

Most Illinois Employers Required to Provide Paid Leave Beginning Next Year

Illinois Gov. J.B. Pritzker signed the Paid Leave for All Workers Act (the Act) into law on March 13, 2023. Under the Act, paid time off will become mandatory for most Illinois employers, effective January 1, 2024.

Notably, the Act provides for "paid leave," which is distinguished from any paid time off or vacation an employer might also provide.

Paid Leave for All Workers Act

Under the Act, an employee who works in Illinois will generally be entitled to earn and use at least 40 hours of paid leave during any designated 12-month period. This leave may be used for any reason.

Accrual of Leave

Employers must either (1) provide at least 40 hours of paid leave at the beginning of the 12-month period; or (2) allow employees to accrue leave at the rate of one hour for every 40 hours worked, up to a minimum of 40 hours of accrued leave in a 12 month period.

Employers that use the "up front" method need not carry forward any unused leave into the next year and may maintain a "use it or lose it" policy. However, employers that use the accrual method must carry forward any accrued but unused paid leave. There is no cap on the amount of leave carried forward, but employers may limit the use of paid leave in the 12-month period to 40 hours.

Under the accrual method, employees will begin accruing leave on the first day of their employment or on January 1, 2024 (the Act's effective date). Employees are entitled to use leave 90 days after accrual begins. For employees who receive the 40 hours of paid leave "up front," it is likely leave may be used immediately.

Use of Leave

Employers may set a minimum increment of daily paid leave usage of two hours per day, but employees are entitled to determine how much leave they need to use at a given time.

If the need for leave is not foreseeable, then employees must provide notice as soon as practicable. If the need for leave is foreseeable, employees may be

POSTED:

Mar 15, 2023

RELATED PRACTICES:

[Health Care](https://www.reinhartlaw.com/practices/health-care)

<https://www.reinhartlaw.com/practices/health-care>

[Corporate Law](https://www.reinhartlaw.com/practices/corporate-law)

<https://www.reinhartlaw.com/practices/corporate-law>

[Labor and Employment](https://www.reinhartlaw.com/practices/labor-and-employment)

<https://www.reinhartlaw.com/practices/labor-and-employment>

RELATED PEOPLE:

[Matthew DeLange](https://www.reinhartlaw.com/people/matthew-delange)

<https://www.reinhartlaw.com/people/matthew-delange>

[Lynn M. Stathas](https://www.reinhartlaw.com/people/lynn-stathas)

<https://www.reinhartlaw.com/people/lynn-stathas>

[Christopher K. Schuele](https://www.reinhartlaw.com/people/christopher-schuele)

<https://www.reinhartlaw.com/people/christopher-schuele>



required to provide seven calendar days' notice. However, there is no enforcement mechanism for an employer with respect to the notice requirement.

Employees also have the right to use paid leave under the Act before using any other leave available to them.

Pay Upon Termination

Employers are not required to pay out accrued but unused paid leave upon an employee's separation from employment. However, if the employer rehires a separated employee within 12 months, all previously accrued but unused paid time off must be reinstated and available for use immediately.

Excluded Employers

The Act applies to all employers, except those who provide paid leave, including paid sick leave, under a municipal or county ordinance in effect on January 1, 2024. Currently, only Cook County and the City of Chicago have such ordinances. Therefore, employers obligated to provide paid sick leave under Cook County or the City of Chicago ordinances would be exempt from the Act's provisions.

Other Provisions

Under the Act, Employers are subject to various recordkeeping and posting requirements and prohibited from retaliating against or interfering with employees who attempt to use leave.

What Employers Should Do Now

Illinois employers should prepare to comply with the Act as soon as possible. Employers should begin drafting an earned paid leave policy that addresses the Act's requirements and prepare to implement it on January 1, 2024. Employers should also plan training for their managers, supervisors and human resource employees regarding requirements of the Act and its anti-retaliation and interference protections. Other employers should remain alert as similar laws providing for a variety of paid leaves could be coming elsewhere.

Please contact [Matt DeLange](#), [Lynn Stathas](#), [Christopher Schuele](#) or your Reinhart attorney if you have any questions or need help drafting or implementing a paid leave policy.

These materials provide general information which does not constitute legal or tax advice and should not be relied upon as such. Particular facts or future developments in the law may affect the topic(s) addressed within these materials. Always consult with a lawyer about your particular circumstances before acting on any information presented in these materials because it may not be applicable to you or your situation. Providing



these materials to you does not create an attorney/client relationship. You should not provide confidential information to us until Reinhart agrees to represent you.