

# Governor Pritzker Announces Significant Payment Toward Unemployment Insurance Loan

by Office of the Governor JB Pritzker  
September 27 2022 11:35 AM



CHICAGO – Governor JB Pritzker and the Illinois Department of Employment Security (IDES) will be making a significant payment of \$450 million toward the remaining \$1.8

billion borrowed under Title XII of the Social Security Act. Due to continued historic low unemployment insurance claims, the unemployment insurance trust fund has the capacity to make this payment without impairing the department's ability to pay benefits.

This is the second significant contribution to the outstanding loan balance. In March of 2022, Governor Pritzker signed legislation that provided a historic \$2.7 billion contribution from American Rescue Plan recovery dollars to assist the state's unemployment trust fund. This payment cut the original \$4.5 billion loan balance down to \$1.8 billion.

"This contribution is direct evidence of labor market strength in Illinois," said Governor JB Pritzker. "With unemployment claims levels continuing to reach historic lows, the State's Unemployment Trust Fund is able to contribute to the loan repayment and save Illinois taxpayers in interest costs."

"This contribution is another significant step toward paying down the federal loan," said IDES Director Kristin Richards. "The Department will continue to work with business and labor representatives through the agreed bill process to support this critical resource."

"This is a significant, fiscally responsible action that underscores our work to drive down unemployment in Illinois and take care of debt driven by the pandemic," said state Rep. Jay Hoffman (D-Swansea). "We still have work to do, but I am encouraged by this action and remain committed to working to pay off the remainder of this deficit to avoid a negative impact on employers and workers."

"Families remember all too well the record unemployment across the state. As our cities, towns and state shutdown to stop the spread of COVID-19, we had to stretch our dollars, make unemployment checks cover as much of our bills as possible and continue to provide for our families," said state Rep. Marcus Evans (D-Chicago). "We are taking another important step in our continual recovery from the financial crisis brought on by the COVID-19 pandemic. By making this significant \$450 million payment from the Unemployment Insurance Trust Fund, the state government is making good on our promise to balance our investment in our people and our obligations to the federal government. Today, we can make this payment because of our collective efforts to put people back to work and support them on their individual financial recovery."

"Thanks to unemployment claims reaching new lows since the start of the pandemic, Illinois is using record surpluses available balances in the UTF to pay down debt," said state Senator Bill Cunningham, a Democrat representing Chicago and the southwest suburbs. "The sound budgeting decisions we've made over the past few years have allowed us to pay back borrowed funds and put Illinois on a path toward fiscal stability."

Paying down this debt continues to strengthen our fiscal security, adding to the benefits the Unemployment Insurance Trust Fund is seeing from historic low unemployment,” state Senator Linda Holmes (D-Aurora) said. “The fund now has a \$1.2 billion surplus due to fewer claims, making it very practical to pay back the borrowed funds. It’s another great step in our state’s record of continuous financial improvements of the past few years”

Illinois has remained below the previously recorded low of just more than 70,000 continued claims for twenty consecutive weeks, unprecedented since the beginning of the series in January 1987. Since the start of this year, Illinois has gained nearly 120,000 jobs throughout the state, with the most significant increases seen in the hotels and food services, manufacturing, healthcare and social assistance, construction, and transportation and warehousing industries.

Federal funds borrowed under Title XII were necessary to supplement the state’s unemployment insurance trust fund and provide economic relief to unemployed workers throughout the duration of the Covid-19 pandemic. A plan to pay off the remaining balance on the loan will need to be developed through the agreed bill process.