**Section 2765.18 Liability of a Third Party Purchaser or Transferee for the Due and Unpaid Contributions, Interest and Penalties of the Seller or Transferor's Seller or Transferor**

Under Section 2600 of the Act, whenever a purchaser or transferee acquires substantially all or a class of the assets (as enumerated in that Section of the Act), it shall be required to follow a procedure set forth in the Act to ensure that any contributions, interest and penalties that are due and unpaid are paid. If these contributions, penalties and interest are not so paid, the purchaser or transferee becomes personally liable for these contributions, the interest and the penalties. Since these amounts are then the personal liabilities of the purchaser or transferee, if the purchaser or transferee then sells or transfers substantially all or a class of the assets (as enumerated in that Section of the Act), the subsequent purchaser or transferee shall also become personally liable for these same amounts if it does not follow the procedure set forth in the Act to insure that any contributions, interest and penalties which are due and unpaid are paid.

Example: Company B purchases all of the assets of Company A which owes contributions, interest and penalties to the Director. Company B does not follow the statutory procedure to ensure that the amounts have been paid. Therefore, Company B is personally liable for these amounts. Company B then sells all of its assets to Company C. Company C does not follow the statutory procedure to ensure that the amounts now owed by Company B have been paid. Company C is now also personally liable for these amounts. Companies A, B and C are jointly and severally liable for the amount originally owed by Company A, and the Director may attempt collection from Company A, Company B or Company C.

(Source: Amended at 43 Ill. Reg. 6480, effective May 14, 2019)