SB3650 Engrossed

1 AN ACT concerning employment.

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

4 Section 5. The Day and Temporary Labor Services Act is 5 amended by changing Sections 5, 10, 11, 42, 45, and 85 as 6 follows:

7 (820 ILCS 175/5)

8 Sec. 5. Definitions. As used in this Act:

9 <u>"Applicant" means a natural person who seeks a work</u> 10 assignment at a day and temporary labor service agency.

"Day or temporary laborer" means a natural person who contracts for employment with a day and temporary labor service agency.

"Day and temporary labor" means work performed by a day or temporary laborer at a third party client, the duration of which may be specific or undefined, pursuant to a contract or understanding between the day and temporary labor service agency and the third party client. "Day and temporary labor" does not include labor or employment of a professional or clerical nature.

"Day and temporary labor service agency" means any person or entity engaged in the business of employing day or temporary laborers to provide services, for a fee, to or for SB3650 Engrossed - 2 - LRB103 38728 SPS 68865 b

- any third party client pursuant to a contract with the day and
 temporary labor service agency and the third party client.
 - "Department" means the Department of Labor.

4 "Interested party" means an organization that monitors or
5 is attentive to compliance with public or worker safety laws,
6 wage and hour requirements, or other statutory requirements.

7 <u>"Labor dispute" means any controversy concerning wages,</u>
 8 <u>hours, terms, or conditions of employment.</u>

9 "Third party client" means any person that contracts with 10 a day and temporary labor service agency for obtaining day or 11 temporary laborers.

12 "Person" means every natural person, firm, partnership, 13 co-partnership, limited liability company, corporation, 14 association, business trust, or other legal entity, or its 15 legal representatives, agents, or assigns.

16 (Source: P.A. 103-437, eff. 8-4-23.)

17 (820 ILCS 175/10)

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18 Sec. 10. Employment <u>notice and application receipt.</u>
19 Notice.

(a) <u>Employment notice.</u> Whenever a day and temporary labor service agency agrees to send one or more persons to work as day or temporary laborers, the day and temporary labor service agency shall provide to each day or temporary laborer, at the time of dispatch, a statement containing the following items on a form approved by the Department: SB3650 Engrossed - 3 - LRB103 38728 SPS 68865 b

(1) the name of the day or temporary laborer;

2 (2) the name and nature of the work to be performed and
3 the types of equipment, protective clothing, and training
4 that are required for the task;

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(3) the wages offered;

6 (4) the name and address of the destination of each
7 day or temporary laborer;

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(5) terms of transportation; and

9 (6) whether a meal or equipment, or both, are 10 provided, either by the day and temporary labor service 11 agency or the third party client, and the cost of the meal 12 and equipment, if any.

13 If a day or temporary laborer is assigned to the same 14 assignment for more than one day, the day and temporary labor 15 service agency is required to provide the employment notice 16 only on the first day of the assignment and on any day that any 17 of the terms listed on the employment notice are changed.

If the day or temporary laborer is not placed with a third 18 party client or otherwise contracted to work for that day, the 19 20 day and temporary labor service agency shall, upon request, 21 provide the day and temporary laborer with a confirmation that 22 the day or temporary laborer sought work, signed by an 23 employee of the day and temporary labor service agency, which 24 shall include the name of the agency, the name and address of 25 the day or temporary laborer, and the date and the time that 26 the day or temporary laborer receives the confirmation.

1	(b) <u>(Blank).</u> No day and temporary labor service agency
2	may send any day or temporary laborer to any place where a
3	strike, a lockout, or other labor trouble exists.
4	(b-5) Application receipt. If an applicant seeks a work
5	assignment as a day or temporary laborer with a day and
6	temporary labor service agency, including in-person, online,
7	or through an app-based system, and is not placed with a third
8	party client or otherwise contracted to work for that day by
9	the day and temporary labor service agency, the day and
10	temporary labor service agency shall provide the applicant
11	with a confirmation that the applicant sought work, signed by
12	an employee of the day and temporary labor service agency, on a
13	form approved by the Department, that shall include:
14	(1) the name and location of the day and temporary
15	labor service agency and branch office;
16	(2) the name and address of the applicant;
17	(3) the date and the time that the applicant sought
18	the work assignment;
19	(4) the manner in which the applicant sought the work
20	assignment; and
21	(5) the specific work sites or type of jobs sought by
22	the applicant, if applicable.
23	(c) The Department shall recommend to day and temporary
24	labor service agencies that those agencies employ personnel
25	who can effectively communicate information required in
26	subsections (a) and $(b-5)$ (b) to day or temporary laborers in

	SB3650 Engrossed - 5 - LRB103 38728 SPS 68865 b
1	Spanish, Polish, or any other language that is generally
2	understood in the locale of the day and temporary labor
3	service agency.
4	(Source: P.A. 99-78, eff. 7-20-15; 100-517, eff. 6-1-18.)
5	(820 ILCS 175/11)
6	Sec. 11. Right to refuse assignment to a labor dispute.
7	(a) No day and temporary labor service agency may send a
8	day or temporary laborer to a place where a strike, $\frac{1}{2}$ lockout,
9	or <u>work stoppage</u> other labor trouble exists <u>because of a labor</u>
10	dispute or where a picket, bannering, handbilling, or other
11	job action exists because of a labor dispute without
12	providing, at or before the time of dispatch, a statement, in
13	writing and in a language that the day and temporary laborer
14	understands, informing the day or temporary laborer of the
15	labor dispute and the day or temporary laborer's right to
16	refuse the assignment without prejudice to receiving another
17	assignment. This Section shall not apply to any strike,
18	lockout, or other work stoppage or any picket, bannering,
19	handbilling, or other job action, that has been ruled unlawful
20	by any court or government agency authorized to make that
21	determination.
22	(b) The failure by a day and temporary labor service
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agency to provide any of the information required by this Section shall constitute a notice violation under Section 95. The failure of a day and temporary labor service agency to SB3650 Engrossed - 6 - LRB103 38728 SPS 68865 b

provide each piece of information required by this Section at 1 2 each time it is required by this Section shall constitute a separate and distinct notice violation. If a day and temporary 3 labor service agency claims that it has provided a notice as 4 5 required under this Section electronically, the day and temporary labor service agency shall bear the burden of 6 showing that the notice was provided if there is a dispute. 7 (Source: P.A. 103-437, eff. 8-4-23.) 8

9 (820 ILCS 175/42)

10 Sec. 42. Equal pay for equal work.

11 <u>(a)</u> Beginning on and after April 1, 2024, a A day or 12 temporary laborer who is assigned to work <u>and performs work</u> at 13 a third party client for more than 90 calendar days <u>within a</u> 14 <u>12-month period</u> shall be paid <u>as follows:</u> not less than the 15 rate of pay and equivalent benefits as the lowest paid

16 (1) if there is a directly hired <u>comparator</u> employee 17 of the third party client with the same <u>or substantially</u> 18 <u>similar</u> level of seniority at the company and performing 19 the same or substantially similar work on jobs the 20 performance of which requires substantially similar skill, 21 effort, and responsibility, and that are performed under 22 similar working conditions:

(A) not less than the straight-time hourly rate of
 pay or hourly equivalent of the lowest paid directly
 hired comparator employee of the third party client

SB3650 Engrossed - 7 - LRB103 38728 SPS 68865 b

1	who is entitled to overtime under the Fair Labor
2	Standards Act, of 1938, as amended, with the same or
3	substantially similar level of seniority at the
4	company and performing the same or substantially
5	similar work on jobs the performance of which requires
6	substantially similar skill, effort, and
7	responsibility, and that are performed under similar
8	working conditions; and

9 (B) substantially similar benefits to the job classification of employees performing the same or 10 11 substantially similar work on jobs and performed under 12 similar working conditions. A day and temporary labor 13 service agency may pay the hourly average cash 14 equivalent of the actual cost of the benefits the third party client provides the applicable directly 15 16 hired employees in lieu of benefits required under 17 this paragraph; or-

18 <u>(2) if If there is not a directly hired <u>comparator</u> 19 comparative employee of the third party client, the day or 20 temporary laborer shall be paid:</u>

21 <u>(A)</u> not less than the <u>straight-time hourly</u> rate of 22 pay <u>or hourly</u> and equivalent <u>benefits</u> of the lowest 23 paid <u>directly</u> direct hired employee of the <u>third party</u> 24 <u>client who is entitled to overtime under the Fair</u> 25 <u>Labor Standards Act of 1938, as amended,</u> company with 26 the closest level of seniority at the <u>third party</u>

1	client; and company.
2	(B) substantially similar benefits of the
3	classification of employees performing the same or
4	substantially similar work on jobs. A day and
5	temporary labor service agency may pay the hourly cash
6	equivalent of the actual cost <u>of the</u> benefits <u>the</u>
7	third party client provides the applicable directly
8	hired employees in lieu of benefits required under
9	this <u>paragraph</u> Section .
10	(b) The payment of equivalent pay and substantially
11	similar benefits as required by subsections (a) shall not be
12	required if the applicable direct hire comparator employees
13	are covered by a valid collective bargaining agreement in
14	effect on April 1, 2024 during the period covered by that
15	current collective bargaining agreement. Thereafter, payment
16	of substantially similar benefits to a day or temporary
17	laborer as required by subparagraph (B) of paragraph (1) of
18	subsection (a) and subparagraph (B) of paragraph (2) of
19	subsection (a) shall not be required if the applicable direct
20	hire comparator employees are covered by a valid collective
21	bargaining agreement during any period covered by the
22	collective bargaining agreement.
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23 <u>(c)</u> Upon request, a third party client to which a day or 24 temporary laborer has been assigned for more than 90 calendar 25 days shall be obligated to timely provide the day and 26 temporary labor service agency with all necessary information SB3650 Engrossed - 9 - LRB103 38728 SPS 68865 b

related to job duties, working conditions, pay, and benefits 1 2 it provides to the applicable classification of directly hired 3 employees necessary for the day and temporary labor service agency to comply with this Section. Upon receipt of the 4 5 accurate and complete information described in this subsection 6 from the third party client, it shall be the responsibility 7 and duty of the day and temporary labor service agency to calculate and determine the straight-time hourly rate of pay 8 9 and the benefits it shall offer to the day or temporary laborer, including any cash equivalent. The failure by a third 10 11 party client to provide any of the information required under 12 this Section shall constitute a notice violation by the third 13 party client under Section 95. For purposes of this Section, the day and temporary labor service agency shall be considered 14 15 a person aggrieved as described in Section 95. For the 16 purposes of this Section, the calculation of the 90 calendar 17 days may not begin until April 1, 2024.

18 <u>(d) For the purposes of this Section, "seniority" means</u> 19 <u>the number of months a day or temporary laborer has been</u> 20 <u>assigned to the third party client compared to the number of</u> 21 <u>months a directly hired comparator employee has been employed</u> 22 <u>by the third party client.</u>

23 (Source: P.A. 103-437, eff. 8-4-23; 103-564, eff. 11-17-23.)

24 (820 ILCS 175/45)

25 Sec. 45. Registration; Department of Labor.

SB3650 Engrossed - 10 - LRB103 38728 SPS 68865 b

(a) A day and temporary labor service agency which is 1 located, operates or transacts business within this State 2 3 shall register with the Department of Labor in accordance with rules adopted by the Department for day and temporary labor 4 5 service agencies and shall be subject to this Act and any rules adopted under this Act. Each day and temporary labor service 6 7 agency shall provide proof of an employer account number 8 issued by the Department of Employment Security for the 9 payment of unemployment insurance contributions as required 10 under the Unemployment Insurance Act, and proof of valid 11 workers' compensation insurance in effect at the time of 12 registration covering all of its employees. If, at any time, a 13 day and temporary labor service agency's workers' compensation 14 insurance coverage lapses, the agency shall have an 15 affirmative duty to report the lapse of such coverage to the 16 Department and the agency's registration shall be suspended 17 agency's workers' compensation insurance until the is reinstated. The Department may assess each day and temporary 18 19 labor service agency a non-refundable registration fee not 20 exceeding \$3,000 per year per agency and a non-refundable fee not to exceed \$750 for each branch office or other location 21 22 where the agency regularly contracts with day or temporary 23 laborers for services. The fee may be paid by check, money 24 order, or the State Treasurer's E-Pay program or any successor 25 program, and the Department may not refuse to accept a check on the basis that it is not a certified check or a cashier's 26

SB3650 Engrossed - 11 - LRB103 38728 SPS 68865 b

check. The Department may charge an additional fee to be paid 1 2 by a day and temporary labor service agency if the agency, or any person on the agency's behalf, issues or delivers a check 3 to the Department that is not honored by the financial 4 5 institution upon which it is drawn. The Department shall also rules for violation hearings 6 adopt and penalties for 7 violations of this Act or the Department's rules in 8 conjunction with the penalties set forth in this Act.

9 (a-1) At the time of registration with the Department of Labor each year, the day and temporary labor service agency 10 11 shall submit to the Department of Labor a report containing 12 the information identified in paragraph (9) of subsection (a) of Section 12, broken down by branch office, in the aggregate 13 for all day or temporary laborers assigned within Illinois and 14 to this Act 15 subject during the preceding year. This 16 information shall be submitted on a form created by the 17 Department of Labor. The Department of Labor shall aggregate the information submitted by all registering day and temporary 18 labor service agencies by removing identifying data and shall 19 have the information available to the public only on a 20 municipal and county basis. As used in this paragraph, 21 22 "identifying data" means any and all information that: (i) 23 provides specific information on individual worker identity; 24 (ii) identifies the service agency in any manner; and (iii) 25 identifies clients utilizing the day and temporary labor 26 service agency or any other information that can be traced SB3650 Engrossed - 12 - LRB103 38728 SPS 68865 b

back to any specific registering day and temporary labor service agency or its client. The information and reports submitted to the Department of Labor under this subsection by the registering day and temporary labor service agencies are exempt from inspection and copying under Section 7.5 of the Freedom of Information Act.

7 (b) It is a violation of this Act to operate a day and 8 temporary labor service agency without first registering with 9 the Department in accordance with subsection (a) of this 10 Section. The Department shall create and maintain at regular 11 intervals on its website, accessible to the public: (1) a list 12 of all registered day and temporary labor service agencies in 13 the State whose registration is in good standing; (2) a list of day and temporary labor service agencies in the State whose 14 15 registration has been suspended, including the reason for the 16 suspension, the date the suspension was initiated, and the 17 date, if known, the suspension is to be lifted; and (3) a list of day and temporary labor service agencies in the State whose 18 registration has been revoked, including the reason for the 19 20 revocation and the date the registration was revoked. The Department has the authority to assess a penalty against any 21 22 day and temporary labor service agency that fails to register 23 with the Department of Labor in accordance with this Act or any rules adopted under this Act of \$500 for each violation. Each 24 25 day during which a day and temporary labor service agency 26 operates without registering with the Department shall be a

SB3650 Engrossed - 13 - LRB103 38728 SPS 68865 b

1 separate and distinct violation of this Act.

(c) <u>A day and temporary labor service agency applying for</u> <u>registration with the Department An applicant</u> is not eligible to register to operate a day and temporary labor service agency under this Act if the <u>day and temporary labor service</u> agency applying for registration with the Department applicant or any of its officers, directors, partners, or managers or any owner of 25% or greater beneficial interest:

9 (1) has been involved, as owner, officer, director, 10 partner, or manager, of any day and temporary labor 11 service agency whose registration has been revoked or has 12 been suspended without being reinstated within the 5 years 13 immediately preceding the filing of the application; or

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(2) is under the age of 18.

15 (d) Every agency shall post and keep posted at each location, in a position easily accessible to all day or 16 17 temporary laborers s, notices as supplied and required by the Department containing a copy or summary of the provisions of 18 the Act and a notice which informs the public of a toll-free 19 20 telephone number for day or temporary laborers and the public to file wage dispute complaints and other alleged violations 21 22 by day and temporary labor service agencies. Every day and 23 temporary labor service agency employing day or temporary laborers who communicate with the day and temporary labor 24 25 service agency by electronic communication shall also provide 26 all required notices by email to its day or temporary laborers

SB3650 Engrossed - 14 - LRB103 38728 SPS 68865 b

or on a website, regularly used by the employer to communicate work-related information, that all day or temporary laborers are able to regularly access, freely and without interference. Such notices shall be in English and any other language generally understood in the locale of the day and temporary labor service agency.

7 (Source: P.A. 103-201, eff. 1-1-24; 103-437, eff. 8-4-23; 8 revised 12-15-23.)

9 (820 ILCS 175/85)

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Sec. 85. Third party clients.

11 (a) It is a violation of this Act for a third party client 12 to enter into a contract for the employment of day or temporary 13 laborers with any day and temporary labor service agency not registered under Section 45 of this Act. A third party client 14 15 has a duty to verify a day and temporary labor service agency's 16 status with the Department before entering into a contract with such an agency, and on March 1 and September 1 of each 17 year. A day and temporary labor service agency shall be 18 19 required to provide each of its third party clients with proof 20 of valid registration issued by the Department at the time of 21 entering into a contract. A day and temporary labor service 22 agency shall be required to notify, both by telephone and in writing, each day or temporary laborer it employs and each 23 24 third party client with whom it has a contract within 24 hours 25 of any denial, suspension, or revocation of its registration

SB3650 Engrossed - 15 - LRB103 38728 SPS 68865 b

by the Department. All contracts between any day and temporary 1 2 labor service agency and any third party client shall be 3 considered null and void from the date any such denial, suspension, or revocation of registration becomes effective 4 5 and until such time as the day and temporary labor service agency becomes registered and considered in good standing by 6 the Department as provided in Section 50 and Section 55. Upon 7 8 request, the Department shall provide to a third party client 9 a list of entities registered as day and temporary labor 10 service agencies. The Department shall provide on the Internet 11 a list of entities registered as day and temporary labor 12 service agencies. A third party client may rely on information 13 provided by the Department or maintained on the Department's website pursuant to Section 45 of this Act and shall be held 14 15 harmless if such information maintained or provided by the 16 Department was inaccurate. Any third party client that 17 violates this provision of the Act is subject to a civil penalty of not less than \$100 and not to exceed \$1,500. Each 18 day during which a third party client contracts with a day and 19 20 temporary labor service agency not registered under Section 45 21 of this Act shall constitute a separate and distinct offense.

(b) If a third party client leases or contracts with a day and temporary service agency for the services of a day or temporary laborer, the third party client shall share all legal responsibility and liability for the payment of wages under the Illinois Wage Payment and Collection Act and the SB3650 Engrossed - 16 - LRB103 38728 SPS 68865 b

1 Minimum Wage Law.

2 (c) Before the assignment of an employee to a worksite
3 employer, a day and temporary labor service agency must:

(1) inquire about the client company's safety and 4 5 health practices and hazards at the actual workplace where the day or temporary laborer will be working to assess the 6 7 safety conditions, workers tasks, and the client company's 8 safety program; these activities are required at the start 9 of any contract to place day or temporary laborers and may 10 include visiting the client company's actual worksite. If, 11 during the inquiry or anytime during the period of the 12 contract, the day and temporary labor service agency becomes aware of existing job hazards that are not 13 14 mitigated by the client company, the day and temporary 15 labor service agency must make the client company aware, 16 urge the client company to correct it, and document these 17 efforts, otherwise the day and temporary labor service agency must remove the day or temporary laborers from the 18 19 client company's worksite;

20 (2) provide training to the day or temporary laborer 21 for general awareness safety training for recognized 22 industry hazards the day or temporary laborer may 23 encounter at the client company's worksite. Industry 24 hazard training must be completed, in the preferred 25 language of the day or temporary laborer, and must be 26 provided at no expense to the day or temporary laborer. 1 The training date and training content must be maintained 2 by the day and temporary staffing agency and provided to 3 the day or temporary laborer;

4 (3) transmit a general description of the training
5 program including topics covered to the client company,
6 whether electronically or on paper, at the start of the
7 contract with the client company;

8 (4) provide the Department's hotline number for the 9 employee to call to report safety hazards and concerns as 10 part of the employment materials provided to the day or 11 temporary laborer; and

12 (5) inform the day or temporary laborer who the day or 13 temporary laborer should report safety concerns to at the 14 workplace.

15 Nothing in this Section shall diminish any existing client 16 company or a day and temporary labor service agency's 17 responsibility as an employer to provide a place of employment free from recognized hazards or to otherwise comply with other 18 19 health and safety or employment laws. The client company and 20 the day and temporary labor service agency are responsible for 21 compliance with this Section and the rules adopted under this 22 Section.

(d) Before the day or temporary laborer engages in workfor a client company, the client company must:

(1) document and inform the day and temporary labor
 service agency about anticipated job hazards likely

SB3650 Engrossed - 18 - LRB103 38728 SPS 68865 b

1 encountered by the day or temporary laborer;

2 (2) review the safety and health awareness training 3 provided by the day and temporary labor service agency to 4 determine if it addresses recognized hazards for the 5 client company's industry;

6 (3) provide specific training tailored to the 7 particular hazards at the client company's worksite 8 <u>consistent with training requirements provided for in</u> 9 <u>standards, quidances, or best practices issued by the</u> 10 <u>federal Occupational Safety and Health Administration</u>; and

(4) document and maintain records of site-specific training and provide confirmation that the training occurred to the day and temporary labor service agency within 3 business days of providing the training.

(e) If the client company changes the job tasks or work location and new hazards may be encountered, the client company must:

18 (1) inform both the day and temporary labor service19 agency and the day or temporary laborer; and

20 (2) inform both the day and temporary labor service 21 agency staffing agency and the day or temporary laborer of 22 job hazards not previously covered before the day or 23 temporary laborer undertakes the new tasks and update 24 personal protective equipment and training for the new job 25 tasks <u>consistent with training requirements provided for</u> 26 <u>in standards, quidances, or best practices issued by the</u> SB3650 Engrossed - 19 - LRB103 38728 SPS 68865 b

1 <u>federal Occupational Safety and Health Administration</u>, if 2 necessary.

3 (f) A day and temporary labor service agency or day or 4 temporary laborer may refuse a new job task at the worksite 5 when the task has not been reviewed or if the day or temporary 6 laborer has not had appropriate training to do the new task.

7 (g) A client company that supervises a day or temporary laborer must provide worksite specific training to the day or 8 9 temporary laborer and must allow a day and temporary labor 10 service agency to visit any worksite where the day or 11 temporary laborer works or will be working to observe and 12 confirm the client company's training and information related 13 to the worksite's job tasks, safety and health practices, and hazards. 14

15 (Source: P.A. 103-437, eff. 8-4-23.)

Section 99. Effective date. This Act takes effect April 1, 2024.