**Section 1570.30 Employer's Tax Liability, When Does It Begin**

Coverage does not begin until an entity's agreement has been approved by the Social Security Administration. During the period between adoption of the Social Security agreement by the entity's governing body and federal approval, the employer has no legal authorization to make social security deductions from the employee's wages under the coverage agreement. However, the employer, with consent of the employees, may make deductions and hold them in an escrow account pending receipt of the Notice of Approval from the State Agency. If an employee resigns during the interim period, and before the date on which federal approval is given, the employee shall be refunded the deductions withheld from his wages for social security purposes. In the event a question arises as to whether final wages of an employee are subject to being included upon initial wage reports, the State Agency shall determine whether tax liability upon said wages has occurred.

(Source: Amended at 8 Ill. Reg. 15903, effective August 16, 1984)