

Chicago's New Paid Leave Ordinance and What It Means for Employers in 2024

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Chicago employers will soon need to ensure that they provide leave in accordance with a new Chicago law. Specifically, on December 31, 2023, the Paid Leave and Paid Sick and Safe Leave Ordinance will go into effect in the City of Chicago. This new law will require employers to provide Chicago employees up to 40 hours of paid sick leave to be available for use for specific sick leave purposes AND up to 40 hours of paid leave to be used for any reason each year. By December 31, 2023, employers must have a written policy in place, give notice of the policy to their employees, and post a notice to be provided by the City of Chicago.

The Chicago ordinance applies to any employers with at least one employee who work at least two hours in a two-week period in the City of Chicago. Employers can choose for paid leave to accrue throughout the year or front-load the required leave for employees at the beginning of the year. If employees accrue leave throughout the year, each covered employee must accrue one hour of paid sick leave and one hour of paid leave to be used for any reason for every 35 hours an employee works.

Under the ordinance, employers may have to pay out unused paid leave available for use for any reason upon separation of employment or transfer of employment outside Chicago, depending on the size of the employer. Specifically, employers with 100 or more employees must pay out accrued but unused paid leave that is available for use for any reason upon separation of employment or if the employee transfers to work outside of Chicago. Employers with 51-100 employees must pay out up to 16 hours of this leave through January 1, 2025. After January 1, 2025, these employees will have to pay out all accrued but unused paid leave available for use for any reason. Employers with 50 or less employees have no pay out requirements. Additionally, the pay out requirements do not apply to accrued but unused paid sick leave.

Further, Chicago employees must be allowed to rollover up to 80 hours of accrued but unused paid sick leave and 16 hours of general paid leave at the end of the year.

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