

New Illinois and Chicago Laws for 2024

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Illinois state and local legislatures kept busy in 2023 with the enactment of numerous new labor and employment laws, including significant changes to paid and sick leave for employees and new protections for temporary laborers and independent contractors. While some laws took effect during 2023, implementation of others was pushed to 2024. These are some significant employment law changes requiring employer compliance in the new year.

IL Paid Leave for All Workers Act

Effective January 1, 2024, the [Illinois Paid Leave for All Workers Act](#) (the “Act”) requires nearly all covered Illinois employers to provide their covered employees up to 40 hours of paid leave per year, to be used “for any purpose.”

On November 3, 2023, the Illinois Department of Labor (IDOL) [proposed regulations](#) interpreting the Act. Illinois rulemaking procedures require at least a 90-day notice period before the regulations can be finalized, meaning employers have not had the guidance of final rules prior to the Act’s effective date. Employers should take careful note of the proposed regulations, and implement their paid leave policies accordingly to comply with the new law.

Cook County Paid Leave Ordinance

In an effort to mirror the requirements of the Illinois Paid Leave for All Workers Act (PLAWA), the Cook County Board of Commissioners adopted the Cook County Paid Leave Ordinance, effective December 31, 2023. The Ordinance is modeled on the PLAWA and deviates from the state’s requirements in only these respects:

- Covered employees include employees who are covered by a collective bargaining agreement with an employer that provides services nationally and internationally of delivery, pickup, and transportation of parcels, documents, and freight.
- An employer’s right to deny leave for operational necessity or otherwise is not specifically addressed in the ordinance, although it is under the PLAWA.
- Notice to employees of their rights under this Ordinance must be posted in a conspicuous place at each facility in the county as well as to employees at the commencement of their employment.
- Civil damages available to employees whose rights under this act are violated include three times the full amount of unpaid leave denied or lost, interest calculated at the prevailing rate, and reasonable attorney’s fees.

The Cook County Commission on Human Rights – the agency tasked with enforcement of this new Ordinance – is expected to engage in formal rulemaking in the coming months. A comprehensive review of the Ordinance, including its overlap with the PLAWA, can be accessed [here](#).

Chicago Paid Leave and Paid Sick and Safe Leave

Although the Chicago City Council recently delayed the implementation of the new Chicago Paid Leave and Paid Sick and Safe Leave Ordinance until July 1, 2024, Chicago employers would benefit from reviewing their sick and time off policies sooner rather than later to ensure compliance come summertime.

Under the new ordinance, Chicago-based employees will be entitled to 40 hours of paid sick leave and 40 hours of paid leave (for any reason) each year if they worked 80 hours for the employer within any 120-day period within the geographical boundaries of the city. Notably, the new ordinance applies to part-time, full-time, and seasonal employees alike.

For paid leave: Beginning on July 1, 2024, employees can begin accruing paid leave at the rate of 1 hour for every 35 hours worked. However, an employee cannot accrue more than 40 hours in a 12-month period. Additionally, the employee can start requesting paid leave 90 days after July 1, 2024 or 90 days after employment (whichever is later) and can carry over up to 16 hours of unused paid leave from one 12-month period to the next. Significantly, employers of at least 51 employees will be obligated to pay out unused, accrued paid leave upon the employee's separation from the employer or transfer outside of the geographic limits of Chicago. Medium employers (51-101 employees) will be required to pay out 2 days (16 hours) of unused, accrued paid leave upon separation until July 1, 2025. After July 1, 2025, medium employers must pay out all unused, accrued paid leave. Large employers (101+ employees) must begin paying out all unused, accrued paid leave on July 1, 2024.

For paid sick leave: From now until June 30, 2024, employees can begin accruing paid sick leave at the rate of 1 hour for every 40 hours worked. Beginning on July 1, 2024, the accrual rate will change to 1 hour for every 35 hours worked. As with paid leave, an employee cannot accrue more than 40 hours of paid sick leave in a 12-month period. Employees may begin utilizing paid sick leave 30 days after July 1, 2024, or 30 days after employment (whichever is later). While there are no sick leave payout requirements for employers, employees are permitted to carry over up to 80 hours of unused paid sick leave from one 12-month period to the next.

The ordinance sets forth additional notice and recordkeeping requirements for employers as well as certain requirements for requesting and documenting leave that are explained in more detail [here](#) and [here](#).

Amendments to the Illinois Day and Temporary Labor Services Act

Amendments to the Illinois Day and Temporary Labor Services Act (IDTLA), which strengthen equal pay rights, safety and training requirements, and other protections for day and temporary laborers, went into effect July 1, 2023. Though discussed in more detail [here](#) and [here](#), the main changes to the IDTLA include:

- **Equal Pay for Equal Work.** Day and temporary workers assigned to a third-party client for over 90 calendar days in any 12-month period must now be paid at least as much as the lowest paid directly hired comparator employee.
- **Workplace Safety and Training Requirements.** Both the day and temporary labor service agency and the third-party client must provide training specific to the temporary laborer's job site. Should the client company implement new job tasks or utilize a work location where new hazards may be encountered, the client company must inform the day and temporary labor service agency and temporary laborer and update both personal protective equipment and training where necessary.
- **Right to Refuse Assignment to a Labor Dispute.** Before a temporary laborer can be sent to a worksite where a strike, lockout or other "labor trouble" exists, the day and temporary labor service agency must provide the temporary laborer with a statement informing them of (1) the dispute, and (2) the right to refuse the assignment without prejudice to receiving another assignment.
- **Expanded Action for Civil Penalties.** The private right of action is expanded by granting "interested parties" the ability to initiate a civil action. *Interested party* is defined in a way that opens the door to involvement by governmental entities and, arguably, even labor unions or independent compliance monitors. This addition will likely result in more litigation of claims involving temporary workers.

Illinois Freelance Worker Protection Act

On August 4, 2023, Governor Pritzker signed the Freelance Worker Protection Act (FWPA), establishing strict protections for freelance workers, *i.e.*, nearly anyone hired or retained as an independent contractor in Illinois for compensation of at least \$500. The FWPA sets forth three requirements for hiring or retaining a freelance worker:

- (1) The agreement for work must be memorialized in a written contract;
- (2) Payment to a freelance worker is required within 30 days following completion of the services or product; and
- (3) Companies or contracted entities cannot engage in any discriminatory, retaliatory, or otherwise harassing behavior toward freelance workers.

Violations of the above provisions may open the door to litigation, as the FWPA provides freelancers the mechanism to seek relief by either filing a lawsuit against contracting entities in Illinois state courts or by filing a claim with the Illinois Department of Labor.

The FWPA will become effective starting July 1, 2024.

Extended Bereavement Leave Rights

Illinois [expanded bereavement leave rights](#) for two groups of Illinois employees: (1) parents who lose a child to suicide or homicide, and (2) family members of those killed in a crime of violence.

Child Bereavement Leave for Suicide or Homicide

On August 4, 2023, Governor Pritzker enacted the [Child Extended Bereavement Leave Act](#). Effective January 1, 2024, this law entitles employees who experience the loss of their child by suicide or homicide to take unpaid leave from work to grieve the loss of that child, which includes an employee's biological, adopted, foster, or stepchild, legal ward, or a child of a person standing in loco parentis.

Leave for Family Members of Those Killed in Crimes of Violence

On July 28, 2023, Governor Pritzker signed [House Bill 2493](#), which took effect on January 1, 2024, and amends the Victims' Economic Security and Safety Act (VESSA). VESSA entitles employees who are victims of domestic violence, sexual violence, or gender violence (or whose family members or household members are victims of such violence) to take unpaid leave from work to address issues related to the violence. The amendment expands or modifies aspects of leave available under VESSA. The law permits employees to take up to two weeks (10 workdays) of unpaid leave related to the death of a family member or household member who is killed in a crime of violence to (1) attend the funeral, funeral alternative, or wake, (2) make arrangements necessitated by the death, and (3) grieve the death of the lost family member or household member.

An amendment to the Illinois Gender Violence Act (IGVA), codified as Public Act No. 103-0282, went into effect January 1, 2024. The amendment outlines the specific circumstances under which liability may be imposed on employers for gender-related violence committed in the workplace by the employer's employees or agents when the interaction giving rise to the gender-related violence arises out of and in the course of employment with the employer. An employer will be liable for such gender-related violence if the employer failed to (1) act in a manner consistent with how a reasonable person would act in similar circumstances; (2) supervise, train, or monitor the perpetrating employee; or (3) investigate and remediate previous reports of similar conduct by the perpetrating employee or agent.

Workplace is defined broadly to include any building, real property, or parking area under the employer's control; any location the employee uses to perform their job duties; and any activities that occur at an employer-sponsored event off the employer's premises.

Importantly, the statute of limitations for an alleged victim of gender-related violence to sue the employer under the IGVA is four years (or two years after a victim turns 18 if the

victim is a minor at the time), significantly longer than the 300-day statute of limitations employees are subject to under Title VII or the Illinois Human Rights Act.

On June 9, 2023, Governor Pritzker signed HB 2907 and HB 3396 into law, [amending the Illinois Labor Disputes Act \(ILBA\)](#) to expand protections for striking workers effective January 1, 2024. Specifically, HB 2907 limits the amount an employer can recover for damages it suffers as a result of a labor dispute. HB 3396 makes it a Class A misdemeanor with a minimum fine of \$500 to place any object in the public way with the intent of interfering with, obstructing, or impeding a picket or other demonstration or protest. While the amendments could be challenged in litigation testing whether they are preempted by the National Labor Relations Act it is important for employers experiencing picketing or strike activity on their property to understand these new laws.

Chicago “Ban the Box” Amendments

On April 24, 2023, the City of Chicago published an amended “Ban the Box” ordinance, which took effect immediately. The amended ordinance is designed to mirror the requirements of Illinois law. Though discussed in more detail [here](#), the key changes include:

- **New Employer Coverage.** Whereas the initially enacted ordinance did not apply to employers with fewer than 15 employees and certain public employers, the amended ordinance applies to all employers that have a Chicago license to conduct business and/or maintain a facility within Chicago.
- **New Individualized Assessment Requirements.** An employer may base an adverse employment action on an individual’s criminal conviction record only if (1) there is a “substantial relationship” between the offense and the job sought or held; or (2) based on the offense, the employer believes that individual poses an unreasonable risk to the property or safety of the company’s workforce customers, or members of the public. In making this determination, the employer must perform an “individualized assessment” and consider several mitigating factors.
- **New Notice Requirements.** Employers are required to provide a “pre-adverse action notice” and “final adverse action notice” to any individual subject to an adverse employment decision on the basis of criminal history. While the federal Fair Credit Reporting Act already requires these notices when using third-party background screening vendors, the amended ordinance also requires employers to: (1) include the specific reasoning for the disqualification in both the pre- and final adverse action notice; and (2) state within their final adverse action notice that the individual has the right to file a charge within the Chicago Commission on Human Relations.

Amendments to the Unemployment Insurance Act

Beginning January 1, 2024, an employer’s obligation to complete “new hire reporting” will no longer be limited solely to employees but will also include newly hired

independent contractors. During the summer 2023, the Illinois legislature approved amendments to the state's [Unemployment Insurance Act](#) to include independent contractors in the definition of "newly hired employees." Accordingly, within 20 days of hiring any new employees *or* independent contractors, Illinois employers must submit the new hire's information via the Internal Revenue Service's Form W-4 or an equivalent form for purposes of tracking unemployment insurance requirements.

While employers will receive a fine of \$15 for each individual they fail to report, the Illinois Department of Employment Security will first notify the employer of any noncompliance and grant a 21-day grace period to submit the information. "Knowingly" submitting a false or incomplete report will warrant a larger fine of up to \$500 per person.

Illinois and Cook County Minimum Wage Increases

A new year means a new minimum wage. Effective January 1, 2024, the minimum wage for Illinois non-tipped workers increased from \$13.00 per hour to \$14.00 per hour. Cook County's minimum wage for non-tipped employees likewise increased to \$14.00 per hour in lockstep with state law. For both Illinois and Cook County, the minimum wage for tipped employees increased to \$8.40 per hour. Notably, the City of Chicago establishes its own minimum wage via its [Minimum Wage Ordinance](#) which increases every July 1. Currently (and until July 1, 2024), the minimum wage in Chicago for employers with at least 21 employees is \$15.80 per hour (\$9.48/hour for tipped employees). For Chicago employers with 4-20 employees, the minimum wage is \$15.00 per hour (or \$9.00/hour for tipped employees).

The Illinois Department of Labor requires that all Illinois businesses post the minimum wage – among other laws – in the workplace. A compliant 2024 poster is provided by IDOL and can be found [here](#).

Illinois Personnel Records Review Act

The Illinois Personnel Records Review Act (IPRRA) was recently amended to make it easier for employees to obtain copies of their personnel records. [Under the amendment](#), beginning January 1, 2024, employers *must* email or mail a copy of the employee's records to the employee upon their written request, regardless of whether the employee can show that they are unable to inspect the records in person prior to receiving a copy. However, employers can still charge for any actual cost of copying the requested materials.

IL Employee Blood and Organ Donation Leave Act

Effective January 1, 2024, the Employee Blood Donation Leave Act has been amended to include paid time off for organ donors. Under what is now known as the [Employee Blood and Organ Donation Leave Act](#), Illinois employers with 51 or more employees must provide any full-time employee who has been employed for six months or more

with paid leave to donate blood or an organ. Employees may use up to one hour, or more if authorized by the employer or a collective bargaining agreement, to donate blood every 56 days. Employees may also use up to 10 days of leave in any 12-month period to serve as an organ donor.

Illinois Transportation Benefits Program Act

Effective January 1, 2024, the [Illinois Transportation Benefits Program Act](#) requires employers with 50 or more employees in Chicago or other specified nearby locations at an address that is located within one mile of fixed-route transit service to allow employees to use pre-tax dollars for the purchase of a transit pass through payroll deductions. The benefit must be offered to all employees starting on the employees' first full pay period after 120 days of employment. The Regional Transportation Authority has provided a publicly available searchable map of addresses located within one mile of fixed-route transit service, available [here](#). It remains unclear which state agency will be tasked with enforcing this law and if/when additional guidance will be provided.