

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 235, 403, 409, 1506.3, and 2100 and by adding Sections 1506.5 and 2108 as follows:

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

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

A. With respect to calendar years prior to calendar year 2004, the maximum amount includable as "wages" shall be determined pursuant to this Section as in effect on January 1, 2006. ~~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, 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.

Except as otherwise provided in subsection A-1, with ~~With~~ respect to the calendar ~~years~~ year 2010, 2011, 2013, 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; for purposes of this sentence, the maximum amount includable as "wages" with respect to calendar year 2013 shall be calculated as though the maximum amount includable as "wages" with respect to calendar year 2012 had been calculated pursuant to this sentence. With respect to calendar year 2012, 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 by this amendatory Act of the 97th General Assembly to Section 1506.3, 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 \$13,560. 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 except calendar year 2012 and except as otherwise provided in subsection A-1.

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. If, by March 1, 2013, the payments attributable to the changes to subsection A by this or any subsequent amendatory Act of the 97th General Assembly do not equal or exceed the loss to this State's account in the unemployment trust fund as a result of Section 1506.5 and the changes made to Section 1506.3 by this or any subsequent amendatory Act of the 97th General Assembly, including unrealized interest, then, with respect to calendar year 2013, 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 \$13,560. For purposes of subsection A, if the maximum amount includable as "wages" with respect to calendar year 2013 is \$13,560, the maximum amount includable as "wages" with respect to calendar year 2014 shall be calculated as though the maximum amount includable as "wages" with respect to calendar year 2013 had been calculated pursuant to subsection A, without regard to this Section.

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; 93-676, eff. 6-22-04; 94-301, eff. 1-1-06.)

(820 ILCS 405/403) (from Ch. 48, par. 403)

Sec. 403. Maximum total amount of benefits.) 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 his or her weekly benefit amount plus dependents' ~~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 his or her 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. If the maximum amount includable as "wages" pursuant to Section 235 is \$13,560 with respect to calendar year 2013, then, with respect to any benefit year beginning after March 31, 2013 and before April 1, 2014, any otherwise eligible individual shall be entitled, during such benefit year, to a maximum total amount of benefits equal to 25 times his or her 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.

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

(820 ILCS 405/409) (from Ch. 48, par. 409)

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 ~~ending 3 weeks~~ 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.

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:

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.

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, 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.

(Source: P.A. 96-30, eff. 6-30-09.)

(820 ILCS 405/1506.3) (from Ch. 48, par. 576.3)

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

A. Notwithstanding any other provision of this Act, the following fund building rates shall be in effect for the following calendar years:

For each employer whose contribution rate for 1988, 1989, 1990, the first, third, and fourth quarters of 1991, 1992, 1993, 1994, 1995, and 1997 through 2003 would, in the absence of this Section, be 0.2% or higher, a contribution rate which is the sum of such rate and a fund building rate of 0.4%;

For each employer whose contribution rate for the second quarter of 1991 would, in the absence of this Section, be 0.2% or higher, a contribution rate which is the sum of such rate and 0.3%;

For each employer whose contribution rate for 1996 would, in the absence of this Section, be 0.1% or higher, a contribution rate which is the sum of such rate and 0.4%;

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.

For each employer whose contribution rate for 2010 and any calendar year thereafter would, in the absence of this Section, be 0.2% or higher, a contribution rate which is the sum of such rate 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. 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 in 1988 and any calendar year thereafter are less than \$50,000 shall pay contributions at a rate with respect to such quarter which exceeds the following: with respect to calendar year 1988, 5%; with respect to 1989 and any calendar year thereafter, 5.4%, plus any penalty contribution rate calculated pursuant to subsection C of Section 1507.1.

Notwithstanding the preceding paragraph of this Section, or any other provision of this Act, no employer's contribution rate with respect to calendar years 1993 through 1995 shall exceed 5.4% if the employer ceased operations at an Illinois manufacturing facility in 1991 and remained closed at that facility during all of 1992, and the employer in 1993 commits to invest at least \$5,000,000 for the purpose of resuming operations at that facility, and the employer rehires during 1993 at least 250 of the individuals employed by it at that facility during the one year period prior to the cessation of its operations, provided that, within 30 days after the effective date of this amendatory Act of 1993, the employer makes application to the Department to have the provisions of this paragraph apply to it. The immediately preceding sentence shall be null and void with respect to an employer which by December 31, 1993 has not satisfied the rehiring requirement specified by this paragraph or which by December 31, 1994 has not made the investment specified by this paragraph. All payments attributable to the fund building rate established pursuant to this Section with respect to the fourth quarter of

calendar year 2003, the first quarter of calendar year 2004 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. Notwithstanding any other provision of this Act, for the second quarter of 1991, the contribution rate of each employer as determined in accordance with Sections 1500, 1506.1, and subsection A of this Section shall be equal to the sum of such rate and 0.1%; provided that this subsection shall not apply to any employer whose rate computed under Section 1506.1 for such quarter is between 5.1% and 5.3%, inclusive, and who qualifies for the 5.4% rate ceiling imposed by the last paragraph of subsection A for such quarter. All payments made pursuant to this subsection shall be deposited in the Employment Security Administrative Fund established under Section 2103.1 and used for the administration of this Act.

C. Payments received by the Director which are insufficient to pay the total contributions due under the Act shall be first applied to satisfy the amount due pursuant to subsection B.

C-1. Payments received by the Director with respect to the

fourth quarter of calendar year 2003, the first quarter of calendar year 2004 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 due pursuant

to subsection B and 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. 93-634, eff. 1-1-04; 94-301, eff. 1-1-06.)

(820 ILCS 405/1506.5 new)

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 Director 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.

(820 ILCS 405/2100) (from Ch. 48, par. 660)

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; and all earnings of such property or securities and any interest earned upon any such moneys shall be paid or turned over to 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 by the Director, 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 ~~his checks for the~~ 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 check shall be drawn on such benefit account unless at the time of drawing there is sufficient money in the account to make the payment ~~pay the check~~. 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 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.

(Source: P.A. 93-634, eff. 1-1-04; 94-1083, eff. 1-19-07.)

(820 ILCS 405/2108 new)

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.

Section 95. Applicability. Section 1506.5 of the Unemployment Insurance Act and the changes made to Section 1506.3 of the Unemployment Insurance Act apply retroactively to January 1, 2011, except that a payment which, as of the effective date of this Act, has already been made with respect to the first quarter of calendar year 2011 pursuant to the Unemployment Insurance Act as in effect immediately prior to the effective date of this Act shall be deposited as required

Public Act 097-0001

HB1030 Enrolled

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by the Unemployment Insurance Act as in effect immediately prior to the effective date of this Act.

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