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LEGISLATIVE UPDATE

Eye on Washington



ILLINOIS MONTHLY WAGE REPORTING REQUIRED IN 2013

As reported in an earlier Eye on Washington, the Illinois Save Medicaid Access and Resources Together (SMART) Act, P. A. 97-0689 enacted on June 14, 2012, requires monthly wage reports from employers who are required to submit their contribution and wage reports electronically, beginning January 2013. Those employers will continue to submit quarterly contribution and wage reports, but will also submit monthly wage reports for each of the first two months of each quarter.

Also effective January 2013, the mandatory electronic monthly filing requirement has been expanded by regulation to apply to employers having 25 or more employees (previously 250 or more). The monthly reporting requirement will be phased in as follows:

Number of Employees	Effective Date	Due Date
250 or more	Jan. 2013	Feb. 28, 2013
100 – 249	Jul. 2013	Aug. 31, 2013
50 – 99	Jan. 2014	Feb. 28, 2014
25 – 49	Jul. 2014	Aug. 31, 2014

This mandate is based on the number of *different* workers reported by the employer

in the prior calendar year. For example, assume that an employer had no more than 20 employees at any one time during 2012. However, during 2012, seven of these employees leave the employer and are replaced by seven other individuals. Although the employer's labor force never exceeds 20 individuals at any one time, the employer had 27 individuals in its employ during 2012 and would qualify under the mandate.

The information on the monthly wage report will be minimal. Employers will report their federal and state Identification numbers and total wages paid. For each employee, employers will report name, Social Security number and wages paid for the month. The monthly wage information will be used to identify Medicaid beneficiaries who no longer qualify for coverage.

Monthly wage reports can only be filed electronically via TaxNet, the Illinois Department of Employment Security's (IDES) online tax filing application. If ADP files Illinois Unemployment Insurance contribution and wage reports (IDES Form UI-3/40) on your behalf, ADP will automatically file the Illinois monthly wage reports. If ADP does not file the Illinois



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Unemployment Insurance contribution and wage reports on your behalf, your organization will need to register on TaxNet to file monthly wage reports at <https://taxnet.ides.state.il.us>.

TaxNet will only accept a comma separated (.csv) plain ASCII text format file for the monthly wage report. There is no manual data entry option for monthly wage reports.

Monthly wage files must be formatted in accordance with detailed agency specifications.

ADP is in the process of obtaining additional information from the IDES in order to comply with these changes. For additional information, visit the IDES website at <http://www.ides.illinois.gov/>.

ADP Compliance Resources

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