AN ACT concerning employment.

## Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 1. Short title. This Act may be cited as the Family Leave Insurance Act.

Section 5. Declaration of policy and intent.
(a) Many employees do not have access to family and medical leave programs, and those who do may not be in a financial position to take family or medical leave that is unpaid, and employer-paid benefits meet only a relatively small part of this need. It is the public policy of this state to protect working families against the economic hardship caused by the need to take time off from work to care for themselves or family members who are suffering from a serious illness or to care for a newborn or a newly adopted child.

Moreover, many women are single mothers or the primary breadwinners for their families. If any of these women take an unpaid maternity leave, her whole family, and Illinois, suffers.

The United States is the only industrialized nation in the world that does not have a mandatory workplace-based program for such income support.

It is therefore desirable and necessary to develop systems
that help families adapt to the competing interests of work and home which not only benefit workers, but also benefit employers by reducing employee turnover and increasing worker productivity.
(b) It is the intent of the General Assembly to create a family leave program to relieve the serious menace to health, morals, and welfare of Illinois families, to increase workplace productivity, and to alleviate the enormous and growing stress on working families of balancing the demands of work and family needs.

Section 10. Definitions. In this Act:
(1)(A) "Average weekly wage" means the amount derived by dividing a covered employee's total wages earned from the employee's most recent covered employer during the base weeks in the 8 calendar weeks immediately preceding the calendar week in which a period of family leave commenced by the number of such base weeks.
(B) If the computation in paragraph (A) yields a result that is less than the employee's average weekly earnings in employment with all covered employers during the base weeks in such 8 calendar weeks, then the average weekly wage shall be computed on the basis of earnings from all covered employers during the base weeks in the 8 calendar weeks immediately preceding the week in which the period of family leave commences.
(C) For periods of family leave, if the computations in paragraphs (A) and (B) both yield a result which is less than the employee's average weekly earnings in employment with all covered employers during the base weeks in the 26 calendar weeks immediately preceding the week in which the period of family leave commenced, then the average weekly wage shall, upon a written request to the Department by the employee on a form provided by the Department, be computed by the Department on the basis of earnings from all covered employers of the employee during the base weeks in those 26 calendar weeks.
(2) "Base hours" means the hours of work for which an employee receives compensation. "Base hours" includes overtime hours for which the employee is paid additional or overtime compensation and hours for which the employee receives workers' compensation benefits. "Base hours" also includes hours an employee would have worked except for having been in military service. At the option of the employer, "base hours" may include hours for which the employee receives other types of compensation, such as administrative, personal leave, vacation or sick leave.
(3) "Care" includes, but is not limited to, physical care, emotional support, visitation, arranging for a change in care, assistance with essential daily living matters, and personal attendant services.
(4) "Child" means a biological, adopted, or foster child, stepchild, or legal ward of an eligible employee, child of a
spouse of the eligible employee, or child of a civil union partner of the eligible employee, who is less than 19 years of age or is 19 years of age or older, but incapable of self-care because of a mental or physical impairment.
(5) "Civil union" means a civil union as defined in the Illinois Religious Freedom Protection and Civil Union Act.
(6) "Consecutive leave" means leave that is taken without interruption based upon an employee's regular work schedule and does not include breaks in employment in which an employee is not regularly scheduled to work. For example, when an employee is normally scheduled to work from September through June and is not scheduled to work during July and August, a leave taken continuously during May, June, and September shall be considered a consecutive leave.
(7) "Department" means the Department of Employment Security.
(8) "Director" means the Director of Employment Security and any transaction or exercise of authority by the Director shall be deemed to be performed by the Department.
(9) "Eligible employee" means an employee employed by the same employer, as defined in paragraph (10), in the State of Illinois for 12 months or more who has worked 1,200 or more base hours during the preceding 12-month period. An employee is considered to be employed in the State of Illinois if:
(A) the employee works in Illinois; or
(B) the employee routinely performs some work in

Illinois and the employee's base of operations or the place from which the work is directed and controlled is in Illinois.
(10) "Employer" means any partnership, association, trust, estate, joint-stock company, insurance company, or corporation, whether domestic or foreign, or the receiver, trustee in bankruptcy, trustee, or person that has in its employ one or more employees performing services for it within this State. "Employer" also includes any employer subject to the Unemployment Insurance Act, except the State, its political subdivisions, and any instrumentality of the State. All employees performing services within this State for any employing unit that maintains 2 or more separate establishments within this State shall be deemed to be employed by a single employing unit for all purposes of this Act.
(11) "Family member" means an eligible employee's child, spouse, party to a civil union, parent, or any other individual related by blood or whose close relationship with the employee is the equivalent of a family relationship.
(12) "Family leave" means leave taken by an eligible employee from work with an employer: (A) to participate in the providing of care, including physical or psychological care, for the employee or a family member of the eligible employee made necessary by a serious health condition of the family member; (B) to be with a child during the first 12 months after the child's birth, if the employee, the employee's spouse, or
the party to a civil union with the employee, is a biological parent of the child, or the first 12 months after the placement of the child for adoption or foster care with the employee; (C) for the employee's own serious health condition; or (D) because of any qualifying exigency as interpreted under the Family and Medical Leave Act of 1993 (29 U.S.C. 2612(a)(1)(E) and 29 CFR 825.126) arising out of the fact that the spouse, party to a civil union, child, parent of the employee, or any other individual related by blood or whose close relationship with the employee is equivalent to a family relationship is on active duty (or has been notified of an impending call or order to active duty) in the armed forces as of the United States. "Family leave" does not include any period of time during which an eligible employee is paid benefits pursuant to the Workers' Compensation Act or the Unemployment Insurance Act because the employee is unable to perform the duties of the employee's employment due to the employee's own disability.
(13) "Family leave benefits" means any payments that are payable to an eligible employee for all or part of a period of family leave.
(14) "Health care provider" means any person licensed under federal, State, or local law or the laws of a foreign nation to provide health care services or any other person who has been authorized to provide health care by a licensed health care provider.
(15) "Intermittent leave" means a non-consecutive leave
consisting of intervals, each of which is at least one, but fewer than 12, weeks within a consecutive 12-month period.
(16) "Parent of an eligible employee" means a biological parent, foster parent, adoptive parent, or stepparent of the eligible employee or a person who was a legal guardian of, or who stood in loco parentis to, the eligible employee when the eligible employee was a child.
(17) "Placement for adoption" means the time when an eligible employee adopts a child or becomes responsible for a child pending adoption by the eligible employee.
(18) "Serious health condition" means an illness, injury, impairment, or physical or mental condition that requires inpatient care in a hospital, hospice, or residential medical care facility or continuing medical treatment or continuing supervision by a health care provider.
(19) "12-month period" means, with respect to an employee who establishes a valid claim for family leave benefits during a period of family leave, the 365 consecutive days that begin with the first day that the employee first establishes the claim.

Section 15. Family leave program.
(a) Subject to appropriation, the Department shall establish and administer a family leave program.
(b) The Department shall establish procedures and forms for filing claims for benefits under this Act.
(c) The Department shall use information sharing and integration technology to facilitate the disclosure of relevant information or records by the Department of Employment Security.
(d) Information contained in the files and records pertaining to an employee under this Act is confidential and not open to public inspection, other than to public employees in the performance of their official duties. However, the employee or an authorized representative of an employee may review the records or receive specific information from the records on the presentation of the signed authorization of the employee. An employer or the employer's duly authorized representative may review the records of an employee employed by the employer in connection with a pending claim. At the Department's discretion, other persons may review records when such persons are rendering assistance to the Department at any stage of the proceedings on any matter pertaining to the administration of this Act.

An employer must keep at its place of business records of employment from which the information needed by the Department for purposes of this Act may be obtained. The records shall at all times be open to the inspection of the Department pursuant to rules adopted by the Department.
(e) The Department shall develop and implement an outreach program to ensure that individuals who may be eligible to receive family leave benefits under this Act are made aware of
these benefits. Outreach information shall explain, in an easy to understand format, eligibility requirements, the claims process, weekly benefit amounts, maximum benefits payable, notice requirements, reinstatement and nondiscrimination rights, confidentiality, and coordination of leave under this Act and other laws, collective bargaining agreements, and employer policies. Outreach information shall be available in English and in languages other than English that are spoken as a primary language by a significant portion of the state's population, as determined by the Department.

Section 20. Eligibility for benefits.
(a) The Department may require that a claim for family leave benefits under this section be supported by a certification issued by a health care provider who is providing care to the employee or the employee's family member if applicable.
(b) An employee is not eligible for family leave benefits under this Section for any week for which the employee receives paid family leave from his or her employer. If an employer provides paid family leave, the employee may elect whether first to use the paid family leave or to receive family leave benefits under this Section. An employee may not be required to use paid family leave to which the employee is entitled before receiving family leave benefits under this Section.
(c) This Section does not limit an employee's right to take
leave from employment under other laws or employer policy.
(d) The eligibility of an employee for benefits is not affected by a strike or lockout at the factory, establishment, or other premises at which the employee is or was last employed.
(e) An employee who has received benefits under this Section may not lose any other employment benefits, including seniority or pension rights, accrued before the date that family leave commenced. However, this Section does not entitle an employee to accrue employment benefits during a period of family leave or to a right, benefit, or position of employment other than a right, benefit, or position to which the employee would have been entitled had the employee not taken family leave.
(f) This Section does not diminish an employer's obligation to comply with a collective bargaining agreement or an employment benefits program or plan that provides greater benefits to employees than the benefits provided under this Section.
(g) An agreement by an employee to waive the employee's rights under this Section is void as contrary to public policy. The benefits under this Section may not be diminished by a collective bargaining agreement or another employment benefits program or plan entered into or renewed after the effective date of this Act.
(h) Nothing in this Act shall be deemed to affect the
validity or change the terms of bona fide collective bargaining agreements in force on the effective date of this Act. After that date, requirements of this Act 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.
(i) This Section does not create a continuing entitlement or contractual right.

Section 25. Disqualification from benefits.
(a) An employee is disqualified from family leave benefits under this Act if the employee:
(1) willfully makes a false statement or misrepresentation regarding a material fact, or willfully fails to disclose a material fact, to obtain benefits;
(2) seeks benefits based on an intentionally self-inflicted serious health condition; or
(3) seeks benefits based on a serious health condition that resulted from the employee's commission of a felony.
(b) A disqualification for family leave benefits is for a period of 2 years, and commences on the first day of the calendar week in which the employee filed a claim for benefits under this Act. An employee who is disqualified for benefits is liable to the Department for a penalty in an amount equal to $15 \%$ of the amount of benefits received by the employee.

Section 30. State Benefits Fund.
(a) The State Benefits Fund is created as a special fund in the State treasury. Subject to appropriation, moneys in the Fund may be used for the payment of family leave benefits and for the administration of this Act. All interest and other earnings that accrue from investment of moneys in the Fund shall be credited to the Fund.
(b) An employer shall retain from all employees a payroll premium deduction in the amount of $0.3 \%$ of wages as defined in Section 235 of the Unemployment Insurance Act. The Department shall by rule provide for the collection of this payroll premium deduction.

The amount of the payroll premium imposed under this Section, less refunds authorized by this Act, and all assessments and penalties collected under this Act shall be deposited into and credited to the Fund.
(c) A separate account, to be known as the Administration Account, shall be maintained in the Fund. An amount determined by the Department sufficient for proper administration, not to exceed, however, $0.1 \%$ of wages as defined in this Section, shall be credited to the Administration Account. The expenses of the Department in administering the Fund and its accounts shall be charged against the Administration Account. The costs of administration of this Act shall be charged to the Administration Account.
(d) A separate account, to be known as the Family Leave

Benefits Account, shall be maintained in the Fund. The account shall be charged with all benefit payments. Prior to July 1 of each calendar year, the Department shall determine the average rate of interest and other earnings on all investments of the Fund for the preceding calendar year. If there is an accumulated deficit in the Family Leave Benefits Account in excess of $\$ 200,000$ at the end of any calendar year after interest and other earnings have been credited as provided in this Section, the Department shall determine the ratio of the deficit to the total of all taxable wages paid during the preceding calendar year and shall make an assessment against all employers in an amount equal to the taxable wages paid by them during the preceding calendar year to employees, multiplied by the ratio, but in no event shall any such assessment exceed $0.1 \%$ of such wages. The amounts shall be collectible by the Department in the same manner as provided for the collection of employer contributions under the Unemployment Insurance Act. In making this assessment, the Department shall furnish to each affected employer a brief summary of the determination of the assessment. The amount of such assessments collected by the Department shall be credited to the Family Leave Benefits Account. As used in this Section, "wages" means wages as provided in Section 235 of the Unemployment Insurance Act.
(e) A board of trustees, consisting of the State Treasurer, the Secretary of State, the Director of Labor, the Director of

Employment Security, and the State Comptroller, is hereby created. The board shall invest and reinvest all moneys in the Fund in excess of its cash requirements in obligations legal for savings banks.
(f) The Department may adjust rates, not to exceed the amount established in subsection (b) of this Section, for the collection of premiums pursuant to subsection (b) of this Section. The Department shall set rates for premiums in a manner that minimizes the volatility of the rates assessed and so that at the end of the period for which the rates are effective, the cash balance shall be an amount approximating 12 months of projected expenditures from the Fund, considering the functions and duties of the Department under this Act.
(g) An employer required to pay premiums under this Section shall make and file a report of employee hours worked and amounts due under this Section upon a combined report form prescribed by the Department. The report shall be filed with the Department at the times and in the manner prescribed by the Department.
(h) If the employer is a temporary employment agency that provides employees on a temporary basis to its customers, the temporary employment agency is considered the employer for purposes of this Section.
(i) When an employer quits business or sells out, exchanges, or otherwise disposes of the business or stock of goods, any premium payable under this Section is immediately
due and payable, and the employer shall, within 10 days thereafter, pay the premium due. A person who becomes a successor to the business is liable for the full amount of the premium and shall withhold from the purchase price a sum sufficient to pay any premium due from the employer until the employer produces a receipt from the Department showing payment in full of any premium due or a certificate that no premium is due. If the premium is not paid by the employer within 10 days after the date of the sale, exchange, or disposal, the successor is liable for the payment of the full amount of the premium. The successor's payment of the premium is, to the extent of the payment, a payment upon the purchase price, and if the payment is greater in amount than the purchase price, the amount of the difference is a debt due the successor from the employer.

A successor is not liable for any premium due from the person from whom the successor has acquired a business or stock of goods if the successor gives written notice to the Department of the acquisition and no assessment is issued by the Department within one year after receipt of the notice against the former operator of the business.

Section 35. Compensation for family leave.
(a) An individual's weekly benefit rate shall be two-thirds of his or her average weekly wage, subject to a maximum of $53 \%$ of the Statewide average weekly wage paid to workers by
employers, as determined pursuant to Section 401 of the Unemployment Insurance Act, provided, however, that the individual's benefit rate shall be computed to the next lower multiple of $\$ 1$ if not already a multiple thereof. The amount of benefits for each day of family leave for which benefits are payable shall be one-seventh of the corresponding weekly benefit amount; provided that the total benefits for a fractional part of a week shall be computed to the next lower multiple of $\$ 1$ if not already a multiple thereof.
(b) With respect to any period of family leave and while an individual is an eligible employee, family benefits not in excess of the individual's maximum benefits shall be payable with respect to the first day of leave taken after the first one-week period following the commencement of the period of family leave and each subsequent day of family leave during that period of family leave; and if benefits become payable on any day after the first 3 weeks in which leave is taken, then benefits shall also be payable with respect to any leave taken during the first one-week period in which leave is taken. The maximum total benefits payable to any eligible individual commencing on or after the effective date of this Act shall be 12 times the individual's weekly benefit amount or one-third of his or her total wages in his or her base year, whichever is the lesser; provided that the maximum amount shall be computed in the next lower multiple of $\$ 1$ if not already a multiple thereof.
(c) All of the family leave benefits paid to an eligible employee during a period of family leave with respect to any one birth or adoption shall be for a single continuous period of time, except that the employer of the eligible employee may permit the eligible employee to receive the family leave benefits during non-consecutive weeks in a manner mutually agreed to by the employer and the eligible employee and disclosed to the Department by the employer.
(d) Nothing in this Act shall be construed to prohibit the establishment by an employer, without approval by the Department, of a supplementary plan or plans providing for the payment to employees, or to any class or classes of employees, of benefits in addition to the benefits provided by this Act or to prohibit the collection or receipt of additional voluntary contributions from employees toward the cost of the additional benefits. The rights, duties, and responsibilities of all interested parties under the supplementary plans shall be unaffected by any provision of this Act.

Section 40. Family leave; duration. An eligible employee may take 12 weeks of family leave within any 24 -month period in order to provide care made necessary by reasons identified in Section 10. An eligible employee may take family leave on an intermittent schedule in which all of the leave authorized under this Act is not taken sequentially.

Section 45. Annual reports; contents.
(a) The Department shall issue and make available to the public, not later than July 1, 2019 and July 1 of each subsequent year, annual reports providing data on family leave benefits claims involving pregnancy and childbirth, and family leave benefits, including separate data for each of the following categories of claims: the employee's own serious illness; care of newborn children; care of newly adopted children; care of sick children; care of sick spouses; and care of other sick family members. The reports shall include, for each category of claims, the number of workers receiving the benefits, the amount of benefits paid, the average duration of benefits, the average weekly benefit, and any reported amount of sick leave, vacation, or other fully paid time which resulted in reduced benefit duration. The report shall provide data by gender and by any other demographic factors determined to be relevant by the Department. The reports shall also provide, for all family leave benefits, the total costs of benefits and the total cost of administration, the portion of benefits for claims during family leave, and the total revenues from employer assessments, where applicable; employee assessments; and other sources.
(b) The Department may, in its discretion, conduct surveys and other research regarding, and include in the annual reports descriptions and evaluations of the impact and potential future impact of the costs and benefits resulting from the provisions
of this Act for:
(1) employees and their families, including surveys and evaluations of what portion of the total number of employees taking leave would not have taken leave, or would have taken less leave, without the availability of benefits; what portion of employees return to work after receiving benefits and what portion are not permitted to return to work; and what portion of employees who are eligible for benefits do not claim or receive them and why they do not;
(2) employers, including benefits such as reduced training and other costs related to reduced turnover of personnel, and increased affordability of family leave through the State, with special attention given to small businesses; and
(3) the public, including savings caused by any reduction in the number of people receiving public assistance.
(c) The total amount of any expenses that the Department determines are necessary to carry out its duties pursuant to this Section shall be charged to the Administration Account of the Fund.

Section 50. Hearings. A person aggrieved by a decision of the Department under this Act may request a hearing. The Department shall adopt rules governing hearings and the
issuance of final orders under this Act in accordance with the provisions of the Illinois Administrative Procedure Act. All final administrative decisions of the Department under this Act are subject to judicial review under the Administrative Review Law.

Section 55. Prohibited acts. No employer, temporary employment agency, employment agency, employee organization, or other person shall discharge, expel, or otherwise discriminate against a person because the person has filed or communicated to the employer an intent to file a claim, a complaint, or an appeal or has testified or is about to testify or has assisted in any proceeding, under this Act, at any time.

Section 60. Penalties.
(a) A person who makes a false statement or representation, knowing it to be false, or knowingly fails to disclose a material fact to obtain or increase any family leave benefit during a period of family leave, either for himself or herself or for any other person, shall be liable for a civil penalty of $\$ 250$ to be paid to the Department. Each such false statement or representation or failure to disclose a material fact shall constitute a separate offense. Upon refusal to pay such civil penalty, the civil penalty shall be recovered in a civil action by the Attorney General on behalf the Department in the name of the State of Illinois. If, in any case in which liability for
the payment of a civil penalty has been determined, any person who has received any benefits under this Act by reason of the making of such false statements or representations or failure to disclose a material fact shall not be entitled to any benefits under this Act for any leave occurring prior to the time he or she has discharged his or her liability to pay the civil penalty.
(b) A person who willfully violates any provision of this Act or any rule adopted under this Act for which a civil penalty is neither prescribed in this Act nor provided by any other applicable law shall be subject to a civil penalty of $\$ 500$ to be paid to the Department. Upon the refusal to pay such civil penalty, the civil penalty shall be recovered in a civil action by the Attorney General on behalf of the Department in the name of the State of Illinois.
(c) A person, employing unit, employer, or entity violating any provision of this Section with intent to defraud the Department is guilty of a Class $C$ misdemeanor. The fine upon conviction shall be payable to the Fund. Any penalties imposed by this subsection shall be in addition to those otherwise prescribed in this Section.

Section 70. Leave and employment protection.
(a) During a period in which an employee receives family leave benefits under this Act, the employee is entitled to family leave and, at the established ending date of leave, to
be restored to a position of employment with the employer from whom leave was taken as provided under subsection (b).
(b) Except as provided in subsection (f), an employee who receives family leave benefits under this Act for the intended purpose of the family leave is entitled, on return from the leave:
(1) to be restored by the employer to the position of employment held by the employee when the family leave commenced; or
(2) to be restored to an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment at a workplace within 20 miles of the employee's workplace when the family leave commenced.
(c) The taking of family leave under this Act may not result in the loss of any employment benefits accrued before the date on which the family leave commenced.
(d) Nothing in this Section entitles a restored employee to:
(1) the accrual of any seniority or employment benefits during any period of family leave; or
(2) any right, benefit, or position of employment other than any right, benefit, or position to which the employee would have been entitled to had the employee not taken the family leave.
(e) Nothing in this Section prohibits an employer from requiring an employee on family leave to report periodically to
the employer on the status and intention of the employee to return to work.
(f) An employer may deny restoration under subsection (b) to a salaried employee who is among the highest paid $10 \%$ of the employees employed by the employer within 75 miles of the facility at which the employee is employed if:
(1) denial is necessary to prevent substantial and grievous economic injury to the operations of the employer;
(2) the employer notifies the employee of the intent of the employer to deny restoration on such basis at the time the employer determines that the injury would occur; and
(3) the family leave has commenced and the employee elects not to return to employment after receiving the notice.

Section 75. Notice to employer.
(a) If the necessity for family leave for the birth or placement of a child is foreseeable based on an expected birth or placement, the employee shall provide the employer with not less than 30 days' notice, before the date the leave is to begin, of the employee's intention to take leave for the birth or placement of a child, except that if the date of the birth or placement requires leave to begin in less than 30 days, the employee shall provide such notice as is practicable.
(b) If the necessity for family leave for an employee's or a family member's serious health condition is foreseeable based
on planned medical treatment, the employee:
(1) must make a reasonable effort to schedule the treatment so as not to disrupt unduly the operations of the employer; and
(2) must provide the employer with not less than 30 days' notice, before the date the leave is to begin, of the employee's intention to take leave for his, her, or a family member's serious health condition, except that if the date of the treatment requires leave to begin in less than 30 days, the employee must provide such notice as is practicable.

Section 80. Employment by same employer. If spouses who are entitled to leave under this Act are employed by the same employer, the employer may require that spouses not take such leave concurrently.

Section 85. Coordination of leave.
(a) Family leave taken under this Act must be taken concurrently with any leave taken under the Federal Family and Medical Leave Act of 1993.
(b) An employer may require that family leave taken under this Act be taken concurrently or otherwise coordinated with leave allowed under the terms of a collective bargaining agreement or employer policy, as applicable, for the birth or placement of a child. The employer must give his or her
employees written notice of this requirement.

Section 90. Rules. The Department may adopt any rules necessary to implement the provisions of this Act. In adopting rules, the Department shall maintain consistency with the regulations adopted to implement the Federal Family and Medical Leave Act of 1993 to the extent such regulations are not in conflict with this Act.

Section 95. Authority to contract. The Department may contract or enter into interagency agreements with other State agencies for the initial administration of the Family Leave Program.

Section 175. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

Section 900. The State Finance Act is amended by adding Section 5.878 as follows:
(30 ILCS 105/5.878 new)
Sec. 5.878. The State Benefits Fund.

Section 999. Effective date. This Act takes effect upon becoming law.

