

HB3873



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB3873

by Rep. Michael Unes

SYNOPSIS AS INTRODUCED:

820 ILCS 405/1506.1

from Ch. 48, par. 576.1

Amends the Unemployment Insurance Act. Provides that the contribution rate for any calendar year for an employer who has incurred liability for the payment of contributions within each of the 2, rather than 3, preceding calendar years shall be based upon the 2, rather than 3, calendar years immediately preceding the calendar year for which the rate is being determined.

LRB099 08582 JLS 28743 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 1506.1 as follows:

6 (820 ILCS 405/1506.1) (from Ch. 48, par. 576.1)

7 Sec. 1506.1. Determination of Employer's Contribution
8 Rate.

9 A. The contribution rate for any calendar year prior to
10 1991 of each employer whose contribution rate is determined as
11 provided in Sections 1501 through 1507, inclusive, shall be
12 determined in accordance with the provisions of this Act as
13 amended and in effect on November 18, 2011.

14 B. (Blank).

15 C. (Blank).

16 D. (Blank).

17 E. The contribution rate for calendar year 1991 and each
18 calendar year thereafter of each employer who has incurred
19 liability for the payment of contributions within each of the
20 three (in the case of calendar years before 2016) or 2 (in the
21 case of calendar year 2016 and each calendar year thereafter)
22 calendar years immediately preceding the calendar year for
23 which a rate is being determined shall be the product obtained

1 by multiplying the employer's benefit ratio defined by Section
2 1503.1 for that calendar year by the adjusted state experience
3 factor for the same year, provided that:

4 1. Except as otherwise provided in this paragraph, an
5 employer's minimum contribution rate shall be the greater
6 of 0.2% or the product obtained by multiplying 0.2% by the
7 adjusted state experience factor for the applicable
8 calendar year. An employer's minimum contribution rate
9 shall be 0.1% for calendar year 1996. An employer's minimum
10 contribution rate shall be 0.0% for calendar years 2012
11 through 2019.

12 2. An employer's maximum contribution rate shall be the
13 greater of 6.4% or the product of 6.4% and the adjusted
14 state experience factor for the applicable calendar year.

15 3. If any product obtained in this subsection is not an
16 exact multiple of one-tenth of one percent, it shall be
17 increased or reduced, as the case may be to the nearer
18 multiple of one-tenth of one percent. If such product is
19 equally near to two multiples of one-tenth of one percent,
20 it shall be increased to the higher multiple of one-tenth
21 of one percent.

22 4. Intermediate rates between such minimum and maximum
23 rates shall be at one-tenth of one percent intervals.

24 The contribution rate of each employer for whom wages
25 became benefit wages during the applicable period specified in
26 Section 1503 or for whom benefit payments became benefit

1 charges during the applicable period specified in Section
2 1503.1, but who did not report wages for insured work during
3 such period, shall be the maximum contribution rate as
4 determined by paragraph 2 of this subsection. The contribution
5 rate for each employer for whom no wages became benefit wages
6 during the applicable period specified in Section 1503 or for
7 whom no benefit payments became benefit charges during the
8 applicable period specified in Section 1503.1, and who did not
9 report wages for insured work during such period, shall be the
10 greater of 2.7% or 2.7% times the then current adjusted state
11 experience factor as determined by the Director in accordance
12 with the provisions of Sections 1504 and 1505.

13 F. (Blank).

14 G. Notwithstanding the other provisions of this Section, no
15 employer's contribution rate with respect to calendar year 1989
16 and each calendar year thereafter shall exceed 5.4% of the
17 wages for insured work paid by him during any calendar quarter,
18 if such wages paid during such calendar quarter total less than
19 \$50,000, plus any applicable penalty contribution rate
20 calculated pursuant to subsection C of Section 1507.1.

21 (Source: P.A. 97-621, eff. 11-18-11; 97-791, eff. 1-1-13.)