

AN ACT in relation to unemployment insurance.

**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 Section 235 as follows:

(820 ILCS 405/235) (from Ch. 48, par. 345)

Sec. 235. The term "wages" does not include:

A. That part of the remuneration which, after remuneration equal to \$6,000 with respect to employment has been paid to an individual by an employer during any calendar year after 1977 and before 1980, is paid to such individual by such employer during such calendar year; and that part of the remuneration which, after remuneration equal to \$6,500 with respect to employment has been paid to an individual by an employer during each calendar year 1980 and 1981, is paid to such individual by such employer during that calendar year; and that part of the remuneration which, after remuneration equal to \$7,000 with respect to employment has been paid to an individual by an employer during the calendar year 1982 is paid to such individual by such employer during that calendar year.

With respect to the first calendar quarter of 1983, the term "wages" shall include only the remuneration paid to an individual by an employer during such quarter with respect to employment which does not exceed \$7,000. With respect to the three calendar quarters, beginning April 1, 1983, the term "wages" shall include only the remuneration paid to an individual by an employer during such period with respect to employment which when added to the "wages" (as defined in the preceding sentence) paid to such individual by such employer during the first calendar quarter of 1983, does not exceed \$8,000.

With respect to the calendar year 1984, 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 \$8,000; with respect to calendar years 1985, 1986 and 1987, the term "wages" shall include only the remuneration paid to such individual by such employer during that calendar year with respect to employment which does not exceed \$8,500.

With respect to the calendar years 1988 through 2003 ~~and calendar year 2005 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 \$9,000.

With respect to the calendar year 2004, 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 \$9,800. With respect to the calendar years 2005 through 2009, 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 the following amounts: \$10,500 with respect to the calendar year 2005; \$11,000 with respect to the calendar year 2006; \$11,500 with respect to the calendar year 2007; \$12,000 with respect to the calendar year 2008; and \$12,300 with respect to the calendar year 2009.

With respect to the calendar year 2010 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 the sum of the wage base adjustment applicable to that year pursuant to Section 1400.1, plus the maximum amount includable as "wages" pursuant to this subsection with respect to the immediately preceding calendar year. Notwithstanding any provision to the contrary, the maximum amount includable as "wages" pursuant to this Section shall not be less than \$12,300 or greater than \$12,960 with respect to any calendar year after calendar year 2009.

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, and 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. This subsection applies only to Sections 1400, 1405A, and 1500.

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 his dependents under a plan or system established by an employer which makes provision generally for individuals performing services for him (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 his

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 him 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 him, other than remuneration for services performed, under a shared work plan approved by the Director pursuant to Section 407.1.

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

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