



## Notice of Illinois Paid Leave for All Workers Act

In 2023, the Illinois General Assembly passed the Paid Leave for All Workers Act (PLAWA), which will take effect on January 1, 2024. This law requires virtually all Illinois employers to provide paid leave to virtually all of their employees, which can be used for any purpose. Although the law goes into effect on January 1, 2024, the Illinois Department of Labor (IDOL) will be adopting additional rules to administer and enforce PLAWA that will take effect no sooner than March 2024.

**Please note:** PLAWA does not apply to employees who are covered by the Chicago and/or Cook County paid leave laws. In addition, if your company has an existing policy that meets or provides the minimum amount of leave required by PLAWA (40 hours) in a 12-month period and your employees can in fact take that amount of leave for any reason of their choosing, you do not need to modify the terms of your policy. IDOL expects to further clarify how existing policies meet expectations of PLAWA in the forthcoming rules.

The key requirements/features of PLAWA are as follows:

1. The law covers full-time, part-time, temporary, and seasonal employees.
2. As of January 1, 2024, Illinois employees must accrue one hour of paid sick for every 40 hours worked for up to 40 hours in a 12-month period.
3. Employers are permitted to front load leave on the first day of employment or the first day of the 12-month period, rather than apply an accrual approach.
4. Although employees begin accruing paid leave on January 1, 2024, employers may require that employees satisfy a 90-day waiting period before they actually use any accrued paid leave.
5. Employees may use paid leave for any reason.
6. Nothing in the Act prohibits an employer from adopting a policy that establishes some parameters for taking leave, and limited reasons the employer may deny leave for operational necessity. Any such policy must be communicated to employees, applied equally to all employees, and conform with other applicable state and federal laws.
7. Employers can limit an employee's use of paid leave to 40 hours, or 5 days, in each year of employment.
8. Employees are allowed to carry over or roll over unused, accrued paid leave from one year to the next under this law. However, employers can cap the amount of paid leave that can be accrued to 80 hours. If paid leave is frontloaded, it does not need to be carried over.
9. Employers are not required to pay out accrued unused sick leave at time of termination.
10. Employers cannot discriminate or retaliate against employees who request and/or use paid leave. An employer that takes an adverse employment action against an employee who uses or requests leave is presumed to have retaliated against the employee.
11. PLAWA imposes posting, notice, and record-keeping obligations on employers.
  - Employers must post an IDOL-provided notice in a conspicuous place on the work premises and include a copy of the notice in a written document, employee manual, or policy. The notice must be provided in English and any other language commonly spoken in the workplace.
  - Employers must provide a written policy that contains notice procedures for employees if required by the employer.
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  - Employers must provide employees with the paid leave policy prior to or upon commencement of employment or within 90 days after the effective date of the Act.
  - Employers must post a statement, written by the employer, summarizing the employer's written policy and how an employee can obtain a copy of the document. The statement must be provided in

- English and any other language commonly spoken in the workplace.
  - Employers must report employee's paid leave accrual and remaining balance on each paystub and provide these records to the employee upon request. Alternatively, employers may report the accrual and balance on the form that the employer normally uses to notify the employee of wage payments and deductions from wages.
  - If an employee either resigns or is terminated and is then re-hired within 12 months, his/her accrued but unused paid leave (if any) must be reinstated.
12. PLAWA assigns enforcement authority to the Illinois Department of Labor (IDOL).
13. Employers that violate PLAWA are subject to civil penalties of \$2,500 for each separate offense. In addition, employees who believe their employer violated the Illinois Act may file a complaint with the IDOL and may be entitled to recover, actual underpayment, compensatory damages, a penalty of up to \$1,000.00, attorneys' fees, costs, or other appropriate equitable relief.

As you can see from the above, compliance with PLAWA is complicated. Further, there are multiple ways to comply with PLAWA. As such, we urge you to seek the advice of competent labor and employment counsel to ensure that you are in compliance with PLAWA. **SPLI is not responsible for ensuring your compliance with this law.**

If you are in need of compliance advice, we recommend that you either contact your current labor & employment counsel or, if you do not have labor & employment counsel, Christopher C. Johnson at Ford Harrison. Mr. Johnson may be reached at 813-261-7800 or [cjohnson@fordharrison.com](mailto:cjohnson@fordharrison.com). Please note that SPLI is not responsible for any legal fees or costs associated with your company seeking or obtaining PSL law compliance advice.