Department of Employment Security and the Director thereof may continue to be the State agency for cooperation with the United States Employment Service under an Act of Congress entitled "An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes," approved June 6, 1933, as amended.

The Director may cooperate with or enter into agreements with the Railroad Retirement Board with respect to the establishment, maintenance, and use of free employment service facilities. For the purpose of establishing and maintaining free public employment offices, the Director is authorized to enter into agreements with the Railroad Retirement Board, or any other agency of the United States charged with the administration of an unemployment compensation law, or with any political subdivision of this State, and as a part of any such agreement the Director may accept moneys, services, or quarters as a contribution, to be treated in the same manner as funds received pursuant to Section 2103.

Pursuant to Sections 4-6.2, 5-16.2, and 6-50.2 of the general election law of the State, the Director shall make unemployment offices available for use as temporary places of registration. Registration within the offices shall be in the most public, orderly, and convenient portions thereof, and Sections 4-3, 5-3, and 11-4 of the general election law relative to the attendance of police officers during the conduct of registration shall apply. Registration under this Section shall be made in the manner provided by Sections 4-8, 4-10, 5-7, 5-9, 6-34, 6-35, and 6-37 of the general election law. Employees of the Department in those offices are eligible to serve as deputy registrars.
(Source: P.A. 97-621, eff. 11-18-11.)

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Sec. 1706. State- Federal cooperation.

A. The Director is hereby authorized to cooperate with the appropriate agencies and departments of the Federal government charged with the administration of any unemployment compensation law, and to comply with all reasonable Federal regulations governing the expenditures of sums allotted or apportioned to the State for such administration, and accepted by the State. The Director may make the State's records relating to the administration of this Act available to the Railroad Retirement Board, and may furnish the Railroad Retirement Board, at the expense of such Board, such copies thereof as the Railroad Retirement Board deems necessary for its purposes.

B. In the administration of this Act, the Director shall cooperate, to the fullest extent consistent with the provisions of this Act, with the United States Secretary of Labor, or other appropriate Federal agency, with respect to the provisions of the Federal Social Security Act that relate to unemployment compensation, the Wagner-Peyser Act, the Federal Unemployment Tax Act, and the Federal-State Extended Unemployment Compensation Act of 1970; shall make such reports in such form and containing such information as the Secretary of Labor or other appropriate Federal agency may from time to time require and shall comply with such provisions as the Secretary of Labor or other appropriate Federal agency may from time to time find necessary to assure the correctness and verification of such reports; and shall comply with the regulations prescribed by the Secretary of Labor or other appropriate Federal agency governing the expenditures of such sums as may be allotted and paid to this State under Title III of the Social Security Act for the purpose of assisting in the administration of this Act.

C. In the administration of the provisions of Section 409, enacted to conform with the requirements of the Federal-State Extended Unemployment Compensation Act of 1970, the Director shall take such action as may be necessary (1) to insure that the provisions are so interpreted and applied as to meet the requirements of the Federal Act as interpreted by the United States Secretary of Labor or other appropriate Federal agency, and (2) to secure to this State the full reimbursement of the Federal share of extended benefits paid under this Act that are reimbursable under the Federal Act.

(Source: P.A. 77-1443.)

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Sec. 1800. Records and reports required of employing units – Inspection.
Each employing unit shall keep such true and accurate records with respect to services performed for it as may be required by the rules and regulations of the Director promulgated pursuant to the provisions of this Act. Such records together with such other books and documents as may be necessary to verify the entries in such records shall be open to inspection by the Director or his authorized representative at any reasonable time and as often as may be necessary. Every employer who is delinquent in the payment of contributions shall also permit the Director or his representative to enter upon his premises, inspect his books and records, and inventory his personal property and rights thereto, for the purpose of ascertaining and listing the personal property owned by such employer which is subject to the lien created by this Act in favor of the Director of Employment Security. Each employing unit which has paid no contributions for employment in any calendar year shall, prior to January 30 of the succeeding calendar year, file with the Director, on forms to be furnished by the Director at the request of such employing unit, a report of its employment experience for such periods as the Director shall designate on such forms, together with such other information as the Director shall require on such forms, for the purpose of determining the liability of such employing unit for the payment of contributions; in addition, every newly created employing unit shall file such report with the Director within 30 days of the date upon which it commences business. The Director, the Board of Review, or any Referee may require from any employing unit any sworn or unsworn reports concerning such records as he or the Board of Review deems necessary for the effective administration of this Act, and every such employing unit or person shall fully, correctly, and promptly furnish the Director all information required by him to carry out the purposes and provisions of this Act.
(Source: P.A. 83-1503.)

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Sec. 1801. Destruction of records by employing units.
Records which employing units are required to keep and preserve pursuant to the provisions of Section 1800 may be destroyed not less than five years after the making of such records, provided that if, within the time specified by Section 2207, a determination and assessment of contributions, interest, or penalties is made, or an action for the collection of contributions, interest, or penalties is brought, records pertaining to the period or periods covered by such determination and assessment or action may not be destroyed until the determination and assessment or action has become final, or has been canceled or withdrawn.

If, in the regular course of business, an employing unit makes reproductions of any records which it is required to keep and preserve pursuant to the provisions of Section 1800, the preservation of such reproductions constitutes compliance with the provisions of this Section. For the purposes of this Section, "reproduction" means a reproduction or durable medium for making a reproduction obtained by any photographic, photostatic, microfilm, micro-card, miniature photographic or other process which accurately reproduces or forms a durable medium for so reproducing the original.
(Source: Laws 1957, p. 2667.)

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Sec. 1801.1. Directory of New Hires.

A. The Director shall establish and operate an automated directory of newly hired employees which shall be known as the "Illinois Directory of New Hires" which shall contain the information required to be reported by employers to the Department under subsection B. In the administration of the Directory, the Director shall comply with any requirements concerning the Employer New Hire Reporting Program established by the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The Director is authorized to use the information contained in the Directory of New Hires to administer any of the provisions of this Act.

B. Each employer in Illinois, except a department, agency, or instrumentality of the United States, shall file with the Department a report in accordance with rules adopted by the Department (but in any event not later than 20 days after the date the employer hires the employee or, in the case of an employer transmitting reports magnetically or electronically, by 2 monthly transmissions, if necessary, not less than 12 days nor more than 16 days apart) providing the following information concerning each newly hired employee: the employee's name, address, and social security number, the date services for remuneration were first performed by the employee, and the employer's name, address, Federal Employer Identification Number assigned under Section 6109 of the Internal Revenue Code of 1986, and such other information as may be required by federal law or regulation, provided that each employer may voluntarily file the address to which the employer wants income withholding orders to be mailed, if it is different from the address given on the Federal Employer Identification Number. An employer in Illinois which transmits its reports electronically or magnetically and which also has employees in another state may report all newly hired employees to a single designated state in which the employer has employees if it has so notified the Secretary of the United States Department of Health and Human Services in writing. An employer may, at its option, submit information regarding any rehired employee in the same manner as information is submitted regarding a newly hired employee. Each report required under this subsection shall, to the extent practicable, be made on an Internal Revenue Service Form W-4 or, at the option of the employer, an equivalent form, and may be transmitted by first class mail, by telefax, magnetically, or electronically.

C. An employer which knowingly fails to comply with the reporting requirements established by this Section shall be subject to a civil penalty of $15 for each individual whom it fails to report. An employer shall be considered to have knowingly failed to comply with the reporting requirements established by this Section with respect to an individual if the employer has been notified by the Department that it has failed to report an individual, and it fails, without reasonable cause, to supply the required information to the Department within 21 days after the date of mailing of the notice. Any individual who knowingly conspires with the newly hired employee to cause the employer to fail to report the information required by this Section or who knowingly conspires with the newly hired employee to cause the employer to file a false or incomplete report shall be guilty of a Class B misdemeanor with a fine not to exceed $500 with respect to each employee with whom the individual so conspires.

D. As used in this Section, "newly hired employee" means an individual who (i) is an employee within the meaning of Chapter 24 of the Internal Revenue Code of 1986 including an individual under an independent contractor arrangement, and (ii) either has not previously been employed by the employer or was previously employed by the employer but has been separated from that prior employment for at least 60 consecutive days; however, "newly hired employee" does not include an employee of a federal or State agency performing intelligence or counterintelligence functions, if the head of that agency has determined that the filing of the report required by this Section with

respect to the employee could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.

Notwithstanding Section 205, and for the purposes of this Section only, the term "employer" has the meaning given by Section 3401(d) of the Internal Revenue Code of 1986 and includes any governmental entity and labor organization as defined by Section 2(5) of the National Labor Relations Act, and includes any entity (also known as a hiring hall) which is used by the organization and an employer to carry out the requirements described in Section 8(f)(3) of that Act of an agreement between the organization and the employer.

(Source: P.A. 103-343, eff. 1-1-24.)

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Sec. 1900. Disclosure of information.

A. Except as provided in this Section, information obtained from any individual or employing unit during the administration of this Act shall:
   1. be confidential,
   2. not be published or open to public inspection,
   3. not be used in any court in any pending action or proceeding,
   4. not be admissible in evidence in any action or proceeding other than one arising out of this Act.

B. No finding, determination, decision, ruling, or order (including any finding of fact, statement or conclusion made therein) issued pursuant to this Act shall be admissible or used in evidence in any action other than one arising out of this Act, nor shall it be binding or conclusive except as provided in this Act, nor shall it constitute res judicata, regardless of whether the actions were between the same or related parties or involved the same facts.

C. Any officer or employee of this State, any officer or employee of any entity authorized to obtain information pursuant to this Section, and any agent of this State or of such entity who, except with authority of the Director under this Section or as authorized pursuant to subsection P-1, shall disclose information shall be guilty of a Class B misdemeanor and shall be disqualified from holding any appointment or employment by the State.

D. An individual or his duly authorized agent may be supplied with information from records only to the extent necessary for the proper presentation of his claim for benefits or with his existing or prospective rights to benefits. Discretion to disclose this information belongs solely to the Director and is not subject to a release or waiver by the individual. Notwithstanding any other provision to the contrary, an individual or his or her duly authorized agent may be supplied with a statement of the amount of benefits paid to the individual during the 18 months preceding the date of his or her request.

E. An employing unit may be furnished with information, only if deemed by the Director as necessary to enable it to fully discharge its obligations or safeguard its rights under the Act. Discretion to disclose this information belongs solely to the Director and is not subject to a release or waiver by the employing unit.

F. The Director may furnish any information that he may deem proper to any public officer or public agency of this or any other State or of the federal government dealing with:
   1. the administration of relief,
   2. public assistance,
   3. unemployment compensation,
   4. a system of public employment offices,
   5. wages and hours of employment, or
   6. a public works program.

   The Director may make available to the Illinois Workers' Compensation Commission or the Department of Insurance information regarding employers for the purpose of verifying the insurance coverage required under the Workers' Compensation Act and Workers' Occupational Diseases Act.

G. The Director may disclose information submitted by the State or any of its political subdivisions, municipal corporations, instrumentalities, or school or community college districts, except for information which specifically identifies an individual claimant.

H. The Director shall disclose only that information required to be disclosed under Section 303 of the Social Security Act, as amended, including:

1. any information required to be given the United States Department of Labor under Section 303(a)(6); and
2. the making available upon request to any agency of the United States charged with the administration of public works or assistance through public employment, the name, address, ordinary occupation, and employment status of each recipient of unemployment compensation, and a statement of such recipient's right to further compensation under such law as required by Section 303(a)(7); and
3. records to make available to the Railroad Retirement Board as required by Section 303(c)(1); and
4. information that will assure reasonable cooperation with every agency of the United States charged with the administration of any unemployment compensation law as required by Section 303(c)(2); and
5. information upon request and on a reimbursable basis to the United States Department of Agriculture and to any State food stamp agency concerning any information required to be furnished by Section 303(d); and
6. any wage information upon request and on a reimbursable basis to any State or local child support enforcement agency required by Section 303(e); and
7. any information required under the income eligibility and verification system as required by Section 303(f); and
8. information that might be useful in locating an absent parent or that parent's employer, establishing paternity or establishing, modifying, or enforcing child support orders for the purpose of a child support enforcement program under Title IV of the Social Security Act upon the request of and on a reimbursable basis to the public agency administering the Federal Parent Locator Service as required by Section 303(h); and
9. information, upon request, to representatives of any federal, State, or local governmental public housing agency with respect to individuals who have signed the appropriate consent form approved by the Secretary of Housing and Urban Development and who are applying for or participating in any housing assistance program administered by the United States Department of Housing and Urban Development as required by Section 303(i).

I. The Director, upon the request of a public agency of Illinois, of the federal government, or of any other state charged with the investigation or enforcement of Section 10-5 of the Criminal Code of 2012 (or a similar federal law or similar law of another State), may furnish the public agency information regarding the individual specified in the request as to:
   1. the current or most recent home address of the individual, and
   2. the names and addresses of the individual's employers.

J. Nothing in this Section shall be deemed to interfere with the disclosure of certain records as provided for in Section 1706 or with the right to make available to the Internal Revenue Service of the United States Department of the Treasury, or the Department of Revenue of the State of Illinois, information obtained under this Act. With respect to each benefit claim that appears to have been filed other than by the individual in whose name the claim was filed or by the individual's authorized agent and with respect to which benefits were paid during the prior calendar year, the Director shall annually report to the Department of Revenue information that is in the Director's possession and may assist in avoiding negative income tax consequences for the individual in whose name the claim was filed.

K. The Department shall make available to the Illinois Student Assistance Commission, upon request, information in the possession of the Department that may be necessary or useful to the Commission in the collection of defaulted or delinquent student loans which the Commission administers.

L. The Department shall make available to the State Employees' Retirement System, the State Universities Retirement System, the Teachers' Retirement System of the State of Illinois, and the Department of Central Management Services, Risk Management Division, upon request, information in the possession of the Department that may be necessary or useful to the System or the Risk Management Division for the purpose of determining whether any recipient of a disability benefit from the System or a workers' compensation benefit from the Risk Management Division is gainfully employed.

M. This Section shall be applicable to the information obtained in the administration of the State employment service, except that the Director may publish or release general labor market information and may furnish information that he may deem proper to an individual, public officer, or public agency of this or any other State or the federal government (in addition to those public officers or public agencies specified in this Section) as he prescribes by Rule.

N. The Director may require such safeguards as he deems proper to insure that information disclosed pursuant to this Section is used only for the purposes set forth in this Section.

O. Nothing in this Section prohibits communication with an individual or entity through unencrypted e-mail or other unencrypted electronic means as long as the communication does not contain the individual's or entity's name in combination with any one or more of the individual's or entity's entire or partial social security number; driver's license or State identification number; credit or debit card number; or any required security code, access code, or password that would permit access to further information pertaining to the individual or entity.

P. (Blank).

P-1. With the express written consent of a claimant or employing unit and an agreement not to publicly disclose, the Director shall provide requested information related to a claim to an elected official performing constituent services or his or her agent.

Q. The Director shall make available to an elected federal official the name and address of an individual or entity that is located within the jurisdiction from which the official was elected and that, for the most recently completed calendar year, has reported to the Department as paying wages to workers, where the information will be used in connection with the official duties of the official and the official requests the information in writing, specifying the purposes for which it will be used. For purposes of this subsection, the use of information in connection with the official duties of an official does not include use of the information in connection with the solicitation of contributions or expenditures, in money or in kind, to or on behalf of a candidate for public or political office or a political party or with respect to a public question, as defined in Section 1-3 of the Election Code, or in connection with any commercial solicitation. Any elected federal official who, in submitting a request for information covered by this subsection, knowingly makes a false statement or fails to disclose a material fact, with the intent to obtain the information for a purpose not authorized by this subsection, shall be guilty of a Class B misdemeanor.

R. The Director may provide to any State or local child support agency, upon request and on a reimbursable basis, information that might be useful in locating an absent parent or that parent's employer, establishing paternity, or establishing, modifying, or enforcing child support orders.

S. The Department shall make available to a State's Attorney of this State or a State's Attorney's investigator, upon request, the current address or, if the current address is unavailable, current employer information, if available, of a victim of a felony or a witness to a felony or a person against whom an arrest warrant is outstanding.

T. The Director shall make available to the Illinois State Police, a county sheriff's office, or a municipal police department, upon request, any information concerning the current address and place of employment or former places of employment of a person who is required to register as a

sex offender under the Sex Offender Registration Act that may be useful in enforcing the registration provisions of that Act.

U. The Director shall make information available to the Department of Healthcare and Family Services and the Department of Human Services for the purpose of determining eligibility for public benefit programs authorized under the Illinois Public Aid Code and related statutes administered by those departments, for verifying sources and amounts of income, and for other purposes directly connected with the administration of those programs.

V. The Director shall make information available to the State Board of Elections as may be required by an agreement the State Board of Elections has entered into with a multi-state voter registration list maintenance system.

W. The Director shall make information available to the State Treasurer's office and the Department of Revenue for the purpose of facilitating compliance with the Illinois Secure Choice Savings Program Act, including employer contact information for employers with 25 or more employees and any other information the Director deems appropriate that is directly related to the administration of this program.

X. The Director shall make information available, upon request, to the Illinois Student Assistance Commission for the purpose of determining eligibility for the adult vocational community college scholarship program under Section 65.105 of the Higher Education Student Assistance Act.

Y. Except as required under State or federal law, or unless otherwise provided for in this Section, the Department shall not disclose an individual's entire social security number in any correspondence physically mailed to an individual or entity.

(Source: P.A. 101-315, eff. 1-1-20; 102-26, eff. 6-25-21; 102-538, eff. 8-20-21; 102-775, eff. 5-13-22; 102-813, eff. 5-13-22.)

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Sec. 1900.1. Privileged Communications.

All letters, reports, or communications of any kind, either oral or written, from an employer or his workers to each other, or to the Director or any of his agents, representatives, or employees, made in connection with the administration of this Act shall be absolutely privileged and shall not be the basis of any slander or libel suit in any court of this State unless they are false in fact and malicious in intent.

(Source: P.A. 86-3.)

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Sec. 1900.2. (Repealed).
(Source: P.A. 97-788, eff. 1-1-13. Repealed by P.A. 101-423, eff. 1-1-20.)

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Sec. 2100. Handling of funds - Bond – Accounts.

A. All contributions and payments in lieu of contributions collected under this Act, including but not limited to fund building receipts and receipts attributable to the surcharge established pursuant to Section 1506.5, together with any interest thereon; all penalties collected pursuant to this Act; any property or securities acquired through the use thereof; all moneys advanced to this State's account in the unemployment trust fund pursuant to the provisions of Title XII of the Social Security Act, as amended; all moneys directed for transfer from the Master Bond Fund or the Title XII Interest Fund to this State's account in the unemployment trust fund; all moneys received from the Federal government as reimbursements pursuant to Section 204 of the Federal-State Extended Unemployment Compensation Act of 1970, as amended; all moneys credited to this State's account in the unemployment trust fund pursuant to Section 903 of the Federal Social Security Act, as amended; all administrative fees collected from individuals pursuant to Section 900 or from employing units pursuant to Section 2206.1; funds directed for deposit into the State's account in the Unemployment Trust Fund from any other source; and all earnings of such property or securities and any interest earned upon any such moneys shall be paid or turned over to the Department and held by the Director, as ex-officio custodian of the clearing account, the unemployment trust fund account and the benefit account, and by the State Treasurer, as ex-officio custodian of the special administrative account, separate and apart from all public moneys or funds of this State, as hereinafter provided. Such moneys shall be administered by the Director exclusively for the purposes of this Act.

No such moneys shall be paid or expended except upon the direction of the Director in accordance with such regulations as he shall prescribe pursuant to the provisions of this Act.

The State Treasurer shall be liable on his general official bond for the faithful performance of his duties in connection with the moneys in the special administrative account provided for under this Act. Such liability on his official bond shall exist in addition to the liability upon any separate bond given by him. All sums recovered for losses sustained by the account shall be deposited in that account.

The Director shall be liable on his general official bond for the faithful performance of his duties in connection with the moneys in the clearing account, the benefit account and unemployment trust fund account provided for under this Act. Such liability on his official bond shall exist in addition to the liability upon any separate bond given by him. All sums recovered for losses sustained by any one of the accounts shall be deposited in the account that sustained such loss.

The Treasurer shall maintain for such moneys a special administrative account. The Director shall maintain for such moneys 3 separate accounts: a clearing account, a benefit account, and an unemployment trust fund account. All moneys payable under this Act (except moneys requisitioned from this State's account in the unemployment trust fund and deposited in the benefit account and moneys directed for deposit into the Special Programs Fund provided for under Section 2107), including but not limited to moneys directed for transfer from the Master Bond Fund or the Title XII Interest Fund to this State's account in the unemployment trust fund, upon receipt thereof, shall be immediately deposited in the clearing account; provided, however, that, except as is otherwise provided in this Section, interest and penalties shall not be deemed a part of the clearing account but shall be transferred immediately upon clearance thereof to the special administrative account; further provided that an amount not to exceed $90,000,000 in payments

attributable to the surcharge established pursuant to Section 1506.5, including any interest thereon, shall not be deemed a part of the clearing account but shall be transferred immediately upon clearance thereof to the Title XII Interest Fund.

After clearance thereof, all other moneys in the clearing account shall be immediately deposited by the Director with the Secretary of the Treasury of the United States of America to the credit of the account of this State in the unemployment trust fund, established and maintained pursuant to the Federal Social Security Act, as amended, except fund building receipts, which shall be deposited into the Master Bond Fund. The benefit account shall consist of all moneys requisitioned from this State's account in the unemployment trust fund. The moneys in the benefit account shall be expended in accordance with regulations prescribed by the Director and solely for the payment of benefits, refunds of contributions, interest and penalties under the provisions of the Act, the payment of health insurance in accordance with Section 410 of this Act, and the transfer or payment of funds to any Federal or State agency pursuant to reciprocal arrangements entered into by the Director under the provisions of Section 2700E, except that moneys credited to this State's account in the unemployment trust fund pursuant to Section 903 of the Federal Social Security Act, as amended, shall be used exclusively as provided in subsection B. For purposes of this Section only, to the extent allowed by applicable legal requirements, the payment of benefits includes but is not limited to the payment of principal on any bonds issued pursuant to the Illinois Unemployment Insurance Trust Fund Financing Act, exclusive of any interest or administrative expenses in connection with the bonds. The Director shall, from time to time, requisition from the unemployment trust fund such amounts, not exceeding the amounts standing to the State's account therein, as he deems necessary solely for the payment of such benefits, refunds, and funds, for a reasonable future period. The Director, as ex-officio custodian of the benefit account, which shall be kept separate and apart from all other public moneys, shall issue payment of such benefits, refunds, health insurance and funds solely from the moneys so received into the benefit account. However, after January 1, 1987, no payment shall be drawn on such benefit account unless at the time of drawing there is sufficient money in the account to make the payment. The Director shall retain in the clearing account an amount of interest and penalties equal to the amount of interest and penalties to be refunded from the benefit account. After clearance thereof, the amount so retained shall be immediately deposited by the Director, as are all other moneys in the clearing account, with the Secretary of the Treasury of the United States. If, at any time, an insufficient amount of interest and penalties is available for retention in the clearing account, no refund of interest or penalties shall be made from the benefit account until a sufficient amount is available for retention and is so retained, or until the State Treasurer, upon the direction of the Director, transfers to the Director a sufficient amount from the special administrative account, for immediate deposit in the benefit account.

Any balance of moneys requisitioned from the unemployment trust fund which remains unclaimed or unpaid in the benefit account after the expiration of the period for which such sums were requisitioned shall either be deducted from estimates of and may be utilized for authorized expenditures during succeeding periods, or, in the discretion of the Director, shall be redeposited with the Secretary of the Treasury of the United States to the credit of the State's account in the unemployment trust fund.

Moneys in the clearing, benefit and special administrative accounts shall not be commingled with other State funds but they shall be deposited as required by law and maintained in separate accounts on the books of a savings and loan association or bank.

No bank or savings and loan association shall receive public funds as permitted by this Section, unless it has complied with the requirements established pursuant to Section 6 of "An Act relating to certain investments of public funds by public agencies", approved July 23, 1943, as now or hereafter amended.

B. Moneys credited to the account of this State in the unemployment trust fund by the Secretary of the Treasury of the United States pursuant to Section 903 of the Social Security Act may be requisitioned from this State's account and used as authorized by Section 903. Any interest required to be paid on advances under Title XII of the Social Security Act shall be paid in a timely manner and shall not be paid, directly or indirectly, by an equivalent reduction in contributions or payments in lieu of contributions from amounts in this State's account in the unemployment trust fund. Such moneys may be requisitioned and used for the payment of expenses incurred for the administration of this Act, but only pursuant to a specific appropriation by the General Assembly and only if the expenses are incurred and the moneys are requisitioned after the enactment of an appropriation law which:

1. Specifies the purpose or purposes for which such moneys are appropriated and the amount or amounts appropriated therefor;
2. Limits the period within which such moneys may be obligated to a period ending not more than 2 years after the date of the enactment of the appropriation law; and
3. Limits the amount which may be obligated during any fiscal year to an amount which does not exceed the amount by which (a) the aggregate of the amounts transferred to the account of this State pursuant to Section 903 of the Social Security Act exceeds (b) the aggregate of the amounts used by this State pursuant to this Act and charged against the amounts transferred to the account of this State.

For purposes of paragraph (3) above, amounts obligated for administrative purposes pursuant to an appropriation shall be chargeable against transferred amounts at the exact time the obligation is entered into. The appropriation, obligation, and expenditure or other disposition of money appropriated under this subsection shall be accounted for in accordance with standards established by the United States Secretary of Labor.

Moneys appropriated as provided herein for the payment of expenses of administration shall be requisitioned by the Director as needed for the payment of obligations incurred under such appropriation. Upon requisition, such moneys shall be deposited with the State Treasurer, who shall hold such moneys, as ex-officio custodian thereof, in accordance with the requirements of Section 2103 and, upon the direction of the Director, shall make payments therefrom pursuant to such appropriation. Moneys so deposited shall, until expended, remain a part of the unemployment trust fund and, if any will not be expended, shall be returned promptly to the account of this State in the unemployment trust fund.

C. The Governor is authorized to apply to the United States Secretary of Labor for an advance or advances to this State's account in the unemployment trust fund pursuant to the conditions set forth in Title XII of the Federal Social Security Act, as amended. The State's account in the

unemployment trust fund is authorized to receive appropriations of State funds from other State accounts to repay any such advance or advances. The amount of any such advance may be repaid from this State's account in the unemployment trust fund.

D. The Director shall annually on or before the first day of March report in writing to the Employment Security Advisory Board concerning the deposits into and expenditures from this State's account in the Unemployment Trust Fund.

E. The changes made by this amendatory Act of the 102nd General Assembly to subsection A and subsection C clarify authority already provided by law.

(Source: P.A. 102-700, eff. 4-19-22.)

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Sec. 2101. Special administrative account.

Except as provided in Section 2100, all interest and penalties collected pursuant to this Act shall be deposited in the special administrative account. The amount in this account in excess of $100,000 on the close of business of the last day of each calendar quarter shall be immediately transferred to this State's account in the unemployment trust fund. However, subject to Section 2101.1, such funds shall not be transferred where it is determined by the Director that it is necessary to accumulate funds in the account in order to have sufficient funds to pay interest that may become due under the terms of Section 1202 (b) of the Federal Social Security Act, as amended, upon advances made to the Illinois Unemployment Insurance Trust Fund under Title XII of the Federal Social Security Act or where it is determined by the Director that it is necessary to accumulate funds in the special administrative account in order to have sufficient funds to expend for any other purpose authorized by this Section. The balance of funds in the special administrative account that are in excess of $100,000 on the first day of each calendar quarter and not transferred to this State's account in the unemployment trust fund, minus the amount reasonably anticipated to be needed to make payments from the special administrative account pursuant to subsections C through I, shall be certified by the Director and transferred by the State Comptroller to the Title III Social Security and Employment Fund in the State Treasury within 30 days of the first day of the calendar quarter. The Director may certify and the State Comptroller shall transfer such funds to the Title III Social Security and Employment Fund on a more frequent basis. The moneys available in the special administrative account shall be expended upon the direction of the Director whenever it appears to him that such expenditure is necessary for:

A. 1. The proper administration of this Act and no Federal funds are available for the specific purpose for which such expenditure is to be made, provided the moneys are not substituted for appropriations from Federal funds, which in the absence of such moneys would be available and provided the monies are appropriated by the General Assembly.
   2. The proper administration of this Act for which purpose appropriations from Federal funds have been requested but not yet received, provided the special administrative account will be reimbursed upon receipt of the requested Federal appropriation.

B. To the extent possible, the repayment to the fund established for financing the cost of administration of this Act of moneys found by the Secretary of Labor of the United States of America, or other appropriate Federal agency, to have been lost or expended for purposes other than, or in amounts in excess of, those found necessary by the Secretary of Labor, or other appropriate Federal agency, for the administration of this Act.

C. The payment of refunds or adjustments of interest or penalties, paid pursuant to Sections 901 or 2201.

D. The payment of interest on refunds of erroneously paid contributions, penalties and interest pursuant to Section 2201.1.

E. The payment or transfer of interest or penalties to any Federal or State agency, pursuant to reciprocal arrangements entered into by the Director under the provisions of Section 2700E.

F. The payment of any costs incurred, pursuant to Section 1700.1.

G. Beginning January 1, 1989, for the payment for the legal services authorized by subsection B of Section 802, up to $1,000,000 per year for the representation of the individual claimants and up to $1,000,000 per year for the representation of "small employers".

H. The payment of any fees for collecting past due contributions, payments in lieu of contributions, penalties, and interest shall be paid (without an appropriation) from interest and penalty monies received from collection agents that have contracted with the Department under Section 2206 to collect such amounts, provided however, that the amount of such payment shall not exceed the amount of past due interest and penalty collected.

I. The payment of interest that may become due under the terms of Section 1202 (b) of the Federal Social Security Act, as amended, for advances made to the Illinois Unemployment Insurance Trust Fund.

The Director shall annually on or before the first day of March report in writing to the Employment Security Advisory Board concerning the expenditures made from the special administrative account and the purposes for which funds are being accumulated.

If Federal legislation is enacted which will permit the use by the Director of some part of the contributions collected or to be collected under this Act, for the financing of expenditures incurred in the proper administration of this Act, then, upon the availability of such contributions for such purpose, the provisions of this Section shall be inoperative and interest and penalties collected pursuant to this Act shall be deposited in and be deemed a part of the clearing account. In the event of the enactment of the foregoing Federal legislation, and within 90 days after the date upon which contributions become available for expenditure for costs of administration, the total amount in the special administrative account shall be transferred to the clearing account, and after clearance thereof shall be deposited with the Secretary of the Treasury of the United States of America to the credit of the account of this State in the unemployment trust fund, established and maintained pursuant to the Federal Social Security Act, as amended.

(Source: P.A. 98-1133, eff. 12-23-14.)

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Sec. 2101.1. Mandatory transfers.

(I) A. Notwithstanding any other provision in Section 2101 to the contrary, no later than June 30, 2007, an amount equal to at least $1,400,136 but not to exceed $7,000,136 shall be transferred from the special administrative account to this State's account in the Unemployment Trust Fund. No later than June 30, 2008, and June 30 of each of the three immediately succeeding calendar years, there shall be transferred from the special administrative account to this State's account in the Unemployment Trust Fund an amount at least equal to the lesser of $1,400,000 or the unpaid principal. For purposes of this Section, the unpaid principal is the difference between $7,000,136 and the sum of amounts, excluding interest, previously transferred pursuant to this Section. In addition to the amounts otherwise specified in this Section, each transfer shall include a payment of any interest accrued pursuant to this Section through the end of the immediately preceding calendar quarter for which the federal Department of the Treasury has published the yield for state accounts in the Unemployment Trust Fund. Interest pursuant to this Section shall accrue daily beginning on January 1, 2007, and be calculated on the basis of the unpaid principal as of the beginning of the day. The rate at which the interest shall accrue for each calendar day within a calendar quarter shall equal the quotient obtained by dividing the yield for that quarter for state accounts in the Unemployment Trust Fund as published by the federal Department of the Treasury by the total number of calendar days within that quarter. Interest accrued but not yet due at the time the unpaid principal is paid in full shall be transferred within 30 days after the federal Department of the Treasury has published the yield for state accounts in the Unemployment Trust Fund for all quarters for which interest has accrued pursuant to this Section but not yet been paid. A transfer required pursuant to this Section in a fiscal year of this State shall occur before any transfer made with respect to that same fiscal year from the special administrative account to the Title III Social Security and Employment Fund.

B. By an appropriation made in calendar year 2023 to this State's account in the Unemployment Trust Fund, as a loan solely for purposes of paying unemployment insurance benefits under this Act and without the accrual of interest, from a fund of the State treasury, the Director shall take all necessary action to transfer 10% of the total amount of the appropriation from this State's account in the Unemployment Trust Fund to the State's Budget Stabilization Fund prior to July 1 of each year or as soon thereafter as practical. Transfers shall begin in calendar year 2024 and continue on an annual basis until the total amount of such transfers equals the total amount of the appropriation. In any calendar year in which the balance of this State's account in the Unemployment Trust Fund, less all outstanding advances to that account, pursuant to Title XII of the federal Social Security Act, is below $1,200,000,000 as of June 1, any transfer provided for in this subsection shall not be made that calendar year.

(II) (Blank).

(Source: P.A. 102-1105, eff. 1-1-23; 103-1059, eff. 12-20-24.)

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Sec. 2102. Management of funds upon discontinuance of unemployment trust fund.
The provisions of Sections 2100 and 2101, to the extent that they relate to the unemployment trust fund, shall be operative only so long as such unemployment trust fund continues to exist and so long as the Secretary of the Treasury of the United States of America continues to maintain for this State a separate book account of all funds deposited therein by this State for benefit purposes, together with this State's proportionate share of the earnings of such unemployment trust fund, from which no other State is permitted to make withdrawals. If and when such unemployment trust fund ceases to exist, or such separate book account is no longer maintained, all moneys, properties, or securities therein, belonging to this State, shall be transferred to the State Treasurer as ex-officio custodian thereof, who shall hold, invest, transfer, sell, deposit, and release such moneys, properties or securities in a manner approved by the Director in accordance with the provisions of this Act; provided that such money shall be invested in the bonds or other interest bearing obligations of the United States of America and of the State of Illinois; and provided, further, that such investment shall at all times be so made that all the assets shall always be readily convertible into cash when needed for the payment of benefits. The Treasurer shall dispose of such securities or other properties only upon the direction of the Director.
(Source: Laws 1951, p. 32.)

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Sec. 2103. Unemployment compensation administration and other workforce development costs. All moneys received by the State or by the Department from any source for the financing of the cost of administration of this Act, including all federal moneys allotted or apportioned to the State or to the Department for that purpose, including moneys received directly or indirectly from the federal government under the Job Training Partnership Act, and including moneys received from the Railroad Retirement Board as compensation for services or facilities supplied to said Board, or any moneys made available by this State or its political subdivisions and matched by moneys granted to this State pursuant to the provisions of the Wagner-Peyser Act, shall be received and held by the State Treasurer as ex officio custodian thereof, separate and apart from all other State moneys, in the Title III Social Security and Employment Fund, and such funds shall be distributed or expended upon the direction of the Director and, except money received pursuant to the last paragraph of Section 2100B, shall be distributed or expended solely for the purposes and in the amounts found necessary by the Secretary of Labor of the United States of America, or other appropriate federal agency, for the proper and efficient administration of this Act. Notwithstanding any provision of this Section, all money requisitioned and deposited with the State Treasurer pursuant to the last paragraph of Section 2100B shall remain part of the unemployment trust fund and shall be used only in accordance with the conditions specified in the last paragraph of Section 2100B.

If any moneys received from the Secretary of Labor, or other appropriate federal agency, under Title III of the Social Security Act, or any moneys granted to this State pursuant to the provisions of the Wagner-Peyser Act, or any moneys made available by this State or its political subdivisions and matched by moneys granted to this State pursuant to the provisions of the Wagner-Peyser Act, are found by the Secretary of Labor, or other appropriate Federal agency, because of any action or contingency, to have been lost or expended for purposes other than, or in amounts in excess of, those found necessary, by the Secretary of Labor, or other appropriate Federal agency, for the proper administration of this Act, it is the policy of this State that such moneys shall be replaced by moneys appropriated for such purpose from the general funds of this State for expenditure as provided in the first paragraph of this Section. The Director shall report to the Governor's Office of Management and Budget, in the same manner as is provided generally for the submission by State Departments of financial requirements for the ensuing fiscal year, and the Governor shall include in his budget report to the next regular session of the General Assembly, the amount required for such replacement.

Moneys in the Title III Social Security and Employment Fund shall not be commingled with other State funds, but they shall be deposited as required by law and maintained in a separate account on the books of a savings and loan association or bank.

The State Treasurer shall be liable on his general official bond for the faithful performance of his duties as custodian of all moneys in the Title III Social Security and Employment Fund. Such liability on his official bond shall exist in addition to the liability upon any separate bond given by him. All sums recovered for losses sustained by the fund herein described shall be deposited therein.

Upon the effective date of Public Act 85-956 (January 1, 1988), the Comptroller shall transfer all unobligated funds from the Job Training Fund into the Title III Social Security and Employment Fund.

On September 1, 2000, or as soon thereafter as may be reasonably practicable, the State Comptroller shall transfer all unobligated moneys from the Job Training Partnership Fund into the Title III Social Security

and Employment Fund. The moneys transferred pursuant to Public Act 91-704 may be used or expended for purposes consistent with the conditions under which those moneys were received by the State.

Beginning on July 1, 2000 (the effective date of Public Act 91-704), all moneys that would otherwise be deposited into the Job Training Partnership Fund shall instead be deposited into the Title III Social Security and Employment Fund, to be used for purposes consistent with the conditions under which those moneys are received by the State, except that any moneys that may be necessary to pay liabilities outstanding as of June 30, 2000 shall be deposited into the Job Training Partnership Fund.

On July 1, 2024, or as soon thereafter as practical, after making all necessary payments to the Federal Emergency Management Agency related to the federal Lost Wages Assistance program, the Director shall report to the Governor's Office of Management and Budget all amounts remaining in the Title III Social Security and Employment Fund from an appropriation to the Department for the purpose of making payments to the Federal Emergency Management Agency. At the direction of the Director of the Governor's Office of Management and Budget, the Comptroller shall direct and the Treasurer shall transfer the reported amount from the Title III Social Security and Employment Fund to the General Revenue Fund.
(Source: P.A. 103-588, eff. 6-5-24.)

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Sec. 2103.1. (Repealed).
(Source: P.A. 94-232, eff. 7-14-05. Repealed internally, eff. 1-1-06.)

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Sec. 2104. (Repealed).
(Source: P.A. 89-507, eff. 7-1-97. Repealed by P.A. 93-634, eff. 1-1-04.)

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Sec. 2105. (Repealed).
(Source: P.A. 91-357, eff. 7-29-99. Repealed by P.A. 98-107, eff. 7-23-13.)

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Sec. 2106.1. Master Bond Fund.

There is hereby established the Master Bond Fund held by the Director or his or her designee as ex-officio custodian thereof separate and apart from all other State funds. The moneys in the Fund shall be used in accordance with the Illinois Unemployment Insurance Trust Fund Financing Act.

(Source: P.A. 93-634, eff. 1-1-04.)

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Sec. 2107. Special Programs Fund.
The Special Programs Fund shall be held separate and apart from all public moneys or funds of this State. All moneys that may be received by the State for the payment of trade readjustment allowances or alternative trade adjustment assistance for older workers under the Trade Act of 1974, as amended, or disaster unemployment assistance under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, or for the payment of any other benefits where the Department will pay the benefits as an agent of the United States Department of Labor or its successor agency pursuant to federal law (except benefits payable through the State's account in the federal Unemployment Trust Fund established and maintained pursuant to the federal Social Security Act, as amended), shall be deposited into the Special Programs Fund, together with any moneys that may otherwise be directed for deposit into that Fund. No such moneys shall be paid or expended except upon the direction of the Director who, as ex officio custodian of the Special Programs Fund, shall expend such moneys only in accordance with the directions of the United States Department of Labor or its successor agency, as an agent of the United States Department of Labor or its successor agency. Moneys in the Special Programs Fund shall not be commingled with other State funds, but they shall be deposited as required by law and maintained in a separate account on the books of a savings and loan association, bank, or other qualified financial institution. All interest earnings on amounts within the Special Programs Fund shall accrue to the Special Programs Fund. The Director shall be liable on her or his general official bond for the faithful performance of her or his duties in connection with the moneys in the Special Programs Fund. Such liability on her or his official bond shall exist in addition to the liability upon any separate bond given by her or him. All sums recovered for losses sustained by the Special Programs Fund shall be deposited into the Fund.

This amendatory Act of the 94th General Assembly is not intended to alter processes or requirements with respect to the Special Programs Fund from those in existence immediately prior to the effective date of this amendatory Act of the 94th General Assembly.
(Source: P.A. 94-1083, eff. 1-19-07.)

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Sec. 2108. Title XII Interest Fund.
The Title XII Interest Fund shall be held separate and apart from all public moneys or funds of this State. Payments attributable to the surcharge established pursuant to Section 1506.5 in an amount not to exceed $90,000,000 shall be deposited into the Title XII Interest Fund, together with any moneys that may otherwise be directed for deposit into that Fund. No such moneys shall be paid or expended except upon the direction of the Director who, as ex officio custodian of the Title XII Interest Fund, shall expend such moneys only for the payment of interest required to be paid on advances under Title XII of the Social Security Act or for transfer to this State's account in the unemployment trust fund. Any funds remaining in the Title XII Interest Fund after payment of the interest due as of September 30, 2011, on advances under Title XII of the Social Security Act shall be transferred to this State's account in the unemployment trust fund no later than October 31, 2011.

Moneys in the Title XII Interest Fund shall not be commingled with other State funds, but they shall be deposited as required by law and maintained in a separate account on the books of a savings and loan association, bank, or other qualified financial institution. All interest earnings on amounts within the Title XII Interest Fund shall accrue to the Title XII Interest Fund. The Director shall be liable on her or his general official bond for the faithful performance of her or his duties in connection with the moneys in the Title XII Interest Fund. Such liability on her or his official bond shall exist in addition to the liability upon any separate bond given by her or him. All sums recovered for losses sustained by the Title XII Interest Fund shall be deposited into the Fund.
(Source: P.A. 97-1, eff. 3-31-11.)

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Sec. 2200. Determination and assessment of contributions by the director.
If it shall appear to the Director that any employing unit or person has failed to pay any contribution, interest or penalty as and when required by the provisions of this Act or by any rule or regulation of the Director, or if the amount of any contribution payment made by an employing unit for any period is deemed by the Director to be incorrect in that it does not include all contributions payable for such period, or if the Director shall find that the collection of any contributions which have accrued but are not yet due will be jeopardized by delay, and declares said contributions immediately due and payable, or if it shall appear to the Director that he has made any final assessment which did not include all contributions payable by the employer for the periods involved, or if it appears to the Director that any employing unit or person has, by reason of any act or omission or by operation of law, become liable for the payment of any contributions, interest or penalties not originally incurred by him, the Director may in any of the above events determine and assess the amount of such contributions or deficiency, as the case may be, together with interest and penalties due and unpaid, and immediately serve notice upon such employing unit or person of such determination and assessment and make a demand for payment of the assessed contribution together with interest and penalties thereon. If the employing unit or person incurring any such liability has died, such assessment may at the discretion of the Director be made against his personal representative. Such determination and assessment by the Director shall be final at the expiration of 20 days from the date of the service of such written notice thereof and demand for payment, unless such employing unit or person shall have filed with the Director a written protest and a petition for a hearing, specifying its objections thereto. Upon the receipt of such petition within the 20 days allowed, the Director shall fix the time and place for a hearing and shall notify the petitioner thereof. The Director may amend his determination and assessment at any time before it becomes final. In the event of such amendment the employing unit or person affected shall be given notice thereof and an opportunity to be heard in connection therewith. At any hearing held as herein provided, the determination and assessment that has been made by the Director shall be prima facie correct and the burden shall be upon the protesting employing unit or person to prove that it is incorrect. Upon the conclusion of such hearing a decision shall be made by the Director either canceling, increasing, modifying or affirming such determination or assessment and notice thereof given to the petitioner. Such notice shall contain a statement by the Director of the cost of the certification of the record computed at the rate of 5¢ per 100 words. The record shall consist of the notices and demands caused to be served by the Director, the original determination and assessment of the Director, the written protest and petition for hearing, the testimony introduced at such hearing, the exhibits produced at such hearing, or certified copies thereof, the decisions of the Director and such other documents in the nature of pleadings filed in the proceeding.
(Source: Laws 1951, p. 32.)

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Sec. 2201. Refund or adjustment of contributions.
Except as otherwise provided in this Section, not later than 3 years after the date upon which an employing unit has paid contributions, interest, or penalties erroneously, the employing unit may file a claim with the Director for an adjustment thereof in connection with subsequent contribution payments, or for a refund thereof where such adjustment cannot be made; provided, however, that no refund or adjustment shall be made of any contribution, the amount of which has been determined and assessed by the Director, if such contribution was paid after the determination and assessment of the Director became final, and provided, further, that any such adjustment or refund, involving contributions with respect to wages on the basis of which benefits have been paid, shall be reduced by the amount of benefits so paid. In the case of an erroneous payment that occurred on or after January 1, 2015 and prior to the effective date of this amendatory Act of the 100th General Assembly, the employing unit may file the claim for adjustment or refund not later than June 30, 2018 or 3 years after the date of the erroneous payment, whichever is later, subject to all of the conditions otherwise applicable pursuant to this Section regarding a claim for adjustment or refund. Upon receipt of a claim the Director shall make his determination, either allowing such claim in whole or in part, or ordering that it be denied, and serve notice upon the claimant of such determination. Such determination of the Director shall be final at the expiration of 20 days from the date of service of such notice unless the claimant shall have filed with the Director a written protest and a petition for hearing, specifying his objections thereto. Upon receipt of such petition within the 20 days allowed, the Director shall fix the time and place for a hearing and shall notify the claimant thereof. At any hearing held as herein provided, the determination of the Director shall be prima facie correct and the burden shall be upon the protesting employing unit to prove that it is incorrect. All of the provisions of this Act applicable to hearings conducted pursuant to Section 2200 shall be applicable to hearings conducted pursuant to this Section. Upon the conclusion of such hearing, a decision shall be made by the Director and notice thereof given to the claimant. If the Director shall decide that the claim be allowed in whole or in part, or if such allowance be ordered by the Court pursuant to Section 2205 and the judgment of said Court has become final, the Director shall, if practicable, make adjustment without interest in connection with subsequent contribution payments by the claimant, and if adjustments thereof cannot practicably be made in connection with such subsequent contribution payments, then the Director shall refund to the claimant the amount so allowed, without interest except as otherwise provided in Section 2201.1 from moneys in the benefit account established by this Act. Nothing herein contained shall prohibit the Director from making adjustment or refund upon his own initiative, within the time allowed for filing claim therefor, provided that the Director shall make no refund or adjustment of any contribution, the amount of which he has previously determined and assessed, if such contribution was paid after the determination and assessment became final.

If this State should not be certified for any year by the Secretary of Labor of the United States of America, or other appropriate Federal agency, under Section 3304 of the Federal Internal Revenue Code of 1954, the Director shall refund without interest to any instrumentality of the United States subject to this Act by virtue of permission granted in an Act of Congress, the amount of contributions paid by such instrumentality with respect to such year.

The Director may by regulation provide that, if there is a total credit balance of less than $2 in an employer's account with respect to contributions, interest, and penalties, the amount may be disregarded by the Director; once disregarded, the amount shall not be considered a credit balance in the account and shall not be subject to either an adjustment or a refund.
(Source: P.A. 100-484, eff. 9-8-17.) **Back to top**

Sec. 2201.1. Interest on overpaid contributions, penalties and interest.
The Director shall quarterly furnish each employer with a statement of credit balances in the employer's account where the balances with respect to all contributions, interest and penalties combined equal or exceed $2. Under regulations prescribed by the Director and subject to the limitations of Section 2201, the employer may file a request for an adjustment or refund of the amount erroneously paid. Interest shall be paid on refunds of erroneously paid contributions, penalties and interest imposed by this Act, except that if any refund is mailed by the Director within 90 days after the date of the refund claim, no interest shall be due or paid. The interest shall begin to accrue as of the date of the refund claim and shall be paid at the rate of 1.5% per month computed at the rate of 12/365 of 1.5% for each day or fraction thereof. Interest paid pursuant to this Section shall be paid from monies in the special administrative account established by Sections 2100 and 2101. This Section shall apply only to refunds of contributions, penalties and interest which were paid as the result of wages paid after January 1, 1988.
(Source: P.A. 100-484, eff. 9-8-17.)

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Sec. 2202. Finality of finding of claims adjudicator, Referee or Board of Review in proceedings before the director or his representative.

If at any hearing held pursuant to Sections 2200 or 2201 before the Director or his duly authorized representative it shall appear that, in a prior proceeding before a claims adjudicator, Referee or the Board of Review, a decision was rendered in which benefits were allowed to a claimant, based upon a finding by such claims adjudicator, Referee or the Board of Review, as the case may be, that (A) the petitioning employing unit is an employer as defined by this Act, or (B) the claimant has rendered services for such employing unit that constitute employment as defined by this Act, or (C) the claimant was paid or earned, as the case may be, any sum that constitutes "wages" as defined by this Act, and that such employing unit was given notice of such prior proceedings and an opportunity to be heard by appeal to such Referee or the Board of Review, as the case may be, in such prior proceeding, and that such decision of the claims adjudicator, Referee or Board of Review allowing benefits to the claimant became final, the aforementioned finding of the claims adjudicator, Referee or the Board of Review, as the case may be, shall be final and incontrovertible as to such employing unit, in the proceedings before the Director or his duly authorized representative, and shall not be subject to any further right of judicial review by such employing unit. If, after the hearing held pursuant to Sections 2200 or 2201, the Director shall find that services were rendered for such employing unit by other individuals under circumstances substantially the same as those under which the claimant's services were performed, the finality of the findings made by the claims adjudicator, Referee or the Board of Review, as the case may be, as to the status of the services performed by the claimant, shall extend to all such services rendered for such employing unit, but nothing in this Section shall be construed to limit the right of any claimant to a fair hearing as provided in Sections 800, 801, and 803.

(Source: P.A. 77-1443.)

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Sec. 2203. Service of notice-Place of hearing-By whom conducted.

Whenever service of notice is required by Sections 2200 or 2201, such notice shall be deemed to have been served when deposited with the United States certified or registered mail addressed to the employing unit at its principal place of business, or its last known place of business or residence, or may be served by any person of full age in the same manner as is provided by statute for service of process in civil cases. If represented by counsel in the proceedings before the Director, then service of notice may be made upon such employing unit by mailing same to such counsel. If agreed to by the person or entity entitled to notice, notice may be given and completed electronically, in the manner prescribed by rule, by posting the notice on a secure web site accessible to the person or entity and sending notice of the posting to the last known e-mail address of the person or entity. All hearings provided for in Sections 2200 and 2201 shall be held in the county wherein the employing unit has its principal place of business in this State, provided that if the employing unit has no principal place of business in this State, such hearing may be held in Cook County, provided, further, that such hearing may be held in any county designated by the Director if the petitioning employing unit shall consent thereto. The hearings shall be conducted by the Director or by any full-time employee of the Director, selected in accordance with the provisions of the "Personnel Code" enacted by the Sixty-Ninth General Assembly, by him designated. Such representative so designated by the Director shall have all powers given the Director by Sections 1000, 1002, and 1003 of this Act.

(Source: P.A. 97-621, eff. 11-18-11.)

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Sec. 2204. Finality of director's decision in absence of judicial review.
Any decision of the Director made upon the conclusion of any hearing held pursuant to the provisions of Sections 2200 or 2201 shall be final and conclusive, unless reviewed as provided in Section 2205.
(Source: Laws 1951, p. 32.)

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Sec. 2205. Judicial review of decisions on contributions.
The Circuit Court of the county wherein the hearing provided for in Sections 2200 and 2201 was held shall have power to review the final administrative decisions of the Director rendered pursuant to those Sections. The provisions of the Administrative Review Law, and all amendments and modifications thereof, and the rules adopted pursuant thereto, shall apply to and govern all proceedings for the judicial review of such final administrative decisions of the Director. The term "administrative decision" is defined as in Section 3-101 of the Code of Civil Procedure. Such review proceedings shall be given precedence over all other civil cases except cases arising under the Workers' Compensation Act of this State.

The Director shall not be required to certify the record to the Circuit Court unless the party commencing such proceedings for review shall pay to the Director the cost of certification of the record as provided in Section 2200. The Director or the Commissioner of Unemployment Compensation, in the absence of the Director, upon receipt of such payment, shall prepare and certify to the court a true and correct typewritten copy of all matters contained in such record.

The Clerk of any court rendering a decision affecting a decision of the Director shall promptly furnish the Director with a copy of such court's decision, without charge, and the Director shall enter an order in accordance with such decision.
(Source: P.A. 84-1438.)

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Sec. 2206. Collection of amounts due.

If any employing unit or person shall default in any payment required to be made under this Act, the Director is authorized to contract for assistance in collecting such amounts and to expend sums from the nonappropriated portion of the Special Administrative Account established by Section 2101 in an amount not to exceed any penalties and interest collected to pay for such services. Any amount due may also be collected by civil action against the employing unit or person brought in the name of the People of the State of Illinois, without regard as to whether or not the amount of such contributions has been assessed by the Director as provided in Section 2200, and the same, when collected, shall be treated in the same manner as contributions paid under this Act, and such employing unit's or person's compliance with the provisions of this Act requiring payments to be made under this Act shall date from the time of the payment of said money so collected. Civil action brought under this Section to collect contributions or interest thereon shall be entitled to preference upon the calendar over all other civil actions except judicial review proceedings under this Act and cases arising under the Workers' Compensation Act of this State.
(Source: P.A. 85-956.)

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Sec. 2206.1. Additional recovery.

In addition to the remedies provided by this Act, when an employing unit defaults in any payment or contribution required to be made to the State under the provisions of this Act, the Director may:

1. Request the Comptroller to withhold the amount due in accordance with the provisions of Section 10.05 of the State Comptroller Act and the Director may request the Secretary of the Treasury to withhold the amount due to the extent allowed by and in accordance with Section 6402(f) of the federal Internal Revenue Code of 1986, as amended. Where the Director requests withholding by the Secretary of the Treasury pursuant to this Section, in addition to the amount of the payment otherwise owed by the employing unit, the employing unit shall be liable for any legally authorized administrative fee assessed by the Secretary, with such fee to be added to the amount to be withheld by the Secretary.
2. Cooperate with and enter into agreements with the State Treasurer for the recovery of unclaimed property held by the State Treasurer in the name of an employer who owes contributions, interest, or penalties under this Act. The amount of unclaimed property the Director is authorized to recover under this subsection is limited to the amount of contributions, interest, penalties, and fees owed by the employer.

(Source: P.A. 97-621, eff. 11-18-11; 104-285, eff. 1-1-26.)

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Sec. 2207. Limitations.
No determination and assessment of contributions, interest, or penalties shall be made, and no action for the collection of contributions, interest, or penalties which is not based upon a final determination and assessment shall be brought against any employing unit, more than four years after the last day of the month immediately following the calendar quarter in which the wages, upon which such contributions accrued, were paid. This paragraph shall not apply to any employing unit which, for the purpose of evading the payment of contributions, interest or penalties, has willfully failed to pay any contribution, interest or penalty, or part thereof, or to file any report, when required by the provisions of this Act or the rules and regulations of the Director, or has knowingly made a false statement or knowingly failed to disclose a material fact.

Commencing July 1, 1951, whenever the interest provided for in Section 1401 on contributions in any quarter, has accrued to sixty per cent of the amount of the contributions due from any employing unit for such quarter prior to the payment of any part of such contributions, no action shall be brought, or determination and assessment made, against such employing unit for collection of the interest in excess of said sixty per cent of such contributions; provided, however, that nothing herein contained shall be construed to act as a limitation upon the collection of any interest which has accrued prior to July 1, 1951.
(Source: Laws 1957, p. 2667.)

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Sec. 2208. Jurisdiction over resident and nonresident employing units.
Any employing unit which is not a resident of this State and which exercises the privilege of having one or more individuals perform services for it within this State, and any resident employing unit which exercises that privilege and thereafter removes from this State, shall be deemed thereby to appoint the Secretary of State as its agent and attorney for the acceptance of process or notice in any judicial or administrative proceeding under this Act. The filing of such process or notice with the Secretary of State shall be sufficient service upon or notice to such employing unit and shall be of the same force and validity as if served upon it personally within this State if (A) notice of the service of such process or notice together with a copy thereof is sent by certified or registered mail, return receipt requested, to such employing unit at its principal place of business or its last known place of business or residence and (B) an affidavit of compliance with the provisions of this Section and a copy of the notice of service are appended to the original of the process filed in the course of such action.

Such continuances in any such action shall be granted as are necessary to afford such employing unit a reasonable opportunity to defend its interests.
(Source: Laws 1957, p. 2667.)

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Sec. 2208.1. Return receipts.

Whenever any provision of this Act requires service by certified or registered mail, either a paper return receipt issued by the United States Postal Service or an electronic return receipt issued by the United States Postal Service shall constitute proof of service.

(Source: P.A. 98-107, eff. 7-23-13.)

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Sec. 2300. Conduct of hearings-Evidence.

The Director may adopt regulations governing the conduct of hearings held pursuant to any provisions of this Act. All such hearings shall be conducted in a manner provided by such regulations whether or not they prescribe a procedure which conforms to the common law or statutory rules of evidence or other technical rules or procedure, and no informality in the manner of taking testimony, in any such proceeding, nor the admission of evidence contrary to the common law rules of evidence, shall invalidate any decision made by the Director.

(Source: Laws 1951, p. 32.)

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Sec. 2301. Testimony under oath.

At any hearing held pursuant to the provisions of this Act, all testimony shall be given under oath or affirmation.

(Source: Laws 1951, p. 32.)

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Sec. 2302. Admissibility of certified copies.

A copy of any document or record on file with the Director certified to be a true copy by the Director, or the Commissioner of Unemployment Compensation, under the seal of the Department of Employment Security, shall be admissible in evidence at any hearing conducted pursuant to the provisions of this Act and in all judicial proceedings, in the same manner as are public documents.

(Source: P.A. 83-1503.)

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Sec. 2303. Decisions of Board of Review or Director prima facie correct.

At any hearing held pursuant to the provisions of Sections 1508, 1509, 2200, or 2201 and in all judicial proceedings involving the review of any decision of the Board of Review or of any decision, order, ruling, determination and assessment, statement of benefit wages, statement of benefit charges, or rate determination made by the Director, the finding or decision of the Board of Review, or decision, order, ruling, determination and assessment, statement of benefit wages, statement of benefit charges, or rate determination of the Director, sought to be reviewed, shall be prima facie correct, and the burden shall be upon the person seeking such review to establish the contrary.

(Source: P.A. 85-1009.)

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Sec. 2304. Written reports of director's employees as evidence.
At any hearing held pursuant to any of the provisions of this Act and in all judicial proceedings, the written report of any employee of the Director made in the regular course of the performance of such employee's duties, shall be competent evidence of the facts therein contained.
(Source: Laws 1951, p. 32.)

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Sec. 2305. Presumption of validity of determination and assessment-Employing unit's contribution reports prima facie evidence.

In any action for the collection of contributions based upon a determination and assessment by the Director, it shall be presumed that such determination and assessment has been validly made and the burden shall be upon the defendant to prove the contrary. In any hearing conducted pursuant to Sections 2200 or 2201 and in any action for the collection of contributions based upon contribution report forms issued to any employing unit and received by the Director in the regular course of his administration of this Act, such reports shall be admissible into evidence upon presentation without proof of execution and shall be prima facie evidence that the employing unit to whom such reports were issued was an employer during the period covered by such reports and of the liability of such employing unit for the payment of the amount of contributions therein set forth.

(Source: Laws 1951, p. 32.)

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Sec. 2306. Certified copies of decisions or notices as evidence.

A copy of any finding or decision of a claims adjudicator, Referee or the Board of Review and of any decision, order, ruling, determination and assessment, statement of benefit wages, statement of benefit charges, or rate determination made by the Director, and of any notice served by the Director, upon certification by the Commissioner of Unemployment Compensation or the Director to be a true and correct copy, and further certification that the records of the Director disclose that it was duly served upon the employing unit therein named, shall be admissible into evidence in all hearings and judicial proceedings as prima facie proof that it was made, rendered, or issued and that it was duly served upon such employing unit at the time and in the manner stated in such certification.

(Source: P.A. 85-1009.)

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Sec. 2400. Lien upon assets of employer-Commencement-Limitation.
A lien is hereby created in favor of the Director upon all the real and personal property or rights thereto owned or thereafter acquired by any employer from whom contributions, interest or penalties are or may hereafter become due. Such lien shall be for a sum equal to the amount at any time due from such employer to the Director on account of contributions, interest and penalties thereon. Such lien shall attach to such property at the time such contributions, interest or penalties became, or shall hereafter become due. In all cases where a report setting forth the amount of such contributions has been filed with the Director, no action to foreclose such lien shall be brought after 3 years from the date of the filing of such report and in all other cases no action to foreclose such lien shall be brought after 3 years from the date that the determination and assessment of the Director made pursuant to the provisions of this Act became final.
(Source: Laws 1965, p. 1792.)

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Sec. 2401. Recording and release of lien.

A. The lien created by Section 2400 shall be invalid only as to any innocent purchaser for value of stock in trade of any employer in the usual course of such employer's business, and shall be invalid as to any innocent purchaser for value of any of the other assets to which such lien has attached, unless, with respect to liens created prior to January 1, 2020, notice thereof has been filed by the Director in the office of the recorder of the county within which the property subject to the lien is situated or, with respect to liens created on or after January 1, 2020, notice has been filed in the Lien Registry as provided by Section 2401.1. The Director may, in his discretion, for good cause shown, issue a certificate of withdrawal of notice of lien filed against any employer, which certificate shall be recorded in the same manner as herein provided for the recording of notice of liens. Such withdrawal of notice of lien shall invalidate such lien as against any person acquiring any of such employer's property or any interest therein, subsequent to the recordation of the withdrawal of notice of lien, but shall not otherwise affect the validity of such lien, nor shall it prevent the Director from re-recording notice of such lien. In the event notice of such lien is re-recorded, such notice shall be effective as against third persons only as of the date of such re-recordation. Recording a lien in the Lien Registry which had previously been recorded by the Director with a county recorder of deeds shall not constitute a re-recordation of that lien and does not change the original filing date of such lien.

B. The recorder of each county shall procure at the expense of the county a file labeled "Unemployment Compensation Contribution Lien Notice" and an index book labeled "Unemployment Compensation Contribution Lien Index." When a notice of any such lien is presented to him for filing, he shall file it in numerical order in the file and shall enter it alphabetically in the index. The entry shall show the name and last known business address of the employer named in the notice, the serial number of the notice, the date and hour of filing, and the amount of contribution, interest and penalty thereon due and unpaid. When a certificate of complete or partial release of such lien issued by the Director is presented for filing in the office of the recorder where a notice of lien was filed, the recorder shall permanently attach the certificate of release to the notice of lien and shall enter the certificate of release and the date in the Unemployment Compensation Contribution Lien Index on the line where the notice of lien is entered.

C. The Director shall have the power to issue a certificate of partial release of any part of the property subject to the lien if he shall find that the fair market value of that part of such property remaining subject to the lien is at least equal to the amount of all prior liens upon such property plus double the amount of the liability for contributions, interest and penalties thereon remaining unsatisfied.

D. Where the amount of or the liability for the payment of any contribution, interest or penalty is contested by any employing unit against whose property a lien has attached, and the determination of the Director with reference to such contribution has not become final, the Director may issue a certificate of release of lien upon the furnishing of bond by such employing unit in 125% the amount of the sum of such contribution, interest and penalty, for which lien is claimed, with good and sufficient surety to be approved by the Director conditioned upon the prompt payment of such contribution, together with interest and penalty thereon, by such employing unit to the Director immediately upon the decision of the Director in respect to the liability for such contribution, interest and penalty becoming final.

E. When a lien filed by the Director before January 1, 2020 has been satisfied, the Department shall issue a release to the person, or his or her agent, against whom the lien was obtained and such release shall contain in legible letters a statement as follows:

FOR THE PROTECTION OF THE OWNER, THIS RELEASE SHALL BE FILED WITH THE RECORDER OR THE REGISTRAR OF TITLES, IN WHOSE OFFICE, THE LIEN WAS FILED.

E-1. When a lien filed by the Director in the Lien Registry has been satisfied, the Department shall permanently attach a certificate of complete or partial release, as the case may be, in the Lien Registry and provide notice of the release to the person, or his or her agent, against whom the lien was obtained.

F. The Director may, by rule, require, as a condition of withdrawing, releasing, or partially releasing a lien recorded pursuant to this Section, that the employer reimburse the Department for any recording fees paid with respect to the lien.

(Source: P.A. 101-423, eff. 1-1-20.)

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Sec. 2401.1. Lien registry.

A. As used in this Section:
   1. "Debtor" means an employer or individual against whom there is an unpaid determination and assessment collectible by the Director.
   2. "Lien Registry" means the public database maintained by the Department of Revenue as provided by the State Tax Lien Registration Act.

B. A notice of lien filed by the Director in the Lien Registry shall include:
   1. the name last known address of the debtor;
   2. the name and address of the Department;
   3. the lien number assigned to the lien by the Department;
   4. the basis for the lien, including, but not limited to, the amount of contribution, interest, and penalty due and unpaid as of the date of filing in the Lien Registry; and
   5. the county or counties where the real property of the debtor to which the lien will attach is located.

C. When a notice of lien is filed by the Director in the Lien Registry, the lien is perfected and shall be attached to all existing and after-acquired: (1) personal property of the debtor, both tangible and intangible, that is located in any and all counties within the State of Illinois; and (2) real property of the debtor located in the county or counties as specified in the notice of lien.

D. The amount of the lien shall be debt due the Director and shall remain a lien upon all property and rights to: (1) personal property of the debtor, both tangible and intangible, that is located in any and all counties within the State of Illinois; and (2) real property of the debtor located in the county or counties as specified in the notice of lien. Interest and penalty shall accrue on the lien as provided by this Act.

E. A notice of release, partial release, or withdrawal of lien filed in the Lien Registry shall constitute a release, partial release, or withdrawal, as the case may be, of the lien within the Department, the Lien Registry, and any county in which the lien was previously filed. The information contained on the Lien Registry shall be controlling, and the Lien Registry shall supersede the records of any county.

F. Information contained in the Lien Registry shall be maintained and made accessible as provided by Section 1-30 of the State Tax Lien Registration Act.

G. Nothing in this Section shall be construed to invalidate any lien filed by the Department with a county recorder of deeds prior to the effective date of this Act.

H. In the event of conflict between this Section and any other law, this Section shall control.

(Source: P.A. 101-423, eff. 1-1-20.)

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Sec. 2402. Priority of lien.

The lien created by Section 2400 shall be prior to all other liens, whether general or specific, and shall be inferior only to any claim for wages filed pursuant to "An Act to protect employees and laborers in their claims for wages" approved June 15, 1887, as amended, in an amount not exceeding $250.00 for work performed within six months from the date of filing such claim, and to such liens as shall attach prior to the filing of Notice of Lien by the Director as provided in this Act; provided, however, that in all cases where statutory provision is made for the recordation or other public notice of a lien, the lien of the Director shall be inferior only to such liens as shall have been duly recorded, or of which public notice shall have been duly given, in the manner provided by such statute, prior to the filing of notice of lien by the Director as in this Act provided.

(Source: P.A. 101-423, eff. 1-1-20.)

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Sec. 2403. Enforcement of lien.
In addition and as an alternative to any other remedy provided by law, the Director may foreclose the lien created by Section 2400 by petition in the name of the People of the State of Illinois to the Circuit Court of the county wherein the property subject to the lien is situated, in the same manner as provided by law for the foreclosure of other liens, provided that no hearing or proceeding provided by this Act for the review of the liability for the payment of the sums secured by such lien is pending and the time for taking thereof has expired. The process, practice and procedure for such foreclosure shall be the same as provided in the Civil Practice Law, as amended, except that in all such cases, it shall not be necessary that the petition describe the property to which the lien has attached. The employer against whom such petition has been filed shall file in the proceedings a full and complete schedule, under oath, of all property and rights thereto which he owned at the time the contributions, upon which the lien sought to be foreclosed is based, became due, or which he subsequently acquired, and if such employer fails to do so after having been so ordered by the court, he may be punished as in other cases of contempt of court.

The court in any proceeding commenced pursuant to the provisions of this Act may appoint a receiver with power to administer or liquidate the assets subject to the lien, pursuant to the order of the court.

Upon sale of the above stated property, the proceeds shall be applied to the payment of the costs incurred in the proceedings, and the satisfaction of such liens as have attached to the property in the order of their priority; the balance, if any, shall be paid to such parties as the court shall find to be entitled thereto. The Director is hereby empowered to bid at any sale conducted pursuant to the provisions of this Act.

The Director may also enforce the lien created by this Act to the same extent and in the same manner as is provided by the Retailers' Occupation Tax Act, as amended, for the enforcement of the lien created by that Act, except that, notwithstanding any provision of that Act to the contrary, the Director may also enforce the lien created by this Act by using designated agents to serve and enforce bank levies.

The Director's rights to redemption from a judicial sale or a sale for the enforcement of a judgment, or a judgment satisfying indebtedness secured by a mortgage on, any real estate which is subject to a lien created by this Act, which is inferior to the lien enforced or foreclosed by such sale, or the lien securing the indebtedness satisfied, as the case may be, shall be the same as those of the Department of Revenue with reference to the lien created by the Retailers' Occupation Tax Act, and the procedure provided by law for the termination of the rights of redemption by the Department of Revenue shall be applicable to the termination of the rights of redemption of the Director. The statutory notice required to be served upon and endorsed by the Director of Revenue by the Retailers' Occupation Tax Act shall be served upon and endorsed by the Director.
(Source: P.A. 88-655, eff. 9-16-94.)

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Sec. 2404. Court may enjoin delinquent employing unit.

Any employing unit which willfully refuses or fails to pay any contribution, interest, or penalties found to be due to the Director by the Director's final determination and assessment, or refuses or fails to file new hire reports or reports of wages paid to the workforce as required by this Act, after 30 days' written notice of intent to proceed under this Section, sent by the Director to the employing unit at its last known address by registered or certified mail, may be enjoined from operating any business as an "employer", as defined in this Act, anywhere in this State, while such contribution, interest, or penalties remain unpaid, or while either new hire reports or reports of wages paid to the workforce as required by this Act remain unfiled, upon the complaint of the Director in the Circuit Court of the county in which the employing unit resides or has or had a place of business within the State. The provisions of this Section shall be deemed cumulative and in addition to any provision of this Act relating to the collection of contributions by the Director.

(Source: Laws 1965, p. 1792; P.A. 104-285, eff. 1-1-26.)

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Sec. 2405. Process; failure to file reports or make payments.

The process available to the Department of Revenue pursuant to Section 3-7 of the Uniform Penalty and Interest Act with respect to an unpaid trust tax, interest, or penalties shall be available to the Department of Employment Security with respect to unpaid contributions, payments in lieu of contributions, penalties, and interest due pursuant to this Act where any officer or employee of the employer who has the control, supervision, or responsibility of filing wage or contribution reports and making payment of contributions or payments in lieu of contributions pursuant to this Act willfully fails to file the report or make the payment or willfully attempts in any other manner to evade or defeat a liability pursuant to this Act. For purposes of this Section, references to the Department or Director of Revenue in Section 3-7 of the Uniform Penalty and Interest Act shall be deemed to be references to the Department or Director of Employment Security. Procedures for protest and review of a notice of penalty liability under this Section shall be the same as those prescribed for protest and review of a determination and assessment under Section 2200.

(Source: P.A. 97-621, eff. 11-18-11.)

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Sec. 2500. Director not required to pay costs.

Neither the Director nor the State of Illinois shall be required to furnish any bond, or to make a deposit for or pay any costs of any court or the fees of any of its officers in any judicial proceedings in pursuance to the provisions of this Act; provided, further, that whenever enforcement or collection of any judgment liability created by this Act, is levied by any sheriff or coroner upon any personal property, and such property is claimed by any person other than the defendant or is claimed by the defendant as exempt from levy by virtue of the exemption laws of this State, then it shall be the duty of the person making such claim to give notice in writing of his or her claim and of his or her intention to prosecute the same, to the sheriff or coroner within 10 days after the making of the levy; on receiving such notice the sheriff or coroner shall proceed in accordance with the provisions of Part 2 of Article XII of the Code of Civil Procedure, as amended; the giving of such notice within the 10 day period shall be a condition precedent to any judicial action against the sheriff or coroner for wrongfully levying, seizing or selling the property and any such person who fails to give such notice within the time shall be forever barred from bringing any judicial action against such sheriff or coroner for injury or damages to or conversion of the property.

(Source: P.A. 83-1362)

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Sec. 2600. Liability of certain other persons for payment of contributions incurred by delinquent employers*

Every assignee, receiver, trustee in bankruptcy, liquidator, administrator, executor, sheriff, mortgagee, conditional vendor, or any other person who shall sell substantially all of (A) the business, or (B) the stock of goods, or (C) the furniture or fixtures, or (D) the machinery and equipment, or (E) the goodwill of any employing unit shall, at least 7 days prior to the date of such sale, notify the Director of the name and address of the person conducting such sale, the date, the place and the terms of such sale and a description of the property to be sold. Any assignee, receiver, trustee in bankruptcy, liquidator, administrator, executor, sheriff, mortgagee, conditional vendor, or any other person who shall fail to observe the requirements of this section shall be personally responsible for all loss in contributions, penalties and interest attributable to such failure to notify the Director as herein provided.

Any employing unit which shall, outside the usual course of its business, sell or transfer substantially all or any one of the classes of its assets hereinabove enumerated and shall cease to own said business, shall, within 10 days after such sale or transfer, file such reports as the Director shall prescribe and pay the contributions, interest and penalties required by this Act with respect to wages for employment up to the date of said sale or transfer. The purchaser or transferee shall withhold sufficient of the purchase money to cover the amount of all contributions, interest and penalties due and unpaid by the seller or transferor or, if the payment of money is not involved, shall withhold the performance of the condition that constitutes the consideration for the transfer, until such time as the seller shall produce a receipt from the Director showing that the contributions, interest and penalties have been paid or a certificate that no contributions, interest or penalties are due. If the seller or transferor shall fail to pay such contributions within the 10 days specified, then the purchaser or transferee shall pay the money so withheld to the Director of Employment Security. If such seller or transferor shall fail to pay the aforementioned contributions, interest or penalties within the 10 days and said purchaser or transferee shall either fail to withhold such purchase money as above required or fail to pay the same to the Director immediately after the expiration of 10 days from the date of such sale as above required, or shall fail to withhold the performance of the condition that constitutes the consideration for the transfer in cases where the payment of money is not involved or is not the sole consideration, such purchaser or transferee shall be personally liable to the Director for the payment to the Director of the contributions, interest and penalties incurred by the seller or transferor up to the amount of the reasonable value of the property acquired by him.

Any person who shall acquire any property or rights thereto which at the time of such acquisition is subject to a valid lien in favor of the Director shall be personally liable to the Director for a sum equal to the amount of contributions secured by such lien but not to exceed the reasonable value of such property acquired by him.

(Source: P.A. 83-1503.)

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Sec. 2700. Reciprocal arrangements.

The Director is hereby authorized to enter into arrangements with the appropriate agencies of other States or the Federal Government or Canada whereby:

A. Services performed by an individual for a single employing unit for which services are customarily performed by such individual in more than one State shall be deemed to be services performed entirely within any one of the States or Canada (1) in which any part of such individual's service is performed or (2) in which such individual has his residence or (3) in which the employing unit maintains a place of business.

B. Potential rights to benefits accumulated under the unemployment compensation laws of one or more States or Canada or under one or more such laws of the Federal Government, or both, may constitute the basis for the payment of benefits through a single appropriate agency under terms which the Director finds will be fair and reasonable as to all affected interests and will not result in any substantial loss to the State's account in the unemployment trust fund.

C. Wages or employment under an unemployment compensation law of another State or Canada or of the Federal Government, shall be deemed to be wages for insured work for the purpose of determining an individual's rights to benefits under this Act, and wages for insured work shall be deemed to be wages or employment on the basis of which unemployment compensation under such law of another State or Canada or of the Federal Government is payable, but no such arrangement shall be entered into unless it contains provisions for reimbursements to this State's account in the unemployment trust fund for such of the benefits paid under this Act upon the basis of such wages or employment, and provisions for reimbursements therefrom for such of the compensation paid under such other law upon the basis of wages for insured work, as the Director finds will be fair and reasonable as to all affected interests.

D. Contributions due under this Act with respect to wages for insured work shall for the purposes of Section 1401 of this Act be deemed to have been paid to the Director as of the date payment was made as contributions therefor under another State or Federal unemployment compensation law, but no such arrangement shall be entered into unless it contains provisions for such reimbursement to this State's account in the unemployment trust fund of such contributions and the actual earnings thereon as the Director finds will be fair and reasonable as to all affected interests.

E. Contributions, interest, and penalties properly due and owing to any Federal agency or any State by an employing unit, and erroneously paid to this State, may be repaid or transferred to such agency or State, and contributions, interest, and penalties properly due and owing to this State by an employing unit and erroneously paid to any Federal agency or any State may be repaid or transferred to this State. In the event that the State or the Federal agency to which such contributions were erroneously paid has paid benefits based in whole or in part on the wages on which such contributions were paid, such arrangements may provide that such Federal agency or State may deduct such an amount of such benefits paid as the parties to the arrangement shall find is just and equitable, from the contributions, interest, and penalties to be repaid or transferred. In the event that the amount of such benefits, as so found, exceeds the amount of contributions, interest, and penalties erroneously paid, the arrangements may provide for reimbursement of such excess by the Federal agency or State to which such contributions, interest, and penalties should have been paid. Arrangements entered into prior to July 1, 1945, which comply with the provisions of this subsection are hereby validated to the same extent as if they had been entered into on or after July 1, 1945.

F. Notwithstanding any other provision of this Section, the Director shall participate in any arrangements for the payment of benefits on the basis of combining an individual's wages and employment under this Act with his wages and employment under the unemployment

compensation laws of other States or Canada, which are approved by the United States Secretary of Labor or other appropriate Federal agency in consultation with the State unemployment compensation agencies as reasonably calculated to assure the prompt and full payment of benefits in such situations, and which include provisions for (1) applying the base period specified in a single State law to a claim involving the combining of an individual's wages and employment subject to two or more State unemployment compensation laws; and (2) avoiding the duplicate use of wages and employment by reason of such combining.

(Source: P.A. 77-1443.)

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Sec. 2701. Authorization of financial transactions resulting from reciprocal arrangements.
Authority is hereby given to the Director to make and the Treasurer to make or receive payments of such amounts as the Director finds are due to or from this State by reason of any arrangement entered into by him pursuant to the provisions of Sections 2700 and 2702. Reimbursements of benefits paid pursuant to such arrangements shall be deemed to be benefits for the purpose of Section 2100. The Director is authorized to make to other State, Canadian or Federal agencies and to receive from such other State, Canadian or Federal agencies reimbursements from or to this State's account in the unemployment trust fund in accordance with arrangements entered into pursuant to Section 2700.
(Source: P.A. 77-1443.)

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Sec. 2702. Exchange of information, services and facilities-Equality of rights of nonresidents.

A. The administration of this Act and of other State and Federal unemployment compensation and public employment service laws will be promoted by cooperation between this State and such other States and the appropriate Federal agencies in exchanging services, and making available facilities and information. The Director is therefore authorized to make such investigations, secure and transmit such information, make available such services and facilities and exercise such of the other powers provided herein with respect to the administration of this Act as he deems necessary or appropriate to facilitate the administration of any such unemployment compensation or public employment service law and, in like manner, to accept and utilize information, services, and facilities made available to this State by the agency charged with the administration of any such other unemployment compensation or public employment service law.

B. To the extent permissible under the laws and Constitution of the United States, the Director is authorized to enter into or cooperate in arrangements whereby facilities and services provided under this Act and facilities and services provided under the unemployment compensation law of any foreign government may be utilized for the taking of claims and the payment of benefits under this Act or under the unemployment compensation law of such foreign government.

C. Benefits shall not be denied or reduced to an individual solely because he files a claim in another State or in Canada or solely because he resides in another State or in Canada at the time he files a claim for benefits.

(Source: P.A. 77-1443.)

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Sec. 2800. Violations and penalties.

A. It shall be unlawful for any person or employing unit to--

1. Make a false statement or representation or fail to disclose a material fact:
   a. To obtain, or increase, or prevent, or reduce any benefit or payment under the provisions of this Act, or under the unemployment compensation law of any State or the Federal Government, either for himself or for any other person; or
   b. To avoid or reduce any contribution or other payment required from an employing unit under this Act.
2. Fail to pay a contribution due under the provisions of this Act.
3. Fail to furnish any report, audit, or information duly required by the Director under this Act.
4. Refuse to allow the Director or his duly authorized representative to inspect or copy the pay roll or other records or documents relative to the enforcement of this Act or required by this Act.
5. Make any deduction from the wages of any individual in its employ because of its liability for the payment of contributions required by this Act.
6. Knowingly fail to furnish to any individual in its employ any notice, report, or information duly required under the provisions of this Act or the rules or regulations of the Director.
7. Attempt to induce any individual, directly or indirectly (by promise of re-employment or by threat not to employ or not to re-employ or by any other means), to refrain from claiming or accepting benefits or to waive any other rights under this Act; or to maintain a rehiring policy which discriminates against former individuals in its employ by reason of their having claimed benefits.
8. Pay contributions upon wages for services not rendered for such employing unit if the purpose of such payment is either to reduce the amount of contributions due or to become due from any employing unit or to affect the benefit rights of any individual.
9. Solicit, or aid or abet the solicitation of, information from any individual concerning his place of employment, residence, assets or earnings, by any means which are intended to mislead such individual to believe that the person or employing unit seeking such information is the Department or one of its Divisions or branches, or a representative thereof.

B. Any employing unit or person who willfully violates any provision of this Section or any other provision of this Act or any rule or regulation promulgated thereunder, or does any act prohibited by this Act, or who fails, neglects, or refuses to perform any duty required by any provision of this Act or rule or regulation of the Director, within the time prescribed by the Director, for which no penalty has been specifically provided, or who fails, neglects, or refuses to obey any lawful order given or made by the Director, shall be guilty of a Class B misdemeanor, and each such act, failure, neglect, or refusal shall constitute a separate and distinct offense. An employing unit's or person's willful filing of a fraudulent quarterly wage report shall constitute a Class 4 felony if the amount of contributions owed with respect to the quarter is less than $300 and a Class 3 felony if the amount of contributions owed with respect to the quarter is $300 or more. An employing unit's or person's willful failure to honor a subpoena issued by the Department shall constitute a Class 4 felony. If a person or employing unit described in this Section is a corporation, the president, the secretary, and the treasurer, and any other officer exercising corresponding functions, shall each be subject to the aforesaid penalties for the violation of any provisions of this Section of which he or they had or, in the exercise of his or their duties, ought to have had knowledge, not including the provisions regarding the filing of a fraudulent quarterly wage report or the willful failure to honor a subpoena.

(Source: P.A. 98-107, eff. 7-23-13.)**Back to top**

Sec. 2900. Moneys and increments to be sole source of benefits-Non-priority of rights.
The moneys payable under this Act, together with increments thereon, shall be the sole and exclusive source for the payment of benefits payable hereunder, and such benefits shall be deemed to be due and payable only to the extent that such moneys payable under this Act with increments thereon, are available.

Nothing in this Act shall be construed to grant any employer or individuals in his service prior claims or rights to the amounts paid by him either on his own behalf or on behalf of such individuals.
(Source: Laws 1951, p. 32.)

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Sec. 3000. Separability of provisions.

If any provision of this Act or the application thereof to any person or circumstance, is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances, shall not be affected thereby.

(Source: Laws 1951, p. 32.)

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Sec. 3100. Saving clause.

The legislature reserves the power to amend or repeal this Act at any time, and all rights, privileges or immunities conferred by this Act, or by acts done pursuant thereto, shall exist subject to such power.
(Source: Laws 1951, p. 32.)

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Sec. 3200. Title of act.

This Act may be cited as the Unemployment Insurance Act. Whenever the term “unemployment compensation” appears in this Act it shall mean “unemployment insurance”.

(Source: P.A. 86-1475.)

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HEALTH CARE WORKER BACKGROUND CHECK ACT
(225 ILCS 46/25, 40, 55, 60)

Sec. 25. Hiring of people with criminal records by health care employers and long-term care facilities.

(a) A health care employer or long-term care facility may hire, employ, or retain any individual in a position involving direct care for clients, patients, or residents or access to the living quarters or the financial, medical, or personal records of clients, patients, or residents who has been convicted of committing or attempting to commit one or more of the following offenses under the laws of this State, or of an offense that is substantially equivalent to the following offenses under the laws of any other state or of the laws of the United States, as verified by court records, records from a state agency, or a Federal Bureau of Investigation criminal history records check, only with a waiver described in Section 40: those defined in Sections 8-1(b), 8-1.1, 8-1.2, 9-1, 9-1.2, 9-2, 9-2.1, 9-3, 9-3.1, 9-3.2, 9-3.3, 9-3.4, 10-1, 10-2, 10-3, 10-3.1, 10-4, 10-5, 10-7, 11-1.20, 11-1.30, 11-1.40, 11-1.50, 11-1.60, 11-6, 11-9.1, 11-9.2, 11-9.3, 11-9.4-1, 11-9.5, 11-19.2, 11-20.1, 11-20.1B, 11-20.3, 12-1, 12-2, 12-3.05, 12-3.1, 12-3.2, 12-3.3, 12-4, 12-4.1, 12-4.2, 12-4.3, 12-4.4, 12-4.5, 12-4.6, 12-4.7, 12-7.4, 12-11, 12-13, 12-14, 12-14.1, 12-15, 12-16, 12-19, 12-20.5, 12-21, 12-21.5, 12-21.6, 12-32, 12-33, 12C-5, 12C-10, 16-1, 16-1.3, 16-25, 16A-3, 17-3, 17-56, 18-1, 18-2, 18-3, 18-4, 18-5, 19-1, 19-3, 19-4, 19-6, 20-1, 20-1.1, 24-1, 24-1.2, 24-1.5, 24-1.8, 24-3.8, or 33A-2, or subdivision (a)(4) of Section 11-14.4, or in subsection (a) of Section 12-3 or subsection (a) or (b) of Section 12-4.4a, of the Criminal Code of 1961 or the Criminal Code of 2012; those provided in Section 4 of the Wrongs to Children Act; those provided in Section 53 of the Criminal Jurisprudence Act; those defined in subsection (c), (d), (e), (f), or (g) of Section 5 or Section 5.1, 5.2, 7, or 9 of the Cannabis Control Act; those defined in the Methamphetamine Control and Community Protection Act; those defined in Sections 401, 401.1, 404, 405, 405.1, 407, or 407.1 of the Illinois Controlled Substances Act; or subsection (a) of Section 3.01, Section 3.02, or Section 3.03 of the Humane Care for Animals Act.

(a-1) A health care employer or long-term care facility may hire, employ, or retain any individual in a position involving direct care for clients, patients, or residents or access to the living quarters or the financial, medical, or personal records of clients, patients, or residents who has been convicted of committing or attempting to commit one or more of the following offenses under the laws of this State, or of an offense that is substantially equivalent to the following offenses under the laws of any other state or of the laws of the United States, as verified by court records, records from a state agency, or a Federal Bureau of Investigation criminal history records check, only with a waiver described in Section 40: those offenses defined in Section 12-3.3, 12-4.2-5, 16-2, 16-30, 16G-15, 16G-20, 17-33, 17-34, 17-36, 17-44, 18-5, 20-1.2, 24-1.1, 24-1.2-5, 24-1.6, 24-3.2, or 24-3.3, or subsection (b) of Section 17-32, subsection (b) of Section 18-1, or subsection (b) of Section 20-1, of the Criminal Code of 1961 or the Criminal Code of 2012; Section 4, 5, 6, 8, or 17.02 of the Illinois Credit Card and Debit Card Act; or Section 11-9.1A of the Criminal Code of 1961 or the Criminal Code of 2012 or Section 5.1 of the Wrongs to Children Act; or (ii) violated Section 50-50 of the Nurse Practice Act.

A health care employer is not required to retain an individual in a position with duties involving direct care for clients, patients, or residents, and no long-term care facility is required to retain an individual in a position with duties that involve or may involve contact with residents or access to the living quarters or the financial, medical, or personal records of residents, who has been

convicted of committing or attempting to commit one or more of the offenses enumerated in this subsection.

(b) A health care employer shall not hire, employ, or retain, whether paid or on a volunteer basis, any individual in a position with duties involving direct care of clients, patients, or residents, and no long-term care facility shall knowingly hire, employ, or retain, whether paid or on a volunteer basis, any individual in a position with duties that involve or may involve contact with residents or access to the living quarters or the financial, medical, or personal records of residents, if the health care employer becomes aware that the individual has been convicted in another state of committing or attempting to commit an offense that has the same or similar elements as an offense listed in subsection (a) or (a-1), as verified by court records, records from a state agency, or an FBI criminal history record check, unless the applicant or employee obtains a waiver pursuant to Section 40 of this Act. This shall not be construed to mean that a health care employer has an obligation to conduct a criminal history records check in other states in which an employee has resided.

(c) A health care employer shall not hire, employ, or retain, whether paid or on a volunteer basis, any individual in a position with duties involving direct care of clients, patients, or residents, who has a finding by the Department of abuse, neglect, misappropriation of property, or theft denoted on the Health Care Worker Registry.

(d) A health care employer shall not hire, employ, or retain, whether paid or on a volunteer basis, any individual in a position with duties involving direct care of clients, patients, or residents if the individual has a verified and substantiated finding of abuse, neglect, or financial exploitation, as identified within the Adult Protective Service Registry established under Section 7.5 of the Adult Protective Services Act.

(e) A health care employer shall not hire, employ, or retain, whether paid or on a volunteer basis, any individual in a position with duties involving direct care of clients, patients, or residents who has a finding by the Department of Human Services denoted on the Health Care Worker Registry of physical or sexual abuse, financial exploitation, egregious neglect, or material obstruction of an investigation.

(Source: P.A. 103-76, eff. 6-9-23; 103-428, eff. 1-1-24; 103-605, eff. 7-1-24.)

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Sec. 40. Waiver.

(a) Any student, applicant, or employee listed on the Health Care Worker Registry may request a waiver of the prohibition against employment by:
  (1) completing a waiver application on a form prescribed by the Department of Public Health;
  (2) providing a written explanation of each conviction to include (i) what happened, (ii) how many years have passed since the offense, (iii) the individuals involved, (iv) the age of the applicant at the time of the offense, and (v) any other circumstances surrounding the offense; and
  (3) providing official documentation showing that all fines have been paid, if applicable and except for in the instance of payment of court-imposed fines or restitution in which the applicant is adhering to a payment schedule, and the date probation or parole was satisfactorily completed, if applicable.

(b) The applicant may, but is not required to, submit employment and character references and any other evidence demonstrating the ability of the applicant or employee to perform the employment responsibilities competently and evidence that the applicant or employee does not pose a threat to the health or safety of residents, patients, or clients.

(c) The Department of Public Health may, at the discretion of the Director of Public Health, grant a waiver to an applicant, student, or employee listed on the Health Care Worker Registry. The Department of Public Health shall act upon the waiver request within 30 days of receipt of all necessary information, as defined by rule. The Department of Public Health shall send an applicant, student, or employee written notification of its decision whether to grant a waiver, including listing the specific disqualifying offenses for which the waiver is being granted or denied. The Department shall issue additional copies of this written notification upon the applicant's, student's, or employee's request.

(d) An individual shall not be employed from the time that the employer receives a notification from the Department of Public Health based upon the results of a fingerprint-based criminal history records check containing disqualifying conditions until the time that the individual receives a waiver.

(e) The entity responsible for inspecting, licensing, certifying, or registering the health care employer and the Department of Public Health shall be immune from liability for any waivers granted under this Section.

(f) A health care employer is not obligated to employ or offer permanent employment to an applicant, or to retain an employee who is granted a waiver under this Section.

(Source: P.A. 100-432, eff. 8-25-17; 101-176, eff. 7-31-19.)

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Sec. 55. Immunity from liability.

A health care employer shall not be liable for the failure to hire or to retain an applicant or employee who has been convicted of committing or attempting to commit one or more of the offenses enumerated in subsection (a) of Section 25 of this Act. However, if an employee is suspended from employment based on the results of a criminal background check conducted under this Act and the results prompting the suspension are subsequently found to be inaccurate, the employee is entitled to recover backpay from his or her health care employer for the suspension period provided that the employer is the cause of the inaccuracy. The Department of Public Health is not liable for any hiring decisions, suspensions, or terminations.

No health care employer shall be chargeable for any benefit charges that result from the payment of unemployment benefits to any claimant when the claimant's separation from that employer occurred because the claimant's criminal background included an offense enumerated in subsection (a) of Section 25, or the claimant's separation from that health care employer occurred as a result of the claimant violating a policy that the employer was required to maintain pursuant to the Drug Free Workplace Act.

(Source: P.A. 95-120, eff. 8-13-07.)

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Sec. 60. Offense.

(a) Any person whose profession is job counseling who knowingly counsels any person who has been convicted of committing or attempting to commit any of the offenses enumerated in subsection (a) of Section 25 to apply for a position with duties involving direct contact with a client, patient, or resident of a health care employer or a position with duties that involve or may involve contact with residents or access to the living quarters or the financial, medical, or personal records of residents of a long-term care facility shall be guilty of a Class A misdemeanor unless a waiver is granted pursuant to Section 40 of this Act.

(b) Subsection (a) does not apply to an individual performing official duties in connection with the administration of the State employment service described in Section 1705 of the Unemployment Insurance Act.

(Source: P.A. 95-120, eff. 8-13-07.)

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NEW HIRE REPORTING ACT
(20 ILCS 1020/30, 40)

Sec. 30. Toll-free telephone line; public service announcements.

(a) The Department of Employment Security shall establish a toll-free telephone line for new hire reporting, employer follow-up to correct errors and facilitate electronic transmission, and an expedited administrative hearing process to determine reasonable cause in non-compliance situations.

(b) The Department of Employment Security shall issue public service announcements and mailings to inform employers about the new hire reporting requirements and procedures pursuant to Section 1801.1 of the Unemployment Insurance Act, including simple instructions on completion of the Form W-4 and information on electronic or magnetic transmission of data.

(Source: P.A. 90-425, eff. 8-15-97.)

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Sec. 40. Emergency judicial hearing.

If the issue of an employer's reasonable cause for failure to comply with the reporting requirements pursuant to Section 1801.1 of the Unemployment Insurance Act is not resolved through the expedited administrative hearing process authorized under subsection (a) of Section 30, the employer may file a petition in the circuit court to seek judicial review of that issue.

(Source: P.A. 90-425, eff. 8-15-97.)

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