Illinois Broadens Scope of Whistleblower Act, Strengthening Protections for Whistleblowers in the State

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The Illinois Whistleblower Act (the "Act") provides protections to employees who make reports of certain fraudulent and illegal conduct occurring in their workplaces. In the past legislative session, the Illinois General Assembly broadened and expanded these protections with the enactment of <u>Public Act 103-0687</u> (the "Amendments"). The Amendments, which became effective on January 1, 2025, redefine key terms in the Act, expand the scope of conduct that is protected, and enhance the penalties and enforcement actions available for violations of the Act.

Redefinition of Employee

Most notably, the Amendments clarify the definition of an "employee" to which the Act applies. Specifically, "employees" covered by the Act exclude independent contractors. The Amendments adopt the stringent ABC test to determine whether a worker is an employee covered by the Act or is an independent contractor who is not covered.

The ABC test looks to whether (1) the worker is free from the control of the employer; (2) the worker performs work in the usual course of business of the employer; and (3) the worker is in an independently established trade or occupation.

The Amendments also redefine "employee" to include licensed physicians working at facilities that receive state funds.

Increased Scope of Protections

The Amendments increase protections related to employee disclosures. Employers may not take retaliatory action against an employee who discloses or threatens to disclose:

- During an investigation, court proceeding, or an administrative proceeding, information related to the conduct of the employer if the employee has a good faith belief the employer has violated a law or regulation or poses a substantial and specific danger to employees, public health, or safety;
- To a government or law enforcement agency, information related to the conduct of the employer if the employee had a good faith belief the employer has violated a law or regulation

or poses a substantial and specific danger to employees, health, or safety; and

• To a supervisor, principal officer, board member, or supervisor in an organization with a contractual relationship with the employer, information related to the conduct of the employer if the employee has a good faith belief that the employer has violated a law or regulation or poses a substantial and specific danger to employees, public health, or safety.

The Amendments similarly increase protections for employee refusals. To that end, employers may not take retaliatory action against an employee for refusing to participate in an activity that the employee has a good faith belief would result in a violation of law or regulations.

The Amendments further clarify what constitutes retaliatory action by an employer. Retaliatory action is defined as adverse action by an employer that would dissuade a reasonable worker from making a protected disclosure or refusal under the Act. Retaliatory action specifically includes, but is not limited to, action that would interfere with the employee's future employment or action that constitutes an immigration-related practice prohibited by the Illinois Human Rights Act, as well as contacting or threatening to contact immigration authorities.

Heightened Penalties and Additional Enforcement

The Amendments impose heightened penalties for violations of the Act.

Specific additional penalties include the ability for employees to obtain injunctive relief; 9% yearly interest on their back pay; front pay; liquidated damages of up to \$10,000; and a civil penalty of \$10,000 payable to the employee. The Amendments also include a provision that allows the Illinois Attorney General to initiate civil actions against employers for violations of the Act.

Conclusion

Following enactment of these Amendments, employers who operate in Illinois must now navigate a broader scope of protected activities and ensure compliance with these enhanced protections against retaliation.

Illinois employers would be wise to review and revise their internal policies, training programs, and reporting mechanisms to align with these new protections. Employers should consult with counsel if they have questions as to the implications of these Amendments as well as their compliance with the Illinois Whistleblower Act.

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