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Illinois Employment Law Updates for 2025 and Beyond: Key Changes Employers Should Know



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In light of the rapid changes at the federal level, the Illinois General Assembly has passed significant measures aimed at protecting and expanding the rights of employees in the state while making substantial amendments to already existing employment-related statutes.

We have compiled a summary here of the more notable new laws, as well as the statutes amended by the General Assembly. Employers are highly encouraged to examine their current policies and practices to ensure adherence to the recent changes.

Nursing Mothers in the Workplace Act

Effective January 1, 2026, the Nursing Mothers in the Workplace Act has been amended (S.B. 0212) to require employers to compensate nursing mothers for the previously required reasonable break time to express breast milk each time the employee has the need, for up to one year after the child's birth. Employers must compensate the employee during the break time at their regular rate of compensation and cannot require the employee to use any paid leave during the break time or otherwise reduce the employee's compensation during the break time.

Neonatal Intensive Care Leave Act

Effective June 1, 2026, Illinois employers will have to provide job-protected, unpaid leave for employees with a newborn child in a neonatal intensive care unit (NICU) under the Family Neonatal Intensive Care Leave Act (FNICLA) (H.B. 2978). The FNICLA requires employers with 16 or more employees to provide certain amounts of unpaid leave (depending on the size of the employer) to an employee while any child of the employee is a patient in a NICU. Employers with 16 to 50 employees must provide up to 10 days of unpaid leave, while employers with 51 or more employees must provide up to 20 days. The leave may be taken consecutively or intermittently, and employers can require the leave to be taken in increments of not less than two hours.

FNICLA has further implication for the federal Family and Medical Leave (FMLA) as FNICLA's leave requirement is in addition to FMLA leave. FNICLA leave is tacked on at the end of FMLA leave, and, unlike under FMLA, employers may not require employees to substitute accrued paid leave prior to taking unpaid leave under FNICLA. FNICLA retains many of the job-protecting elements of FMLA (such as allowing an employee to substitute available paid leave and return to an equivalent position) and also permits employers to request "reasonable verification" of the child's length of stay in the NICU.

Health insurance benefits must continue during the FNICLA leave period, and employers are prohibited from taking adverse actions against an employee for exercising rights under FNICLA.

Military Leave Act (formerly the Family Military Leave Act)

Effective immediately, the Family Military Leave Act has been amended (S.B. 0220) and renamed the Military Leave Act. In addition to the name change, the Military Leave Act has been expanded to provide leave for military funeral honors. Under the amended statute, an employer with 51 or more employees must allow qualified employees to use up to eight hours of paid leave per calendar month (or up to 40 hours per calendar year) to participate in an honor guard detail for a veteran's funeral. Qualified employees include employees who are trained to participate in a funeral honors detail at the funeral of a veteran and who are either (1) a retired or active member of the armed forces or reserve component of the armed forces, or (2) an authorized provider or registered member of an authorized provider, including a member of a veterans service organization. Employees must provide reasonable notice of their need for the time off, and employers may request proof of an employee's participation in the funeral honor detail. Further, leave under the Military Leave Act is in lieu of, and without having exhausted, any other leave such as vacation, personal leave, compensatory leave, or other leave that may be granted to the employee.

Amendment to Service Member Employment Rights Law

Effective immediately, the Service Member Employment and Reemployment Rights Act has been amended (H.B. 1262) to exclude absences for work as a military technician (sometimes known as a federal dual-status technician) from the definition of "active service." Service members are also now permitted to use any accrued paid leave during a period of active service. For example, the employee may use any accrued vacation, annual, or similar leave with pay accrued by the service member during a period of service. Employers are prohibited, however, from requiring service members to use accrued vacation, annual, or similar leave during a period of active service. This is applicable to both paid and unpaid active service.

Amendment to Victims' Economic Security and Safety Act

Effective January 1, 2026, the Victims' Economic Security and Safety Act has been amended (H.B. 1278) to prohibit employers from taking adverse employment actions against employees for using employer-issued equipment (like a cell phone) to record domestic violence, sexual violence, gender violence, or any other crime of violence committed against the employee or a family or household member of the employee. Similarly, employers cannot prohibit employees from using employer-issued equipment to record such incidents. Further, employers must grant an employee access to any photographs, voice or video recordings, sound recordings, or any other digital documents or communications stored on an employer-issued device relating to domestic violence, sexual violence, gender violence, or any other crime of violence committed against the employee or a family or household member of the employee.

Artificial Intelligence Discrimination – Illinois Human Rights Act

Effective January 1, 2026, the Illinois Human Rights Act (IHRA) has been amended to prohibit employers from using artificial intelligence (AI) that has the effect of subjecting employees to unlawful discrimination. The amendment (H.B. 3773) also prohibits an employer's use of zip codes as a proxy for any protected class under the IHRA (for example, only recruiting employees with a home address in a particular zip code). Additional guidance on the use of AI is expected by the Department of Human Rights prior to the effective date. Employers are also obligated to provide notice to an employee if an employer is using AI to make employment-related decisions, such as recruitment, hiring, discharge, discipline, or the terms, privileges, or conditions of employment.

Fact Finding Conferences & Penalties – Illinois Human Rights Act

Effective immediately, the Illinois Human Rights Act (IHRA) has been amended to no longer require finding conferences during the investigation of a charge under the IHRA. Under the amendment, a fact-finding conference is only required if both the complainant and respondent submit a written request prior to 90 days after the date on which the charge is filed.

Further, the amendment to the IHRA allows for new civil penalties to "vindicate the public interest." The penalties range from \$16,000 for first-time offenders to up to \$42,500 for a repeat offender during a five-year period to up to \$70,000 for those who have committed two or more civil rights violations during a seven-year period.

Amendments to Equal Pay Act

Effective immediately, the Equal Pay Act has been expanded in scope through an amendment (H.B. 2488) removing references to the federal EEO-1 report and now requiring any business subject to the Equal Pay Act (i.e., those with 100 or more employees in the state) to submit a list of all employees during the past calendar year, separated by gender, race, and ethnicity categories. Employers must include the county in which the employee works, date the employee began working for the business, and other information the Illinois Department of Labor deems necessary to determine if pay equity exists among employees while reporting the total wages paid to each employee in the past calendar year.

The Equal Pay Act's definition of "prevailing wage" has also been clarified to mean "hourly cash wages plus full journeyman annualized fringe benefits for training and apprenticeship programs registered with the Office of Apprenticeship within the U.S. Department of Labor's Employment and Training Administration."

Amendment to the Illinois Wage Payment and Collection Act

Effective immediately (and applied retroactively), the Illinois Wage Payment and Collection Act has been amended (S.B. 2164) to provide that if the Illinois Department of Labor (IDOL) issues an adverse decision against an employer and the employer fails to timely seek review of the order in court (or to simply pay the required payment), then the IDOL may seek collection in the same manner as any other civil court judgment. The amendment further increases penalties for employers for unpaid wages. For claims adjudicated with the IDOL through an administrative hearing, the 5% monthly penalty will now accrue until the final order and decision becomes "debt due and owed to the state." Also, a new 1% per day penalty shall accrue for each calendar day of delay in paying unpaid wages that have been ordered to be paid by the IDOL. Finally, the amendment increases non-waivable administrative fees to between \$500 and \$1,250 depending on the amount owed.

Amendment to the Workplace Transparency Act

Effective January 1, 2026, the Workplace Transparency Act has been amended (H.B. 3638) to provide that no employment-related agreement can restrict an employee, prospective employee, or former employee from engaging in concerted activities to address work-related issues. Also prohibited are any agreements (such as a mandatory arbitration agreement) that purport to shorten the statute of limitations, apply non-Illinois law to an Illinois employee's claim, or require a venue outside of Illinois. The amendment also requires that any settlement or termination agreement that includes promises of confidentiality related to alleged unlawful employment practices expires no more than five years after it occurred. Finally, S.B. 1344 adds the potential for compensatory damages to violations of the Workplace Transparency Act.

Expansion of Definitions under Illinois's Stalking No Contact Order Act

Effective immediately, the Stalking No Contact Order Act has been amended (H.B. 2873) to broaden the definitions of "Stalking" and "Emotional Distress." "Stalking" includes "harassment that is conduct that is not necessary to accomplish a purpose that is reasonable under the circumstances, would cause a reasonable person emotional distress, and causes emotional distress to the petitioner." The definition of "Emotional Distress" now includes specific conduct such as "creating a disturbance at the petitioner's place of employment or school" and "repeatedly telephoning the petitioner's place of employment, home, or residence after being told by the petitioner or petitioner's employer to stop calling."

Expansion of Employee Blood and Organ Donation Leave Act

Effective January 1, 2026, the Employee Blood and Organ Donation Leave Act has been amended (H.B. 1616). This Act, which covers employers with 51 or more employees, allows full-time employees with at least six months of tenure to take leave for blood or organ donation (after receiving employer approval). The amendment expands the application of the Act by allowing part-time employees to take organ donor (but not blood donation) leave. Under the Act, employers must compensate the part-time employee for leave by calculating the employee's daily average pay over the prior two months of employment (times the number of days of leave, up to 10 in a 12-month period). The Illinois DOL is charged with issuing regulations governing such leave but to date has not done so.

Employer Action Plan

As employers prepare for the implementation of these recent changes, now is a good time to review current internal policies and employee handbooks. Please do not hesitate to contact any of the attorneys in Gould & Ratner's [Human Resources and Employment Law Practice](#) to discuss the effects of these new measures to your business.