

Publications

Chicago Requires Paid Leave and Paid Sick Leave Law for Employees

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Effective July 1, 2024, employers with Chicago employees will have to provide them with up to 40 hours of paid leave and 40 hours of paid sick leave. Originally, the new Chicago Paid Leave and Paid Sick and Safe Leave Ordinance was to take effect on December 31, 2023. But the city recently delayed implementation until July 1, 2024. Employers should review their current time off policies to ensure they comply with the ordinance. Contact your Vorys attorney if you questions about how to comply with the ordinance and similar state and local leave requirements.

Covered Employees

The ordinance applies to any employee who works at least 80 hours within any 120-day period while physically present within the city's geographic boundaries. Once an employee becomes covered, they remain so for the remainder of their employment. The ordinance does not affect collective bargaining agreements in effect on July 1, 2024, and, thereafter, if expressly waived in the agreement.

Accrual, Carryover, and Frontloading

Beginning July 1, 2024, employees must accrue one hour of paid sick leave *and* one hour of paid leave for every 35 hours worked (every 40 hours worked for exempt employees). Accrual is capped at 40 hours of paid sick leave *and* 40 hours of paid leave per 12-month period. Employees may carry over up to 80 hours of paid sick leave and 16 hours of paid leave.

Alternatively, an employer may frontload 40 hours of paid sick leave and/or 40 hours of paid leave on the first day of the 12-month accrual period. If an employer frontloads 40 hours of paid leave, there is no carryover. However, employers must still allow up to 80 hours of paid sick leave to carryover even if it has been frontloaded.

Use

Employees may use paid sick leave after 30 days of employment, and may use paid leave after 90 days. Use increments may not exceed two hours for paid sick leave and four hours for paid leave. There is no cap on the amount of leave an employee can use per year.

Paid sick leave may be used when an employee or family member is ill, injured, needs to seek professional care, or is ordered to isolate or quarantine; is a victim of domestic violence or sex offense; or when their place of business, care or school has been closed. Employers may require up to seven days' notice, if the need for time off is reasonably foreseeable. Otherwise, notice must be given as soon as practicable. Employers may not require preapproval. If an employee is absent for three or more consecutive work days, the employer may require certain documentation.

Paid leave may be used for any reason. Employers may require employees to provide reasonable notice, not to exceed seven days, and reasonable preapproval. Employers may not require an employee to provide a reason or documentation in support of paid leave.

Payout Upon Separation from Employment

When employment ends, medium (51-100 employees) and large (101 or more employees) employers must pay out the monetary equivalent of all accrued but unused paid leave (but not paid sick leave). From July 1, 2024 to June 30, 2025, medium employers are required to pay out up to 16 hours of unused paid leave; they must pay out all unused paid leave beginning July 1, 2025. Large employers must pay out all unused paid leave starting July 1, 2024.

Employer Policy, Notice, and Recordkeeping

Employers must have a written policy for paid sick leave and paid leave that explains, at a minimum, the rate of accrual and any employee notice requirements, in the employee's primary language. Written notice must be provided to employees at the start of employment and when changes to the policy occur. Additionally, written notice must be provided annually with a paycheck issued within 30 days of July 1. The city will provide a form notice for this purpose, as well as a notice to post. Employers must include leave balances on employees' wage statements.

Employers must retain records for at least five years showing the employee's name, addresses, hours worked, pay rate, wage agreement, number of leave hours earned for each year, the dates on which leave hours were taken and paid. The records must be provided to employees upon request.

Enforcement

The city may fine employers \$500 – \$3,000 for various violations. Additionally, beginning July 1, 2025, employees may recover treble damages plus attorney's fees in a private right of action. For the first year, employees can only bring an action after the payday for the next payroll period or 16 days after the alleged violation occurred, whichever is shorter, passes.