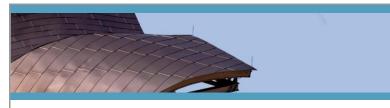
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November 10, 2023

Expanded Chicago Paid Leave Ordinance

Beginning January 1, 2024, Chicago workers are entitled to up to 10 days of paid leave annually – 5 days for sick leave, as currently required, as well as 5 additional days of leave for any reason at all. This ordinance, passed on November 9, 2023, by an overwhelming majority of the City Council, effectively doubles the existing mandated employee paid leave within the City, as well as doubling the recent state-wide law (not applicable to Chicago) that requires 5 days paid leave for any reason.

The policy applies to employees who within a two-week period perform at least two hours of work within the city limits. Starting in 2024, those employees will accrue one hour of paid sick leave <u>and</u> one hour of paid leave for any reason for every 35 hours worked, with both amounts being capped annually at 40 hours, or 5 days, in any 12-month period, making the total amount of paid leave available 80 hours, or 10 days, per year. Employers have the option of immediately providing, *i.e.*, front-loading, the leave at the start of each annual period, or at the beginning of a worker's employment. Employees may start using paid sick leave following 30 days of employment, and paid leave for any reason within 90 days. Employees may carry over up to 80 hours, or 10 days, of paid sick leave, and up to 16 hours, or 2 days, of paid leave for any reason.

Employers with 50 or less employees are not required to pay out any accrued paid leave days to employees who separate from employment. An employer with 51 to 100 employees, is required to pay out 16 hours, or 2 days, of paid leave for any reason until December 31, 2024, after which they will be required to pay out all unused, accrued paid leave for any reason, capped at 7 days, or 56 hours. Employers with 100 or more employees must pay out up to the maximum of 7 days beginning immediately. No employer is required to pay accrued paid sick leave.

Businesses that fail to comply with this ordinance may be subject to fines up to \$3,000, as well as legal liability. The ordinance allows employees to pursue private lawsuits, beginning in 2025, including pursuing damages equal to three times the amount of leave not paid, as well as attorneys' fees and interest. Within the next year, the City Council will also consider an amendment to give employers a 30-day "cure period," which would allow them to fix any alleged violations of the paid leave ordinance before workers could file a lawsuit.

Employers within the City now have less than two months to implement a new leave policy, update their current leave policies, including deciding whether to alter other leave policies, like vacation, decide whether to front load all paid leave or require employes to accrue as they go, and put into place methods for tracking this additional leave.

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