**Section 200.460 Determining Payout of Paid Leave Upon Separation from Employment**

a) An employee's existing time off allowance bank or time off account shall be kept separate from the accounting of the employee's earned paid leave under the Act unless the employer's written policy or practice is to combine such leave.

b) If an employer chooses to credit the paid leave provided for under the Act to an existing paid leave allowance provided by the employer, such policy must be communicated to the employee within 30 days after the start of employment or of the effective date of the policy. See Section. 300.210.

c) If an employer chooses to credit the leave provided for under the Act to an existing paid leave allowance provided by the employer, *any unused paid leave time shall be paid to the employee upon an employee's termination, resignation, retirement, or other separation to the same extent that vacation time is paid under the Illinois Wage Payment and Collection Act* [820 ILCS 115/5]. [820 ILCS 192/15]

d) If an employer does not provide an additional form of paid leave allowance, nor chooses to combine or credit the multiple forms of leave together, then an employer shall not be required to pay out, provide financial benefit, or reimbursement for unused paid leave earned under the Act upon an employee's termination, resignation, retirement, or other separation from employment at any time of the year.

EXAMPLE A: Prior to January 1, 2024, Employer A, who is subject to the Illinois Wage Payment and Collection Act, offers two weeks of paid vacation to all employees. Beginning on January 1, 2024, Employer A allows employees to accrue paid leave under the Paid Leave for All Workers Act, and terms that leave "PLAW Leave." Employer A maintains records of the distinct balance each employee has in the employee's vacation account and in the employee's PLAW Leave account. Because Employer A maintains separate documentation of the vacation leave and PLAW Leave, Employer A does not have to pay out PLAW Leave upon an employee's separation. When Employee A requests to use leave, Employer A should ask Employee A whether they wish to deduct the leave from their vacation balance or their PLAW Leave balance in order to appropriately document Employee A's remaining paid leave balances.