**Section 2765.45 Application of Payment**

a) Whenever the employer makes a payment and it is accompanied by a letter, Employer's Contribution Report or a Statement of Account, the money received shall be applied to the quarter or quarters indicated by the employer.

b) If no designation is made for the application of the remittance, or if the payment received is more than sufficient to cover the quarter to which it applies, the remittance or the excess shall be applied beginning with the oldest or earliest unpaid quarters of the employer, if any.

c) The application of remittance within a quarter is not subject to designation. Within a quarter, all remittance shall be applied first to recording fees paid with respect to liens, as required by 56 Ill. Adm. Code 2790.25, if any, in the order of earliest to latest, then to NSF fees required by Section 2765.44, in the order of earliest to latest, then to penalties, interest and unemployment contributions, in that order.

EXAMPLE: An employer owes $200 in contributions and $50 in interest for the first quarter of 2016. The employer remits $100 and asks that it be credited to the unpaid contributions due for the first quarter of 2016. $50 will be credited to the accrued interest for the first quarter of 2016, and $50 will be credited to the unpaid contributions due for the first quarter of 2016.

(Source: Amended at 43 Ill. Reg. 1585, effective January 15, 2019)