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ILLINOIS STATE TREASURER

•Important Update•

## Revised Uniform Unclaimed Property Act

Illinois' unclaimed property law was passed in 1961 and was overdue for an update. In 2017, the Illinois Treasurer's Office worked with the General Assembly to update the state's unclaimed property laws to reflect the current Uniform Law Commission (ULC) suggestions.

**There are several key changes reflected in new act, including, but not limited to:**

### **\$50 threshold instead of \$10 for due diligence letters**

Previously, businesses were required to send letters to the owners of unclaimed property for any property valued at \$10 or more. This has been updated to only require businesses to send due diligence letters to owners for any property valued at \$50 or more.

### **Clear exemptions for gift cards and merchandise credits**

In the old unclaimed property law, gift cards and merchandise credits were not even defined. The updated act uses a combination of language from the ULC and Federal Reserve regulations to define and exempt gift cards and merchandise credits. But, so called "open loop" general purpose cards that charge fees or have expiration dates remain reportable unclaimed property when not used for 5 years.

### **Reporting property after 3 years instead of 5 years**

For most types of property, businesses in possession of unclaimed property will need to report that property after 3 years instead of the previous 5 year time period. Per the NAUPA database, there are about 29 other states with a 3 year period of abandonment.

### **Closing the business-to-business loophole**

Illinois was previously only one of four states with a general business-to-business exemption. Now Illinois is in line with the overwhelming majority of states, follows the ULC draft, and does not exempt business-to-business transactions from unclaimed property.

### **Clear standards for life insurance**

The new act uses standards from the Unclaimed Life Insurance Benefits Act passed by the Illinois General Assembly in 2016 and the ULC's draft to govern when life insurance benefits become unclaimed property.

### **Data sharing with the Illinois Department of Revenue (IDOR) to find owners**

Data sharing is now included in the updated law to allow the Treasurer to share data with IDOR to find owners and automatically return many properties valued at less than \$2,000 to the legal owner without filing a claim.