

# SB3739



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

SB3739

Introduced 2/10/2012, by Sen. Sue Rezin

#### SYNOPSIS AS INTRODUCED:

820 ILCS 405/1512 new  
820 ILCS 405/2100

from Ch. 48, par. 660

Amends the Unemployment Insurance Act. Provides that, for an annual administrative fee not to exceed \$5, an employer may pay its quarterly contributions due for wages paid in the first 3 quarters of 2013, 2014, and 2015 in specified equal installments. Contains provisions regarding: collection and deposit of the annual administrative fee; interest; and penalties. Effective immediately.

LRB097 17275 WGH 62476 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 adding Section 1512 and by changing Section 2100 as follows:

6 (820 ILCS 405/1512 new)

7 Sec. 1512. Payments for 2013, 2014, and 2015 contributions.  
8 For an annual administrative fee not to exceed \$5, an employer  
9 may pay its quarterly contributions due for wages paid in the  
10 first 3 quarters of 2013, 2014, and 2015 in equal installments  
11 if those contributions are paid as follows:

12 1. For contributions due for wages paid in the first  
13 quarter of each year, one-fourth of the contributions due  
14 must be paid on or before April 30, one-fourth must be paid  
15 on or before July 31, one-fourth must be paid on or before  
16 October 31, and one-fourth must be paid on or before  
17 December 31.

18 2. In addition to the payments specified in paragraph  
19 1, for contributions due for wages paid in the second  
20 quarter of each year, one-third of the contributions due  
21 must be paid on or before July 31, one-third must be paid  
22 on or before October 31, and one-third must be paid on or  
23 before December 31.

1           3. In addition to the payments specified in paragraphs  
2           1 and 2, for contributions due for wages paid in the third  
3           quarter of each year, one-half of the contributions due  
4           must be paid on or before October 31, and one-half must be  
5           paid on or before December 31.

6           4. The annual administrative fee assessed for electing  
7           to pay under the installment method shall be collected at  
8           the time the employer makes the first installment payment  
9           each year. The fee shall be segregated from the payment and  
10           deposited as provided in Section 2100.

11           5. Interest does not accrue on any contribution that  
12           becomes due for wages paid in the first 3 quarters of each  
13           year if the employer pays the contribution in accordance  
14           with paragraphs 1 through 4. Interest and fees continue to  
15           accrue on prior delinquent contributions and commence  
16           accruing on all contributions due for wages paid in the  
17           first 3 quarters of each year which are not paid in  
18           accordance with paragraphs 1 through 3. Penalties may be  
19           assessed in accordance with this Act. The contributions due  
20           for wages paid in the fourth quarter of 2013, 2014, and  
21           2015 are not affected by this paragraph and are due and  
22           payable in accordance with this Act.

23           (820 ILCS 405/2100) (from Ch. 48, par. 660)

24           Sec. 2100. Handling of funds - Bond - Accounts.

25           A. All contributions and payments in lieu of contributions

1 collected under this Act, including but not limited to fund  
2 building receipts and receipts attributable to the surcharge  
3 established pursuant to Section 1506.5, together with any  
4 interest thereon; all penalties collected pursuant to this Act;  
5 any property or securities acquired through the use thereof;  
6 all moneys advanced to this State's account in the unemployment  
7 trust fund pursuant to the provisions of Title XII of the  
8 Social Security Act, as amended; all moneys directed for  
9 transfer from the Master Bond Fund or the Title XII Interest  
10 Fund to this State's account in the unemployment trust fund;  
11 all moneys received from the Federal government as  
12 reimbursements pursuant to Section 204 of the Federal-State  
13 Extended Unemployment Compensation Act of 1970, as amended; all  
14 moneys credited to this State's account in the unemployment  
15 trust fund pursuant to Section 903 of the Federal Social  
16 Security Act, as amended; all administrative fees collected  
17 from individuals pursuant to Section 900 or from employing  
18 units pursuant to Section 1512 or 2206.1; and all earnings of  
19 such property or securities and any interest earned upon any  
20 such moneys shall be paid or turned over to and held by the  
21 Director, as ex-officio custodian of the clearing account, the  
22 unemployment trust fund account and the benefit account, and by  
23 the State Treasurer, as ex-officio custodian of the special  
24 administrative account, separate and apart from all public  
25 moneys or funds of this State, as hereinafter provided. Such  
26 moneys shall be administered by the Director exclusively for

1 the purposes of this Act.

2 No such moneys shall be paid or expended except upon the  
3 direction of the Director in accordance with such regulations  
4 as he shall prescribe pursuant to the provisions of this Act.

5 The State Treasurer shall be liable on his general official  
6 bond for the faithful performance of his duties in connection  
7 with the moneys in the special administrative account provided  
8 for under this Act. Such liability on his official bond shall  
9 exist in addition to the liability upon any separate bond given  
10 by him. All sums recovered for losses sustained by the account  
11 shall be deposited in that account.

12 The Director shall be liable on his general official bond  
13 for the faithful performance of his duties in connection with  
14 the moneys in the clearing account, the benefit account and  
15 unemployment trust fund account provided for under this Act.  
16 Such liability on his official bond shall exist in addition to  
17 the liability upon any separate bond given by him. All sums  
18 recovered for losses sustained by any one of the accounts shall  
19 be deposited in the account that sustained such loss.

20 The Treasurer shall maintain for such moneys a special  
21 administrative account. The Director shall maintain for such  
22 moneys 3 separate accounts: a clearing account, a benefit  
23 account and an unemployment trust fund account. All moneys  
24 payable under this Act (except moneys requisitioned from this  
25 State's account in the unemployment trust fund and deposited in  
26 the benefit account and moneys directed for deposit into the

1 Special Programs Fund provided for under Section 2107),  
2 including but not limited to moneys directed for transfer from  
3 the Master Bond Fund or the Title XII Interest Fund to this  
4 State's account in the unemployment trust fund, upon receipt  
5 thereof by the Director, shall be immediately deposited in the  
6 clearing account; provided, however, that, except as is  
7 otherwise provided in this Section, interest and penalties  
8 shall not be deemed a part of the clearing account but shall be  
9 transferred immediately upon clearance thereof to the special  
10 administrative account; further provided that an amount not to  
11 exceed \$90,000,000 in payments attributable to the surcharge  
12 established pursuant to Section 1506.5, including any interest  
13 thereon, shall not be deemed a part of the clearing account but  
14 shall be transferred immediately upon clearance thereof to the  
15 Title XII Interest Fund.

16 After clearance thereof, all other moneys in the clearing  
17 account shall be immediately deposited by the Director with the  
18 Secretary of the Treasury of the United States of America to  
19 the credit of the account of this State in the unemployment  
20 trust fund, established and maintained pursuant to the Federal  
21 Social Security Act, as amended, except fund building receipts,  
22 which shall be deposited into the Master Bond Fund. The benefit  
23 account shall consist of all moneys requisitioned from this  
24 State's account in the unemployment trust fund. The moneys in  
25 the benefit account shall be expended in accordance with  
26 regulations prescribed by the Director and solely for the

1 payment of benefits, refunds of contributions, interest and  
2 penalties under the provisions of the Act, the payment of  
3 health insurance in accordance with Section 410 of this Act,  
4 and the transfer or payment of funds to any Federal or State  
5 agency pursuant to reciprocal arrangements entered into by the  
6 Director under the provisions of Section 2700E, except that  
7 moneys credited to this State's account in the unemployment  
8 trust fund pursuant to Section 903 of the Federal Social  
9 Security Act, as amended, shall be used exclusively as provided  
10 in subsection B. For purposes of this Section only, to the  
11 extent allowed by applicable legal requirements, the payment of  
12 benefits includes but is not limited to the payment of  
13 principal on any bonds issued pursuant to the Illinois  
14 Unemployment Insurance Trust Fund Financing Act, exclusive of  
15 any interest or administrative expenses in connection with the  
16 bonds. The Director shall, from time to time, requisition from  
17 the unemployment trust fund such amounts, not exceeding the  
18 amounts standing to the State's account therein, as he deems  
19 necessary solely for the payment of such benefits, refunds, and  
20 funds, for a reasonable future period. The Director, as  
21 ex-officio custodian of the benefit account, which shall be  
22 kept separate and apart from all other public moneys, shall  
23 issue payment of such benefits, refunds, health insurance and  
24 funds solely from the moneys so received into the benefit  
25 account. However, after January 1, 1987, no payment shall be  
26 drawn on such benefit account unless at the time of drawing

1 there is sufficient money in the account to make the payment.  
2 The Director shall retain in the clearing account an amount of  
3 interest and penalties equal to the amount of interest and  
4 penalties to be refunded from the benefit account. After  
5 clearance thereof, the amount so retained shall be immediately  
6 deposited by the Director, as are all other moneys in the  
7 clearing account, with the Secretary of the Treasury of the  
8 United States. If, at any time, an insufficient amount of  
9 interest and penalties is available for retention in the  
10 clearing account, no refund of interest or penalties shall be  
11 made from the benefit account until a sufficient amount is  
12 available for retention and is so retained, or until the State  
13 Treasurer, upon the direction of the Director, transfers to the  
14 Director a sufficient amount from the special administrative  
15 account, for immediate deposit in the benefit account.

16 Any balance of moneys requisitioned from the unemployment  
17 trust fund which remains unclaimed or unpaid in the benefit  
18 account after the expiration of the period for which such sums  
19 were requisitioned shall either be deducted from estimates of  
20 and may be utilized for authorized expenditures during  
21 succeeding periods, or, in the discretion of the Director,  
22 shall be redeposited with the Secretary of the Treasury of the  
23 United States to the credit of the State's account in the  
24 unemployment trust fund.

25 Moneys in the clearing, benefit and special administrative  
26 accounts shall not be commingled with other State funds but



1 they shall be deposited as required by law and maintained in  
2 separate accounts on the books of a savings and loan  
3 association or bank.

4 No bank or savings and loan association shall receive  
5 public funds as permitted by this Section, unless it has  
6 complied with the requirements established pursuant to Section  
7 6 of "An Act relating to certain investments of public funds by  
8 public agencies", approved July 23, 1943, as now or hereafter  
9 amended.

10 B. Moneys credited to the account of this State in the  
11 unemployment trust fund by the Secretary of the Treasury of the  
12 United States pursuant to Section 903 of the Social Security  
13 Act may be requisitioned from this State's account and used as  
14 authorized by Section 903. Any interest required to be paid on  
15 advances under Title XII of the Social Security Act shall be  
16 paid in a timely manner and shall not be paid, directly or  
17 indirectly, by an equivalent reduction in contributions or  
18 payments in lieu of contributions from amounts in this State's  
19 account in the unemployment trust fund. Such moneys may be  
20 requisitioned and used for the payment of expenses incurred for  
21 the administration of this Act, but only pursuant to a specific  
22 appropriation by the General Assembly and only if the expenses  
23 are incurred and the moneys are requisitioned after the  
24 enactment of an appropriation law which:

25 1. Specifies the purpose or purposes for which such  
26 moneys are appropriated and the amount or amounts

1           appropriated therefor;

2           2. Limits the period within which such moneys may be  
3           obligated to a period ending not more than 2 years after  
4           the date of the enactment of the appropriation law; and

5           3. Limits the amount which may be obligated during any  
6           fiscal year to an amount which does not exceed the amount  
7           by which (a) the aggregate of the amounts transferred to  
8           the account of this State pursuant to Section 903 of the  
9           Social Security Act exceeds (b) the aggregate of the  
10          amounts used by this State pursuant to this Act and charged  
11          against the amounts transferred to the account of this  
12          State.

13          For purposes of paragraph (3) above, amounts obligated for  
14          administrative purposes pursuant to an appropriation shall be  
15          chargeable against transferred amounts at the exact time the  
16          obligation is entered into. The appropriation, obligation, and  
17          expenditure or other disposition of money appropriated under  
18          this subsection shall be accounted for in accordance with  
19          standards established by the United States Secretary of Labor.

20          Moneys appropriated as provided herein for the payment of  
21          expenses of administration shall be requisitioned by the  
22          Director as needed for the payment of obligations incurred  
23          under such appropriation. Upon requisition, such moneys shall  
24          be deposited with the State Treasurer, who shall hold such  
25          moneys, as ex-officio custodian thereof, in accordance with the  
26          requirements of Section 2103 and, upon the direction of the

1 Director, shall make payments therefrom pursuant to such  
2 appropriation. Moneys so deposited shall, until expended,  
3 remain a part of the unemployment trust fund and, if any will  
4 not be expended, shall be returned promptly to the account of  
5 this State in the unemployment trust fund.

6 C. The Governor is authorized to apply to the United States  
7 Secretary of Labor for an advance or advances to this State's  
8 account in the unemployment trust fund pursuant to the  
9 conditions set forth in Title XII of the Federal Social  
10 Security Act, as amended. The amount of any such advance may be  
11 repaid from this State's account in the unemployment trust  
12 fund.

13 D. The Director shall annually on or before the first day  
14 of March report in writing to the Employment Security Advisory  
15 Board concerning the deposits into and expenditures from this  
16 State's account in the Unemployment Trust Fund.

17 (Source: P.A. 97-1, eff. 3-31-11; 97-621, eff. 11-18-11.)

18 Section 99. Effective date. This Act takes effect upon  
19 becoming law.