



Section 2732.306 Employee Leasing Company – Obligation to Report the Identities of Its Clients

a) A report submitted to the Department in the manner provided for in subsection (e), with the contents required by subsection (b), will satisfy the reporting requirement in Section 206.1(B)(4) of the Act for each calendar quarter ending on or after the date of the report's submission. The report will also satisfy the reporting requirements for the calendar quarter ending immediately prior to its submission where the employee leasing company's contract with the client took effect in that quarter and either:

- 1) the report is submitted within 30 days after the effective date of the contract; or
- 2) the last day of the quarter is a day on which the Department is closed and the report is submitted on the first succeeding day on which the Department is open.

EXAMPLE: Employee Leasing Company A contracts with Client B to lease employees to Client B, effective July 1, 2001. Client B has a contribution rate of 1.0% for 2001. Employee Leasing Company A has a contribution rate of 4.0% for 2001 and its relationship with Client B meets the conditions set forth in Section 206.1(B)(1), (2) and (3) of the Act. Beginning with the report due for the third quarter of 2001, Employee Leasing Company A reports the leased employees on its wage reports and pays contributions on those wages at its contribution rate. Client B terminates its liability as of July 1, 2001 and stops filing any wage reports. However, the Employee Leasing Company does not report the leasing relationship to the Director until February 1, 2002. As a result, Employee Leasing Company A cannot report the workers in question for the third and fourth quarters of 2001 as its employees. The workers must be reported by Client B. Since timely wage reports were not filed nor were contributions paid by Client B, penalties will be assessed and interest charged. Waiver of such penalty and interest can be granted only for the reasons set forth in 56 Ill. Adm. Code 2765. Employee Leasing Company A may amend its wage reports to remove the workers and then file for a refund or adjustment as provided in Section 2201 of the Act.

b) Contents of Report

- 1) In order to satisfy the reporting requirement in Section 206.1(B)(4) of the Act, a report must contain:
 - A) the name of the client;
 - B) a general description of the client's business and business locations;
 - C) the client's unemployment insurance account number (if any); and
 - D) the effective date of the employee leasing company's contract with the client.
- 2) The report shall be accompanied by either a power of attorney to represent the client or a certification by an officer or employee of the employee leasing company that the information contained in the report is true and correct to the best of his or her knowledge.

c) Whenever the employee leasing relationship between an employee leasing company and its client is terminated, the employee leasing company must report the name of the client, the client's unemployment insurance account number (if any) and the effective date of the termination within 30 days after that date.

- d) The terms used in this Section shall have the meanings set forth for them in Section 206.1 of the Act.
- e) The notices required by this Section shall be mailed or sent by facsimile transmission to the Illinois Department of Employment Security, Revenue Division, 33 S. State St., 10th Floor, Chicago IL 60603, Attn: Employer Services (FAX No.: 312-793-6296). A facsimile transmission is subject to Section 2712.1 with respect to the risk of nontransmission and the effect of the dates imprinted by the Department's and sender's respective telefax machines.
- f) A report submitted to the Department in the manner provided for in subsection (e), with the contents required by subsection (b), but after the deadline established in subsection (a), will satisfy the reporting requirement in Section 206.1(B)(4) of the Act for either or both of the third and fourth calendar quarters of 2000 if it is filed on or before April 2, 2001, and the employee leasing company indicates in writing that it intends for the report to do so.

(Source: Amended at 33 Ill. Reg. 9646, effective July 1, 2009)