

Employer Obligations Under The UI Act



How Does
Unemployment
Insurance Impact
Employers?

In Illinois, UI benefits
are funded by
employer taxes

Improper payment of
UI benefits may
result in higher taxes
to all employers

Improper payment of benefits is often the result of inaccurate or insufficient information available to determine a claimant's eligibility for benefits claimed.

Employers pay for these improper benefits through higher taxes. In 2010, American employers faced an estimated \$6.86 billion in additional UI costs due to improper payment of UI benefits.

Be an active partner with IDES by complying with the following employer requirements:

- Maintaining accurate records of services performed by employees.
- Properly classifying individuals who perform services as employees rather than independent contractors, in accordance with UI Act definitions.
- Accurately and timely submitting quarterly wage reports and paying UI contributions.
- Reporting all new and rehired employees to the State Directory of New Hires by the due date, as required by federal and state laws.
- Providing complete and accurate Employee Separation Information.
- Responding promptly to request for verification of weekly earnings.
- Understanding employer responsibilities under the UI Act and knowing that IDES has data sharing agreements with other state and federal agencies.

The Costs & Consequences of Employer Non-Compliance

Employers and corporate officers that do not comply with state and federal UI requirements face potential costs and consequences including:

- Individual liability for willfully failing to make payments
- Personal financial obligation for intentionally not reporting
- Increased employer UI taxes
- Penalties and interest charges
- Record inspections by IDES Field Auditor

For more employer
information please visit
www.IDES.Illinois.gov
or call (800) 247 - 4984

Questions? Call IDES Employer Hot Line at (800) 247 - 4984