



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB4946

Introduced 2/18/2020, by Rep. Deanne M. Mazzochi

SYNOPSIS AS INTRODUCED:

820 ILCS 405/1400

from Ch. 48, par. 550

Amends the Unemployment Insurance Act. Provides that upon payment of an annual administrative fee not exceeding \$100, during the first 3 calendar quarters an employer may pay its quarterly contributions due for wages in equal installments. Establishes a schedule for payment of the contributions. Provides for the accrual of interest. Authorizes the adoption of necessary rules. Provides that payment on a quarterly basis is not available for calendar years when there are outstanding bonds under the Illinois Unemployment Insurance Trust Fund Financing Act.

LRB101 17198 JLS 66600 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning employment.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Unemployment Insurance Act is amended by
5 changing Section 1400 as follows:

6 (820 ILCS 405/1400) (from Ch. 48, par. 550)

7 Sec. 1400. Payment of contributions.

8 (a) On and after July 1, 1937, contributions shall accrue
9 and become payable by each employer for each calendar year in
10 which he is subject to this Act, with respect to wages payable
11 for employment occurring during the six months' period
12 beginning July 1, 1937, and the calendar years 1938, 1939, and
13 1940. For the year 1941 and for each calendar year thereafter,
14 contributions shall accrue and become payable by each employer
15 upon the wages paid with respect to employment after December
16 31, 1940. Except as otherwise provided in subsection (b) and
17 Section 1400.2, such contributions shall become due and shall
18 be paid quarterly on or before the last day of the month next
19 following the calendar quarter for which such contributions
20 have accrued; except that any employer who is delinquent in
21 filing a contribution report or in paying his contributions for
22 any calendar quarter may, at the discretion of the Director, be
23 required to report and to pay contributions on a calendar month

1 basis. Such contributions shall not be deducted, in whole or in
2 part, from the wages of individuals in such employer's employ.
3 If the Director shall find that the collection of any
4 contributions will be jeopardized by delay, he may declare the
5 same to be immediately due and payable.

6 In the payment of any contributions, interest, or
7 penalties, a fractional part of a cent shall be disregarded
8 unless it amounts to one-half cent or more, in which case it
9 shall be increased to one cent.

10 The Director may by regulation provide that if, at any
11 time, a total amount of less than \$2 is payable with respect to
12 a quarter, including any contributions, payments in lieu of
13 contributions, interest or penalties, such amount may be
14 disregarded. Any amounts disregarded under this paragraph are
15 deemed to have been paid for all other purposes of this Act.
16 Nothing in this paragraph is intended to relieve any employer
17 from filing any reports required by this Act or by any rules or
18 regulations adopted by the Director pursuant to this Act.

19 Except with respect to the provisions concerning amounts
20 that may be disregarded pursuant to regulation, this Section
21 does not apply to any nonprofit organization or any
22 governmental entity referred to in subsection B of Section 1405
23 for any period with respect to which it does not incur
24 liability for the payment of contributions by reason of having
25 elected to make payments in lieu of contributions, or to any
26 political subdivision or municipal corporation for any period

1 with respect to which it is not subject to payments in lieu of
2 contributions under the provisions of paragraph 1 of Section
3 302C by reason of having elected to make payments in lieu of
4 contributions under paragraph 2 of that Section, or to the
5 State of Illinois or any of its instrumentalities.

6 The Director may, by regulation, provide that amounts due
7 from an employing unit for contributions, payments in lieu of
8 contributions, penalties, or interest be paid by an electronic
9 funds transfer, including amounts paid on behalf of an
10 employing unit by an entity representing the employing unit.
11 The regulation shall not apply to an employing unit until the
12 Director notifies the employing unit of the regulation. Except
13 as otherwise provided in this Section, where the employing
14 unit, within 30 days of the date of service of the notice sent
15 pursuant to this amendatory Act of the 98th General Assembly,
16 notifies the Director that it declines to pay by electronic
17 funds transfer, the regulation shall not apply to the employing
18 unit. Except as otherwise provided in this Section, where the
19 employing unit, within 30 days of the date of service of a
20 notice sent pursuant to Section 1509 of this Act, notifies the
21 Director that it declines to pay by electronic funds transfer,
22 the regulation shall not apply to the employing unit with
23 respect to any payment due after the date the employing unit so
24 notifies the Director. The Director is authorized to provide by
25 regulation reasonable penalties for employing units that are
26 subject to and fail to comply with such a regulation. Any

1 employing unit that is not subject to the regulation may elect
2 to become subject to the regulation by paying amounts due for
3 contributions, payments in lieu of contributions, penalties,
4 or interest by an electronic funds transfer. Notwithstanding
5 any other provision to the contrary, in the case of an entity
6 representing 5 or more employing units, neither the entity nor
7 the employing units (for as long as they are represented by
8 that entity) shall have the option to decline to pay by
9 electronic funds transfer.

10 (b) For an annual administrative fee not to exceed \$100, an
11 employer subject to the payment of contributions may pay its
12 quarterly contributions due for wages paid during the first 3
13 quarters of a calendar year in equal installments as follows:

14 (1) For contributions due for wages paid during the
15 first quarter of that calendar year, one-fourth of the
16 contributions due must be paid on or before April 30 of
17 that calendar year, one-fourth must be paid on or before
18 July 31 of that calendar year, one-fourth must be paid on
19 or before October 31 of that calendar year, and one-fourth
20 must be paid on or before January 31 of the succeeding
21 calendar year.

22 (2) In addition to the payments specified in paragraph
23 (1) above, for contributions due for wages paid during the
24 second quarter of that calendar year, one-third of the
25 contributions due must be paid on or before July 31 of that
26 calendar year, one-third must be paid on or before October

1 31 of that calendar year, and one-third must be paid on or
2 before January 31 of the succeeding calendar year.

3 (3) In addition to the payments specified in paragraphs
4 (1) and (2), for contributions due for wages paid during
5 the third quarter of that calendar year, one-half of the
6 contributions due must be paid on or before October 31 of
7 that calendar year, and one-half must be paid on or before
8 January 31 of the succeeding calendar year.

9 (4) The annual administrative fee assessed for
10 electing to pay under this subsection for a calendar year
11 shall be due and payable on or before April 30 of that
12 calendar year and shall be deposited into the Special
13 Administrative Account.

14 Interest shall not accrue on any contribution that becomes
15 due for wages paid during the first 3 quarters of a calendar
16 year if the employer elects to utilize the provisions of this
17 subsection and pays its contributions and administrative fee in
18 accordance with paragraphs (1) through (4). If an employer
19 elects to utilize the provisions of this subsection but fails
20 to pay its contributions when due in accordance with paragraphs
21 (1) through (4), interest shall accrue as of the date that such
22 payment was originally due without regard to this subsection.

23 The Director may promulgate such rules as he or she deems
24 necessary to carry out the provisions of this subsection.

25 The provisions of this subsection shall not be in effect
26 for a calendar year if, as of January 1 of that calendar year,

1 there are bonds outstanding pursuant to the Illinois
2 Unemployment Insurance Trust Fund Financing Act.

3 (Source: P.A. 98-107, eff. 7-23-13.)