



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB5782

by Rep. Patricia R. Bellock

SYNOPSIS AS INTRODUCED:

20 ILCS 1020/10 new
20 ILCS 1020/30
20 ILCS 1020/40
305 ILCS 5/11-5.2
820 ILCS 405/1802 new
820 ILCS 405/1801.1 rep.

Amends the New Hire Reporting Act, the Illinois Public Aid Code, and the Unemployment Insurance Act. Provides that the operation of the Illinois Directory of New Hires is transferred from the Department of Employment Security to the Department of Healthcare and Family Services. Provides that those departments shall share data access pursuant to a data access agreement. Provides that the Legislative Reference Bureau shall reassign the New Hire Reporting Act in the Illinois Compiled Statutes to reflect the transfer to the Department of Public Health. Effective immediately.

LRB099 16779 JLS 41124 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 New Hire Reporting Act is amended by
5 changing Sections 30 and 40, and adding Section 10 as follows:

6 (20 ILCS 1020/10 new)

7 Sec. 10. Illinois Directory of New Hires.

8 (a) The operation of the automated directory of newly hired
9 employees known as the Illinois Directory of New Hires is
10 transferred from the Department of Employment Security to the
11 Department of Healthcare and Family Services. The Illinois
12 Directory of New Hires shall contain the information required
13 to be reported by employers to the Department of Healthcare and
14 Family Services under subsection (b). In the administration of
15 the Directory, the Department shall comply with any
16 requirements concerning the Employer New Hire Reporting
17 Program established by the federal Personal Responsibility and
18 Work Opportunity Reconciliation Act of 1996. The Department of
19 Employment Security is authorized to use the information
20 contained in the Directory of New Hires to administer any of
21 the provisions of the Unemployment Insurance Act.

22 (b) Each employer in Illinois, except a department, agency,
23 or instrumentality of the United States, shall file with the

1 Department of Healthcare and Family Services a report in
2 accordance with rules adopted by the Department of Healthcare
3 and Family Services (but in any event not later than 20 days
4 after the date the employer hires the employee or, in the case
5 of an employer transmitting reports magnetically or
6 electronically, by 2 monthly transmissions, if necessary, not
7 less than 12 days nor more than 16 days apart) providing the
8 following information concerning each newly hired employee:
9 the employee's name, address, and social security number, the
10 date services for remuneration were first performed by the
11 employee, and the employer's name, address, Federal Employer
12 Identification Number assigned under Section 6109 of the
13 Internal Revenue Code of 1986, and such other information as
14 may be required by federal law or regulation, provided that
15 each employer may voluntarily file the address to which the
16 employer wants income withholding orders to be mailed, if it is
17 different from the address given on the Federal Employer
18 Identification Number. An employer in Illinois which transmits
19 its reports electronically or magnetically and which also has
20 employees in another state may report all newly hired employees
21 to a single designated state in which the employer has
22 employees if it has so notified the Secretary of the United
23 States Department of Health and Human Services in writing. An
24 employer may, at its option, submit information regarding any
25 rehired employee in the same manner as information is submitted
26 regarding a newly hired employee. Each report required under

1 this subsection shall, to the extent practicable, be made on an
2 Internal Revenue Service Form W-4 or, at the option of the
3 employer, an equivalent form, and may be transmitted by first
4 class mail, by telefax, magnetically, or electronically.

5 (c) An employer which knowingly fails to comply with the
6 reporting requirements established by this Section shall be
7 subject to a civil penalty of \$15 for each individual whom it
8 fails to report. An employer shall be considered to have
9 knowingly failed to comply with the reporting requirements
10 established by this Section with respect to an individual if
11 the employer has been notified by the Department of Healthcare
12 and Family Services that it has failed to report an individual,
13 and it fails, without reasonable cause, to supply the required
14 information to the Department of Healthcare and Family Services
15 within 21 days after the date of mailing of the notice. Any
16 individual who knowingly conspires with the newly hired
17 employee to cause the employer to fail to report the
18 information required by this Section or who knowingly conspires
19 with the newly hired employee to cause the employer to file a
20 false or incomplete report shall be guilty of a Class B
21 misdemeanor with a fine not to exceed \$500 with respect to each
22 employee with whom the individual so conspires.

23 (d) As used in this Section, "newly hired employee" means
24 an individual who (i) is an employee within the meaning of
25 Chapter 24 of the Internal Revenue Code of 1986 and (ii) either
26 has not previously been employed by the employer or was

1 previously employed by the employer but has been separated from
2 that prior employment for at least 60 consecutive days;
3 however, "newly hired employee" does not include an employee of
4 a federal or State agency performing intelligence or
5 counterintelligence functions, if the head of that agency has
6 determined that the filing of the report required by this
7 Section with respect to the employee could endanger the safety
8 of the employee or compromise an ongoing investigation or
9 intelligence mission.

10 For the purposes of this Act, the term "employer" has the
11 meaning given by Section 3401(d) of the Internal Revenue Code
12 of 1986 and includes any governmental entity and labor
13 organization as defined by Section 2(5) of the National Labor
14 Relations Act, and includes any entity (also known as a hiring
15 hall) which is used by the organization and an employer to
16 carry out the requirements described in Section 8(f)(3) of that
17 Act of an agreement between the organization and the employer.

18 (e) The Department of Healthcare and Family Services shall
19 grant access to data obtained or held under this Act with the
20 Department of Employment Security. The Department of
21 Healthcare and Family Services and the Department of Employment
22 Security shall enter into an agreement governing the sharing of
23 data under this Act.

24 (f) The Department of Employment Security, in conjunction
25 with the Department of Healthcare and Human Services, shall
26 prepare and implement a plan to transfer all personnel,

1 materials, books, records, appropriations, and equipment
2 related to administration of the New Hire Reporting Act to the
3 Department of Healthcare and Human Services no later than 90
4 days after the effective date of this amendatory Act of the
5 99th General Assembly.

6 (20 ILCS 1020/30)

7 Sec. 30. Toll-free telephone line; public service
8 announcements.

9 (a) The Department of Healthcare and Family Services
10 ~~Employment Security~~ shall establish a toll-free telephone line
11 for new hire reporting, employer follow-up to correct errors
12 and facilitate electronic transmission, and an expedited
13 administrative hearing process to determine reasonable cause
14 in non-compliance situations.

15 (b) The Department of Healthcare and Family Services
16 ~~Employment Security~~ shall issue public service announcements
17 and mailings to inform employers about the new hire reporting
18 requirements and procedures pursuant to Section 10 ~~1801.1~~ of
19 ~~the Unemployment Insurance Act~~, including simple instructions
20 on completion of the Form W-4 and information on electronic or
21 magnetic transmission of data.

22 (Source: P.A. 90-425, eff. 8-15-97.)

23 (20 ILCS 1020/40)

24 Sec. 40. Emergency judicial hearing. If the issue of an

1 employer's reasonable cause for failure to comply with the
2 reporting requirements pursuant to Section 10 ~~1801.1 of the~~
3 ~~Unemployment Insurance Act~~ is not resolved through the
4 expedited administrative hearing process authorized under
5 subsection (a) of Section 30, the employer may file a petition
6 in the circuit court to seek judicial review of that issue.

7 (Source: P.A. 90-425, eff. 8-15-97.)

8 Section 10. The Illinois Public Aid Code is amended by
9 changing Section 11-5.2 as follows:

10 (305 ILCS 5/11-5.2)

11 Sec. 11-5.2. Income, Residency, and Identity Verification
12 System.

13 (a) The Department shall ensure that its proposed
14 integrated eligibility system shall include the computerized
15 functions of income, residency, and identity eligibility
16 verification to verify eligibility, eliminate duplication of
17 medical assistance, and deter fraud. Until the integrated
18 eligibility system is operational, the Department may enter
19 into a contract with the vendor selected pursuant to Section
20 11-5.3 as necessary to obtain the electronic data matching
21 described in this Section. This contract shall be exempt from
22 the Illinois Procurement Code pursuant to subsection (h) of
23 Section 1-10 of that Code.

24 (b) Prior to awarding medical assistance at application

1 under Article V of this Code, the Department shall, to the
2 extent such databases are available to the Department, conduct
3 data matches using the name, date of birth, address, and Social
4 Security Number of each applicant or recipient or responsible
5 relative of an applicant or recipient against the following:

6 (1) Income tax information.

7 (2) Employer reports of income and unemployment
8 insurance payment information maintained by the Department
9 of Employment Security.

10 (3) Earned and unearned income, citizenship and death,
11 and other relevant information maintained by the Social
12 Security Administration.

13 (4) Immigration status information maintained by the
14 United States Citizenship and Immigration Services.

15 (5) Wage reporting and similar information maintained
16 by states contiguous to this State.

17 (6) Employment information maintained by the
18 Department ~~of Employment Security~~ in its New Hire Directory
19 database.

20 (7) Employment information maintained by the United
21 States Department of Health and Human Services in its
22 National Directory of New Hires database.

23 (8) Veterans' benefits information maintained by the
24 United States Department of Health and Human Services, in
25 coordination with the Department of Health and Human
26 Services and the Department of Veterans' Affairs, in the

1 federal Public Assistance Reporting Information System
2 (PARIS) database.

3 (9) Residency information maintained by the Illinois
4 Secretary of State.

5 (10) A database which is substantially similar to or a
6 successor of a database described in this Section that
7 contains information relevant for verifying eligibility
8 for medical assistance.

9 (c) (Blank).

10 (d) If a discrepancy results between information provided
11 by an applicant, recipient, or responsible relative and
12 information contained in one or more of the databases or
13 information tools listed under subsection (b) of this Section
14 or subsection (c) of Section 11-5.3 and that discrepancy calls
15 into question the accuracy of information relevant to a
16 condition of eligibility provided by the applicant, recipient,
17 or responsible relative, the Department or its contractor shall
18 review the applicant's or recipient's case using the following
19 procedures:

20 (1) If the information discovered under subsection (b)
21 of this Section or subsection (c) of Section 11-5.3 does
22 not result in the Department finding the applicant or
23 recipient ineligible for assistance under Article V of this
24 Code, the Department shall finalize the determination or
25 redetermination of eligibility.

26 (2) If the information discovered results in the

1 Department finding the applicant or recipient ineligible
2 for assistance, the Department shall provide notice as set
3 forth in Section 11-7 of this Article.

4 (3) If the information discovered is insufficient to
5 determine that the applicant or recipient is eligible or
6 ineligible, the Department shall provide written notice to
7 the applicant or recipient which shall describe in
8 sufficient detail the circumstances of the discrepancy,
9 the information or documentation required, the manner in
10 which the applicant or recipient may respond, and the
11 consequences of failing to take action. The applicant or
12 recipient shall have 10 business days to respond.

13 (4) If the applicant or recipient does not respond to
14 the notice, the Department shall deny assistance for
15 failure to cooperate, in which case the Department shall
16 provide notice as set forth in Section 11-7. Eligibility
17 for assistance shall not be established until the
18 discrepancy has been resolved.

19 (5) If an applicant or recipient responds to the
20 notice, the Department shall determine the effect of the
21 information or documentation provided on the applicant's
22 or recipient's case and shall take appropriate action.
23 Written notice of the Department's action shall be provided
24 as set forth in Section 11-7 of this Article.

25 (6) Suspected cases of fraud shall be referred to the
26 Department's Inspector General.

1 (e) The Department shall adopt any rules necessary to
2 implement this Section.

3 (Source: P.A. 97-689, eff. 6-14-12; 98-756, eff. 7-16-14.)

4 Section 15. The Unemployment Insurance Act is amended by
5 adding Section 1802 as follows:

6 (820 ILCS 405/1802 new)

7 Sec. 1802. Access to Illinois Directory of New Hires.

8 (a) The Department of Healthcare and Family Services shall
9 grant access to data obtained or held under the New Hire
10 Reporting Act with the Department of Employment Security. The
11 Department of Healthcare and Family Services and the Department
12 of Employment Security shall enter into an agreement governing
13 the sharing of data under the New Hire Reporting Act.

14 (b) The Department of Employment Security is authorized to
15 use the information contained in the Illinois Directory of New
16 Hires established under the New Hire Reporting Act to
17 administer any of the provisions of this Act.

18 (820 ILCS 405/1801.1 rep.)

19 Section 20. The Unemployment Insurance Act is amended by
20 repealing Section 1801.1.

21 Section 90. Illinois Compiled Statutes reassignment.

22 The Legislative Reference Bureau shall reassign the

1 following Act to the specified location in the Illinois
2 Compiled Statutes and file appropriate documents with the Index
3 Division of the Office of the Secretary of State in accordance
4 with subsection (c) of Section 5.04 of the Legislative
5 Reference Bureau Act:

6 New Hire Reporting Act, reassigned from 20 ILCS 1020/
7 to 20 ILCS 2230/.

8 Section 99. Effective date. This Act takes effect upon
9 becoming law.