# SUBSTITUTE ORDINANCE

#### BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

**SECTION 1**. Section 2-25-050 of the Municipal Code of Chicago is hereby amended by adding the language underscored, and by deleting the language struck through, as follows:

#### 2-25-050 Powers and duties of the department.

(Omitted text is unaffected by this ordinance)

(b) Powers and duties of the Commissioner and the Department. The powers and duties of the Commissioner and Department shall be as follows:

(Omitted text is unaffected by this ordinance)

(19) To supervise the investigation, execution and enforcement of <u>Code</u> sections administered or enforced by the <u>Department</u>, including all rules pertaining thereto or <u>promulgated thereunder</u>, including Section 6-10-040(b), (c), (d), and (e); the <u>Chicago Minimum Wage and Paid Sick Leave Ordinance</u>, <u>Chapter 6-105 Article II of Title 6-of this Code</u>; the Toy Safety Ordinance, Chapter 7-36-of this <u>Code</u>; <u>and</u> the Condominium Ordinance, Chapter 13-72 of this <u>Code</u>; and any other ordinance administered or enforced by the <u>Department</u>, including all rules pertaining thereto or promulgated thereunder;

(Omitted text is unaffected by this ordinance)

**SECTION 2**. Section 2-25-200 of the Municipal Code of Chicago is hereby amended by adding the language underscored, and by deleting the language struck through, as follows:

#### 2-25-200 Office of Labor Standards.

- (a) Definitions. As used in this section:
- "Chapter 6-105" means Chapter 6-105 of the Municipal Code of Chicago.
- "Chapter 6-110" means Chapter 6-110 of the Municipal Code of Chicago.
- "Chapter 6-130" means Chapter 6-130 of the Municipal Code of Chicago.
- "Commissioner" means the Commissioner of Business Affairs and Consumer Protection or the Commissioner's designee.
- "Covered employee" has the meaning ascribed to that term in Section 6-105-010, or 6-110-020, or 6-130-010, as appropriate.
  - "Department" means the Department of Business Affairs and Consumer Protection.
- "Director" means the Director of the Office of Labor Standards or the Director's designee within the Office of Labor Standards.
- "Office" means the Office of Labor Standards established pursuant to subsection (b) of this section.
- (b) Office of Labor Standards Establishment Powers and duties. There is hereby established within the Department of Business Affairs and Consumer Protection an office of the municipal government, which shall be known as the Office of Labor Standards. Such Office shall

include a Director, who shall be appointed by the Commissioner, and such other assistants and employees as provided for in the annual appropriation ordinance. The duties of the Office of Labor Standards, and of its Director, shall be to:

## (Omitted text is unaffected by this ordinance)

- (7) Receive and assemble information identifying: (i) license applicants and licensees under Title 4 of this Code who, within the last five years, have admitted guilt or liability, or who have been found guilty or liable in judicial or administrative proceedings, of willful or repeated violations of the Illinois Wage Payment and Collection Act or of Chapter 6-105

  Article II of Title 6 of the Code, for referral to the Commissioner for appropriate action under Section 4-4-320(a)(1), (a)(3) or (b)(1), as applicable; or (ii) persons or business entities that are ineligible to participate in City transactions under Section 2-92-320(a)(6) due to repeated violations of Chapter 6-105 Article II of Title 6 of the Code for referral to the Chief Procurement Officer or other applicable department head for appropriate action under Section 2-92-320; and
- (8) Perform any other duties or exercise any other powers that the Commissioner may reasonably require to implement this article.

### (Omitted text is unaffected by this ordinance)

- (d) Director Recordkeeping and reporting Required. No later than March 15, 2020, and on or before each March 15 thereafter, the Director shall post on the City of Chicago Office of Labor Standards website the following information pertaining to enforcement of Chapters 6-105, 6-110, and 6-130, and Section 4-4-320(a)(1), (a)(3), and (b)(1), and Chapter 6-110, though for Chapter 6-110 the first posting date shall be March 15, 2021:
- (1) Number of complaints received by the Office alleging violations of Chapters 6-105, and 6-110, and 6-130;
- (2) Number of investigations opened by the Office in connection with alleged violations of Chapters 6-105, and 6-110, and 6-130;
- (3) Number of employers cited for violations of Chapters 6-105, and 6-110, and 6-130;
- (4) Results of each enforcement action initiated under Chapters 6-105, and 6-110, and 6-130;
- (5) Number of license applications denied by the Commissioner pursuant to Section 4-4-320(a)(1) and (a)(3) for violations of the Illinois Wage Payment and Collection Act or Chapter 6-105 Article II of Title 6, as applicable;
- (6) Number of licenses suspended or revoked by the Commissioner pursuant to Section 4-4-320(b)(1) for violations of the Illinois Wage Payment and Collection Act or Chapter 6-105 Article II of Title 6, as applicable; and
- (7) Such other information as may be necessary or appropriate, as determined by the Commissioner in consultation with the Director.

Nothing in this subsection (d) shall prohibit the Director from posting the information described in items (1) through (7) of this subsection (d) at more frequent intervals than required herein.

(e) Commencement of action. Except as otherwise provided herein, any investigation conducted by the Office pursuant to this section shall commence within three years of the alleged violation of Chapter 6-105 or Chapter 6-130. Provided, however, that: (1) if evidence exists that the applicable employer concealed such violation or in any way misled employees as to the employer's or employee's rights or responsibilities under Chapter 6-105 or Chapter 6-130, such investigation shall commence within three years of the date on which the employee or Office discovered, or reasonably should have discovered, the alleged violation of

Chapter 6-105 <u>or Chapter 6-130</u>; (2) in the case of a continuing violation, the investigation shall commence within three years of the date of the last occurrence or discovery of the violation; and (3) the running of the applicable period for commencing an action under this section shall be tolled during the duration of any civil action brought by a covered employee pursuant to Section 6-105-110 <u>or 6-130-100</u> to recover the amount of any underpayment of wages or <u>unpaid sick</u> time <u>leave denied or lost resulting from a violation</u> of Chapter 6-105 <u>or Chapter 6-130</u>.

- (f) Notification to Chief Procurement Officer Required. Upon a determination of liability for any violation of Chapter 6-105 or Chapter 6-130, the Director shall report such fact to the Chief Procurement Officer for appropriate action under Section 2-92-320(a)(6), including but not limited to suspension or cancellation of the employer's current transactions with the City or debarment from doing business with the City.
- (g) Annual report to City Council Required. No later than June 1, 2020, and on or before June 1st of each year thereafter, the Director shall submit to the City Council Committee on Workforce Development, or to its successor committee, a written report describing the activities undertaken by the Office during the previous year to implement this section, along with recommendations for improving the efficient and effective enforcement of this section. The chairman of that committee may request the Commissioner or Director, or their respective designees, to appear at a hearing of the committee to explain and respond to questions about such annual report.

**SECTION 3.** Section 2-92-320 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, and by deleting the language struck through, as follows:

## 2-92-320 Ineligibility for city transactions – other offenses.

(a) No person or business entity shall participate in a transaction as defined herein, and may have its current transactions permanently or temporarily suspended or canceled, if that person or business entity:

(Omitted text is unaffected by this ordinance)

(6) has committed, within a 24-month period, three or more violations of Chapter 6-105 Article II of Title 6 of this Code; or

(Omitted text is unaffected by this ordinance)

**SECTION 4**. Chapter 4-4-320 of the Municipal Code of Chicago is hereby amended by adding the language underscored, and by deleting the language struck through, as follows:

# 4-4-320 License denial, revocation or suspension for certain offenses.

- (a) The <u>commissioner Commissioner</u>, for good and sufficient cause, may deny an application for any license issued under this Title 4 if:
- (1) during the 5-year period prior to the date of the application, the applicant admitted guilt or liability or was found guilty or liable in judicial or administrative proceedings of committing or attempting to commit a willful violation, or two or more violations which do not include a willful violation, of the Illinois Wage Payment and Collection Act, 820 ILCS 115/1, Article II of Title 6, or any other federal or state law regulating the payment of wages;

- (2) during the 5-year period prior to the date of the application, the applicant admitted guilt or liability or was found guilty or liable in a judicial or administrative proceeding of committing or attempting to commit a violation of the Fair Debt Collection Practices Act, 15 U.S.C. § 1692, or the Collection Agency Act, 225 ILCS 425/1, or any other federal or state law regulating the collection of debt;
- (3) during the 24-month period prior to the date of the application, the applicant admitted guilt or liability or was found guilty or liable in judicial or administrative proceedings of committing three or more violations of Chapter 6-105 Article II of Title 6 of this Code; or
- (4) during the 5-year period prior to the date of the application, one or more determinations of disqualification from participation in the federal Supplemental Nutrition Assistance Program (SNAP) was imposed upon the applicant, where such determination or determinations imposed the sanction of permanent disqualification or disqualification for an aggregate of at least 12 months, whether consecutive or nonconsecutive.
- (b) The commissioner Commissioner, for good and sufficient cause, may revoke or suspend a license issued under this Title 4 if:

(Omitted text is unaffected by this ordinance)

**SECTION 5**. Chapter 6-100-010 of the Municipal Code of Chicago is hereby amended by adding the language underscored, and by deleting the language struck through, as follows:

#### 6-100-010 Definitions.

For purposes of this Article II, the following definitions apply:

(Omitted text is unaffected by this ordinance)

"Department" means the Department of Business Affairs and Consumer Protection.

"Domestic Worker" means a person whose primary duties include housekeeping; house cleaning; home management; nanny services, including childcare and child monitoring; caregiving, personal care or home health services for elderly persons or persons with illnesses, injuries, or disabilities who require assistance in caring for themselves; laundering; cooking; companion services; chauffeuring; and other household services to members of households or their guests in or about a private home or residence, or any other location where the domestic work is performed.

(Omitted text is unaffected by this ordinance)

**SECTION 6**. Chapter 6-100-040 of the Municipal Code of Chicago is hereby amended by adding the language underscored, and by deleting the language struck through, as follows:

#### 6-100-040 Notice and posting inspections.

The Commissioner has the duty and authority to enforce the notice and posting requirements imposed by Sections 6-10-040(b) and (d), 6-105-070, and 6-110-090, and 6-130-050.

**SECTION 7**. Chapter 6-105 of the Municipal Code of Chicago is hereby amended by adding the language underscored, and by deleting the language struck through, as follows:

# CHAPTER 6-105: CHICAGO MINIMUM WAGE AND PAID SICK LEAVE ORDINANCE 6-105-010 Definitions.

For purposes of this chapter, the following definitions apply:

(Omitted text is unaffected by this ordinance)

"Covered Employee" means an Employee who, in any particular two-week period, performs at least two hours of work for an Employer while physically present within the geographic boundaries of the City. For purposes of this definition, time spent traveling in the City that is compensated time, including, but not limited to, deliveries, sales calls, and travel related to other business activity taking place within the City, shall constitute work while physically present within the geographic boundaries of the City; however, time spent traveling in the City that is uncompensated commuting time shall not constitute work while physically present within the geographic boundaries of the City.

"Covered Employee" does not include any individual permitted to work:

- (a) as a camp counselor employed at a day camp if the camp counselor is paid a stipend on a one time or periodic basis and, if the camp counselor is a minor, the minor's parent, guardian or other custodian has consented in writing to the terms of payment before the commencement of such employment;
- (b) while subject to subsection 4(a)(2) of the Minimum Wage Law, with the exception of the categories of Employees described in subsections 4(a)(2)(A) and 4(a)(2)(B) of the Minimum Wage Law, who shall be entitled to the Wages that their Employer shall otherwise pay under Section 6-105-020(b) and 6-105-030 above, whichever applies, as well as the overtime compensation described in Section 6-105-040; and
  - (c) for any governmental entity other than the City and its Sister Agencies.
- (d) (i) All Domestic Workers, including Domestic Workers employed by Employers with fewer than four Employees, shall be Covered Employees.
- (ii) in any of the following categories, though, Employees who work in the following categories shall be Covered Employees under Section 6-105-045: (A) as an outside salesman; (B) as a member of a religious corporation or organization; (C) at, and employed by, an accredited Illinois college or university at which the individual is a student who is covered under the Fair Labor Standards Act, as amended; (D) for a motor carrier and with respect to whom the U.S. Secretary of Transportation has the power to establish qualifications and maximum hours of service under the provisions of Title 49 U.S.C. or the State of Illinois under Section 18b-105 (Title 92 of the Illinois Administrative Code, Part 395 Hours of Service of Drivers) of the Illinois Vehicle Code.

Except as provided in (d)(i) and (d)(ii), "Covered Employee" does not include any individual permitted to work for an Employer who has fewer than four Employees.

"Domestic partner" means any person who has a registered domestic partnership, or qualifies as a domestic partner under Section 2 152 072 of this Code or as a party to a civil union under the Illinois Religious Freedom Protection and Civil Union Act, 750 ILCS 75/1, et seq., as currently in force and hereafter amended.

"Domestic worker" means a person whose primary duties include housekeeping; house cleaning; home management; nanny services, including childcare and child monitoring;

caregiving, personal care or home health services for elderly persons or persons with illnesses, injuries, or disabilities who require assistance in caring for themselves; laundering; cooking; companion services; chauffeuring; and other household services to members of households or their guests in or about a private home or residence, or any other location where the domestic work is performed.

#### (Omitted text is unaffected by this ordinance)

"Fair Labor Standards Act" means the United States Fair Labor Standards Act of 1938, 29 U.S.C. § 201, et seq., as currently in force and hereafter amended.

"Family and Medical Leave Act" means the United States Family and Medical Leave Act of 1993, 29 U.S.C. § 2601, et seq., as currently in force and hereafter amended.

"Gratuities" and "Occupation" have the meanings ascribed to those terms in the Minimum Wage Law.

"Health care provider" means any person licensed to provide medical or emergency services, including, but not limited to, doctors, nurses, and emergency room personnel.

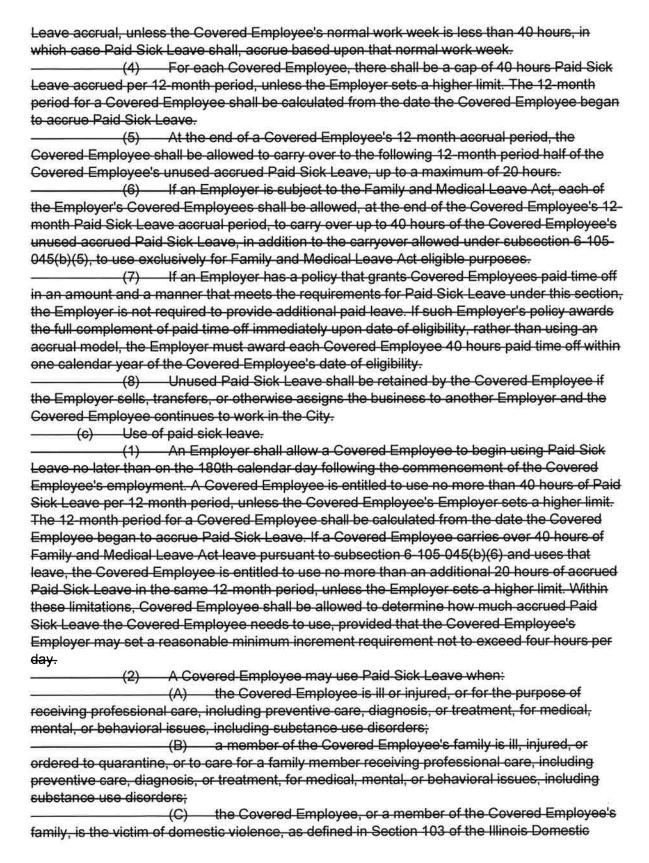
"Minimum Wage Law" means the Illinois Minimum Wage Law, 820 ILCS 105/1, et seq.

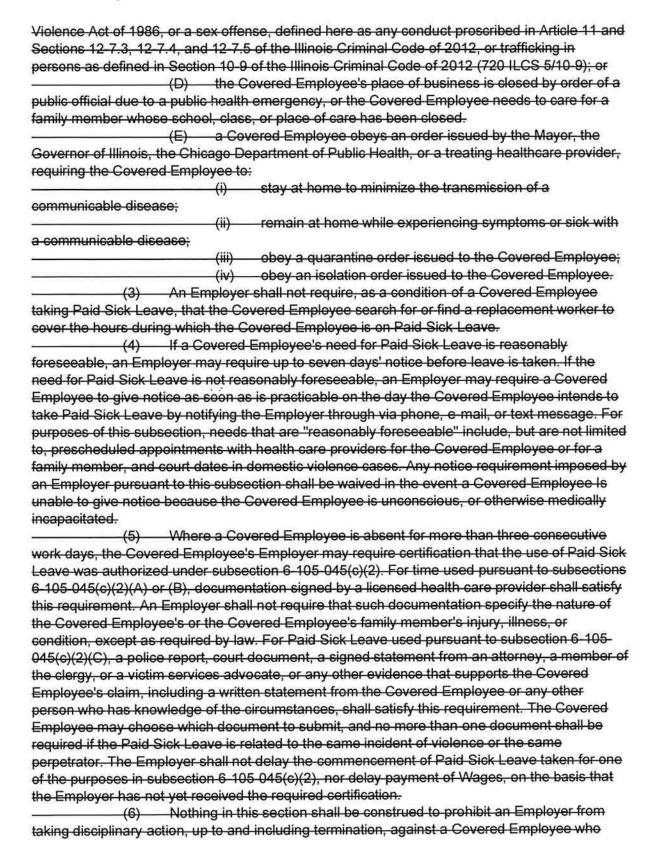
"Outside salesman" means an Employee regularly engaged in making sales or obtaining orders or contracts for services where most of such duties are performed away from his employer's place of business.

"Paid Sick Leave" means time that is provided by an Employer to a Covered Employee that is eligible to be used for the purposes described in subsection 6-105-045(b) of this chapter, and is compensated at the same rate and with the same benefits, including health care benefits, that the Covered Employee regularly earns during hours worked.

#### (Omitted text is unaffected by this ordinance)

# 6-105-045 Paid sick leave. (a) General provisions. Any Covered Employee who works at least 80 hours for an Employer within any 120 day period shall be eligible for Paid Sick Leave as provided under this section. (2) Where a Covered Employee is engaged in an Occupation in which Gratuities have customarily and usually constituted part of the remuneration, the Covered Employee's Employer shall pay at least the full Chicago minimum wage, as provided in Section 6-105-020, for Paid Sick Leave. (3) Unless an applicable collective bargaining agreement provides otherwise, upon a Covered Employee's termination, resignation, retirement, or other separation from employment, the Covered Employee's Employer is not required to provide financial or other reimbursement for unused Paid Sick Leave. (b) Accrual of paid sick leave. Paid Sick Leave shall begin to accrue either on the 1st calendar day after the commencement of a Covered Employee's employment or July 1, 2017, whichever is later. (2) For every 40 hours worked after a Covered Employee's Paid Sick Leave begins to accrue, the Covered Employee shall accrue one hour of Paid Sick Leave. Paid Sick Leave shall accrue only in hourly increments; there shall be no fractional accruals. (3) A Covered Employee who is exempt from overtime requirements under this chapter shall be assumed to work 40 hours in each work week for purposes of Paid Sick





uses Paid Sick Leave for purposes other than those described in this subsection 6-105-045(c)(2).

(d) This Section 6-105-045 provides minimum Paid Sick Leave requirements; it shall not be construed to affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater Paid Sick Leave benefits.

(Omitted text is unaffected by this ordinance)

# 6-105-070 Notice and posting.

- (a) Every Employer shall post in a conspicuous place at each facility where any Covered Employee works that is located within the geographic boundaries of the City a notice advising the Covered Employee of the current minimum Wages under this chapter, and of a Covered Employee's rights under this chapter, including the Covered Employee's right to Paid Sick Leave and ability to seek redress for wage theft. The notice shall also contain information about human trafficking and resources to help combat it. The Commissioner shall prepare and make available a form notice that satisfies the requirements of this subsection 6-105-070(a). Employers that do not maintain a business facility within the geographic boundaries of the City and households that serve as the worksites for Domestic Workers are exempt from this subsection 6-105-070(a).
- (b) With the first paycheck issued to a Covered Employee, and annually with a paycheck issued within 30 days of July 1st, every Employer shall provide a notice advising the Covered Employee of the current minimum Wages under this chapter, the Covered Employee's right to Paid Sick Leave, and information about human trafficking and resources to help combat it. The Commissioner shall prepare and make available a form notice that satisfies the requirements of this subsection 6-105-070(b).

#### 6-105-080 Retaliation prohibited.

It shall be unlawful for any Employer to discriminate in any manner or take any adverse action against any <u>individual Covered Employee</u> in retaliation for exercising any right under this chapter, including, but not limited to, disclosing, reporting, or testifying about any violation of this chapter or regulations promulgated thereunder. For purposes of this Section, prohibited adverse actions include, but are not limited to, unjustified termination, unjustified denial of promotion, unjustified negative evaluations, punitive schedule changes, punitive decreases in the desirability of work assignments, and other acts of harassment shown to be linked to such exercise of rights. An Employer shall not use its absence control policy to count Paid Sick Leave as an absence that triggers discipline, discharge, demotion, suspension, or any other adverse activity.

#### 6-105-110 Private cause of action.

If any Covered Employee is paid by the Covered Employee's Employer less than the Wage to which the Covered Employee is entitled under this chapter, the Covered Employee may recover in a civil action three times the amount of any such underpayment, together with costs and such reasonable attorney's fees as the court allows. An agreement by the Covered Employee to work for less than the Wage required under this chapter is no defense to such action. If an Employer violates any of the Paid Sick Leave provisions in this chapter in <a href="effect before December 31">effect</a> before December 31, 2023, the affected Covered Employee may recover in a civil action damages equal to three times the full amount of any unpaid sick time denied or lost by reason of

the violation, and the interest on that amount calculated at the prevailing rate; together with costs and such reasonable attorney's fees as the court allows. <u>However, on and after December 31, 2023, an Employee's right to a private cause of action shall be subject to Section 6-130-100.</u>

**SECTION 8**. Article II of Title 6 of the Municipal Code of Chicago is hereby amended by adding a new Chapter 6-130 as follows:

# CHAPTER 6-130: CHICAGO PAID LEAVE AND PAID SICK AND SAFE LEAVE ORDINANCE

#### 6-130-005 Title, Scope, and Purpose.

This Chapter 6-130 shall be known as the "Chicago Paid Leave and Paid Sick and Safe Leave Ordinance." All Covered Employees shall have the right to time away from work paid by their Employers. This chapter shall be liberally construed in favor of providing Chicago workers with the greatest amount of Paid Leave or Paid Sick Leave from work and employment security.

#### 6-130-010 Definitions.

For purposes of this chapter, the following definitions apply:

"Commission" has the meanings ascribed to this term in the Sales Representative Act, 820 ILCS 120.

"Construction industry" means any constructing, altering, reconstructing, repairing, rehabilitating, refinishing, refurbishing, remodeling, remediating, renovating, custom fabricating, maintenance, landscaping, improving, wrecking, painting, decorating, demolishing, and adding to or subtracting from any building, structure, highway, roadway, street, bridge, alley, sewer, ditch, sewage disposal plant, waterworks, parking facility, railroad, excavation or other structure, project, development, real property or improvement, or to do any part thereof, whether or not the performance of the work herein described involves the addition to, or fabrication into, any structure, project, development, real property or improvement herein described of any material or article of merchandise. Construction shall also include snow plowing, snow removal, and refuse collection.

"Covered Employee" means an Employee who, in any particular two-week period, performs at least two hours of work for an Employer while physically present within the geographic boundaries of the City. For purposes of this definition, time spent traveling in the City that is compensated time, including, but not limited to, deliveries, sales calls, and travel related to other business activity taking place within the City, shall constitute work while physically present within the geographic boundaries of the City; however, time spent traveling in the City that is uncompensated commuting time shall not constitute work while physically present within the geographic boundaries of the City. Covered Employee includes all Domestic Workers regardless of whether they work as employees, independent contractors, sole proprietors, or partnerships. Covered Employee includes any Employee of the City and its Sister Agencies, but does not include any individual permitted to work for any other governmental entity.

"Employee" means an individual that performs work for an employer in the capacity of an employee, as distinguished from a contractor, determined pursuant to Internal Revenue Service guidelines. Elected officials are not Employees. "Employee" does not include an employee as defined in the federal Railroad Unemployment Insurance Act (45 U.S.C. 351 et seq.)

"Employer" means a person who gainfully employs at least one Employee.

"Gratuities" and "Occupation" have the meanings ascribed to those terms in the Minimum Wage Law.

"Health care provider" means any person licensed to provide medical or emergency services, including, but not limited to, doctors, nurses, and emergency room personnel.

"Intern" means a student, or an individual who has been a student within the last four months, of any institution of secondary or higher education, or enrolled on a full or part-time basis in a course or program of academic, business, or vocational instruction: (i) who is employed as an entry-level employee; (ii) who works fewer than 700 hours annually; and (iii) whose work is geared towards academic studies or provides vocational experience.

"Medium Employer" means an Employer with between 51 and 100 Covered Employees, inclusive. For the purpose of counting Covered Employees for this chapter, numbers of Covered Employees will be aggregated if they are employed by members of a single unitary business group as defined for Illinois income tax purposes.

"Minimum Wage Law" means the Illinois Minimum Wage Law, 820 ILCS 105/1, et seq.

"Paid Leave" means time that is provided by an Employer to a Covered Employee that is eligible to be used pursuant to Section 6-130-030 and is not Paid Sick Leave.

"Paid Sick Leave" means time that is provided by an Employer to a Covered Employee that is eligible to be accrued and used in the manner prescribed by Section 6-130-030.

"Seasonal" means employment of less than 120 calendar days in any year, that is set for a defined duration of time expected to be repetitive on a yearly basis.

"Sister Agency" means the Chicago Public Schools, the Chicago Park District, the Chicago Transit Authority, the City Colleges of Chicago, the Chicago Housing Authority, and the Public Building Commission.

"Small Employer" means an Employer with 50 or fewer Covered Employees. For the purpose of counting Covered Employees for this chapter, numbers of Covered Employees will be aggregated if they are employed by members of a single unitary business group as defined for Illinois income tax purposes.

#### 6-130-020 Requirement to Provide Paid Leave and Paid Sick Leave.

- (a) General provisions.
- (1) Any Covered Employee who works for an Employer shall be eligible for Paid Leave and Paid Sick Leave as provided under this chapter.
- (2) Paid Leave and Paid Sick Leave shall be compensated at the same rate and with the same benefits, including health care benefits, that the Covered Employee regularly earns during hours worked. Paid Leave and Paid Sick Leave for a Covered Employee who is not exempt from the overtime requirements of the Minimum Wage Law shall be calculated by dividing the Covered Employee's total Wages by the Covered Employee's total hours worked in the full pay periods of the prior 90 days of employment. Wages under this subsection do not include overtime pay, premium pay, Gratuities, or Commissions. However, the minimum hourly pay shall not be less than the base hourly wage, the federal minimum wage, the Illinois Minimum Wage, or the Chicago Minimum Wage, whichever is higher. Where a Covered Employee is engaged in an Occupation in which Gratuities have customarily and usually constituted part of the remuneration, the Covered Employee's Employer shall pay the highest of the federal minimum wage, the Illinois Minimum wage or the full Chicago minimum wage, as provided in Section 6-105-020, for Paid Leave and Paid Sick Leave.

- (3) An Employer shall provide payment for Paid Leave and Paid Sick Leave used by a Covered Employee no later than the payday for the next regular payroll period after the paid time off was taken.
- Unless otherwise provided in a collective bargaining agreement, upon a (4) Covered Employee's termination, resignation, retirement, or other separation from employment, or whenever a Covered Employee ceases to meet the definition of Covered Employee as a result of transferal outside of the geographic boundaries of the City to be considered a Covered Employee, the Employer shall pay the monetary equivalent of all unused, accrued Paid Leave as part of the Covered Employee's final compensation at the Covered Employee's final rate of pay and no employment contract or employment policy shall provide for forfeiture of earned Paid Leave upon separation from employment. However, a Small Employer shall not be required to pay out unused Paid Leave upon termination, resignation, retirement, or other separation from employment, or whenever a Covered Employee ceases to meet the definition of Covered Employee as a result of transferal outside of the geographic boundaries of the City to be considered a Covered Employee. For Medium Employers, the payout of unused Paid Leave required under this section shall be limited to a maximum of 16 hours of Paid Leave until December 31, 2024, unless the Medium Employer sets a higher limit. On and after January 1, 2025, Medium Employers shall be required to pay the monetary equivalent of all unused, accrued Paid Leave as part of the Covered Employee's final compensation at the Covered Employee's final rate of pay. A Covered Employee may request payout of their unused Paid Leave after not receiving a work assignment for 60 days. Nothing in this section shall be construed to waive or otherwise limit a Covered Employee's right to final compensation for promised and earned vacation time or paid time off, as provided under the Illinois Wage Payment and Collection Act and rules promulgated thereunder. Other than as part of a collective bargaining agreement, no employment contract or employment policy shall provide for forfeiture of earned Paid Leave or Paid Sick Leave when the Employer is no longer subject to the requirements of this chapter and the Covered Employee no longer works in the City. Unless an applicable collective bargaining agreement provides otherwise, upon a Covered Employee's termination, resignation, retirement, or other separation from employment, the Covered Employee's Employer is not required to provide financial or other reimbursement for unused Paid Sick Leave.
- (5) During any period a Covered Employee takes Paid Leave or Paid Sick Leave under this chapter, the Employer shall maintain coverage for the Covered Employee and any family member under any group health plan for the duration of such leave at no less than the level and conditions of coverage that would have been provided if the Covered Employee had not taken the leave. The Employer shall notify the Covered Employee that the Covered Employee is still responsible for paying the Covered Employee's share of the cost of the health care coverage, if any.
- (6) No Employer shall interfere with, deny, or change an Employee's work days or hours to avoid providing eligible Paid Leave or Paid Sick Leave to a Covered Employee. An Employer shall not use its absence-control policy to count paid time off as an absence that triggers discipline, discharge, demotion, suspension, or any other adverse activity. Subject to rules promulgated by the Commissioner, no Employer shall constructively discharge or terminate an Employee and then treat such termination as a voluntary termination to avoid a violation of or providing benefits under this chapter. As used in this section, "constructive discharge" means the voluntary termination of employment by a Covered Employee because of a situation created by an act or omission of the Employer that an

objective, reasonable person would find so intolerable that voluntary termination is the only reasonable alternative, including by the intentional reduction in hours to avoid a violation of or providing benefits under this Chapter.

- (b) If a Covered Employee accrued Paid Sick Leave prior to January 1, 2024, and the Employer's existing paid time off policy does not comply with the requirements of this chapter, on January 1, 2024, any Paid Sick Leave that the Covered Employee is entitled to roll over from one 12-month period to the next shall be transferred to Paid Sick Leave under Section 6-130-030.
- (c) An Employer shall not, as a condition of a Covered Employee taking Paid Sick Leave or Paid Leave, require that the Covered Employee search for or find a replacement worker to cover the hours during which the Covered Employee is on leave.
- (d) All unused Paid Sick Leave and Paid Leave shall be retained by the Covered Employee if the Employer sells, transfers, or otherwise assigns the business to another Employer and the Employee continues to work in the City.
- (e) If a Covered Employee is transferred to a separate division, entity, or location, but remains employed by the same Employer, the Covered Employee is entitled to all Paid Sick Leave and Paid Leave accrued at the prior division, entity, or location and is entitled to use all such leave as provided in this chapter.

#### 6-130-030 Paid Sick Leave and Paid Leave.

- (a) An Employer shall provide Paid Sick Leave and Paid Leave to all Covered Employees under this section. If an Employer has a policy that grants Employees Paid Leave or Paid Sick Leave in an amount and a manner that meets or exceeds the requirements of this chapter, the Employer is not required to provide additional Paid Leave or Paid Sick Leave.
  - (b) Accrual.
- (1) Starting on January 1, 2024, or on the first calendar day of a Covered Employee's employment, a Covered Employee's Paid Leave and Paid Sick Leave shall begin to accrue.

For every 35 hours worked after a Covered Employee's Paid Leave and Paid Sick Leave begins to accrue, the Covered Employee shall accrue at least one hour of Paid Leave and one hour of Paid Sick Leave. Paid Leave and Paid Sick Leave shall accrue only in hourly increments; there shall be no fractional accruals. However, if an Employer offers its Employees more hours of Paid Leave and Paid Sick Leave than the minimum requirements of this chapter, such Employer may credit the applicable Paid Leave and Paid Sick Leave time on a monthly basis, instead of accruing at the rate above. A Covered Employee who is exempt from overtime requirements under this Code shall be assumed to work 40 hours in each work week for purposes of Paid Sick Leave and Paid Leave accrual, unless the Covered Employee's normal work week is less than 40 hours, in which case such paid time off shall accrue based upon that normal work week. An Employer shall issue a written policy explaining the rate of Paid Leave and Paid Sick Leave accrual.

- (2) For each Covered Employee, there shall be a cap of 40 hours of Paid Leave and 40 hours of Paid Sick Leave accrued per 12-month period, unless the Employer sets a higher limit. The 12-month period for a Covered Employee shall be calculated from the date the Covered Employee began to accrue Paid Leave and Paid Sick Leave.
  - (c) Carryover.

- (1) At the end of a Covered Employee's 12-month accrual period, the Covered Employee shall be allowed to carry over to the following 12-month period up to 16 hours of Paid Leave and 80 hours of Paid Sick Leave.
- (2) The Employer does not need to pay the Covered Employee for any unused Paid Leave and Paid Sick Leave lost as a result of not being able to be carried over from one 12-month period to the next. However, if an Employer denies a Covered Employee approval of their Paid Leave and Paid Sick Leave in a manner that prohibits such Covered Employee from meaningfully having access to such paid time off, despite such Employee complying with applicable Employer policies, such Employer must increase that Covered Employee's permissible carry over to include carryover of any such denied Paid Leave and Paid Sick Leave.
- (d) Use. Employers shall allow Covered Employees to use accrued Paid Sick Leave no later than on the 30th calendar day following the commencement of the Covered Employee's employment. Employers shall allow Covered Employees to use accrued Paid Leave no later than on the 90th calendar day following the commencement of the Covered Employee's employment. Unless obligated by a City, State, or federal law, a Covered Employee may choose whether to use Paid Sick Leave or Paid Leave prior to using any other leave provided by the Employer or by City, State, or federal law. Where the City is the Employer, this subsection 6-130-030(d) shall not apply.
- (e) Minimum Increment. Covered Employees shall be allowed to determine how much accrued Paid Leave and Paid Sick Leave the Covered Employee needs to use, provided that the Employer may set a reasonable minimum increment requirement not to exceed four hours of Paid Leave per day or two hours of Paid Sick Leave per day. If a Covered Employee's scheduled workday is less than the minimum increments above, the minimum increment of time shall not exceed the Covered Employee's regular scheduled workday.
- (f) Front-loading. Employers may choose to immediately grant Covered Employees 40 hours of Paid Leave or 40 hours of Paid Sick Leave or both on the first day of employment or the first day of the 12-month accrual period. If an Employer chooses to immediately grant Covered Employees 40 hours of Paid Leave or 40 hours of Paid Sick Leave on the first day of employment or the first day of the 12-month accrual period, the Employer is not required to provide additional paid time off of such type of paid time off frontloaded to the Employee. If an Employer grants 40 hours of Paid Leave on the first day of employment or the first day of the 12-month accrual period, then the Employer is not required to carryover an Employee's unused Paid Leave hours to the subsequent 12-month period.
- (g) *Unlimited Paid Time Off.* Instead of following an accrual model, Employers may choose to immediately grant Covered Employees on the first day of employment, or the first day of the 12-month accrual period, unlimited hours of paid time off that may be used for any reason. Except as otherwise provided in this subsection (g), all requirements and benefits regarding Paid Leave and Paid Sick Leave in this chapter shall apply. If an Employer grants unlimited paid time off on the first day of employment or the first day of the 12-month accrual period, then the Employer is not required to carryover an Employee's unused paid time off to the subsequent 12-month period. If a Covered Employee's need for paid time off is reasonably foreseeable, an Employer may require up to seven days' notice before paid time off is taken. If the need for paid time off is not reasonably foreseeable, an Employer may require a Covered Employee to give notice as soon as is practicable on the day the Covered Employee intends to take paid time off by notifying the Employer, which may include by telephone, e-mail, or other means. An Employer may not require a Covered Employee to obtain preapproval from the Employer before using the paid time off. Unless otherwise provided in a collective bargaining agreement, upon a Covered Employee's termination, resignation, retirement, or other

separation from employment, or whenever a Covered Employee ceases to meet the definition of Covered Employee as a result of transferal outside of the geographic boundaries of the City to be considered a Covered Employee, the Employer shall pay the monetary equivalent of 40 hours of paid time off minus the hours of paid time off used by the Covered Employee in the last 12-month period before the Covered Employee's date of separation from employment as part of the Covered Employee's final compensation at the Covered Employee's final rate of pay. If the Covered Employee used more than 40 hours of paid time off in the last 12-month period before the Covered Employee's date of separation from employment, the Covered Employee will not owe the Employer compensation. No employment contract or employment policy shall provide for forfeiture of earned paid time off upon separation from employment.

- (h) Paid Leave Policies. A Covered Employee may use Paid Leave for any reason of the Covered Employee's choosing. An Employer may not require a Covered Employee to provide a reason for such leave and may not require them to provide documentation or certification as proof or in support of the leave. An Employer may establish reasonable policies for the use of Paid Leave to:
- (1) require a Covered Employee to give reasonable notice, which may not exceed seven days before using such Paid Leave;
- (2) require a Covered Employee to obtain reasonable preapproval from the Employer before using Paid Leave for the purpose of maintaining continuity of Employer operations subject to rules promulgated by the Office of Labor Standards; and
- (3) adopt rules specific to Interns, City-employed Seasonal workers, or Office of Emergency Management and Communications staff that manage City traffic, and such rules are not required to comply with this chapter.
  - (i) Paid Sick Leave Policies.
    - (1) A Covered Employee may use Paid Sick Leave when:
  - (A) the Covered Employee is ill or injured, or for the purpose of receiving professional care, including preventive care, diagnosis, or treatment, for medical, mental, or behavioral issues, including substance use disorders;
  - (B) a Covered Employee's family member is ill, injured, or ordered to quarantine, or to care for a family member receiving professional care, including preventive care, diagnosis, or treatment, for medical, mental, or behavioral issues, including substance use disorders;
  - (C) the Covered Employee, or a Covered Employee's family member, is the victim of domestic violence, as defined in Section 103 of the Illinois Domestic Violence Act of 1986, or a sex offense, defined here as any conduct proscribed in Article 11 and Sections 12-7.3, 12-7.4, and 12-7.5 of the Illinois Criminal Code of 2012, or trafficking in persons as defined in Section 10-9 of the Illinois Criminal Code of 2012 (720 ILCS 5/10-9); or
  - (D) the Covered Employee's place of business is closed by order of a public official due to a public health emergency, or the Covered Employee needs to care for a family member whose school, class, or place of care has been closed.
  - (E) a Covered Employee obeys an order issued by the Mayor, the Governor of Illinois, the Chicago Department of Public Health, or a treating healthcare provider, requiring the Covered Employee to:
    - (i) stay at home to minimize the transmission of a communicable disease:
    - (ii) remain at home while experiencing symptoms or sick with a communicable disease;
      - (iii) obey a guarantine order issued to the Covered Employee;

- (iv) obey an isolation order issued to the Covered Employee.
- (2) If a Covered Employee's need for Paid Sick Leave is reasonably foreseeable, an Employer may require up to seven days' notice before leave is taken. If the need for Paid Sick Leave is not reasonably foreseeable, an Employer may require a Covered Employee to give notice as soon as is practicable on the day the Covered Employee intends to take Paid Sick Leave by notifying the Employer, which may include by telephone, e-mail, or other means. For purposes of this subsection, needs that are "reasonably foreseeable" include, but are not limited to, prescheduled appointments with health care providers for the Covered Employee or for a family member, and court dates in domestic violence cases. Any notice requirement imposed by an Employer pursuant to this subsection shall be waived in the event a Covered Employee is unable to give notice because the Covered Employee is unconscious, or otherwise medically incapacitated.
- (3)Where a Covered Employee is absent for more than three consecutive work days, the Covered Employee's Employer may require certification that the use of Paid Sick Leave was authorized under subsection 6-130-030(i)(1). For time used pursuant to subsections 6-130-030(i)(1)(A) or (B), documentation signed by a licensed health care provider shall satisfy this requirement. For Paid Sick Leave used pursuant to subsection 6-130-030(i)(1)(C), a police report, court document, a signed statement from an attorney, a member of the clergy, or a victim services advocate, or any other evidence that supports the Covered Employee's claim, including a written statement from the Covered Employee or any other person who has knowledge of the circumstances, shall satisfy this requirement. The Covered Employee may choose which document to submit, and no more than one document shall be required if the Paid Sick Leave is related to the same incident of violence or the same perpetrator. An Employer shall not require such documentation or require that such documentation specify the reason for the Covered Employee using Paid Sick Leave before receiving notice that a Covered Employee will be absent for a third consecutive day, except as required by law. It shall be a rebuttable presumption that an Employer has violated this section whenever an Employer requires documentation before receiving notice that a Covered Employee will be absent for a third consecutive day and using Paid Sick Leave. The Employer shall not delay the commencement of Paid Sick Leave taken for one of the purposes in subsection 6-130-030(i)(1), nor delay payment of Wages, on the basis that the Employer has not yet received the required certification.
- (4) Nothing in this section shall be construed to prohibit an Employer from taking disciplinary action, up to and including termination, against a Covered Employee who uses Paid Sick Leave for purposes other than those described in subsection 6-130-030(i)(1).
- (j) This Section 6-130-030 provides minimum Paid Leave and Paid Sick Leave requirements; it shall not be construed to affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater Paid Sick Leave benefits, Paid Leave benefits, or both, and provides less restrictive access to those benefits.

#### 6-130-040 Application to collective bargaining agreements.

(a) Nothing in this chapter shall be deemed to interfere with, impede, or in any way diminish the right of Employees to bargain collectively with their Employers through representatives of their own choosing in order to establish wages or other conditions of work different from the applicable minimum standards of the provisions of this chapter. In no event shall this chapter apply to any Employee working in the construction industry who is covered by a bona fide collective bargaining agreement.

Nothing in this chapter shall be deemed to affect the validity or change the terms of bona fide collective bargaining agreements in force on January 1, 2024. After that date, requirements of this chapter may be waived in a bona fide collective bargaining agreement, but only if the waiver is set forth explicitly in such agreement in clear and unambiguous terms.

(b) Other than a collective bargaining agreement, any agreement to waive rights granted under this chapter is void as against public policy.

#### 6-130-050 Notice and posting.

- (a) Every Employer shall post in a conspicuous place at each facility where any Covered Employee works that is located within the geographic boundaries of the City a notice advising the Covered Employee of the Covered Employee's right to paid time off under this chapter. The Commissioner shall make available a form notice that satisfies the requirements of this section. Employers that do not maintain a business facility within the geographic boundaries of the City and households that serve as the worksites for Domestic Workers are exempt from this Section 6-130-050(a). If an Employer's workforce is comprised of a significant portion of workers who are not literate in English, the Employer shall notify the Commissioner and a notice in the appropriate language shall be prepared by the Commissioner. Covered Employees may also request that the Commissioner provide a notice in languages other than English, which the Employer must post in accordance with this subsection.
- (b) With the first paycheck issued to a Covered Employee, and annually with a paycheck issued within 30 days of July 1, every Employer shall provide a notice advising the Covered Employee of the Covered Employee's right to paid time off under this chapter. The Commissioner shall prepare and make available a form notice that satisfies the requirements of this Section 6-130-050(b).
- (c) Each time wages are paid, an Employer shall provide each Covered Employee with written notification stating an updated amount of Paid Leave and Paid Sick Leave available to each Covered Employee for the Covered Employee's use and the accrual rates of the Paid Leave and Paid Sick Leave provided to the Covered Employee. However, Employers that credit their Covered Employees the applicable Paid Leave and Paid Sick Leave time on a monthly basis may make such notice available on a monthly basis. The updated amount shall include accrued paid time off since the last notification, reduced paid time off since the last notification, and any unused paid time off available for use. Employers may choose a reasonable system for providing this notification, including, but not limited to, listing available paid time off on each pay stub or developing an online system where Covered Employees can access their own Paid Leave and Paid Sick Leave information.
- (d) Employers shall provide Covered Employees with written notice of the Employer's paid time off policy, including the Employer's paid time off notification requirements, at the commencement of employment and within five calendar days before any change to the Employer's paid time off policy requirements. Employers shall provide Employees with a 14-day written notice of changes to the Employer's paid time off policies that affect a Covered Employee's right to final compensation for such leave. Whenever a Covered Employee has not been offered a work assignment for 60 days, their Employer must notify the Covered Employee in writing that they may request payout of their accrued, unused Paid Leave time.

#### 6-130-060 Investigations as a result of settlements.

If the City learns that after being charged with wage rate or Paid Leave or Paid Sick Leave violations an Employer has entered into two or more settlements within a year with the

United States Department of Labor or the Illinois Department of Labor, the Commissioner of Business Affairs and Consumer Protection, in conjunction with the Chief Procurement Officer, is authorized to conduct an investigation to determine whether the person's conduct that resulted in those settlements evinces culpability that merits ineligibility under Section 1-23-020 or revocation under Section 4-4-280.

# 6-130-070 Enforcement - Regulations.

The Department of Business Affairs and Consumer Protection shall enforce this chapter, and the Commissioner is authorized to adopt rules for its proper administration and enforcement.

# 6-130-080 Violation - Penalty.

Any Employer who violates this chapter or any rule promulgated thereunder shall be fined between \$1,000.00 and \$3,000.00 for each separate offense, except that an Employer who violates Section 6-130-050(a) or (b) shall be fined \$500.00 for the first violation and \$1,000.00 for any subsequent violation. Each day that a violation continues shall constitute a separate and distinct offense to which a separate fine shall apply.

#### 6-130-090 Violation – Damages.

Any Employer who violates this chapter or any rule promulgated thereunder shall be liable to the affected Covered Employee for damages equal to three times the full amount of any leave denied or lost by reason of the violation, and the interest on that amount calculated at the prevailing rate; together with costs and reasonable attorney's fees, which shall be paid by the Employer to the Covered Employee.

#### 6-130-100 Private cause of action.

If any Covered Employee is not allowed a benefit to which the Covered Employee is entitled under this chapter, the Covered Employee may recover in a civil action damages equal to three times the full amount of any leave denied or lost by reason of the violation, and the interest on that amount calculated at the prevailing rate; together with costs and such reasonable attorney's fees as the court allows. For Paid Sick Leave provisions under this chapter, such right to private cause of action shall be available on December 31, 2023. For Paid Leave provisions under this chapter, such right to a private cause of action shall not be available until January 1, 2025.

#### 6-130-110 Retention of records.

Each Employer shall maintain for at least five years, or for the duration of any claim, civil action, or investigation pending pursuant to this chapter, whichever is longer, a record of each Covered Employee's name and addresses, hours worked, pay rate, wage agreement, number of paid time off hours earned for each year and the dates on which paid time off hours were taken and paid, and records necessary to demonstrate compliance with this chapter. Failure to maintain these records shall create a presumption, rebuttable by clear and convincing evidence, that the Employer violated this Chapter 6-130 for the periods for which records were not retained for each Covered Employee. Each Employer shall provide each Covered Employee a copy of the records relating to such Covered Employee upon the Covered Employee's request.

**SECTION 9.** An Employer with an existing Paid Sick Leave policy that does not comply with the requirements of this chapter and does not transition benefits accrued or front loaded under Section 6-105-045 to benefits accrued or front-loaded under Chapter 6-130 shall be in violation of this ordinance and subject to the penalty and damages provided in Chapter 6-130.

SECTION 10. The Office of Labor Standards shall present to the Committee on Workforce Development a report with recommendations for a portable Paid Leave and Paid Sick Leave policy for Domestic Workers, as that term is defined by Section 6-100-010, by no later than January 1, 2025. The portable paid time off policy shall allow Domestic Workers to accrue Paid Leave and Paid Sick Leave across multiple jobs and employers. Such policy shall provide all Domestic Workers, including employees and independent contractors, with meaningful access to Paid Leave and Paid Sick Leave as defined in Chapter 6-130. The Office of Labor Standards shall evaluate the feasibility of different models and consider the cost of ongoing operations. The recommendations shall reference or identify sources of funding for implementation and enforcement. The Office of Labor Standards within 30 days after the effective date of this ordinance shall convene a working group to inform the policy recommendations. The working group shall consist of relevant stakeholders, including domestic workers, workers centers, policy organizations, worker advocates, and domestic employers.

**SECTION 11.** On or before December 1, 2025, the Commissioner of Business Affairs and Consumer Protection shall work with community stakeholders to commission or conduct a one-year study that examines the economic impact of the Small Employer exemption to the payout of unused Paid Leave in Section 6-130-020(a)(4) and the impact it has on the ability for Covered Employees working for Small Employers to meaningfully use their Paid Leave benefits under Chapter 6-130. The Office of Labor Standards shall present to a joint Committee of the Committee on Workforce Development and the Committee on Economic, Capital and Technology Development.

**SECTION 12.** This ordinance shall be in full force and effect on December 31, 2023. However, with regards to Chicago Public Schools, the ordinance shall not be implemented until July 1, 2024.