CLIENT ALERTS & INSIGHTS

Unprecedented Chicago Paid Leave and Paid Sick and Safe Leave Law Delayed to July 1, 2024

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When the Chicago City Council passed the Chicago Paid Leave and Paid Sick and Safe Leave Ordinance (the "Ordinance") on November 9, 2023, Chicago-based employers had mere weeks to adjust their leave policies to ensure compliance with what has been called the nation's most generous, aggressive paid leave policy to date, with December 31, 2023, being slated as the Ordinance's effective date. However, on December 13, 2023, the Chicago City Council voted unanimously to delay the Ordinance's effective date as well as implement a handful of other changes.

After significant pushback from the City's business community, the Chicago City Council voted to delay the effective date of the Ordinance from December 31, 2023, to July 1, 2024. This delay will give Chicago-based employers more time to ensure that their policies comply with the unprecedented Ordinance.

Although the six-month delay is likely the main concern for most Chicago-based employers, the City Council did implement a handful of other changes to the Ordinance. First the Ordinance will no longer cover any individual who performs at least two hours of work in the City of Chicago in a two-week period. Instead, the Ordinance will apply to individuals who work 80 hours within the City of Chicago in a 120-day period. Although this change was implemented to address workers who come to Chicago to attend conventions/trade shows, it will likely have implications for other types of workers as well.

Next, the Ordinance will be accompanied by a one-year "cure period" during which time workers do not have a private right of action to sue employers under the Ordinance. Thus, workers can sue employers for violations of the Ordinance starting on July 1, 2025. Between July 1, 2025, and July 1, 2026, employers will have 16 days to correct an alleged violation of the Ordinance before a worker can file a lawsuit.

Until July 1, 2024, Chicago's original Paid Sick Leave Ordinance remains effective. Under the old ordinance, Chicago-based employees earn one hour of paid sick leave (but not paid leave for any purpose) for every 40 hours they work, up to five days per year.

Events surrounding the Ordinance are developing at a rapid pace, with Benesch highlighting the publication of proposed rules just days before the Council voted to push back the Ordinance's effective date. Benesch attorneys will continue to monitor the situation, and are prepared to assist employers as they navigate the Ordinance's requirements.

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