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Minimum Requirements

- An employee who works in Illinois is entitled to earn and use up to a minimum of 40 hours of paid leave during a 12-month period or a pro rata number of hours of paid leave under the provisions of subsection (b). Paid leave may be used by the employee for any purpose as long as the paid leave is taken in accordance with the provisions of this Act.
- Employers may provide such leave via accrual or frontloading.
- An employer may choose to provide more than the minimum number of paid leave hours or adopt a more generous paid leave policy as long as the policy meets the minimum requirements of the Act.
- Qualifying pre-existing paid leave plans in effect prior to January 1, 2024, do not need to be modified. If the pre-existing paid leave policy is modified in such a way that the plan no longer provides 40 hours of paid leave to be used for any reason in accordance with Sections 15(a) of the Act, that policy no longer qualifies.

Start of Paid Leave Benefits

- An employee shall begin to earn paid leave hours at the commencement of the individual's employment with the employer or January 1, 2024, whichever is later.

Accrual of Benefits

- One hour of paid leave for every 40 hours worked during a 12-month period up to a minimum of 40 hours.
- All time, including overtime, must be counted for accrual of time off.
- Smaller periods that one hour may be used but all periods fewer than 15 minutes must be rounded up to 15 minutes.
- Overtime-exempt employees shall be deemed to work 40 hours per week.
 - Overtime-exempt employees who work less than 40 hours per week shall accrue paid leave based on the regular office hours that they work.
- EXAMPLES:
 - Employee A works 15 hours per week, 52 weeks per year. Employee A is entitled to accrue 19.5 hours of paid leave annually. (15x52=780 hours worked per year. 780/40=19.5 hours of paid leave.)
 - Employee B works 50 hours per week, 52 weeks per year. Employee B is entitled to accrue at least 40 hours of paid leave annually. Employee B's employer may choose to provide more than 40 hours, either via accrual or frontloading.

- Employee C is paid on a salary basis and is overtime-exempt pursuant to the Fair Labor Standards act. Employee C's office hours are 37.5 hours per week but sometimes works more or less than 37.5 hours per week. Employee C earns paid leave via accrual. Employee C's paid leave shall accrue on the basis of 37.5 hours per week, even in weeks when they work fewer hours.

Frontloading Benefits

- Written notice of how many paid leave hours that employee is receiving on the first day of their employment or on or before the first day of the 12-month period.
 - If the 12-month period begins on a fixed date, such as January 1 or July 1, the employer may prorate the amount of frontloaded paid leave time that an employee who begins employment mid 12-month period shall receive.
 - Each employee's start date may be the start of that employee's 12-month period.
 - An employer may not retroactively diminish or recoup benefits that the employer has already provided to an employee.
- • Each 12-month period shall renew consecutively, and employee shall continue to receive their frontloaded paid leave on the first day of the 12-month period unless employer provides:
 - Written notice 30 days in advance of a change in the 12-month period;
 - Documentation of hours worked, paid leave accrued, and paid leave balance; and
 - The change to the 12-month period does not reduce the number of paid leave hours the employee is otherwise entitled to.
- Employers may provide prorated frontloaded paid leave for part time employees. If the employee works more than anticipated, the employee is entitled to accrue additional hours at a rate of one hour of paid leave for every 40 hours worked. The employer may not diminish, or recoup used or unused frontloaded paid leave benefits in any way.

Notice and Accounting

- During the duration of the employee's employment, the employer shall provide an accounting of the employee's unused balance of paid leave time on each paystub or form that the employer normally furnished to the employee to notify them of wage payments and deductions from wages.
- If an employee accrues paid leave based on Section 200.220 and requests information regarding subsection (a), then the employer shall provide such records to the employee as soon as is practical.

Use of Paid Leave

- An employee is entitled to begin using earned paid leave time 90 calendar days after commencement of employment or 90 calendar days after January 1, 2024, whichever is later.
 - Six months after January 1, 2024, Employee A starts a new job on Monday, July 1, 2023, and works 40 hours per week. Employee A starts accruing paid leave on their first day (July 1) but must wait 90 days (until September 29, 2024) before using any of their accrued paid leave time.
 - Employee B starts a new job on September 1, 2024, but does not have their first day of work until September 3, 2024. Employee B's 90 day waiting period begins on September 1, 2024
 - Employee C has worked for an employer since 2019 but has not received paid leave. Employer decides to frontload Paid leave to begin January 1, 2024. Employee C must wait 90 days before being entitled to use any of their paid leave time.

- Employee D works 40 hours per week between June 1 and August 15 and does not work the rest of the year. Employee D accrues paid time at 1 hour per 40 hours worked but is unable to use that paid leave as Employee D only works for 75 days. If Employee D comes back the following year, their accrued but unused leave shall be rolled over or reinstated.
- An employee is entitled to use paid leave earned under the Act and this part for any reason of the employee's choosing.
 - An employer shall not require an employee to provide a reason for taking paid leave time.
 - An employer shall not require an employee to provide any type of documentation, including a certificate or form, as proof or support for the reason to use the paid leave time.
 - An employee shall be allowed to use paid leave time before using any other leave benefits provided by employer or State law.
- In order to impose terms and conditions on employees' use of paid leave time, the employer must adopt a reasonable, written paid leave policy, made available in English and in any additional language commonly spoken by the employer's workforce, that, at a minimum, includes the protections of the Act.
 - The paid leave policy can be part of an existing employer manual, existing employer handbook, or a separate document.
 - The employer shall provide the paid leave policy to the employee prior to or upon the employee's commencement of employment or within 90 days after January 1, 2024, whichever is later. Employers who regularly communicate with employees via electronic means shall also provide the notice via the employer's regular electronic communication method.
 - If an employer changes the paid leave policy during the course of an employee's employment, then the employer shall notify the employee of the updated paid leave policy as soon as practical.
 - An employee may request to use paid leave under this Act and this Part by making an oral or written request to the employer consistent with the employer's paid leave policy. Whether to make such a request orally or in writing is the employee's choice.
- Notification requirements
 - If an employee's request to use paid leave time is foreseeable, then an employer may require an employee to give a maximum of 7 days' prior notice.
 - If an employee's request to use paid leave time is unforeseeable, then the employer may require the employee to provide notice as soon as practically possible after the employee is aware of the necessity of the leave.
- An employer cannot deny an employee's request to use paid leave even if the employee's request does not meet an employer's foreseeability requirements, except as follows:
 - The employer's policy for considering leave requests, including any basis for denial under this Section is disclosed to the employee, in writing; and
 - The employer's paid leave policy establishes certain limited circumstances in which paid leave may be denied in order to meet employer's core operational needs for the requested time period. Relevant factors include:
 - Whether the employee provides a need or service critical to the health, safety, or welfare of the people of Illinois; and
 - Whether similarly situated employees are treated the same for the purposes of reviewing, approving, and denying paid leave; and

need in writing →

- Whether granting leave during a particular time period would significantly impact the business operations due to employer's size; and whether the employee has adequate opportunity to use all paid leave time they are entitled to over a 12-month period.
 - Employers must maintain a record of each request which is denied and the employer's reason for the denial.
- An employer shall provide employees with written notice of the paid leave policy notification requirements in this Section and shall do so within 5 calendar days of any change to the employer's reasonable paid leave policy notification requirements.
- An employer shall not require an employee to search for or locate a replacement worker to cover the employee's use of paid leave time.
- An employer may restrict an employee's use of paid leave to the employee's regular workweek.

Carry Over

- For an employee who accrues paid leave time over the course of a 12-month period, any unused paid leave time shall carry over annually from one 12-month period to the next 12-month period. Employers may establish a reasonable policy restricting employees' ability to carry over more than 80 hours of unused paid leave.
- Employees who receive frontloaded paid leave at the beginning of the 12-month period are not entitled to carry over paid leave time from one 12-month period to the next.
- An employee is not entitled to use more than 40 hours of paid leave in a 12-month period unless the employer allows them to do so.

Rate of Pay

- Employees shall be paid their regular rate of pay when taking paid leave time, including if salaried.
- Employees who work in an occupation where gratuities are customarily the form of payment, and whose employers take a tip credit, shall be paid at least the full minimum wage in the jurisdiction where the employer is located for all paid leave hours.
- Employers whose employees take a tip credit, who work in an occupation where gratuities are customarily the form of payment, and whose annualized rate of pay is the same or greater than the full minimum wage of the jurisdiction where the employer is located, shall be paid at their annualized rate of pay when using paid leave time.

Domestic Workers

- Domestic workers shall earn or accrue paid leave under this Act from each employer for whom they perform work. If a domestic worker is employed jointly by two or more employers in a shared services arrangement. Then all employers shall be considered one employer for the purposes of this Act.
 - Example: A worker is hired jointly by two families, 30 hours per week for one family and 20 hours per week by another family. For the purposes of paid leave, the families are in a shared services arrangement. All of the worker's time spent working for both families are counted together for accrual calculation purposes.

Transfers and Reinstatements

- An employee is entitled to retain all paid leave when moved between divisions of the same employer.

- An employee is entitled to retain and use all unused accrued paid leave time earned from employment if the employee was terminated or separated from employment and was rehired within 12 months by the same employer. The unused earned and accrued paid leave time shall be reinstated to the employee on the first day of reinstatement.
- If an employee separates and returns within the same 12-month period, that employee is entitled to reinstatement of any unused frontloaded paid time off unless it was paid out at separation.

Health Benefits

- Health benefits shall continue during any paid time off.

Recordkeeping Requirements

- Every employer shall create and maintain, for not less than 3 years, the following records for each employee:
 - Name and address;
 - Hours worked each day in each workweek;
 - Paid leave earned or accrued in each workweek;
 - Paid leave taken or used in each workweek;
 - Requests by the employee to use paid leave that the employer denied; and
 - Remaining paid leave balance in each workweek and upon employee's separation or termination from employment.
- Every employer shall make all records relating to the Paid Leave for All Workers Act available to the employee or for inspection by the Department of Labor upon request.

Display of Paid Leave for All Workers Notice

Employers will have to display a Department of Labor Provided notice in a conspicuous location on the employer's premises where notices are customarily posted. This must also include a statement written by the employer, summarizing the employer's written paid leave manual, handbook, or policy, if the employer has one, including how an employee may receive a copy of such document.

Paid Leave upon Separation from Employment

- An employee's existing time off allowance bank or account shall be kept separate from the accounting of the employee's earned paid leave under the Act unless the employer's written policy or practice is to combine such leave.
- If an employer chooses to credit the paid leave provided for under the Act to an existing paid leave allowance provided by the employer, such policy must be communicated to the employee within 30 days after the start of employment or the effective date of the policy.
- If an employer chooses to credit the leave provided for under the Act to an existing paid leave allowance provided by the employer, any unused paid leave time shall be paid to the employee upon an employee's termination, resignation, retirement, or other separation to the same extent that vacation time is paid under the Illinois wage payment and Collection Act.
- If an Employer does not provide an additional form of paid leave allowance, nor chooses to combine or credit the multiple forms of leave together, then an employer shall not be required to pay out, provide

financial benefit, or reimbursement for unused paid leave earned under the Act upon an employee's termination, resignation, retirement, or other separation from employment.

- **EXAMPLES:**
 - Prior to January 1, 2024, Employer A, who is subject to the IL Wage Payment and Collection Act, offers two weeks of paid vacation to all employees. Beginning January 1, 2024, Employer A allows employees to accrue paid leave under the Paid Leave for All Workers Act, and terms that leave "PLAW Leave." Employer A maintains records of the balance each employee has in the employee's vacation account and in the employee's PLAW Leave Account. Employer A does not have to pay out employee's PLAW leave upon their termination. Employer A should ask all employees what kind of leave they would like to take when they are requesting paid leave.

Damages, Penalties, and Relief Due to the Employee

- Total value of earned paid leave hours owed to the claimant;
- Compensatory damages;
- A penalty of not less than \$500 and not more than \$1,000; and
- Any equitable relief as determined by the Administrative Law Judge pursuant to a hearing conducted under the IAPA.

Penalties Due to the Department of Labor

If an employer violates any provision of the Act, unless otherwise punishable by a separate fine, then the employer shall be subject to a civil penalty of \$2,500 per offense, payable to the Paid Leave for All Workers Fund.