

1 to a week of unemployment, by virtue of the fact that
2 regular benefits are no longer payable to him under this
3 Act.

4 4. "Interstate Benefit Payment Plan" means the plan
5 approved by the National Association of State Workforce
6 Agencies under which benefits shall be payable to
7 unemployed individuals absent from the state (or states)
8 in which benefit credits have been accumulated.

9 5. "State" when used in this Section includes States
10 of the United States of America, the District of
11 Columbia, Puerto Rico and the Virgin Islands. For
12 purposes of this Section, the term "state" shall also be
13 construed to include Canada.

14 6. Notwithstanding any of the provisions of Sections
15 1404, 1405B, and 1501, no employer shall be liable for
16 payments in lieu of contributions by reason of the
17 payment of additional benefits which are wholly
18 reimbursed to this State by the Federal Government.
19 Additional benefits shall become benefit charges under
20 Section 1501.1 only when an individual is paid such
21 benefits and they are not wholly reimbursed by the
22 Federal Government.

23 B. This Section applies only to an individual who becomes
24 an exhaustee in a week beginning on or after September 9,
25 2001, and before March 10, 2002. An individual to whom this
26 Section applies shall be eligible to receive additional
27 benefits pursuant to this Section for any week beginning
28 before June 9, 2002, if, with respect to such week he has
29 otherwise satisfied the terms and conditions with respect to
30 the receipt of regular benefits under this Act, including but
31 not limited to Sections 601, 602 and 603.

32 C. An individual is an exhaustee with respect to a week
33 if:

34 1. Prior to such week (a) he has received, with

1 respect to his current benefit year that includes such
2 week, the maximum total amount of benefits to which he
3 was entitled under the provisions of Section 403B, and
4 all of the regular benefits (including dependents'
5 allowances) to which he had entitlement (if any) on the
6 basis of wages or employment under any other State
7 unemployment compensation law; or (b) his benefit year
8 terminated, and he cannot meet the qualifying wage
9 requirements of Section 500E of this Act or the
10 qualifying wage or employment requirements of any other
11 State unemployment compensation law to establish a new
12 benefit year which would include such week or, having
13 established a new benefit year that includes such week,
14 he is ineligible for regular benefits by reason of
15 Section 607 of this Act or a like provision of any other
16 State unemployment compensation law; and

17 2. For such week (a) he has no right to benefits or
18 allowances, as the case may be, under the Railroad
19 Unemployment Insurance Act and no rights to extended
20 benefits under section 409 or any other state
21 unemployment insurance law consistent with the terms and
22 conditions of the Federal-State Unemployment Compensation
23 Act of 1970; and (b) he has not received and is not
24 seeking benefits under the unemployment compensation law
25 of Canada, except that if he is seeking such benefits and
26 the appropriate agency finally determines that he is not
27 entitled to benefits under such law, this clause shall
28 not apply.

29 For the purposes of clause (a) of paragraph 1, an
30 individual shall be deemed to have received, with respect to
31 his current benefit year, the maximum total amount of
32 benefits to which he was entitled or all of the regular
33 benefits to which he had entitlement, or all of the regular
34 benefits available to him, as the case may be, even though

1 (a) as a result of a pending reconsideration or appeal with
2 respect to the "finding" defined in Section 701, or of a
3 pending appeal with respect to wages or employment or both
4 under any other State unemployment compensation law, he may
5 subsequently be determined to be entitled to more regular
6 benefits; or (b) by reason of a seasonality provision in a
7 State unemployment compensation law which establishes the
8 weeks of the year for which regular benefits may be paid to
9 individuals on the basis of wages in seasonal employment he
10 may be entitled to regular benefits for future weeks but such
11 benefits are not payable with respect to the week for which
12 he is claiming additional benefits, provided that he is
13 otherwise an exhaustee under the provisions of this
14 subsection with respect to his rights to regular benefits,
15 under such seasonality provision, during the portion of the
16 year in which that week occurs.

17 For the purposes of clause (a) of paragraph 1, an
18 individual is not an exhaustee if, with respect to his
19 current benefit year, any portion of his wage credits were
20 cancelled or any portion of his rights to regular benefits
21 were reduced by reason of the application of a
22 disqualification provision of a State unemployment
23 compensation law. For the purposes of clause (b) of paragraph
24 1, an individual is not an exhaustee if, with respect to his
25 last completed benefit year, any portion of his wage credits
26 were cancelled or any portion of his rights to regular
27 benefits were reduced by reason of the application of a
28 disqualification provision of a State unemployment
29 compensation law.

30 D. 1. The provisions of Section 607 and the waiting
31 period requirements of Section 500D shall not be applicable
32 to any week with respect to which benefits are otherwise
33 payable under this Section.

34 2. An individual shall not cease to be an exhaustee with

1 respect to any week solely because he meets the qualifying
2 wage requirements of Section 500E for a part of such week.

3 E. An exhaustee's "weekly additional benefit amount" for
4 a week shall be the same as his weekly benefit amount plus
5 dependents allowances during his benefit year which includes
6 such week or, if such week is not in a benefit year, during
7 his last completed benefit year. If the exhaustee had more
8 than one weekly benefit amount during his benefit year, his
9 weekly additional benefit amount with respect to such week
10 shall be the latest of such weekly benefit amounts.

11 F. An eligible exhaustee shall be entitled to a maximum
12 total amount of additional benefits under this section equal
13 to the lesser of the following amounts:

14 1. Fifty percent of the maximum total amount of
15 benefits to which he was entitled under Section 403B
16 during his applicable benefit year; or

17 2. Thirteen times his weekly additional benefit
18 amount as determined under subsection E.

19 G. 1. A claims adjudicator shall examine the first claim
20 filed by an individual for additional benefits under this
21 Section and, on the basis of the information in his
22 possession, shall make an "additional benefits finding". Such
23 finding shall state whether or not the individual became an
24 exhaustee within the period established by subsection B and,
25 if so, his weekly additional benefit amount and the maximum
26 total amount of additional benefits to which he is entitled.
27 The claims adjudicator shall promptly notify the individual
28 of his "additional benefits finding", and shall promptly
29 notify the individual's most recent employing unit and the
30 individual's last employer (referred to in Section 1502.1)
31 that the individual has filed a claim for additional
32 benefits. The claims adjudicator may reconsider his
33 "additional benefits finding" at any time within one year
34 after the last week with respect to which the individual

1 received additional benefits under this Section, and shall
2 promptly notify the individual of such reconsidered finding.
3 All of the provisions of this Act applicable to reviews from
4 findings or reconsidered findings made pursuant to Sections
5 701 and 703 which are not inconsistent with the provisions of
6 this subsection shall be applicable to reviews from
7 additional benefits findings and reconsidered additional
8 benefits findings.

9 2. If, pursuant to the reconsideration or appeal with
10 respect to a "finding", referred to in paragraph 3 of
11 subsection C, an exhaustee is found to be entitled to more
12 regular benefits and, by reason thereof, is entitled to more
13 additional benefits, the claims adjudicator shall make a
14 reconsidered additional benefits finding and shall promptly
15 notify the exhaustee thereof.

16 H. The Director shall make an appropriate public
17 announcement of the additional benefits program under this
18 Section.

19 I. Notwithstanding any other provision of this Act, an
20 individual shall be eligible for a maximum of 2 weeks of
21 benefits payable under this Section after he files his
22 initial claim for additional benefits, under the Interstate
23 Benefit Payment Plan unless there exists an extended benefit
24 period in the state where such claim is filed. Such maximum
25 eligibility shall continue as long as the individual
26 continues to file his claim under the Interstate Benefit
27 Payment Plan, notwithstanding that the individual moves to
28 another state where an extended benefit period exists and
29 files for weeks prior to his initial Interstate claim in that
30 state. An individual who commutes from his state of residence
31 to work in Illinois and continues to reside in such state of
32 residence while filing his claim for unemployment insurance
33 under this Section of the Act shall not be considered filing
34 a claim under the Interstate Benefit Payment Plan so long as

1 he files his claim in and continues to report to the
2 employment office under the regulations applicable to
3 intrastate claimants in Illinois.

4 J. Subsection B is not applicable to any individual with
5 respect to any week with respect to which the individual has
6 a right to supplemental benefits or would have a right to
7 supplemental benefits but for subsection B.

8 K. The Director shall take any action or issue any
9 regulations necessary in the administration of this Section
10 to ensure that its provisions are interpreted and applied so
11 as to meet the requirements for certification under Section
12 3304 of the Federal Unemployment Tax Act and Sections 302 and
13 303 of the federal Social Security Act, as interpreted by the
14 United States Secretary of Labor or other appropriate Federal
15 agency.

16 (820 ILCS 405/1403) (from Ch. 48, par. 553)

17 Sec. 1403. Financing benefits paid to state employees.
18 Benefits paid to individuals on the basis of wages paid to
19 them for insured work in the employ of this State or any of
20 its wholly owned instrumentalities shall be financed by
21 appropriations to the Department of Employment Security.
22 There is hereby established a special fund to be known as the
23 State Employees' Unemployment Benefit Fund. Such Fund shall
24 consist of and there shall be deposited in such Fund all
25 moneys appropriated to the Department of Employment Security
26 pursuant to this Section, all interest earned upon such
27 moneys, any property or securities acquired through the use
28 thereof, all earnings of such property or securities, and all
29 other moneys for the Fund received from any other source. The
30 Fund shall be held by the State Treasurer, as ex-officio
31 custodian thereof, separate and apart from all public moneys
32 or funds of this State, but the moneys in the Fund shall be
33 deposited as required by law and maintained in a separate

1 account on the books of a savings and loan association or
2 bank. The Fund shall be administered by the Director
3 exclusively for the purposes of this Section. No moneys in
4 the Fund shall be paid or expended except upon the direction
5 of the Director exclusively for the purposes of this Section.

6 The State Treasurer shall be liable on his general
7 official bond for the faithful performance of his duties as
8 custodian of such moneys as may come into his hands by virtue
9 of this Section. Such liability on his official bond shall
10 exist in addition to the liability upon any separate bond
11 given by him. All sums recovered for losses sustained by the
12 Fund herein described shall be deposited therein.

13 In lieu of contributions required of other employers
14 under this Act, the State Treasurer, upon the direction of
15 the Director, shall transfer to and deposit in the clearing
16 account established by Section 2100, an amount equivalent to
17 the amount of regular benefits and one-half the amount of
18 extended benefits (defined in Section 409) paid for weeks
19 which begin before January 1, 1979, and to the amount of all
20 benefits paid for weeks which begin on and after January 1,
21 1979, to individuals who, during there respective base
22 periods, were paid wages for insured work by the State or any
23 of its wholly owned instrumentalities. If an individual was
24 paid such wages during his base period both by the State or
25 any of such instrumentalities and by one or more other
26 employers, the amount to be so transferred by the State
27 Treasurer with respect to such individual shall be a sum
28 which bears the same ratio to the total benefits paid to the
29 individual as the wages for insured work paid to the
30 individual during his base period by the State and any such
31 instrumentalities bear to the total wages for insured work
32 paid to the individual during the base period by all of the
33 employers. Notwithstanding the previous provisions of this
34 Section with respect to benefit years beginning prior to July

1 1, 1989, any adjustment after September 30, 1989 to the base
2 period wages paid to the individual by any employer shall not
3 affect the ratio for determining the amount to be transferred
4 to the clearing account by the State Treasurer. Provided,
5 however, that with respect to benefit years beginning on or
6 after July 1, 1989, the State Treasurer shall transfer to and
7 deposit in the clearing account an amount equal to 100% of
8 regular or additional benefits, including dependents'
9 allowances, and 100% of extended benefits, including
10 dependents' allowances paid to an individual, but only if the
11 State: (a) is the last employer as provided in Section 1502.1
12 and (b) paid, to the individual receiving benefits, wages for
13 insured work during his base period. If the State meets the
14 requirements of (a) but not (b), with respect to benefit
15 years beginning on or after July 1, 1989, it shall be
16 required to make payments in an amount equal to 50% of
17 regular or additional benefits, including dependents'
18 allowances, and 50% of extended benefits, including
19 dependents' allowances, paid to an individual.

20 The Director shall ascertain the amount to be so
21 transferred and deposited by the State Treasurer as soon as
22 practicable after the end of each calendar quarter. The
23 provisions of paragraphs 4 and 5 of Section 1404B shall be
24 applicable to a determination of the amount to be so
25 transferred and deposited. Such deposit shall be made by the
26 State Treasurer at such times and in such manner as the
27 Director may determine and direct.

28 Every department, institution, agency and instrumentality
29 of the State of Illinois shall make available to the Director
30 such information with respect to any individual who has
31 performed insured work for it as the Director may find
32 practicable and necessary for the determination of such
33 individual's rights under this Act. Each such department,
34 institution, agency and instrumentality shall file such

1 reports with the Director as he may by regulation prescribe.
2 (Source: P.A. 86-3.)

3 (820 ILCS 405/1404) (from Ch. 48, par. 554)
4 Sec. 1404. Payments in lieu of contributions by
5 nonprofit organizations. A. For the year 1972 and for each
6 calendar year thereafter, contributions shall accrue and
7 become payable, pursuant to Section 1400, by each nonprofit
8 organization (defined in Section 211.2) upon the wages paid
9 by it with respect to employment after 1971, unless the
10 nonprofit organization elects, in accordance with the
11 provisions of this Section, to pay, in lieu of contributions,
12 an amount equal to the amount of regular benefits and
13 one-half the amount of extended benefits (defined in Section
14 409) paid to individuals, for any weeks which begin on or
15 after the effective date of the election, on the basis of
16 wages for insured work paid to them by such nonprofit
17 organization during the effective period of such election.
18 Notwithstanding the preceding provisions of this subsection
19 and the provisions of subsection D, with respect to benefit
20 years beginning prior to July 1, 1989, any adjustment after
21 September 30, 1989 to the base period wages paid to the
22 individual by any employer shall not affect the ratio for
23 determining the payments in lieu of contributions of a
24 nonprofit organization which has elected to make payments in
25 lieu of contributions. Provided, however, that with respect
26 to benefit years beginning on or after July 1, 1989, the
27 nonprofit organization shall be required to make payments
28 equal to 100% of regular or additional benefits, including
29 dependents' allowances, and 50% of extended benefits,
30 including dependents' allowances, paid to an individual with
31 respect to benefit years beginning during the effective
32 period of the election, but only if the nonprofit
33 organization: (a) is the last employer as provided in

1 Section 1502.1 and (b) paid to the individual receiving
2 benefits, wages for insured work during his base period. If
3 the nonprofit organization described in this paragraph meets
4 the requirements of (a) but not (b), with respect to benefit
5 years beginning on or after July 1, 1989, it shall be
6 required to make payments in an amount equal to 50% of
7 regular or additional benefits, including dependents'
8 allowances, and 25% of extended benefits, including
9 dependents' allowances, paid to an individual with respect to
10 benefit years beginning during the effective period of the
11 election.

12 1. Any employing unit which becomes a nonprofit
13 organization on January 1, 1972, may elect to make payments
14 in lieu of contributions for not less than one calendar year
15 beginning with January 1, 1972, provided that it files its
16 written election with the Director not later than January 31,
17 1972.

18 2. Any employing unit which becomes a nonprofit
19 organization after January 1, 1972, may elect to make
20 payments in lieu of contributions for a period of not less
21 than one calendar year beginning as of the first day with
22 respect to which it would, in the absence of its election,
23 incur liability for the payment of contributions, provided
24 that it files its written election with the Director not
25 later than 30 days immediately following the end of the
26 calendar quarter in which it becomes a nonprofit
27 organization.

28 3. A nonprofit organization which has incurred liability
29 for the payment of contributions for at least 2 calendar
30 years and is not delinquent in such payment and in the
31 payment of any interest or penalties which may have accrued,
32 may elect to make payments in lieu of contributions beginning
33 January 1 of any calendar year, provided that it files its
34 written election with the Director prior to such January 1,

1 and provided, further, that such election shall be for a
2 period of not less than 2 calendar years.

3 4. An election to make payments in lieu of contributions
4 shall not terminate any liability incurred by an employer for
5 the payment of contributions, interest or penalties with
6 respect to any calendar quarter which ends prior to the
7 effective period of the election.

8 5. A nonprofit organization which has elected, pursuant
9 to paragraph 1, 2, or 3, to make payments in lieu of
10 contributions may terminate the effective period of the
11 election as of January 1 of any calendar year subsequent to
12 the required minimum period of the election only if, prior to
13 such January 1, it files with the Director a written notice
14 to that effect. Upon such termination, the organization shall
15 become liable for the payment of contributions upon wages for
16 insured work paid by it on and after such January 1 and,
17 notwithstanding such termination, it shall continue to be
18 liable for payments in lieu of contributions with respect to
19 benefits paid to individuals on and after such January 1,
20 with respect to benefit years beginning prior to July 1,
21 1989, on the basis of wages for insured work paid to them by
22 the nonprofit organization prior to such January 1, and, with
23 respect to benefit years beginning after June 30, 1989, if
24 such employer was the last employer as provided in Section
25 1502.1 during a benefit year beginning prior to such January
26 1.

27 6. Written elections to make payments in lieu of
28 contributions and written notices of termination of election
29 shall be filed in such form and shall contain such
30 information as the Director may prescribe. Upon the filing of
31 such election or notice, the Director shall either order it
32 approved, or, if it appears to the Director that the
33 nonprofit organization has not filed such election or notice
34 within the time prescribed, he shall order it disapproved.

1 The Director shall serve notice of his order upon the
2 nonprofit organization. The Director's order shall be final
3 and conclusive upon the nonprofit organization unless, within
4 15 days after the date of mailing of notice thereof, the
5 nonprofit organization files with the Director an application
6 for its review, setting forth its reasons in support thereof.
7 Upon receipt of an application for review within the time
8 prescribed, the Director shall order it allowed, or shall
9 order that it be denied, and shall serve notice upon the
10 nonprofit organization of his order. All of the provisions of
11 Section 1509, applicable to orders denying applications for
12 review of determinations of employers' rates of contribution
13 and not inconsistent with the provisions of this subsection,
14 shall be applicable to an order denying an application for
15 review filed pursuant to this subsection.

16 B. As soon as practicable following the close of each
17 calendar quarter, the Director shall mail to each nonprofit
18 organization which has elected to make payments in lieu of
19 contributions a Statement of the amount due from it for the
20 regular or additional benefits and one-half the extended
21 benefits paid (or the amounts otherwise provided for in
22 subsection A) during the calendar quarter, together with the
23 names of its workers or former workers and the amounts of
24 benefits paid to each of them during the calendar quarter,
25 with respect to benefit years beginning prior to July 1,
26 1989, on the basis of wages for insured work paid to them by
27 the nonprofit organization; or, with respect to benefit years
28 beginning after June 30, 1989, if such nonprofit organization
29 was the last employer as provided in Section 1502.1 with
30 respect to a benefit year beginning during the effective
31 period of the election. The amount due shall be payable, and
32 the nonprofit organization shall make payment of such amount
33 not later than 30 days after the date of mailing of the
34 Statement. The Statement shall be final and conclusive upon

1 the nonprofit organization unless, within 20 days after the
2 date of mailing of the Statement, the nonprofit organization
3 files with the Director an application for revision thereof.
4 Such application shall specify wherein the nonprofit
5 organization believes the Statement to be incorrect, and
6 shall set forth its reasons for such belief. All of the
7 provisions of Section 1508, applicable to applications for
8 revision of Statements of Benefit Wages and Statements of
9 Benefit Charges and not inconsistent with the provisions of
10 this subsection, shall be applicable to an application for
11 revision of a Statement filed pursuant to this subsection.

12 1. Payments in lieu of contributions made by any
13 nonprofit organization shall not be deducted or deductible,
14 in whole or in part, from the remuneration of individuals in
15 the employ of the organization, nor shall any nonprofit
16 organization require or accept any waiver of any right under
17 this Act by an individual in its employ. The making of any
18 such deduction or the requirement or acceptance of any such
19 waiver is a Class A misdemeanor. Any agreement by an
20 individual in the employ of any person or concern to pay all
21 or any portion of a payment in lieu of contributions,
22 required under this Act from a nonprofit organization, is
23 void.

24 2. A nonprofit organization which fails to make any
25 payment in lieu of contributions when due under the
26 provisions of this subsection shall pay interest thereon at
27 the rates specified in Section 1401. A nonprofit organization
28 which has elected to make payments in lieu of contributions
29 shall be subject to the penalty provisions of Section 1402.
30 In the making of any payment in lieu of contributions or in
31 the payment of any interest or penalties, a fractional part
32 of a cent shall be disregarded unless it amounts to one-half
33 cent or more, in which case it shall be increased to one
34 cent.

1 3. All of the remedies available to the Director under
2 the provisions of this Act or of any other law to enforce the
3 payment of contributions, interest, or penalties under this
4 Act, including the making of determinations and assessments
5 pursuant to Section 2200, are applicable to the enforcement
6 of payments in lieu of contributions and of interest and
7 penalties, due under the provisions of this Section. For the
8 purposes of this paragraph, the term "contribution" or
9 "contributions" which appears in any such provision means
10 "payment in lieu of contributions" or "payments in lieu of
11 contributions." The term "contribution" which appears in
12 Section 2800 also means "payment in lieu of contributions."

13 4. All of the provisions of Sections 2201 and 2201.1,
14 applicable to adjustment or refund of contributions, interest
15 and penalties erroneously paid and not inconsistent with the
16 provisions of this Section, shall be applicable to payments
17 in lieu of contributions erroneously made or interest or
18 penalties erroneously paid by a nonprofit organization.

19 5. Payment in lieu of contributions shall be due with
20 respect to any sum erroneously paid as benefits to an
21 individual unless such sum has been recouped pursuant to
22 Section 900 or has otherwise been recovered. If such payment
23 in lieu of contributions has been made, the amount thereof
24 shall be adjusted or refunded in accordance with the
25 provisions of paragraph 4 and Section 2201 if recoupment or
26 other recovery has been made.

27 6. A nonprofit organization which has elected to make
28 payments in lieu of contributions and thereafter ceases to be
29 an employer shall continue to be liable for payments in lieu
30 of contributions with respect to benefits paid to individuals
31 on and after the date it has ceased to be an employer, with
32 respect to benefit years beginning prior to July 1, 1989, on
33 the basis of wages for insured work paid to them by it prior
34 to the date it ceased to be an employer, and, with respect to

1 benefit years beginning after June 30, 1989, if such employer
2 was the last employer as provided in Section 1502.1 prior to
3 the date that it ceased to be an employer.

4 7. With respect to benefit years beginning prior to July
5 1, 1989, wages paid to an individual during his base period,
6 by a nonprofit organization which elects to make payments in
7 lieu of contributions, for less than full time work,
8 performed during the same weeks in the base period during
9 which the individual had other insured work, shall not be
10 subject to payments in lieu of contributions (upon such
11 employer's request pursuant to the regulation of the
12 Director) so long as the employer continued after the end of
13 the base period, and continues during the applicable benefit
14 year, to furnish such less than full time work to the
15 individual on the same basis and in substantially the same
16 amount as during the base period. If the individual is paid
17 benefits with respect to a week (in the applicable benefit
18 year) after the employer has ceased to furnish the work
19 hereinabove described, the nonprofit organization shall be
20 liable for payments in lieu of contributions with respect to
21 the benefits paid to the individual after the date on which
22 the nonprofit organization ceases to furnish the work.

23 C. With respect to benefit years beginning prior to July
24 1, 1989, whenever benefits have been paid to an individual on
25 the basis of wages for insured work paid to him by a
26 nonprofit organization, and the organization incurred
27 liability for the payment of contributions on some of the
28 wages because only a part of the individual's base period was
29 within the effective period of the organization's written
30 election to make payments in lieu of contributions, the
31 organization shall pay an amount in lieu of contributions
32 which bears the same ratio to the total benefits paid to the
33 individual as the total wages for insured work paid to him
34 during the base period by the organization upon which it did

1 not incur liability for the payment of contributions (for the
2 aforesaid reason) bear to the total wages for insured work
3 paid to the individual during the base period by the
4 organization.

5 D. With respect to benefit years beginning prior to July
6 1, 1989, whenever benefits have been paid to an individual on
7 the basis of wages for insured work paid to him by a
8 nonprofit organization which has elected to make payments in
9 lieu of contributions, and by one or more other employers,
10 the nonprofit organization shall pay an amount in lieu of
11 contributions which bears the same ratio to the total
12 benefits paid to the individual as the wages for insured work
13 paid to the individual during his base period by the
14 nonprofit organization bear to the total wages for insured
15 work paid to the individual during the base period by all of
16 the employers. If the nonprofit organization incurred
17 liability for the payment of contributions on some of the
18 wages for insured work paid to the individual, it shall be
19 treated, with respect to such wages, as one of the other
20 employers for the purposes of this paragraph.

21 E. Two or more nonprofit organizations which have
22 elected to make payments in lieu of contributions may file a
23 joint application with the Director for the establishment of
24 a group account, effective January 1 of any calendar year,
25 for the purpose of sharing the cost of benefits paid on the
26 basis of the wages for insured work paid by such nonprofit
27 organizations, provided that such joint application is filed
28 with the Director prior to such January 1. The application
29 shall identify and authorize a group representative to act as
30 the group's agent for the purposes of this paragraph, and
31 shall be filed in such form and shall contain such
32 information as the Director may prescribe. Upon his approval
33 of a joint application, the Director shall, by order,
34 establish a group account for the applicants and shall serve

1 notice upon the group's representative of such order. Such
2 account shall remain in effect for not less than 2 calendar
3 years and thereafter until terminated by the Director for
4 good cause or, as of the close of any calendar quarter, upon
5 application by the group. Upon establishment of the account,
6 the group shall be liable to the Director for payments in
7 lieu of contributions in an amount equal to the total amount
8 for which, in the absence of the group account, liability
9 would have been incurred by all of its members; provided,
10 with respect to benefit years beginning prior to July 1,
11 1989, that the liability of any member to the Director with
12 respect to any payment in lieu of contributions, interest or
13 penalties not paid by the group when due with respect to any
14 calendar quarter shall be in an amount which bears the same
15 ratio to the total benefits paid during such quarter on the
16 basis of the wages for insured work paid by all members of
17 the group as the total wages for insured work paid by such
18 member during such quarter bear to the total wages for
19 insured work paid during the quarter by all members of the
20 group, and, with respect to benefit years beginning on or
21 after July 1, 1989, that the liability of any member to the
22 Director with respect to any payment in lieu of
23 contributions, interest or penalties not paid by the group
24 when due with respect to any calendar quarter shall be in an
25 amount which bears the same ratio to the total benefits paid
26 during such quarter to individuals with respect to whom any
27 member of the group was the last employer as provided in
28 Section 1502.1 as the total wages for insured work paid by
29 such member during such quarter bear to the total wages for
30 insured work paid during the quarter by all members of the
31 group. All of the provisions of this Section applicable to
32 nonprofit organizations which have elected to make payments
33 in lieu of contributions, and not inconsistent with the
34 provisions of this paragraph, shall apply to a group account

1 and, upon its termination, to each former member thereof. The
2 Director shall by regulation prescribe the conditions for
3 establishment, maintenance and termination of group accounts,
4 and for addition of new members to and withdrawal of active
5 members from such accounts.

6 F. Whenever service of notice is required by this
7 Section, such notice may be given and be complete by
8 depositing it with the United States Mail, addressed to the
9 nonprofit organization (or, in the case of a group account,
10 to its representative) at its last known address. If such
11 organization is represented by counsel in proceedings before
12 the Director, service of notice may be made upon the
13 nonprofit organization by mailing the notice to such counsel.
14 (Source: P.A. 86-3.)

15 (820 ILCS 405/1405) (from Ch. 48, par. 555)

16 Sec. 1405. Financing Benefits for Employees of Local
17 Governments. A. For the year 1978 and for each calendar year
18 thereafter, contributions shall accrue and become payable,
19 pursuant to Section 1400, by each governmental entity (other
20 than the State of Illinois and its wholly owned
21 instrumentalities) referred to in clause (B) of Section
22 211.1, upon the wages paid by such entity with respect to
23 employment after 1977, unless the entity elects to make
24 payments in lieu of contributions pursuant to the provisions
25 of subsection B. Notwithstanding the provisions of Sections
26 1500 to 1510, inclusive, a governmental entity which has not
27 made such election shall, for liability for contributions
28 incurred prior to January 1, 1984, pay contributions equal to
29 1 percent with respect to wages for insured work paid during
30 each such calendar year or portion of such year as may be
31 applicable. As used in this subsection, the word "wages",
32 defined in Section 234, is subject to all of the provisions
33 of Section 235.

1 B. Any governmental entity subject to subsection A may
2 elect to make payments in lieu of contributions, in amounts
3 equal to the amounts of regular and extended benefits paid to
4 individuals, for any weeks which begin on or after the
5 effective date of the election, on the basis of wages for
6 insured work paid to them by the entity during the effective
7 period of such election. Notwithstanding the preceding
8 provisions of this subsection and the provisions of
9 subsection D of Section 1404, with respect to benefit years
10 beginning prior to July 1, 1989, any adjustment after
11 September 30, 1989 to the base period wages paid to the
12 individual by any employer shall not affect the ratio for
13 determining payments in lieu of contributions of a
14 governmental entity which has elected to make payments in
15 lieu of contributions. Provided, however, that with respect
16 to benefit years beginning on or after July 1, 1989, the
17 governmental entity shall be required to make payments equal
18 to 100% of regular or additional benefits, including
19 dependents' allowances, and 100% of extended benefits,
20 including dependents' allowances, paid to an individual with
21 respect to benefit years beginning during the effective
22 period of the election, but only if the governmental entity:
23 (a) is the last employer as provided in Section 1502.1 and
24 (b) paid to the individual receiving benefits, wages for
25 insured work during his base period. If the governmental
26 entity described in this paragraph meets the requirements of
27 (a) but not (b), with respect to benefit years beginning on
28 or after July 1, 1989, it shall be required to make payments
29 in an amount equal to 50% of regular or additional benefits,
30 including dependents' allowances, and 50% of extended
31 benefits, including dependents' allowances, paid to an
32 individual with respect to benefit years beginning during the
33 effective period of the election.

34 1. Any such governmental entity which becomes an

1 employer on January 1, 1978 pursuant to Section 205 may elect
2 to make payments in lieu of contributions for not less than
3 one calendar year beginning with January 1, 1978, provided
4 that it files its written election with the Director not
5 later than January 31, 1978.

6 2. A governmental entity newly created after January 1,
7 1978, may elect to make payments in lieu of contributions for
8 a period of not less than one calendar year beginning as of
9 the first day with respect to which it would, in the absence
10 of its election, incur liability for the payment of
11 contributions, provided that it files its written election
12 with the Director not later than 30 days immediately
13 following the end of the calendar quarter in which it has
14 been created.

15 3. A governmental entity which has incurred liability
16 for the payment of contributions for at least 2 calendar
17 years, and is not delinquent in such payment and in the
18 payment of any interest or penalties which may have accrued,
19 may elect to make payments in lieu of contributions beginning
20 January 1 of any calendar year, provided that it files its
21 written election with the Director prior to such January 1,
22 and provided, further, that such election shall be for a
23 period of not less than 2 calendar years.

24 4. An election to make payments in lieu of contributions
25 shall not terminate any liability incurred by a governmental
26 entity for the payment of contributions, interest or
27 penalties with respect to any calendar quarter which ends
28 prior to the effective period of the election.

29 5. The termination by a governmental entity of the
30 effective period of its election to make payments in lieu of
31 contributions, and the filing of and subsequent action upon
32 written notices of termination of election, shall be governed
33 by the provisions of paragraphs 5 and 6 of Section 1404A,
34 pertaining to nonprofit organizations.

1 6. With respect to benefit years beginning prior to July
2 1, 1989, wages paid to an individual during his base period
3 by a governmental entity which elects to make payments in
4 lieu of contributions for less than full time work, performed
5 during the same weeks in the base period during which the
6 individual had other insured work, shall not be subject to
7 payments in lieu of contribution (upon such employer's
8 request pursuant to the regulation of the Director) so long
9 as the employer continued after the end of the base period,
10 and continues during the applicable benefit year, to furnish
11 such less than full time work to the individual on the same
12 basis and in substantially the same amount as during the base
13 period. If the individual is paid benefits with respect to a
14 week (in the applicable benefit year) after the employer has
15 ceased to furnish the work hereinabove described, the
16 governmental entity shall be liable for payments in lieu of
17 contributions with respect to the benefits paid to the
18 individual after the date on which the governmental entity
19 ceases to furnish the work.

20 C. As soon as practicable following the close of each
21 calendar quarter, the Director shall mail to each
22 governmental entity which has elected to make payments in
23 lieu of contributions a Statement of the amount due from it
24 for all the regular, additional, and extended benefits paid
25 during the calendar quarter, together with the names of its
26 workers or former workers and the amounts of benefits paid to
27 each of them during the calendar quarter with respect to
28 benefit years beginning prior to July 1, 1989, on the basis
29 of wages for insured work paid to them by the governmental
30 entity; or, with respect to benefit years beginning after
31 June 30, 1989, if such governmental entity was the last
32 employer as provided in Section 1502.1 with respect to a
33 benefit year beginning during the effective period of the
34 election. All of the provisions of subsection B of Section

1 1404 pertaining to nonprofit organizations, not inconsistent
2 with the preceding sentence, shall be applicable to payments
3 in lieu of contributions by a governmental entity.

4 D. The provisions of subsections C through F, inclusive,
5 of Section 1404, pertaining to nonprofit organizations, shall
6 be applicable to each governmental entity which has elected
7 to make payments in lieu of contributions.

8 (Source: P.A. 86-3.)

9 (820 ILCS 405/1501.1) (from Ch. 48, par. 571.1)

10 Sec. 1501.1. Benefit charges. A. When an individual is
11 paid regular or additional benefits with respect to a week in
12 a benefit year which begins on or after July 1, 1989, an
13 amount equal to such regular or additional benefits,
14 including dependents' allowances, shall immediately become
15 benefit charges.

16 B. When an individual is paid regular benefits on or
17 after July 1, 1989, with respect to a week in a benefit year
18 which began prior to July 1, 1989, an amount equal to such
19 regular benefits, including dependents' allowances, shall
20 immediately become benefit charges.

21 C. When an individual is paid extended benefits with
22 respect to any week in his eligibility period beginning in a
23 benefit year which begins on or after July 1, 1989, an amount
24 equal to one-half of such extended benefits including
25 dependents' allowances, shall immediately become benefit
26 charges.

27 D. When an individual is paid extended benefits on or
28 after July 1, 1989, with respect to any week in his
29 eligibility period beginning in a benefit year which began
30 prior to July 1, 1989, an amount equal to one-half of such
31 extended benefits including dependents' allowances, shall
32 immediately become benefit charges.

33 E. Notwithstanding the foregoing subsections, the

1 payment of benefits shall not become benefit charges if, by
2 reason of the application of the third paragraph of Section
3 237, he is paid benefits based upon wages other than those
4 paid in a base period as defined in the second paragraph of
5 Section 237.

6 F. Notwithstanding the foregoing subsections, the
7 payment of regular or extended benefits on or after July 1,
8 1989, with respect to a week in a benefit year which began
9 prior to July 1, 1989, shall not become benefit charges under
10 subsections B and D above where such benefit charges, had
11 they been benefit wages under Section 1501, would have been
12 subject to transfer under subsection F of Section 1501.

13 G. Notwithstanding any other provision of this Act, the
14 benefit charges with respect to the payment of regular or
15 extended benefits on or after July 1, 1989, with respect to a
16 week in a benefit year which began prior to July 1, 1989,
17 shall not exceed the difference between the base period wages
18 paid with respect to that benefit year and the wages which
19 became benefit wages with respect to that same benefit year
20 (not including any benefit wages transferred pursuant to
21 subsection F of Section 1501), provided that any change after
22 September 30, 1989, in either base period wages or wages
23 which became benefit wages as a result of benefit payments
24 made prior to July 1, 1989 shall not affect such benefit
25 charges.

26 H. For the purposes of this Section and of Section 1504,
27 benefits shall be deemed to have been paid on the date such
28 payment has been mailed to the individual by the Director.

29 (Source: P.A. 85-956.)

30 (820 ILCS 405/1504) (from Ch. 48, par. 574)

31 Sec. 1504. State experience factor. A. For each calendar
32 year prior to 1988, the total benefits paid from this State's
33 account in the unemployment trust fund during the 36

1 consecutive calendar month period ending June 30 of the
2 calendar year immediately preceding the calendar year for
3 which a contribution rate is being determined shall be termed
4 the loss experience. The loss experience less all repayments
5 (including payments in lieu of contributions pursuant to
6 Sections 1403, 1404 and 1405B and paragraph 2 of Section
7 302C) to this State's account in the unemployment trust fund
8 during the same 36 consecutive calendar month period divided
9 by the total benefit wages of all employers for the same
10 period, after adjustment of any fraction to the nearer
11 multiple of one percent, shall be termed the state experience
12 factor. Whenever such fraction is exactly one-half, it shall
13 be adjusted to the next higher multiple of one percent.

14 B. For calendar year 1988 and each calendar year
15 thereafter, the state experience factor shall be the sum of
16 all regular and additional benefits paid plus the applicable
17 benefit reserve for fund building, pursuant to Section 1505,
18 during the three year period ending on June 30 of the year
19 immediately preceding the year for which a contribution rate
20 is being determined divided by the "net revenues" for the
21 three year period ending on September 30 of the year
22 immediately preceding the year for which a contribution rate
23 is being determined, after adjustment of any fraction to the
24 nearer multiple of one percent. Whenever such fraction is
25 exactly one-half, it shall be adjusted to the next higher
26 multiple of one percent.

27 For purposes of this subsection, "Net revenue" means, for
28 each one year period ending on September 30, the sum of the
29 amounts, as determined pursuant to (1) and (2) of this
30 subsection, in each quarter of such one year period.

31 (1) For each calendar quarter prior to the second
32 calendar quarter of 1988, "net revenue" means all repayments
33 (including payments in lieu of contributions pursuant to
34 Sections 1403, 1404 and 1405B and paragraph 2 of Section

1 302C) to this State's account in the unemployment trust fund
2 less "net voluntary debt repayments" during the same calendar
3 quarter. "Net voluntary debt repayments" means an amount
4 equal to repayments to Title XII advances less any new
5 advances. Any such repayments made after June 30, 1987 but
6 prior to November 10, 1987 shall be deemed to have been made
7 prior to June 30, 1987.

8 (2) For each calendar quarter after the first calendar
9 quarter of 1988, "net revenue" shall be the sum of:

10 (a) the amount determined by (i) multiplying the benefit
11 wage or benefit ratios, pursuant to Sections 1503 or 1503.1,
12 respectively, of all employers who have not elected to make
13 payments in lieu of contributions applicable to the prior
14 quarter by the state experience factor for that same quarter,
15 (ii) adding this product to the fund building factor provided
16 for in Section 1506.3, (iii) constraining this sum by the
17 application of Sections 1506.1 and 1506.3, except that the
18 State experience factor shall be substituted for the adjusted
19 State experience factor in determining these constraints, and
20 then (iv) multiplying this sum by the total wages for insured
21 work subject to the payment of contributions under Sections
22 234, 235 and 245 of each employer for the prior quarter
23 except that such wages shall not include those wages
24 estimated by the Director prior to the issuance of a
25 Determination and Assessment or those wages estimated as a
26 result of an audit because of the employer's failure to
27 report wages; plus (b) all payments in lieu of contributions
28 pursuant to Sections 1403 and 1404 and subsection B of
29 Section 1405 and paragraph 2 of subsection C of Section 302
30 received during the same calendar quarter. For purposes of
31 computing "net revenue", employers who have not incurred
32 liability for the payment of contributions for at least three
33 years will be excluded from the calculation as will
34 predecessor employers pursuant to Section 1507.

1 C. The state experience factor shall be determined for
2 each calendar year by the Director. Any change in the benefit
3 wages or benefit charges of any employer or any change in
4 contributions (including payments in lieu of contributions
5 pursuant to Sections 1403 and 1404 and subsection B of
6 Section 1405 and paragraph 2 of subsection C of Section 302)
7 received into this State's account in the unemployment trust
8 fund after June 30 of the calendar year immediately preceding
9 the calendar year for which the state experience factor is
10 being determined shall not affect the state experience factor
11 as determined by the Director for that year.

12 (Source: P.A. 86-3.)

13 Section 99. Effective date. This Act takes effect upon
14 becoming law."