**Section 2765.69 Partial Waiver Of Interest Where An Employer Has Erroneously Paid Its Federal Unemployment Tax Act (FUTA) Tax In Full But Has Failed To Pay Its Illinois Unemployment Insurance Contributions**

Where an employer has erroneously failed to pay its Illinois Unemployment Insurance contributions when due but instead timely paid the full amount of its Federal Unemployment Tax Act (FUTA) liability (6.2% for 1990) and that employer pays the full amount of any contributions, penalties and interest (except the amount of interest that is subject to waiver under this Section) due within 30 days after the date that notice of its failure to pay its Illinois Unemployment Insurance contributions is mailed to the employer, the Director shall grant a partial waiver of interest from the date that the employer made its FUTA payment. The extent of that waiver shall be the amount by which the amount of interest due exceeds the amount of interest that would have been due if the rate of interest imposed were the same as the rate of interest paid by the Secretary of Treasury on amounts held by the Secretary in the federal Unemployment Trust Fund during the same period.

Example: On January 31, 1990, Employer A erroneously pays the full FUTA amount on all of the wages that it paid in 1989 which were subject to that Act. On March 31, 1990, the Director notifies this employer that it has failed to pay its Illinois Unemployment Insurance contributions for 1989. If this employer pays the full amount of contributions, penalties and interest due in this matter by April 30, 1990, the Director will waive the interest due for the period from January 31, 1990 to the date of payment, to the extent that the amount of interest due exceeds the amount of interest that would have been due if the rate of interest imposed were the same as the rate of interest paid by the Secretary of Treasury on amounts held by the Secretary in the federal Unemployment Trust Fund during the same period.

(Source: Added at 16 Ill. Reg. 12165, effective July 20, 1992)