

Legal Update

January 21, 2021

SIGNIFICANT CHANGES IN THE LAW

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We wish our clients and friends a healthy, happy, and prosperous 2021. Our January *Legal Update* highlights new laws and amendments that may be of interest to Illinois businesses and individuals. We encourage all those potentially affected by these developments to consult with counsel to ensure that they are in compliance with, or consider taking advantage of, these new laws.

New Laws and Amendments Effective January 1, 2021

In addition to other consequences of the pandemic, COVID-19 caused Illinois to cancel much of the 2020 Illinois legislative session. As a result, only three new Illinois laws became effective on January 1, 2021. By contrast, over 250 Illinois laws went into effect at the beginning of 2020.

Wage Amendments to the Illinois Minimum Wage Law (“IMWL”)

Illinois has further increased its minimum wage to \$11.00 per hour this year under the IMWL, which was amended in 2019. The IMWL will further increase the minimum wage by an additional \$1.00 per hour every year until it reaches \$15.00 per hour in 2025. Under the IMWL, the minimum wage for tipped workers and employees under 18 years of age working part-time will increase proportionally as well. The Illinois Department of Labor has published a state minimum wage chart by year, which is available [here](#). Notably, the minimum wage in Cook County is already \$13.00 per hour, and the minimum wage in the City of Chicago is currently \$13.50 per hour for small employers and \$14.00 per hour for larger employers. Employers must comply with the highest applicable minimum wage rate. For more information regarding minimum wage requirements in Illinois, please see our [July 2020 Legal Update](#).

Increases in the Federal Estate, Gift, and Generation-Skipping Transfer (“GST”) Tax Limits

The Internal Revenue Service has announced the federal estate, gift, and GST tax exemption limits for 2021. In 2020, these federal tax exemption limits were \$11.58 million per person or \$23.16 million for a married couple. For 2021, these limits are increasing to \$11.7 million per person or \$23.4 million for a married couple. These limits are scheduled to increase annually for inflation through 2025, when they will return to \$5 million per person, adjusted for inflation, on January 1, 2026. The annual federal gift tax exclusion amount of \$15,000 per donor, per recipient remains unchanged for 2021. Married couples may combine the gift tax exclusion amounts and make gifts of up to \$30,000 to any individual. The Illinois estate tax exemption is \$4 million per person and does not increase for inflation, but Illinois does not impose a gift tax.

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Review of Some Changes in the Law in 2020

COVID-19 Changes to the Chicago Fair Workweek Ordinance

Our [July 2020 Legal Update](#) reported that the new Chicago Fair Workweek Ordinance requires certain large employers to comply with new work schedule requirements. These requirements include providing “covered employees” in specific industries with 10 days’ advance written notice of work schedules (14 days after July 1, 2022), predictability pay for shift changes, and good faith written estimates of the projected work for new employees, among other requirements. Although the Ordinance took effect on July 1, 2020, in response to the pandemic, the City of Chicago delayed the effective date for an employee’s private right of action for violations of the Ordinance until January 1, 2021. Moreover, Chicago has issued a [COVID-19 rule](#), which states that if the pandemic causes a material change to an employer’s operations that creates a need for a schedule change, the employer may be exempt from certain provisions of the Ordinance.

Illinois Hotel and Casino Employee Safety Act Delayed

As discussed in our [January 2020 Legal Update](#), the new Hotel and Casino Employee Safety Act requires hotel and casino employers to protect employees against sexual assault and harassment by guests by providing “panic buttons” and written anti-sexual harassment policies, among other requirements. The Act was scheduled to become effective July 1, 2020, but was delayed until March 1, 2021. Regardless of the Act, Chicago already requires hotel employers to provide “panic buttons” to certain employees under the Chicago “Hands Off Pants On” ordinance.

Public Act 101-0640 to Remain Relevant

Earlier last year, Governor Pritzker signed Public Act 101-0640 into law. The Act aims to adapt governmental functions to the challenges presented by the COVID-19 pandemic. Notable provisions of the Act include granting the Secretary of State emergency powers to extend the validity of driver’s licenses, permits, and identification cards; an amendment to the Open Meetings Act to allow for remote participation in public meetings; an amendment to the Illinois Freedom of Information Act exempting public bodies from liability for certain delays in responding to information requests; and changes to the Electronic Commerce Security Act to allow for remote witnessing and notarization of certain documents, among many others. As long as Governor Pritzker’s COVID-19 emergency declaration remains in effect, we should expect many of the Act’s provisions to remain in place this year.

Annual Sexual Harassment Prevention Training Reminder

As discussed in previous *Legal Updates*, Illinois amended the Human Rights Act to require all employers with at least one employee working in Illinois to provide sexual harassment prevention training to all employees who work in Illinois by December 31, 2020, and annually thereafter. Illinois has not adjusted this requirement for any COVID-19-related hardship. For more information on these training requirements, please see our [August 2019 Legal Update](#) and [November 2019 Legal Update](#).

Failure of Illinois Senate Bill 687: Fair Tax Amendment

Senate Bill 687, which was scheduled to take effect in 2021, no longer will. The bill would have created new income tax brackets by switching to a graduated income tax structure, but was contingent on Illinois voters approving a constitutional amendment changing the state tax laws from a flat tax structure to a graduated or progressive income tax. The ballot measure failed, and as such the graduated structure will not go into effect. Although the bill will not go into effect, it is worth noting because lawmakers will likely put

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forth new measures to address the state's budget deficit in the upcoming year. FVLD will continue to monitor and update our clients about these proposals as they arise.

Conclusion

Please note that this *Legal Update* is not comprehensive of all of the new laws that may affect you or your business and provides an overview for informational purposes only. It is general in nature and is not intended to constitute legal advice or to take into account all of the exceptions, exemptions, and nuances that may apply to you or your business. Certain laws that we do not mention, including new federal laws and laws in other states, may nonetheless affect you or your business. In addition, we anticipate that under the Biden administration a number of new laws – especially in the employment arena – will be passed. You should consult with your legal and other advisors about the entire legal landscape that may impact you.

FVLD publishes updates on legal issues and summaries of legal topics for its clients and friends. They are merely informational and do not constitute legal advice. We welcome comments or questions. If we can be of assistance, please call or write Cecilia M. Suh at 312.701.6841 or csuh@fvldlaw.com, Diana R. Larson at 312.701.6819 or dlarson@fvldlaw.com, Vincent A. DeCicco at 312.701.6878 or vdecicco@fvldlaw.com, or your regular FVLD contact.

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