

## Rep. Mary E. Flowers

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## Filed: 4/19/2016

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LRB099 00218 JLS 47831 a

AMENDMENT TO HOUSE BILL 166

AMENDMENT NO. \_\_\_\_\_. Amend House Bill 166, AS AMENDED, by replacing everything after the enacting clause with the following:

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

7 Section 5. Declaration of policy and intent.

(a) 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 family members who are incapable of self-care, including newborn and newly adopted children. The growing portion of middle-income families in which all adult family members work, largely due to economic necessity, points to the desperate need for replacement income when a working family member must take time to care for family members who are unable to take care of themselves.

1 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,

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5 The United States is the only industrialized nation in the 6 world that does not have a mandatory workplace-based program

7 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.

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- (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 commenced.
- (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

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- compensation, such as administrative, personal leave, vacation or sick leave.
  - (3) "Base salary" means the salary paid to an employee, excluding overtime and bonuses, but not excluding salary withheld for State, federal, and local taxes, FICA, and employee contributions to any pension or health or other insurance plans or programs.
  - (4) "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.
  - (5) "Child" means a biological, adopted, or foster child, stepchild, or legal ward of an eligible employee, child of a domestic partner 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.
  - (6) "Civil union" means a civil union as defined in the Illinois Religious Freedom Protection and Civil Union Act.
    - (7) "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

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- 1 considered a consecutive leave.
- 2 (8) "Department" means the Department of Employment
  3 Security.
  - (9) "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.
    - (10) "Eligible employee" means an employee employed by the same employer, as defined in paragraph (11), in the State of Illinois for 12 months or more who has worked 1,000 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
- 13 (B) the employee routinely performs some work in
  14 Illinois and the employee's base of operations or the place
  15 from which the work is directed and controlled is in
  16 Illinois.
  - (11) "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

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- within this State shall be deemed to be employed by a single employing unit for all purposes of this Act.
  - (12) "Family member" means a child, spouse, party to a civil union, or parent of an eligible employee.
    - "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, 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 employee's own serious condition; or (D) because of 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, domestic partner, child, or parent of the employee 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.

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- 1 (14) "Family leave benefits" means any payments that are payable to an eliqible employee for all or part of a period of 2 family leave. 3
- 4 (15) "Health care provider" means any person licensed under 5 federal, State, or local law or the laws of a foreign nation to provide health care services or any other person who has been 6 authorized to provide health care by a licensed health care 7 8 provider.
  - (16) "Intermittent leave" means a non-consecutive leave consisting of intervals, each of which is at least one, but less than 12, weeks within a consecutive 12-month period.
    - (17) "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 the eligible employee when the eligible employee was a child.
    - (18) "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.
    - (19) "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.
  - (20) "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

- 1 with the first day that the employee first establishes the
- 2 claim.
- 3 (21) "Wages" means all compensation payable by employers to
- 4 eligible employees for personal services including
- 5 commissions, bonuses, and the cash value of all compensation
- 6 payable in any medium other than cash.
- 7 Section 15. Family leave program.
- 8 (a) Subject to appropriation, the Department shall establish and administer a family leave program.
- 10 (b) The Department shall establish procedures and forms for
- 11 filing claims for benefits under this Act.
- 12 (c) The Department shall use information sharing and
- 13 integration technology to facilitate the disclosure of
- 14 relevant information or records by the Department of Employment
- 15 Security, so long as an individual consents to the disclosure
- as required under Section 20 of this Act.
- 17 (d) Information contained in the files and records
- 18 pertaining to an employee under this Act is confidential and
- 19 not open to public inspection, other than to public employees
- 20 in the performance of their official duties. However, the
- 21 employee or an authorized representative of an employee may
- 22 review the records or receive specific information from the
- 23 records on the presentation of the signed authorization of the
- 24 employee. An employer or the employer's duly authorized
- 25 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.

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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.
- 24 Section 20. Eligibility for benefits.
- 25 (a) Family leave benefits are payable under the family

- 1 leave program to an employee during a period in which the
- employee is on unpaid family leave if the employee does all of 2
- 3 the following:

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- 4 (1) Takes family leave as defined in Section 10.
- 5 (2) Files a claim for family leave benefits as required by rules adopted by the Department. 6
  - (3) Establishes that the employee has been employed for at least 1,000 hours in employment during the employee's qualifying year.
  - (4) Establishes an application year. An application year may not be established if the qualifying year includes hours worked before establishment of а previous application year.
  - (5) Consents to the disclosure of information or records deemed private and confidential by State and federal laws. Further disclosure of this information or these records is subject to subsection (c) of Section 15 of this Act.
  - (6) Discloses whether or not he or she owes child support obligations as defined in subsection (B) of Section 1300 of the Unemployment Insurance Act.
  - (7) Documents that he or she has provided the employer from whom family leave is to be taken with written notice the employee's intention to take family leave as provided in Section 75.
  - (b) The Department may require that a claim for family

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- leave benefits under this Section be supported by a certification issued by a health care provider who is providing care to the employee's family member if applicable.
  - (c) An employee is not eligible for family leave benefits under this Section for any week for which the employee receives paid family leave. 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.
- 12 (d) This Section does not limit an employee's right to take 13 leave from employment under other laws or employer policy.
  - (e) 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.
  - (f) 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.

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Section.

date of this Act.

1	(g) This S	Section does not	diminish an emp	loyer's obligation
2	to comply w	ith a collect:	ive bargaining	agreement or an
3	employment be	enefits program	or plan that	provides greater
4	benefits to e	employees than	the benefits pr	covided under this

- 6 (h) An agreement by an employee to waive the employee's rights under this Section is void as contrary to public policy. 7 8 The benefits under this Section may not be diminished by a 9 collective bargaining agreement or another employment benefits 10 program or plan entered into or renewed after the effective
- (i) This Section does not create a continuing entitlement 12 13 or contractual right.
- 14 Section 25. Disqualification from benefits.
- 15 (a) An employee is disqualified from family leave benefits under this Act if the employee: 16
  - (1)willfully makes false а statement misrepresentation regarding a material fact, or willfully fails to disclose a material fact, to obtain benefits;
  - (2) seeks benefits based on intentionally an self-inflicted serious health condition; or
- (3) seeks benefits based on a serious health condition 22 23 that resulted from the employee's commission of a felony.
- 24 (b) A disqualification for family leave benefits is for a 25 period of 2 years, and commences on the first day of the

- calendar week in which the employee filed a claim for benefits 1
- under this Act. An employee who is disqualified for benefits is 2
- 3 liable to the Department for a penalty in an amount equal to
- 4 15% of the amount of benefits received by the employee.
- 5 Section 30. State Benefits Fund.
- 6 (a) The State Benefits Fund is created as a special fund in
- 7 the State treasury. Subject to appropriation, moneys in the
- 8 Fund may be used for the payment of family leave benefits and
- 9 for the administration of this Act. All interest and other
- 10 earnings that accrue from investment of moneys in the Fund
- shall be credited to the Fund. 11
- 12 (b) There is imposed a tax upon employees in the amount of
- 13 0.3% of wages as defined in Section 235 of the Unemployment
- 14 Insurance Act. The Department shall by rule provide for the
- 15 collection of this tax.
- The amount of the tax imposed under this Section, less 16
- refunds authorized by this Act, and all assessments and 17
- 18 penalties collected under this Act shall be deposited into and
- 19 credited to the Fund.
- 2.0 (c) A separate account, to be known as the Administration
- 21 Account, shall be maintained in the Fund. An amount determined
- 22 by the Treasurer sufficient for proper administration, not to
- exceed, however, 0.1% of wages as defined in this Section, 23
- 24 shall be credited to the Administration Account. The expenses
- 25 of the Treasurer in administering the Fund and its accounts

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of administration of this Act shall be charged to the

shall be charged against the Administration Account. The costs

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 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 Director 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,

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- 1 "wages" means wages as provided in Section 235 of the 2 Unemployment Insurance Act.
- (e) A board of trustees, consisting of the State Treasurer, 3 4 the Secretary of State, the Director of Labor, the Director of 5 Employment Security, and the State Comptroller, is hereby 6 created. The board shall invest and reinvest all moneys in the Fund in excess of its cash requirements in obligations legal 7 8 for savings banks.
- 9 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 Unemployment Insurance Act, provided, however, that 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

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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 6 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

- 1 to prohibit the collection or receipt of additional voluntary
- contributions from employees toward the cost of the additional 2
- benefits. The rights, duties, and responsibilities of all 3
- 4 interested parties under the supplementary plans shall be
- 5 unaffected by any provision of this Act.
- Section 45. Hearings. A person aggrieved by a decision of 6
- 7 the Department under this Act may request a hearing. The
- 8 Department shall adopt rules governing hearings and
- 9 issuance of final orders under this Act in accordance with the
- 10 provisions of the Illinois Administrative Procedure Act. All
- final administrative decisions of the Department under this Act 11
- 12 are subject to judicial review under the Administrative Review
- 13 Law.
- 14 Section 50. Prohibited acts. No employer, temporary
- employment agency, employment agency, employee organization, 15
- 16 other person shall discharge, expel, or otherwise
- 17 discriminate against a person because the person has filed or
- 18 communicated to the employer an intent to file a claim, a
- 19 complaint, or an appeal or has testified or is about to testify
- 20 or has assisted in any proceeding, under this Act, at any time.
- 21 Section 55. Penalties.
- 2.2 (a) A person who makes a false statement or representation,
- 23 knowing it to be false, or knowingly fails to disclose a

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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.
- 25 (c) A person, employing unit, employer, or entity violating any provision of this Section with intent to defraud the 26

- 1 Department is quilty of a Class C misdemeanor. The fine upon
- conviction shall be payable to the Fund. Any penalties imposed 2
- by this subsection shall be in addition to those otherwise 3
- 4 prescribed in this Section.
- 5 Section 70. Leave and employment protection.
- (a) During a period in which an employee receives family 6
- 7 leave benefits or earns waiting period credits under this Act,
- 8 the employee is entitled to family leave and, at
- 9 established ending date of leave, to be restored to a position
- 10 of employment with the employer from whom leave was taken as
- provided under subsection (b). 11
- 12 (b) Except as provided in subsection (f), an employee who
- 13 receives family leave benefits under this Act for the intended
- 14 purpose of the family leave is entitled, on return from the
- 15 leave:
- (1) to be restored by the employer to the position of 16
- 17 employment held by the employee when the family leave
- 18 commenced; or
- 19 (2) to be restored to an equivalent position with
- equivalent employment benefits, pay, and other terms and 20
- 21 conditions of employment at a workplace within 20 miles of
- 22 the employee's workplace when the family leave commenced.
- 23 (c) The taking of family leave under this Act may not
- 24 result in the loss of any employment benefits accrued before
- 25 the date on which the family leave commenced.

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1		(d)	Nothing	in	this	Section	entitles	a	restored	employee
2	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.
  - (g) This Section applies to an employee only if:
    - (1) the employer from whom the employee takes family

1 leave employs more than 50 employees; and

(2) the employee has been employed for at least 12 months by that employer, and for at least 1,250 hours of service with that employer during the previous 12-month period.

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 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 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

- 1 employee must provide such notice as is practicable.
- 2 Section 80. Employment by same employer. If spouses who are
- 3 entitled to leave under this Act are employed by the same
- 4 employer, the employer may require that spouses not take such
- leave concurrently. 5
- Section 85. Coordination of leave. 6
- 7 Family leave taken under this Act must be taken
- 8 concurrently with any leave taken under the federal Family and
- 9 Medical Leave Act of 1993.
- (b) An employer may require that family leave taken under 10
- 11 this Act be taken concurrently or otherwise coordinated with
- 12 leave allowed under the terms of a collective bargaining
- 13 agreement or employer policy, as applicable, for the birth or
- 14 placement of a child. The employer must give his or her
- employees written notice of this requirement. 15
- 16 Section 90. Rules. The Department may adopt any rules
- 17 necessary to implement the provisions of this Act. In adopting
- rules, the Department shall maintain consistency with the 18
- 19 regulations adopted to implement the federal Family and Medical
- 20 Leave Act of 1993 to the extent such regulations are not in
- conflict with this Act. 21
- 22 Section 100. Authority to contract. The Department may

- contract or enter into interagency agreements with other State 1
- agencies for the initial administration of the Family Leave 2
- 3 Program.
- 4 Section 175. Severability. The provisions of this Act are
- severable under Section 1.31 of the Statute on Statutes. 5
- 6 Section 900. The State Finance Act is amended by adding
- 7 Section 5.875 as follows:
- (30 ILCS 105/5.875 new) 8
- 9 Sec. 5.875. The State Benefits Fund.
- 10 Section 999. Effective date. This Act takes effect upon
- 11 becoming law.".