ILLINOIS DEPARTMENT OF EMPLOYMENT SECURITY

The Illinois Department of Employment Security (IDES) is providing this notice due to a change in the Illinois Administrative Code. Beginning on July 1, 2026, employer contribution payments to a worker's 401(k) plan made on and after that date are no longer considered to be "wages" for purposes of the Illinois Unemployment Insurance Act. Therefore, these payments should **not** be included when reporting the wages paid to workers to IDES after July 1, 2026. Employee contributions to their 401(k) plan will continue to be considered "wages."

Any employer contribution payments to a worker's 401(k) plan made prior to July 1, 2026, should continue to be included as wages when reporting to IDES.

For reference, the section of the Illinois Administrative Code that changed is located here. This change was made to be consistent with the way that the Internal Revenue Service now treats employer contribution payments to a worker's 401(k) plan.

Please note that this change only applies to employer contribution payments to workers' 401(k) plans and not other plans.

Please contact IDES at (800) 247-4984 with any questions or review the Illinois Administrative Code.

Sincerely,

Illinois Department of Employment Security