

# Employer Consequences of UI Program Violations



How Does Unemployment Insurance Impact Employers?

In Illinois, UI benefits are funded by employer taxes

Improper payment of UI benefits may result in higher taxes to all employers

Improper payment of benefits is often the result of inaccurate or insufficient information available to determine a claimant's eligibility for benefits claimed.

Employers pay for these improper benefits through higher taxes. In 2010, American employers faced an estimated \$6.86 billion in additional UI costs due to improper payment of UI benefits.

Employer consequences of UI program violations include:

- Personal liability of corporate officers for willfully failing to make UI payments or not submitting information and reports as required.
- Increased employer UI taxes.
- Penalties for late reports and interest charges for late payments.
- Possible inspection by IDES Field Auditor.
- Time off from work to attend mandatory appeal hearings.

## Employer Obligations Under The UI Act

Be an active partner with IDES by complying with the following employer requirements:

- Maintain accurate records of services performed by employees
- Properly classify individuals who perform services as employees versus contractors, per UI Act definitions
- Accurately and timely submit quarterly wage reports and pay UI contributions
- Report all new and rehired employees to the State Directory of New Hires by the due date
- Provide complete and accurate employer separation information
- Respond to request for verification of weekly earnings
- Understand employer responsibilities under the UI Act  
IDES has data sharing agreements with other state and federal agencies

For more employer information please visit ([www.IDES.Illinois.gov](http://www.IDES.Illinois.gov)) or call (800) 247 - 4984

Questions? Call IDES Employer Hot Line at (800) 247 - 4984