

AN ACT concerning employment.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Workplace Transparency Act is amended by changing Sections 1-5, 1-10, 1-15, 1-20, 1-25, 1-30, 1-35, and 1-40 as follows:

(820 ILCS 96/1-5)

Sec. 1-5. Purpose. This State has a compelling and substantial interest in securing individuals' freedom from unlawful discrimination and harassment in the workplace. This State also recognizes the right of parties to freely contract over the terms, privileges and conditions of employment as they so choose. The purpose of this Act is to ensure that all parties to a contract for the performance of services understand and agree to the mutual promises and consideration therein, and to protect the interest of this State in ensuring all workplaces are free of unlawful discrimination, ~~and~~ harassment, and violations of State or federal employment laws.

(Source: P.A. 101-221, eff. 1-1-20.)

(820 ILCS 96/1-10)

Sec. 1-10. Application.

(a) This Act does not apply to any collective bargaining agreements ~~contracts~~ that are entered into in and subject to the Illinois Public Labor Relations Act or the National Labor Relations Act. If there is a conflict between any valid and enforceable collective bargaining agreement and this Act, the collective bargaining agreement controls.

(b) This Act shall have no effect on the determination of whether an employment relationship exists for the purposes of other State or federal laws, including, but not limited to, the Illinois Human Rights Act, the Workers' Compensation Act, the Unemployment Insurance Act, and the Illinois Wage Payment and Collection Act.

(c) This Act applies to contracts entered into, modified, or extended on or after the effective date of this Act.

(Source: P.A. 101-221, eff. 1-1-20.)

(820 ILCS 96/1-15)

Sec. 1-15. Definitions. As used in this Act:

"Concerted activity" means activities engaged in for the purpose of collective bargaining or other mutual aid or protection as provided in 29 U.S.C. 157 et seq., as it existed on January 19, 2025, and the Illinois Education Labor Relations Act, Illinois Public Labor Relations Act, and Labor Dispute Act.

"Employee" has the same meaning as set forth in Section 2-101 of the Illinois Human Rights Act. "Employee" includes

"nonemployees" as defined in Section 2-102 of the Illinois Human Rights Act.

"Employer" has the same meaning as set forth in Section 2-101 of the Illinois Human Rights Act.

"Mutual condition of employment or continued employment" means any contract, agreement, clause, covenant, or waiver negotiated between an employer and an employee or prospective employee in good faith for consideration in order to obtain or retain employment.

"Prospective employee" means a person seeking to enter an employment contract with an employer.

"Settlement agreement" means an agreement, contract, or clause within an agreement or contract entered into between an employee, prospective employee, or former employee and an employer to resolve a dispute or legal claim between the parties that arose or accrued before the settlement agreement was executed.

"Termination agreement" means a contract or agreement between an employee and an employer terminating the employment relationship.

"Unlawful employment practice" means any practice made unlawful that is ~~form of unlawful discrimination, harassment, or retaliation that is~~ actionable under Article 2 of the Illinois Human Rights Act, Title VII of the Civil Rights Act of 1964, or any other ~~related~~ State or federal rule or law governing employment, including those that are ~~is~~ enforced by

the Illinois Department of Human Rights, Illinois Department of Labor, Illinois Labor Relations Board, ~~or the~~ Equal Employment Opportunity Commission, United States Department of Labor, Occupational Safety and Health Administration, or National Labor Relations Board.

"Unilateral condition of employment or continued employment" means any contract, agreement, clause, covenant, or waiver an employer requires an employee or prospective employee to accept as a non-negotiable material term in order to obtain or retain employment.

(Source: P.A. 101-221, eff. 1-1-20.)

(820 ILCS 96/1-20)

Sec. 1-20. Reporting of allegations. No contract, agreement, clause, covenant, waiver, or other document shall prohibit, prevent, or otherwise restrict an employee, prospective employee, or former employee from (1) reporting any allegations of unlawful conduct to federal, State, or local officials for investigation, including, but not limited to, alleged criminal conduct or unlawful employment practices, or (2) engaging in concerted activity to address work-related issues.

(Source: P.A. 101-221, eff. 1-1-20.)

(820 ILCS 96/1-25)

Sec. 1-25. Conditions of employment or continued

employment.

(a) Any agreement, clause, covenant, or waiver that is a unilateral condition of employment or continued employment and has the purpose or effect of preventing an employee or prospective employee from making truthful statements or disclosures about alleged unlawful employment practices or engaging in protected concerted activity to address work-related issues is against public policy, void to the extent it prevents such statements or disclosures, and severable from an otherwise valid and enforceable contract under this Act.

(b) Any agreement, clause, covenant, or waiver that is a unilateral condition of employment or continued employment and requires the employee or prospective employee to waive, arbitrate, or otherwise diminish any existing or future claim, right, or benefit related to an unlawful employment practice to which the employee or prospective employee would otherwise be entitled under any provision of State or federal law, including that which purports to shorten the applicable statute of limitation, apply non-Illinois law to an Illinois employee's claim, or require a venue outside of Illinois to adjudicate an Illinois employee's claim, is against public policy, void to the extent it denies an employee or prospective employee a substantive or procedural right or remedy related to alleged unlawful employment practices, and severable from an otherwise valid and enforceable contract

under this Act.

(c) Any agreement, clause, covenant, or waiver that is a mutual condition of employment or continued employment may include provisions that would otherwise be against public policy as a unilateral condition of employment or continued employment, but only if the agreement, clause, covenant, or waiver is in writing, demonstrates actual, knowing, and bargained-for consideration from both parties, and acknowledges the right of the employee or prospective employee to:

(1) report any good faith allegation of unlawful employment practices to any appropriate federal, State, or local government agency enforcing discrimination laws;

(2) report any good faith allegation of criminal conduct to any appropriate federal, State, or local official;

(3) participate in a proceeding related to unlawful employment practices, including any litigation brought by any federal, State, or local government agency or any other person who alleges that the employer has violated any State, federal, or local law, regulation, or rule ~~with any appropriate federal, State, or local government agency enforcing discrimination laws;~~

(4) make any truthful statements or disclosures required by law, regulation, or legal process; ~~and~~

(5) request or receive confidential legal advice; and

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(6) engage in concerted activity to address work-related issues.

(d) Failure to comply with the provisions of subsection (c) shall establish a rebuttable presumption that the agreement, clause, covenant, or waiver is a unilateral condition of employment or continued employment that is governed by subsection (a) or (b).

(e) Nothing in this Section shall be construed to prevent an employee or prospective employee and an employer from negotiating and bargaining over the terms, privileges, and conditions of employment.

(Source: P.A. 101-221, eff. 1-1-20; 102-558, eff. 8-20-21.)

(820 ILCS 96/1-30)

Sec. 1-30. Settlement or termination agreements.

(a) An employee, prospective employee, or former employee and an employer may enter into a valid and enforceable settlement or termination agreement that includes promises of confidentiality related to alleged unlawful employment practices, other than future or prospective concerted activity related to workplace conditions, so long as:

(1) confidentiality is the documented preference of the employee, prospective employee, or former employee and is mutually beneficial to both parties;

(2) the employer notifies the employee, prospective

employee, or former employee, in writing, of his or her right to have an attorney or representative of his or her choice review the settlement or termination agreement before it is executed;

(3) there is valid, bargained for consideration in exchange for the confidentiality separate from any consideration that is provided in exchange for a release of claims;

(4) the settlement or termination agreement does not waive any claims of unlawful employment practices that accrue after the date of execution of the settlement or termination agreement;

(5) the settlement or termination agreement is provided, in writing, to the parties to the prospective agreement and the employee, prospective employee, or former employee is given a period of 21 calendar days to consider the agreement before execution, during which the employee, prospective employee, or former employee may sign the agreement at any time, knowingly and voluntarily waiving any further time for consideration; and

(6) unless knowingly and voluntarily waived by the employee, prospective employee, or former employee, he or she has 7 calendar days following the execution of the agreement to revoke the agreement and the agreement is not effective or enforceable until the revocation period has expired.

(b) An employer may not unilaterally include any clause in a settlement or termination agreement that prohibits the employee, prospective employee, or former employee from making truthful statements or disclosures regarding unlawful employment practices or unilaterally include any clause in a settlement or termination agreement that states that the promises of confidentiality are the preference of the employee.

(c) Failure to comply with the provisions of this Section shall render any promise of confidentiality related to alleged unlawful employment practices against public policy void and severable from an otherwise valid and enforceable agreement.

(d) Nothing in this Section shall be construed to prevent a mutually agreed upon settlement or termination agreement from waiving or releasing the employee, prospective employee, or former employee's right to seek or obtain any remedies or relief of any kind relating to an unlawful employment practice claim that occurred before the date on which the agreement is executed.

(Source: P.A. 101-221, eff. 1-1-20.)

(820 ILCS 96/1-35)

Sec. 1-35. Consequential damages, costs, ~~Costs~~ and attorney's fees. An employee, prospective employee, or former employee shall be entitled to consequential damages, in addition to reasonable attorney's fees and costs incurred in

challenging a contract for violation of this Act upon a final, non-appealable action in favor of the employee, prospective employee, or former employee on the question of the validity and enforceability of the contract or defending an action for breach of a confidentiality agreement pursuant to this Act.

(Source: P.A. 101-221, eff. 1-1-20.)

(820 ILCS 96/1-40)

Sec. 1-40. Right to testify. Notwithstanding any other law to the contrary, any agreement, clause, covenant, or waiver, settlement agreement, or termination agreement that waives the right of an employee, prospective employee, or former employee to testify in an administrative, legislative, arbitral, or judicial proceeding, including a deposition taken in connection with any of the proceedings, concerning alleged criminal conduct or alleged unlawful employment practices on the part of the other party to the employment contract, settlement agreement, or termination agreement, or on the part of the party's agents or employees, when the employee, prospective employee, or former employee has been required or requested to attend the proceeding pursuant to a court order, subpoena, or written request from an administrative agency or the legislature, is void and unenforceable under the public policy of this State. This Section is declarative of existing law.

(Source: P.A. 101-221, eff. 1-1-20.)