



News Release

Pat Quinn, Governor

Jay Rowell, Director

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New Monthly Wage Reports to Fight Fraud in Unemployment, Medicaid, Affordable Care Programs *Stopping Fraud Before it Starts to Save \$100 Million Each Year*

CHICAGO – New monthly wage reports will help stop individuals from illegally collecting unemployment insurance benefits while working because officials will have the most up-to-date wage information available, the Illinois Department of Employment Security (IDES) said today.

The new monthly reports also will help prevent fraud in the Medicaid and the Affordable Care Act programs because the up-to-date wage information will more quickly identify those who make too much money to qualify.

This first-in-the-nation effort shows Illinois takes seriously its responsibility to guarantee access to crucial safety-net programs while at the same time protecting taxpayer money and leveraging technology to serve employers and workers in the most cost-efficient manner possible.

“The best way to fight fraud is to prevent it before it starts. These monthly wage reports help do exactly that,” IDES Director Jay Rowell said. “This common-sense approach will help every employer because it will lower payroll taxes which will create the flexibility to invest in hiring new workers and that will grow our economy.”

The new monthly wage reports will augment the quarterly wage and contribution reports. Beginning this quarter, the state’s largest companies will be required to move away from paper and file both reports electronically. Although not yet required, businesses of all sizes are encouraged to use electronic filing.

Monthly and quarterly wage filing will be done using TaxNet, the IDES on-line tax filing program. Employers registered on TaxNet can use their existing account. Other employers can register at <https://taxnet.ides.state.il.us> TaxNet will accept a comma separated (.csv) plain ASCII text file for the monthly wage report. Technical details, including a file format guide, are available at www.imonthlyreporting.com

The changes are part of the state’s SMART Act which used spending reductions, rate cuts and service restrictions to reform Medicaid and make it more financially secure. The Act also included the monthly reporting provision to make more informed eligibility determinations for unemployment insurance, Medicaid and the Affordable Care Act. This first-in-the-nation program will save \$100 million dollars each year by preventing improper benefit payments before they begin.

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Key changes to fight fraud in the unemployment, Medicaid and Affordable Care Act

- Monthly wage-only reports are being added to quarterly reports beginning January 2013.
- Monthly and quarterly reports will be required to be electronic for medium and large employers.
- Monthly electronic reports to be phased-in through summer 2014.

Key details for quarterly and new monthly reports for medium and large employers

- Electronic, internet-based reports replace current manual and other electronic quarterly reporting methods, such as CDs, cartridges, diskettes, magnetic strips, reel-to-reel and others.
- Quarterly reports will continue to use the current TaxNet system.
- Monthly reports will use a comma separated (.csv) plain ASCII text file.
- Monthly reports will augment quarterly reports and generally are due by the end of the following month
 - For example, January's monthly report is due by February 28. The late reporting penalty for January for electronic filers will be waived.
- Quarterly wage and contribution reports continue.
 - For example, wage reports will be required for January and February while the March quarterly report remains unchanged for wages and contributions. This pattern repeats each quarter. Also, newly required companies will have six months to comply.

Monthly reporting schedule will be phased-in

- Employers who in 2012 had 250 or more employees begin monthly internet reporting in February 2013. The late reporting penalty for January will be waived. Most of these employers already file electronically.
- Employers who in 2012 had between 100 and 249 employees must begin monthly internet reporting effective July 2013. Hence, the first due date will be in August 2013.
- Employers who in 2012 had between 50 and 99 employees must begin monthly internet reporting effective January 2014. Hence, the first due date will be in February 2014.
- Employers who in 2012 had between 25 and 49 employees must begin monthly internet reporting effective July 2014. Hence, the first due date will be in August 2014.

All employers, no matter their size, are encouraged to file monthly and quarterly reports electronically and need not wait for the monthly implementation date

Employers will use TaxNet for monthly and quarterly reports: <https://taxnet.ides.state.il.us>

Technical details for monthly reports including a file format guide, is available at www.imonthlyreporting.com

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