

Insights: Alerts

Chicago Paid Leave & Sick Leave Rules Update: Key Changes Effective June 1, 2026

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On May 18, 2026, the Chicago Commissioner of Business Affairs and Consumer Protection released [updated rules](#) clarifying the Chicago Paid Leave and Paid Sick Leave Ordinance (Chapter 6-130, Chicago Municipal Code). The effective date for these amended rules is June 1, 2026.

Background

In November 2023, Chicago enacted an ordinance requiring employers to provide at least 40 hours of paid leave and 40 hours of paid sick leave annually to employees. The ordinance took effect July 1, 2024, and set forth accrual, usage, and eligibility requirements.

To provide direction to Chicago employers and employees covered by the Ordinance, the Commission on Business Affairs published rules. They updated the rules to provide clarification largely by offered examples.

Highlights of the Updated Rules

1. Notice & Posting (Rule 1.04)

- Employers must post notices in accessible locations. The update gave examples of possible location: bulletin boards with other required postings, breakrooms/lunchrooms, display monitors, and employee swipe-in areas.
- No changes to notice timing, method, or language requirements.

2. General Provisions (Rule 2.01)

- Rules clarify three main requirements: accrual/grant, carryover, and usage.
- As provided in the clarifying update, employers may allow covered employees to use paid sick leave for additional purposes beyond those listed in the ordinance.

3. Rate of Pay for Non-Exempt Employees (Rule 2.03)

- Pay is calculated based on the average wage for hours worked during the prior 90 days.
- The updated rules provided an example with a formula to guide employers' determination of the rate of pay. Example: If an employee worked at varying rates (\$19/hour for 160 hours and \$18/hour for 320 hours), the average rate is \$18.34/hour.

4. Usage Examples (Rule 2.07)

- Paid sick leave can be used for unscheduled childcare closures. The update clarified that childcare includes formal (childcare centers, after-school programs) and informal caregivers (babysitters, family/friends).

5. Alternative Policies (Rule 2.08)

- Employers can offer PTO policies providing up to 80 hours or more, provided requirements are met. The update offered an example: Granting 120 hours of PTO at hire.

6. Benefit-Year Change (Rule 2.15)

- Employers may offer different benefit years for individual employees or synchronize the benefits years for all covered employees to provide that benefits are granted at the same time. The update offers examples of possible benefit years (the 12-month period) by hire date, calendar year, contract/fiscal/tax year, etc. To comply with the Ordinance, the rules provide that written notice of changes must be provided at least 14 days before the benefit year ends, with no reduction in leave entitlements.

7. Certification (Rule 2.16)

- The Ordinance provides that employers may require covered employees to certify their use of paid sick leave for three or more consecutive scheduled workdays. The update gave a common example of three consecutive workdays, e.g. Monday, Wednesday and Friday.

8. Abuse of Sick Leave (Rule 2.17)

- The Ordinance permits employers to discipline employees for misuse of paid sick leave. The update provided examples of possible misuse, such as patterns of leave adjacent to weekends, holidays, or undesirable shifts.

Takeaway

The [updated rules](#) provide helpful guidance for employers and employees to ensure compliance with Chicago's Paid Leave and Sick Leave requirements.

For detailed guidance or compliance support, contact [Kilpatrick's Labor & Employment Team](#).

Related People



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