**Section 2725.115 Claim For Adjustments (Credits) And Refunds**

a) Claims for Adjustments (credits) or Refunds must be signed and should be made online using MyTax Illinois (mytax.illinois.gov) or on the Department form Employer's Claim for Adjustment/Refund and filed at the address listed on the form. Except as provided in this subsection, a claim must be filed within three years after the date the employing unit paid the contributions, interest or penalties that are the basis of the employing unit's claim. In the case of an erroneous payment that occurred January 1, 2015 through September 8, 2017, the employing unit may file the claim for adjustment or refund not later than June 30, 2018 or three years after the date of the erroneous payment, whichever is later. If a claim for adjustment or refund has been timely filed, an employer may file additional information to be considered part of its claim within 30 days after filing the claim.

b) A sufficient Claim for Adjustment (credit) or Refund must meet the requirements set forth in 56 Ill. Adm. Code 2760.150 and shall set forth the reason for the refund as follows:

1) The employer overpaid due to a mathematical error. For example, the employer misplaced a decimal point in computing his or her contributions due;

2) The employer paid at an incorrect rate. For example, the assigned rate was 2.0% and the employer paid at 3.7%. This frequently occurs the first year an employer receives a rate based on its experience;

3) The employer reported wages paid to workers to Illinois that should have been reported to a different state. In this case, the employer must supply the Department with a list of workers' names and Social Security numbers on the form titled "Employer's Correction Report of Wages Previously Reported" if he or she has not already done so on form UC-40C "Employer's Correction Report For The Quarter" (see 56 Ill. Adm. Code 2760.145(a)). If any benefits have been paid to these workers by Illinois, the refund amount shall be adjusted downward to reflect any benefits paid due to the employer's error;

4) The employer reported payments that are excluded from the definition of "wages" by the Act. For example, a sole proprietor reported compensation paid to his or her parents. In these cases, the employer must supply the Department with a list of the workers' names and Social Security numbers on an "Employer's Correction Report For Wages Previously Reported" if he or she has not already done so on an "Employer's Correction Report For The Quarter" (see 56 Ill. Adm. Code 2760.145(a)). If any benefits have been paid to these workers, the refund amount shall be adjusted downward to reflect any benefits paid due to the employer's error;

5) The employer incorrectly reported total payments as wages subject to the payment of contributions;

EXAMPLE: The employer made an error in computing the excess wages. In this case, the employer must file an "Employer's Correction Report Of Wages Previously Reported" to correct his or her error if he or she has already not done so on an "Employer's Correction Report For The Quarter" (see 56 Ill. Adm. Code 2760.145(a)).

6) The employer overpaid due to a rate revision;

EXAMPLE: The employer's rate is revised downward after he or she has already paid the contributions for the quarter, thus creating a credit balance for which he or she can request a refund or adjustment.

7) The employing unit is not an employer subject to the Act, but has paid contributions;

8) Any other circumstances that would show that the employer overpaid his or her contributions;

9) The employing unit has paid interest and/or penalties that were determined not due.

c) If the Claim for Adjustment (credit) or Refund is sufficient, the Department will investigate the allegation in the claim by examining Department records and documents supplied by the employer and then issue a written order.

d) A claim that does not specify the factual basis for the relief sought or does not contain the information required by subsection (b) shall be ruled insufficient. The ruling shall be final and conclusive unless the employer files, within 20 days after the date of mailing of the ruling in accordance with Section 2203 of the Act, a written objection or revised claim, specifically responding to the reasons the original claim was ruled insufficient. The written objection or revised claim must be signed and should be filed online using MyTax Illinois or at the address listed on the ruling. If a written objection or revised claim has been timely filed, an employer may file additional information to be considered as part of its submission within 30 days after the period for filing a written objection or revised claim has ended. The written objection or revised claim shall be reviewed and an order, allowing in whole or in part or denying in whole or in part, shall be issued. An employer disagreeing with the order may appeal to a Director's representative under Subpart C.

(Source: Amended at 43 Ill. Reg. 1537, effective January 15, 2019)