



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB5603

Introduced 2/15/2012, by Rep. Carol A. Sente

SYNOPSIS AS INTRODUCED:

820 ILCS 405/502 new

Amends the Unemployment Insurance Act. Authorizes the Department of Employment Security to implement a pilot program to participate in the federal Self-Employment Assistance Program. Defines terms. Provides exceptions to the requirements relating to registering for work and reporting to an employment office. Effective immediately.

LRB097 20340 JLS 65808 b

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 adding Section 502 as follows:

6 (820 ILCS 405/502 new)

7 Sec. 502. Self-Employment Assistance Program.

8 (a) The Department of Employment Security may implement a
9 pilot program to participate in the federal Self-Employment
10 Assistance Program. If the Department chooses to apply for
11 federal approval to participate in the Self-Employment
12 Assistance Program, the Department shall promulgate rules to
13 implement this Section.

14 (b) As used in this Section:

15 "Full-time basis" means that the individual is
16 devoting the amount of time as is determined by the
17 Department to be necessary to establish a business that
18 will serve as a full-time occupation for that individual.

19 "Self-employment assistance activities" means
20 activities (including entrepreneurial training, business
21 counseling, and technical assistance) approved by the
22 Department in which an individual identified through a
23 worker profiling system as likely to exhaust regular

1 benefits participates for the purpose of establishing a
2 business and becoming self-employed.

3 "Self-employment assistance allowance" means an
4 allowance, payable in lieu of regular benefits and from the
5 State's account in the unemployment trust fund to an
6 individual participating in self-employment assistance
7 activities who meets the requirements of this Section.

8 (c) The weekly allowance payable under this Section to an
9 individual is equal to the weekly benefit amount for regular
10 benefits. The sum of (1) the allowance paid under this Section
11 and (2) regular benefits paid with respect to any benefit year
12 may not exceed the maximum benefit amount with respect to such
13 benefit year.

14 (d) The allowance described in subsection (b) of this
15 Section is payable to an individual at the same interval, on
16 the same terms, and subject to the same conditions as regular
17 benefits under this Act, except that:

18 (1) the requirements relating to availability for
19 work, active search for work, and refusal to accept work
20 are not applicable to the individual;

21 (2) the reduction in benefits relating to wages paid is
22 not applicable to income earned from self-employment by the
23 individual;

24 (3) an individual who meets the requirements of this
25 Section is considered to be unemployed; and

26 (4) an individual who fails to participate in

1 self-employment assistance activities or who fails to
2 actively engage on a full-time basis in activities (which
3 may include training) relating to the establishment of a
4 business and becoming self-employed is disqualified for
5 the week the failure occurs.

6 (e) The aggregate number of individuals receiving the
7 self-employment assistance allowance under this Section at any
8 time may not exceed 5% of the number of individuals receiving
9 regular benefits for the week. The Department shall prescribe
10 actions that are necessary to ensure the requirements of this
11 Section are met.

12 (f) Self-employment assistance allowances paid under this
13 Section shall be charged to employers as provided under the
14 provisions of this Act relating to the charging of regular
15 benefits.

16 (g) The provisions of this Section apply to weeks beginning
17 after the effective date of this amendatory Act of the 97th
18 General Assembly or weeks beginning after any plan required by
19 the U.S. Department of Labor is approved by that Department,
20 whichever date is later. The authority provided by this Section
21 terminates as of the end of the week preceding the date when
22 federal law no longer authorizes the provisions of this
23 Section, unless that date is a Saturday in which case the
24 authority terminates as of that date.

25 Section 99. Effective date. This Act takes effect upon
26 becoming law.