**Section 2760.110 Employing Unit Terminating Business**

a) Any employing unit that terminates business (including dissolution of a partnership), for any reason whatsoever, or transfers or sells substantially all of the assets of the organization, trade or business or a severable portion of those assets to another or changes the trade name of such business shall, within 10 days after such termination, transfer or change of name, give notice in writing of that fact to the Director.

1) If an employer dies, written notice of his death shall be given to the Director by the executor or administrator or other legal representative of his estate within 90 days after the date of death.

2) In the case of bankruptcy or receivership proceedings for the relief of a debtor who is an employing unit, the trustees in bankruptcy, receiver or person designated by order of the court as in control of the assets of the debtor shall give written notice to the Director of such proceedings within 90 days after the commencement of such proceedings.

b) The notice required under this Section shall be mailed to the Department of Employment Security, Revenue Division, 33 S. State St., 10th Floor, Chicago IL 60603. Forms for such notice shall be sent out by the Division upon request or are available on the Department's website, www.ides.illinois.gov.

c) Notwithstanding the requirements of subsections (a) and (b), an employing unit shall cease to be an employer as of the last day of a calendar quarter in which it ceases to pay wages for services in employment and ceases to have any individual performing services for it if, based on all available evidence, the Director determines that, as of the last day of that quarter, the employing unit has permanently ceased to pay wages for services in employment and permanently ceased to have any individual performing services for it. A termination of coverage under this subsection (c) shall be rescinded as of the date that the employing unit begins, later in the same calendar year or in the succeeding calendar year, to have any individual performing services for it on any part of any day. Any Determination and Assessment issued against the employing unit shall be null and void to the extent it pertains to any quarter during which the employing unit paid no wages for services in employment and had no one performing services for it, as long as that quarter is subsequent to the quarter as of the end of which the employing unit's coverage was terminated pursuant to this subsection (c) and prior to the date, if any, as of which the termination was rescinded or as of which the employing unit otherwise again became an employer.

1) EXAMPLE: Employer A (a sole proprietor) employed B (his only employee) as a word processor. B left A's employ in September 2003 and A did not hire anyone else thereafter. A filed a contribution and wage report for the third quarter of 2004, but did not file a contribution and wage report for the fourth quarter of that year. He did not file a notice requesting termination of coverage or otherwise inform the Department that he had ceased to pay wages and no longer had any individual performing services for him. In March 2004, the Department issued a Determination and Assessment against A based upon estimated wages for the fourth quarter of 2003. A failed to file a timely protest and petition for hearing to the Determination and Assessment. In June 2004, A presented evidence to the Department that, since September 2003, he had no one performing services for him and had not paid any wages. With no evidence to suggest otherwise, the Department treated the Determination and Assessment as null and void.

2) EXAMPLE: Employer C (a sole proprietor) employed D (her only employee) as a word processor. In September 2003, C decided that D would continue the word processing work, but as an "independent contractor". C did not report D's wages to the Department, nor pay contributions on those wages, with respect to periods after the third quarter of 2003 and did not file a notice requesting termination of coverage. In March 2004, the Department issued a Determination and Assessment against C based upon estimated wages for the fourth quarter of 2003. C failed to file a timely protest and petition for hearing to the Determination and Assessment, but in June 2004, wrote the Director explaining that D was now working as an "independent contractor". As D was still performing services for C during the fourth quarter, the Director lacked the authority to terminate C's coverage. By not timely protesting the Determination and Assessment, C allowed it to become final and waived her opportunity to reach the merits of whether D was an independent contractor during the fourth quarter.

(Source: Amended at 37 Ill. Reg. 7451, effective May 14, 2013)