**Section 2920.75 Allocation Of Retirement Pay**

a) Whenever an individual has received or will receive amounts as retirement pay as defined by Section 2920.65 for a half month period, an amount shall be deemed to have been paid the individual for each day equal to one-fifteenth of such amounts.

b) Whenever an individual has received or will receive amounts as retirement pay as defined by Section 2920.65 for a one month period, an amount shall be deemed to have been paid the individual for each day equal to one-thirtieth of such amounts.

c) Whenever an individual has received or will receive amounts as retirement pay as defined by Section 2920.65 for any other period, an amount shall be deemed to have been paid the individual for each day in the period equal to the amounts of retirement pay divided by the number of days in the period.

d) Whenever an individual has received or will receive a lump sum amount which constitutes retirement pay under Section 2920.65, and if the retirement pay could have been received on a periodic basis at the option of the individual, an amount shall be deemed to have been paid the individual for each day in the period for which a periodic payment could have been received, provided that the employer has satisfied the notice requirement of this subsection. The amount deemed to have been paid shall be allocated in accordance with the formulas in subsections (a), (b) or (c) above, as appropriate. Within 10 calendar days after notification of the filing of the individual's claim for benefits, the employer must designate by notice to the Director the periodic basis on which the individual could have received the retirement pay, the amount that the individual could have received each period and the duration for which periodic payments could have been made. Failure to so notify the Director shall result in such lump sum payment being treated as disqualifying only for the week in which it was paid under Section 2920.70(c).

Example 1: An individual retires from Company A. In accordance with the company's retirement plan, the individual has the option to receive a lump sum payment of $300,000.00 or a monthly annuity of $3,000.00 for the rest of his life. The individual chooses to receive the lump sum. The individual then files a claim for benefits. If the company notifies the Director within 10 calendar days after notification of the individual's claim for benefits, designating the periodic basis on which the individual could have received retirement payments, the amount the individual could have received each period, and the duration for which the individual could have received the periodic payments, the individual's $300,000.00 lump sum retirement payment will be deemed to have been received in monthly installments of $3,000.00 and will be allocated in accordance with subsection (b).

Example 2: The same situation as that given in the preceding example except that the company fails to notify the Director within 10 calendar days after notification of the individual's claim for benefits of the individual's option to receive periodic retirement payments. The company's failure to give such notice results in the individual's receipt of the lump sum retirement payment being treated as disqualifying only for the week in which it was paid.

(Source: Amended at 18 Ill. Reg. 4166, effective March 3, 1994)