



ALERTS

Illinois Legislature Passes Broad Paid Leave Bill, Still Awaiting Governor's Signature

January 31, 2023

Highlights

Named the Paid Leave for All Workers Act, Senate Bill 208 allows employees to accrue one hour of paid leave for every 40 hours worked

An employee may use available paid leave for any purpose, not merely reasons related to illness or injury, under the new law

This law will not apply to most employers in Chicago and Cook County due to the existing Cook County paid sick leave ordinance

On Jan. 10, 2023, the Illinois Senate passed Senate Bill 208, the Paid Leave for All Workers Act. The bill has already passed the Illinois House, and Gov. J.B. Pritzker has stated that he is looking forward to signing the legislation. The new law will be effective on Jan. 1, 2024.

In many ways, the bill is similar to paid sick leave laws that other states have enacted. All employees in Illinois will be covered, and accrual will begin on the first day of employment and may be used after 90 days.

Under the new law, employees will accrue one hour of paid leave for

RELATED PEOPLE



John F. Kuenstler

Partner

Chicago, Los Angeles

P 312-338-5924

F 312-759-5646

john.kuenstler@btlaw.com



Douglas M. Oldham

Of Counsel

Columbus, Chicago

P 614-628-1422

F 614-628-1433

douglas.oldham@btlaw.com

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every 40 hours worked and may earn and use up to 40 hours of paid leave during a 12-month period (which need not be based on a calendar year). Employees will be allowed to carry over any accrued but unused paid leave unless the employer frontloads the full leave entitlement at the beginning of the next 12-month period. Employees must provide at least seven days' advance notice of leave where the need for leave is foreseeable or as much advance notice as practicable where the need for leave is unforeseeable. Leave must be used in at least two-hour increments. There is generally no requirement to pay out any unused portion of the leave upon termination.

How is the New Law Different?

What is unusual about the new law is the extent of why an employee may use paid leave. An employee may use available paid leave for any purpose, not merely reasons related to illness or injury. Moreover, an employee does not have to provide a reason for the leave or any supporting documentation so long as the employee follows the proper procedures to request the leave.

In addition, employers may count this paid time off separately from employees' existing paid time off banks, which is significant because Illinois law requires employers to pay out accrued but unused paid time off upon termination – and this new paid leave does not have to be paid out upon termination. However, if an employer chooses to combine the new paid leave with employees' current paid time off allotments, then the new paid leave must be paid out upon termination.

Most Chicago Employers are Exempt

Notably, this law will not apply to most Chicago employers or to other employers whose municipality or county has an existing paid sick leave law. This law is intended to cover cities and counties in Illinois who do not have a paid leave law on the books. Chicago employers and Cook County employers whose municipalities enforce the Cook County paid sick leave ordinance will continue to observe those existing laws instead of the new state law.

For more information, please contact the Barnes & Thornburg attorney with whom you work or John Kuentler at 312-338-5924 or john.kuentler@btlaw.com or Douglas Oldham at 614-628-1422 or douglas.oldham@btlaw.com.

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