



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB3531

Introduced 2/18/2025, by Rep. Dan Ugaste

SYNOPSIS AS INTRODUCED:

55 ILCS 5/5-1192 new
65 ILCS 5/10-4-13 new
820 ILCS 192/10
820 ILCS 192/15
820 ILCS 192/30
820 ILCS 192/35

Amends the Counties Code and the Illinois Municipal Code. Provides that a county or a municipality shall not require a school district organized under the School Code or a park district organized under the Park District Code to provide paid leave to the employees of the school district or park district. Limits home rule powers. Amends the Paid Leave for All Workers Act. Provides that the definition of "employee" does not include: (1) an employee engaged in the transportation of goods through this State; or (2) an employee who is free to decide what time the employee performs duties for an employer. Makes changes to provisions concerning the provision of paid leave; the responsibilities of the Department of Labor; and enforcement and penalties.

LRB104 10568 SPS 20644 b

1 AN ACT concerning employment.

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

4 Section 5. The Counties Code is amended by adding Section
5 5-1192 as follows:

6 (55 ILCS 5/5-1192 new)

7 Sec. 5-1192. Paid leave for employees of school districts
8 and park districts.

9 (a) A county shall not require a school district organized
10 under the School Code or a park district organized under the
11 Park District Code to provide paid leave to the employees of
12 the school district or park district.

13 (b) A home rule unit may not regulate the provision of paid
14 leave to the employees of a school district organized under
15 the School Code or a park district organized under the Park
16 District Code in a manner more restrictive than the regulation
17 by the State of the provision of paid leave under this Section.
18 This Section is a limitation under subsection (i) of Section 6
19 of Article VII of the Illinois Constitution on the concurrent
20 exercise by home rule units of powers and functions exercised
21 by the State.

22 Section 10The Illinois Municipal Code is amended by adding

1 Section 10-4-13 as follows:

2 (65 ILCS 5/10-4-13 new)

3 Sec. 10-4-13. Paid leave for employees of school districts
4 and park districts.

5 (a) A township shall not require a school district
6 organized under the School Code or a park district organized
7 under the Park District Code to provide paid leave to the
8 employees of the school district or park district.

9 (b) A home rule unit may not regulate the provision of paid
10 leave to the employees of a school district organized under
11 the School Code or a park district organized under the Park
12 District Code in a manner more restrictive than the regulation
13 by the State of the provision of paid leave under this Section.
14 This Section is a limitation under subsection (i) of Section 6
15 of Article VII of the Illinois Constitution on the concurrent
16 exercise by home rule units of powers and functions exercised
17 by the State.

18 Section 15. The Paid Leave for All Workers Act is amended
19 by changing Sections 10, 15, 30, and 35 as follows:

20 (820 ILCS 192/10)

21 Sec. 10. Definitions. As used in this Act:

22 "Construction industry" means any constructing, altering,
23 reconstructing, repairing, rehabilitating, refinishing,

1 refurbishing, remodeling, remediating, renovating, custom
2 fabricating, maintenance, landscaping, improving, wrecking,
3 painting, decorating, demolishing, or adding to or subtracting
4 from any building, structure, highway, roadway, street,
5 bridge, alley, sewer, ditch, sewage disposal plant,
6 waterworks, parking facility, railroad, excavation or other
7 structure, project, development, real property, or
8 improvement, or to do any part thereof, whether or not the
9 performance of the work herein described involves the addition
10 to or fabrication into, any structure, project, development,
11 real property, or improvement herein described of any material
12 or article of merchandise.

13 "Construction industry" also includes moving construction
14 related materials on the job site or to or from the job site,
15 snow plowing, snow removal, and refuse collection.

16 "Department" means the Illinois Department of Labor.

17 "Domestic work" and "domestic worker" have the same
18 meanings as defined in Section 10 of the Domestic Workers'
19 Bill of Rights Act, except that "domestic worker" also
20 includes independent contractors, sole proprietors, and
21 partnerships.

22 "Employee" has the same application and meaning as that
23 provided in Sections 1 and 2 of the Illinois Wage Payment and
24 Collection Act. "Employee" also includes all domestic workers,
25 and, for the purposes of this Act, domestic workers shall not
26 be excluded as employees under the provisions of item (1),

1 (2), or (3) of Section 2 of the Illinois Wage Payment and
2 Collection Act. For the purposes of this definition, an
3 employee shall be a resident of this State. "Employee" does
4 not include:

5 (1) an employee as defined in the federal Railroad
6 Unemployment Insurance Act (45 U.S.C. 351 et seq.) or the
7 Railway Labor Act;

8 (2) a student enrolled in and regularly attending
9 classes in a college or university that is also the
10 student's employer, and who is employed on a temporary
11 basis at less than full time at the college or university,
12 but this exclusion applies only to work performed for that
13 college or university; ~~or~~

14 (3) a short-term employee who is employed by an
15 institution of higher education for less than 2
16 consecutive calendar quarters during a calendar year and
17 who does not have a reasonable expectation that they will
18 be rehired by the same employer of the same service in a
19 subsequent calendar year; ~~or~~

20 (4) an employee engaged in the transportation of goods
21 through this State; or

22 (5) an employee who is free to decide what time the
23 employee performs duties for an employer.

24 "Employer" has the same application and meaning as that
25 provided in Sections 1 and 2 of the Illinois Wage Payment and
26 Collection Act, except that for purposes of this Act,

1 "employer" also means the State and units of local government,
2 any political subdivision of the State or units of local
3 government, or any State or local government agency.

4 "Employer" does not include school districts organized
5 under the School Code or park districts organized under the
6 Park District Code.

7 "Writing" or "written" means a printed or printable
8 communication in physical or electronic format, including a
9 communication that is transmitted through electronic mail,
10 text message, or a computer system or is otherwise sent or
11 stored electronically.

12 (Source: P.A. 102-1143, eff. 1-1-24.)

13 (820 ILCS 192/15)

14 Sec. 15. Provision of paid leave.

15 (a) An employee who works in Illinois is entitled to earn
16 and use up to a minimum of 40 hours of paid leave during a
17 12-month period or a pro rata number of hours of paid leave
18 under the provisions of subsection (b). The paid leave may be
19 used by the employee for any purpose as long as the paid leave
20 is taken in accordance with the provisions of this Act.

21 (b) Paid leave under this Act shall accrue at the rate of
22 one hour of paid leave for every 40 hours worked up to a
23 minimum of 40 hours of paid leave or such greater amount if the
24 employer provides more than 40 hours. Employees who are exempt
25 from the overtime requirements of the federal Fair Labor

1 Standards Act (29 U.S.C. 213(a)(1)) shall be deemed to work 40
2 hours in each workweek for purposes of paid leave accrual
3 unless their regular workweek is less than 40 hours, in which
4 case paid leave accrues based on that regular workweek.
5 Employees shall determine how much paid leave they need to
6 use; ~~it~~ however, ~~l~~ employers may set a reasonable minimum
7 increment for the use of paid leave not to exceed 2 hours per
8 day. If an employee's scheduled workday is less than 2 hours
9 per day, the employee's scheduled workday shall be used to
10 determine the amount of paid leave. Employers who voluntarily
11 provide all employees with one hour of paid leave for every 40
12 hours worked in a 12-month period are exempt from this Act.

13 (c) An employer may make available the minimum number of
14 hours of paid leave, subject to pro rata requirements provided
15 in subsection (b), to an employee on the first day of
16 employment or the first day of the 12-month period. Employers
17 that provide the minimum number of hours of paid leave to an
18 employee on the first day of employment or the first day of the
19 12-month period are not required to carry over ~~carryover~~ paid
20 leave from 12-month period to 12-month period and may require
21 employees to use all paid leave prior to the end of the benefit
22 period or forfeit the unused paid leave. However, under no
23 circumstances shall an employee be credited with paid leave
24 that is less than what the employee would have accrued under
25 subsections (a) and (g) of this Section.

26 (d) The 12-month period may be any consecutive 12-month

1 period designated by the employer in writing at the time of
2 hire. Changes to the 12-month period may be made by the
3 employer if notice is given to employees in writing prior to
4 the change and the change does not reduce the eligible accrual
5 rate and paid leave available to the employee. If the employer
6 changes the designated 12-month period, the employer shall
7 provide the employee with documentation of the balance of
8 hours worked, paid leave accrued and taken, and the remaining
9 paid leave balance.

10 (e) Paid leave under this Act may be taken by an employee
11 for any reason of the employee's choosing. An employee is not
12 required to provide an employer a reason for the leave and may
13 not be required to provide documentation or certification as
14 proof or in support of the leave. An employee may choose
15 whether to use paid leave provided under this Act prior to
16 using any other leave provided by the employer or State law.

17 (f) Employees shall be paid their hourly rate of pay for
18 paid leave. However, employees engaged in an occupation in
19 which gratuities or commissions have customarily and usually
20 constituted and have been recognized as part of the
21 remuneration for hire purposes shall be paid by their employer
22 at least the full minimum wage in the jurisdiction in which
23 they are employed when paid leave is taken. This wage shall be
24 treated as the employee's regular rate of pay for purposes of
25 this Act.

26 (g) Paid leave under this Act shall begin to accrue at the

1 commencement of employment or on the effective date of this
2 Act, whichever is later. Employees shall be entitled to begin
3 using paid leave 90 days following commencement of their
4 employment or 90 days following the effective date of this
5 Act, whichever is later.

6 (h) Paid leave under this Act shall be provided upon the
7 oral or written request of an employee in accordance with the
8 employer's reasonable paid leave policy notification
9 requirements which may include the following:

10 (1) If use of paid leave under this Act is
11 foreseeable, the employer may require the employee to
12 provide 7 calendar days' notice before the date the leave
13 is to begin.

14 (2) If paid leave under this Act is not foreseeable,
15 the employee shall provide such notice as soon as is
16 practicable after the employee is aware of the necessity
17 of the leave. An employer that requires notice of paid
18 leave under this Act when the leave is not foreseeable
19 shall provide a written policy that contains procedures
20 for the employee to provide notice.

21 (3) Employers shall provide employees with written
22 notice of the paid leave policy notification requirements
23 in this Section in the manner provided in Section 20 for
24 notice and posting and within 5 calendar days of any
25 change to the employer's reasonable paid leave policy
26 notification requirements.

1 (4) An employer may not require, as a condition of
2 providing paid leave under this Act, that the employee
3 search for or find a replacement worker to cover the hours
4 during which the employee takes paid leave.

5 (i) Except as provided in subsection (c), paid leave under
6 this Act shall carry over annually to the extent not used by
7 the employee, provided that nothing in this Act shall be
8 construed to require an employer to provide more than 40 hours
9 of paid leave for an employee in the 12-month period unless the
10 employer agrees to do so.

11 (j) Nothing in this Section or any other Illinois law or
12 rule shall be construed as requiring financial or other
13 payment to an employee from an employer upon the employee's
14 termination, resignation, retirement, or other separation from
15 employment for paid leave accrued under this Act that has not
16 been used. Nothing in this Section or any other Illinois law or
17 rule shall be construed as requiring financial or other
18 reimbursements to an employee from an employer for unused paid
19 leave under this Act at the end of the benefit year or any
20 other time.

21 (k) If an employee is transferred to a separate division,
22 entity, or location, but remains employed by the same
23 employer, the employee is entitled to all paid leave accrued
24 at the prior division, entity, or location and is entitled to
25 use all paid leave as provided in this Section. If there is a
26 separation from employment and the employee is rehired within

1 12 months of separation by the same employer, previously
2 accrued paid leave that had not been used by the employee shall
3 be reinstated. The employee shall be entitled to use accrued
4 paid leave at the commencement of employment following a
5 separation from employment of 12 months or less.

6 ~~(l) Paid leave under this Act shall not be charged or~~
7 ~~otherwise credited to an employee's paid time off bank or~~
8 ~~employee account unless the employer's policy permits such a~~
9 ~~credit.~~ If the paid leave under this Act is credited to an
10 employee's paid time off bank or employee vacation account
11 then any unused paid leave shall be paid to the employee upon
12 the employee's termination, resignation, retirement, or other
13 separation to the same extent as vacation time under existing
14 Illinois law or rule. Nothing in this Act shall be construed to
15 waive or otherwise limit an employee's right to final
16 compensation for promised and earned, but unpaid vacation time
17 or paid time off, as provided under the Illinois Wage Payment
18 and Collection Act and rules. Employers shall provide
19 employees with written notice of changes to the employer's
20 vacation time, paid time off, or other paid leave policies
21 that affect an employee's right to final compensation for such
22 leave.

23 (m) During any period an employee takes leave under this
24 Act, the employer shall maintain coverage for the employee and
25 any family member under any group health plan for the duration
26 of such leave at no less than the level and conditions of

1 coverage that would have been provided if the employee had not
2 taken the leave. The employer shall notify the employee that
3 the employee is still responsible for paying the employee's
4 share of the cost of the health care coverage, if any.

5 (n) Nothing in this Act shall be deemed to interfere with,
6 impede, or in any way diminish the right of employees to
7 bargain collectively with their employers through
8 representatives of their own choosing in order to establish
9 wages or other conditions of work in excess of the applicable
10 minimum standards established in this Act. The paid leave
11 requirements of this Act may be waived in a bona fide
12 collective bargaining agreement, but only if the waiver is set
13 forth explicitly in such agreement in clear and unambiguous
14 terms.

15 Nothing in this Act shall be deemed to affect the validity
16 or change the terms of bona fide collective bargaining
17 agreements in effect on January 1, 2024. After that date,
18 requirements of this Act may be waived in a bona fide
19 collective bargaining agreement, but only if the waiver is set
20 forth explicitly in such agreement in clear and unambiguous
21 terms.

22 In no event shall this Act apply to any employee working in
23 the construction industry or any employee working in a trade
24 who is covered by a bona fide collective bargaining agreement,
25 nor shall this Act apply to any employee who is covered by a
26 bona fide collective bargaining agreement with an employer

1 that provides services nationally and internationally of
2 delivery, pickup, and transportation of parcels, documents,
3 and freight.

4 Notwithstanding the provisions of this subsection, nothing
5 in this Act shall be deemed to affect the validity or change
6 the terms of a bona fide collective bargaining agreement
7 applying to an employee who is employed by a State agency that
8 is in effect on July 1, 2024. After that date, requirements of
9 this Act may be waived in a bona fide collective bargaining
10 agreement, but only if the waiver is set forth explicitly in
11 such agreement in clear and unambiguous terms. As used in this
12 subsection, "State agency" has the same meaning as set forth
13 in Section 4 of the Forms Notice Act.

14 (o) An agreement by an employee to waive his or her rights
15 under this Act is void as against public policy.

16 (p) The provisions of this Act shall not apply to any
17 employer that is covered by a municipal or county ordinance
18 that is in effect on the effective date of this Act that
19 requires employers to give any form of paid leave to their
20 employees, including paid sick leave or paid leave.
21 Notwithstanding the provisions of this subsection, any
22 employer that is not required to provide paid leave to its
23 employees, including paid sick leave or paid leave, under a
24 municipal or county ordinance that is in effect on the
25 effective date of this Act shall be subject to the provisions
26 of this Act if the employer would be required to provide paid

1 leave under this Act to its employees.

2 Any local ordinance that provides paid leave, including
3 paid sick leave or paid leave, enacted or amended after the
4 effective date of this Act must comply with the requirements
5 of this Act or provide benefits, rights, and remedies that are
6 greater than or equal to the benefits, rights, and remedies
7 afforded under this Act.

8 An employer in a municipality or county that enacts or
9 amends a local ordinance that provides paid leave, including
10 paid sick leave or paid leave, after the effective date of this
11 Act shall only comply with the local ordinance or ordinances
12 so long as the benefits, rights, and remedies are greater than
13 or equal to the benefits, rights, and remedies afforded under
14 this Act.

15 (Source: P.A. 102-1143, eff. 1-1-24; 103-605, eff. 7-1-24;
16 revised 10-23-24.)

17 (820 ILCS 192/30)

18 Sec. 30. Department responsibilities.

19 (a) The Department shall administer and enforce this Act.
20 The Department has the powers and the parties have the rights
21 provided in the Illinois Administrative Procedure Act for
22 contested cases.

23 (b) An employee may file a complaint with the Department
24 alleging violations of the Act within 3 years after the
25 alleged violation. An employer that violates this Act is

1 liable to any affected employee for damages in the form of the
2 actual underpayment, compensatory damages, and a penalty of
3 not less than \$500 and no more than \$1,000. Employees shall
4 also be entitled to such equitable relief as may be
5 appropriate, in addition to reasonable attorney's fees;
6 reasonable expert witness fees, and other costs of the action,
7 which shall be paid by the employer to the employee.

8 (c) The Department has the power to conduct investigations
9 in connection with the administration and enforcement of this
10 Act. The Department shall make a determination of the severity
11 of a violation by considering the totality of the
12 circumstances, prior to conducting, ~~including the power to~~
13 ~~conduct~~ depositions and discovery and issuing ~~to issue~~
14 subpoenas. If the Department finds cause to believe that this
15 Act has been violated, the Department shall notify the parties
16 in writing of the violation, the applicable penalty as
17 described in Section 35, and the 14-day period provided to
18 cure the violation, and the matter shall be referred to an
19 Administrative Law Judge to schedule a formal hearing in
20 accordance with hearing procedures established by rule.
21 Administrative decisions shall be reviewed under the
22 Administrative Review Law.

23 (d) The Department is authorized to impose civil penalties
24 prescribed in Section 35 for any violation of this Act.

25 (e) The Department is authorized to collect and supervise
26 the payment of any damages awarded pursuant to Section 25 and

1 subsection (b) of this Section to an employee or employees
2 under this Act. Any sums recovered by the Department on behalf
3 of an employee or employees under this Act shall be paid to the
4 employee or employees affected. The Department is not
5 authorized to collect and supervise the payment of any awarded
6 attorney's fees. Those fees shall be subject to collection by
7 the attorney awarded such fees.

8 (f) The Attorney General may bring an action to enforce
9 the collection of any awards made under this Act.

10 (g) The Department shall adopt rules necessary to
11 administer and enforce this Act.

12 (Source: P.A. 102-1143, eff. 1-1-24.)

13 (820 ILCS 192/35)

14 Sec. 35. Penalties and enforcement. An employer that
15 violates this Act or any rule adopted under this Act shall be
16 subject to a civil penalty of:

17 (1) for a first offense, a fine not to exceed \$250;

18 (2) for a second offense, following a period of 14
19 days to cure the violation, a fine not to exceed \$1,000;

20 and

21 (3) for a third or subsequent offense, a fine not to
22 exceed \$2,500,

23 The Department shall have discretion to waive any civil
24 penalty under this Section. In determining the amount of the
25 penalty under this Section, the Department shall consider the

1 appropriateness of the penalty compared to the size of the
2 business operated by the employer ~~\$2,500 for each separate~~
3 ~~offense. An offense means any violation of this Act with the~~
4 ~~exception of a violation of the notice requirement in~~
5 ~~subsection (c) of Section 20.~~ Any penalties collected from an
6 employer under this Section or under subsection (d) of Section
7 20 for violations of this Act shall be deposited into the Paid
8 Leave for All Workers Fund, a special fund created in the State
9 treasury that is dedicated to enforcing this Act.
10 (Source: P.A. 102-1143, eff. 1-1-24.)