

AN ACT concerning employment.

**Be it enacted by the People of the State of Illinois,  
represented in the General Assembly:**

Section 5. The Unemployment Insurance Act is amended by changing Sections 1502.1, 1507.1, 1900, 2201, and 2201.1 as follows:

(820 ILCS 405/1502.1) (from Ch. 48, par. 572.1)

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. 93-634, eff. 1-1-04; 93-1012, eff. 8-24-04; 94-152, eff. 7-8-05.)

(820 ILCS 405/1507.1)

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 ~~records of the transferred trade or business transferor and transferee~~ shall be transferred to the transferee ~~combined for the purpose of determining their rates of contribution~~. 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. 94-301, eff. 1-1-06.)

(820 ILCS 405/1900) (from Ch. 48, par. 640)

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, 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 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.

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 social security number; driver's license or State identification number; ~~account number or~~ 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).

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 Department of 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.

(Source: P.A. 98-1171, eff. 6-1-15; 99-571, eff. 7-15-16; 99-933, eff. 1-27-17; revised 1-31-17.)

(820 ILCS 405/2201) (from Ch. 48, par. 681)

Sec. 2201. Refund or adjustment of contributions. Except as otherwise provided in this Section, not ~~Not~~ later than 3 years after the date upon which ~~the Director first notifies~~ an employing unit ~~that it~~ has paid contributions, interest, or penalties ~~thereon~~ 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. 98-1133, eff. 1-1-15.)

(820 ILCS 405/2201.1) (from Ch. 48, par. 681.1)

Sec. 2201.1. Interest on Overpaid Contributions, Penalties and Interest. The Director shall quarterly ~~semi-annually~~ 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. 98-1133, eff. 1-1-15.)



Public Act 100-0484

HB2699 Enrolled

LRB100 09362 JLS 19524 b

Section 99. Effective date. This Act takes effect upon becoming law.