

# Advisory Opinion: Unemployment insurance treatment of wages paid by employers with common ownership

Subject: Unemployment insurance treatment of wages paid by employers with common ownership

Type of Impact (Reporting/Cost or Fee/Education Credit/Other - specify): Liability for unemployment insurance contributions

Business or Industry Type Affected: Any businesses that share common ownership

Advisory Opinion (if applicable):

Inquiry is made as to the treatment for purposes of Illinois unemployment insurance contributions of wages paid to individuals who perform services for two or more employers that share common ownership. Section 235A of the Illinois Unemployment Insurance Act provides, in part, that for purposes of determining "wages", 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. As a result, for example, in 2005 (for which the maximum per employee wage amount subject to contributions is \$10,500), only the first \$10,500 of the total combined wages the employers paid to the individual will be subject to contributions. Absent the above-cited language, the first \$10,500 in wages each employer separately paid to the individual would be subject to contributions.