Q&A: Chicago updated its paid leave ordinance — are employers ready?
(August 05, 2026) - On June 2, the city of Chicago issued revised rules on its Paid Leave and Paid Sick and Safe Leave Ordinance, updating guidance on joint employment and other compliance issues.

The ordinance generally requires employers to provide covered employees with paid leave for any reason, and paid sick and safe leave for medical or safety-related reasons if they work at least 80 hours in the city within a 120-day period.

Jason Tremblay, vice chair of Saul Ewing LLP's labor and employment practice group and managing partner of the firm's Chicago office, answered questions from Westlaw Today about what the revisions mean for employers, employees and attorneys for businesses.

Westlaw Today: What changes were made to the ordinance?

Tremblay: The amendments provide important clarifications regarding employer obligations and enforcement. One of the most significant updates is the formal recognition that joint employers are legally responsible for complying with the ordinance.

Given that the rules define "joint employment" as relationships where two or more entities share control over the essential terms and conditions of the employee, this likely settles any debate that entities, such as staffing companies, professional employer organizations and similar workforce arrangements are legally obligated (individually and jointly) to comply with the ordinance.

Another aspect is to clarify that successor employers must preserve accrued leave. Therefore, when employees continue to work for a successor employer following a sale, merger, transfer or other business transaction, accrued and unused leave must be preserved and transferred with the employee to the new employer.

The amendments also clarify that all nonexempt employees accrue leave under the ordinance on all hours worked, including overtime hours (whereas exempt employees are assumed to have worked 40 hours per workweek). Accordingly, employers must take care that any payroll or leave-tracking system calculates accruals for nonexempt employees on actual hours worked, as opposed to scheduled or regularly worked hours.

Significantly, the amendments also confirm that a single PTO policy (as opposed to separate paid leave and sick leave) can satisfy an employer's obligations provided such policy satisfies all ordinance requirements, including the rules on accrual, carryover and use of leave.

Finally, in what may be a welcome clarification for employers, the revisions expressly state that employers may take disciplinary action when employees misuse paid sick leave.

The rules identify several examples of potential abuse, which include taking unscheduled paid sick leave adjacent to weekends, holidays, vacations or regular days off; taking paid sick leave after another leave request has been denied; and taking paid sick leave to avoid undesirable shifts or assignments. Still, employers should exercise caution to ensure that any disciplinary action is well-documented and supported.

Other significant updates include expanding the definition of "place of care" for child-related sick leave and removing certain sections regarding complaint-filing and investigation procedures.

While the changes do not fundamentally change the spirit or purpose of the ordinance, the amendments provide important clarifications for employers on the above key issues that were either absent, unanswered or unclear when the ordinance was originally passed.

 © 2026 Thomson Reuters. No claim to original U.S. Government Works.

WT: Do employers need to provide new notices, update workplace postings, revise policies or change recordkeeping practices following the revisions?

Tremblay: The amended rules did not make significant changes to the notice and posting requirements other than removing the general provision mentioning the electronic dissemination of the notice through internal communication channels.

The ordinance, however, still requires employers to post the legally required paper notice and, if a significant portion of the workforce speaks a language different than English, the notice must be in that other language as well.

Chicago employers should also not forget the new hire and annual notice obligations, including the obligation to provide written notice to employees annually with a paycheck.

In short, Chicago employers need to be familiar with Section 6-130-050 of the ordinance, which outlines all the current notice and posting requirements.

WT: If a company is considering a merger, acquisition or other type of transaction involving Chicago-based employees, what compliance issues need to be considered?

Tremblay: Any company that is going to engage in a business transaction involving the transfer of employees (e.g. asset sale, stock sale, merger, etc.) must be aware that all earned but unused paid leave and paid sick and safe leave must transfer over to the successor entity.

Under the revised rules, the failure to properly transfer such paid leave constitutes a policy or practice of failing to provide meaningful access to leave under the ordinance and, if that occurs, both the original employer, successor employer and, if applicable any joint employers, would be individually and jointly liable.

WT: How should employers analyze coverage for remote and hybrid employees?

Tremblay: A "covered employee" is defined by the ordinance as any person who works at least 80 hours for an employer within any 120-day period while physically present within Chicago.

Where the employee is working is key.

Therefore, remote or hybrid workers who physically work in Chicago are covered by the ordinance even if the employer is physically located outside of Chicago. Similarly, an employer located in Chicago with remote employees working outside of Chicago are not legally obligated to provide paid leave under the ordinance.

Practically speaking, this requires employers to be aware of where each employee is physically providing services and, if an entity has an accrual-based system, it should be configured so as to credit any time the employee works within the geographic boundaries of Chicago.

WT: What are the most common mistakes employers are making in regard to the ordinance?

Tremblay: Where I am seeing most mistakes is employers assuming their otherwise generous PTO or other leave policy is compliant with the ordinance. Many times, existing policies (even if they afford more leave than under the ordinance) are not compliant, either because the accrual rate, rollover rights and/or employee notice provisions are not as generous as those required under the ordinance.

© 2026 Thomson Reuters. No claim to original U.S. Government Works.

By way of example, many existing PTO policies require a week or more of notice to take leave under a PTO policy but such notice obligation is not compliant with and, in fact, would be a violation of the ordinance. Care must be taken to make sure that ALL aspects of an existing PTO policy comply with the ordinance.

WT: Has there been a lot of litigation because of the ordinance?

Tremblay:I have not yet seen an uptick in ordinance-related litigation but, given the available damages for violating the ordinance (including reasonable attorney fees), as well as the recent expiration of the ordinance's safe haven (which required employees to give employers an opportunity to cure), I anticipate an increase in ordinance-related litigation.

Prior to the ordinance revisions, aggrieved employees had the right to either file a complaint with the city of Chicago's Office of Labor Standards or file a private lawsuit in state court.

With the revisions, however, the procedures to file a complaint with the OLS were removed, presumably to clarify that, while the OLS still has jurisdiction to enforce the ordinance, an aggrieved employee's private right of action rests in state courts.

WT: What consequences could a company face if it is not in compliance with the new rules?

Tremblay: Any employer not in compliance can face steep penalties and damages. Notably, an employer shall be liable to an aggrieved employee for damages equal to three times the full amount of any leave denied or lost, plus interest on that amount calculated at the prevailing rate, together with reasonable attorney fees.

Individually, this could be significant. However, provided an employer's policy or practice has the effect of denying a group of employees the right to take paid leave under the ordinance, class allegations and the resulting damages and fees could be even more significant.

WT: Is this type of ordinance common throughout the country?

Tremblay: Not yet, but I believe it will be more common soon.

While there has been an explosion of state and local paid leave laws throughout the country (largely created by the lack of protections and leave rights afforded under federal law), the ordinance is actually fairly unique in that it affords both paid leave (for any reason) AND sick and safe leave to Chicago employees.

Moreover, the fact that Chicago employees earn both buckets of leave at the same time and more quickly (one hour of paid leave AND one hour of sick and safe leave for every 35 hours worked) for a total of up to 80 hours (40 hours of paid leave and 40 hours of sick and safe leave) is currently one of the most generous paid leave entitlements afforded to employees throughout the country.

WT: Is there anything I didn't ask but you think is important for employers?

Given that the ordinance is one of the most generous leave laws in the country, employers with employees in multiple locations outside of Chicago need to think hard whether to harmonize the more generous leave rights afforded to Chicago employees to those employees working outside of Chicago.

I have many clients that, for the sake of ease of administration, will afford ordinance leave rights to workers outside of Chicago (even outside of Illinois). However, other clients have decided to have different leave entitlements based on where the employees are working.

 © 2026 Thomson Reuters. No claim to original U.S. Government Works.

There is no right answer but simply another issue to evaluate and decide for those companies that also operate beyond Chicago.

By Troy Sepion

Jason Tremblay is the managing partner for **Saul Ewing LLP**'s Chicago office and vice chair of the firm's labor and employment practice. As a business attorney and litigator, he advises companies in a wide range of industries on employment law and commercial matters.

End of Document

© 2026 Thomson Reuters. No claim to original U.S. Government Works.