**Section 2765.200 Transfer of Trade or Business Subject to Section 1507.1 of the Act**

a) Within 30 days after the date of any transfer to which Section 1507.1(A)(1) of the Act applies, the transferor and transferee shall provide the Department the number of covered workers employed by the transferor on the last day of business immediately preceding the date of transfer and the number of those workers transferred to the transferee.

b) In the case of a transfer to which Section 1507.1 (A)(1) of the Act applies:

1) Of the benefit charges that were incurred by the transferor, and wages that were paid by the transferor for insured work, for each calendar quarter prior to the quarter in which the transfer takes effect:

A) the percentage apportioned to the transferee shall equal the percentage of the covered workers transferred to the transferee; and

B) the percentage apportioned to the transferor shall equal;

i) the difference between 100% and the percentage apportioned to the transferee pursuant to this subsection (b)(1); or

ii) in the case of multiple transferees, the difference between 100% and the percentage apportioned to the transferees pursuant to this subsection (b)(1).

2) Of the benefit charges that were incurred by the transferor, and wages that were paid by the transferor for insured work prior to the transfer, for the calendar quarter in which the transfer takes effect;

A) the percentage apportioned to the transferee shall equal the percentage of the covered workers transferred to the transferee multiplied by the quotient obtained by dividing the number of the days elapsed in the quarter as of the day of the transfer, including the day of the transfer, by the total number of days in the quarter, rounded to the nearest multiple of .0001% (e.g., if the transfer occurred on November 7, the quotient would be 41.3043% because the transfer occurs on the 38th day of the quarter and there are 92 days in that quarter); and

B) the percentage apportioned to the transferor shall equal:

i) the difference between 100% and the percentage apportioned to the transferee pursuant to this subsection (b)(2); or

ii) in the case of multiple transferees, the difference between 100% and the percentage apportioned to the transferees pursuant to this subsection (b)(2).

EXAMPLE: On November 7, 2017, Employer A transfers 30.0000% of its covered workers to Employer B. At the time of the transfer, there was substantial common ownership, management, or control of Employers A and B. Thirty percent of the benefit charges incurred by A, and 30.0000% of the wages paid by A for insured work, for all quarters prior to the 4th quarter of 2017, will be transferred to Employer B. For the 4th quarter of 2017, since there are 92 days in the quarter, and since the transfer occurred on the 38th day of the quarter, 12.3913% of the benefit charges Employer A incurred, and 12.3913% of the wages Employer A paid for insured work, prior to the transfer, for the quarter (30.0000% of 41.3043%) will be apportioned to Employer B. The remainder will be apportioned to Employer A.

3) For purposes of this subsection (b), the percentage of covered workers transferred to the transferee shall equal the number of covered workers employed by the transferor on the last day of business immediately preceding the date of transfer divided into the number of those workers transferred to the transferee. The percentage shall be calculated to the nearest multiple of .0001% and, if equally near to 2 multiples of .0001%, increased to the higher multiple of .0001%;

EXAMPLE: Employer A has 165 covered workers as of November 6, 2017. On November 7, 2017, Employer A transfers 11 of those workers to Employer B. The percentage of the covered workers transferred to Employer B equals 6.6667 percent (11 divided by 165 equals 0.06666667 calculated to 8 decimal places and equals 6.6667% rounded to the nearest multiple of .0001%).

4) As of the effective date of the transfer, the transferor and transferee shall each be considered to have been liable for the payment of contributions during each calendar year during which the transferor was liable for the payment of contributions.

EXAMPLE: Employer A incurred liability for the payment of contributions in each of the calendar years 2010 through 2017. Prior to the transfer, Employer B incurred liability for the payment of contributions in calendar year 2017. On May 7, 2017, Employer A transfers a portion of its trade or business to Employer B. At the time of the transfer, there was substantial common ownership, management, or control of Employers A and B. As a result, Employers A and B will have incurred liability for the payment of contributions in each of the calendar years 2010 through 2017.

(Source: Amended at 43 Ill. Reg. 1585, effective January 15, 2019; expedited correction at 43 Ill. Reg. 11054, effective January 15, 2019)