

1 AN ACT concerning employment.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Workplace Transparency Act is amended by
5 changing Sections 1-5, 1-10, 1-15, 1-20, 1-25, 1-30, 1-35, and
6 1-40 as follows:

7 (820 ILCS 96/1-5)

8 Sec. 1-5. Purpose. This State has a compelling and
9 substantial interest in securing individuals' freedom from
10 unlawful discrimination and harassment in the workplace. This
11 State also recognizes the right of parties to freely contract
12 over the terms, privileges and conditions of employment as
13 they so choose. The purpose of this Act is to ensure that all
14 parties to a contract for the performance of services
15 understand and agree to the mutual promises and consideration
16 therein, and to protect the interest of this State in ensuring
17 all workplaces are free of unlawful discrimination, ~~and~~
18 harassment, and violations of State or federal employment
19 laws.

20 (Source: P.A. 101-221, eff. 1-1-20.)

21 (820 ILCS 96/1-10)

22 Sec. 1-10. Application.

1 (a) This Act does not apply to any collective bargaining
2 agreements ~~contracts~~ that are entered into in and subject to
3 the Illinois Public Labor Relations Act or the National Labor
4 Relations Act. If there is a conflict between any valid and
5 enforceable collective bargaining agreement and this Act, the
6 collective bargaining agreement controls.

7 (b) This Act shall have no effect on the determination of
8 whether an employment relationship exists for the purposes of
9 other State or federal laws, including, but not limited to,
10 the Illinois Human Rights Act, the Workers' Compensation Act,
11 the Unemployment Insurance Act, and the Illinois Wage Payment
12 and Collection Act.

13 (c) This Act applies to contracts entered into, modified,
14 or extended on or after the effective date of this Act.

15 (Source: P.A. 101-221, eff. 1-1-20.)

16 (820 ILCS 96/1-15)

17 Sec. 1-15. Definitions. As used in this Act:

18 "Concerted activity" means activities engaged in for the
19 purpose of collective bargaining or other mutual aid or
20 protection as provided in 29 U.S.C. 157 et seq., as it existed
21 on January 19, 2025, and the Illinois Education Labor
22 Relations Act, Illinois Public Labor Relations Act, and Labor
23 Dispute Act.

24 "Employee" has the same meaning as set forth in Section
25 2-101 of the Illinois Human Rights Act. "Employee" includes

1 "nonemployees" as defined in Section 2-102 of the Illinois
2 Human Rights Act.

3 "Employer" has the same meaning as set forth in Section
4 2-101 of the Illinois Human Rights Act.

5 "Mutual condition of employment or continued employment"
6 means any contract, agreement, clause, covenant, or waiver
7 negotiated between an employer and an employee or prospective
8 employee in good faith for consideration in order to obtain or
9 retain employment.

10 "Prospective employee" means a person seeking to enter an
11 employment contract with an employer.

12 "Settlement agreement" means an agreement, contract, or
13 clause within an agreement or contract entered into between an
14 employee, prospective employee, or former employee and an
15 employer to resolve a dispute or legal claim between the
16 parties that arose or accrued before the settlement agreement
17 was executed.

18 "Termination agreement" means a contract or agreement
19 between an employee and an employer terminating the employment
20 relationship.

21 "Unlawful employment practice" means any practice made
22 unlawful that is ~~form of unlawful discrimination, harassment,~~
23 ~~or retaliation that is~~ actionable under Article 2 of the
24 Illinois Human Rights Act, Title VII of the Civil Rights Act of
25 1964, or any other ~~related~~ State or federal rule or law
26 governing employment, including those that are ~~is~~ enforced by

1 the Illinois Department of Human Rights, Illinois Department
2 of Labor, Illinois Labor Relations Board, ~~or the~~ Equal
3 Employment Opportunity Commission, United States Department of
4 Labor, Occupational Safety and Health Administration, or
5 National Labor Relations Board.

6 "Unilateral condition of employment or continued
7 employment" means any contract, agreement, clause, covenant,
8 or waiver an employer requires an employee or prospective
9 employee to accept as a non-negotiable material term in order
10 to obtain or retain employment.

11 (Source: P.A. 101-221, eff. 1-1-20.)

12 (820 ILCS 96/1-20)

13 Sec. 1-20. Reporting of allegations. No contract,
14 agreement, clause, covenant, waiver, or other document shall
15 prohibit, prevent, or otherwise restrict an employee,
16 prospective employee, or former employee from (1) reporting
17 any allegations of unlawful conduct to federal, State, or
18 local officials for investigation, including, but not limited
19 to, alleged criminal conduct or unlawful employment practices,
20 or (2) engaging in concerted activity to address work-related
21 issues.

22 (Source: P.A. 101-221, eff. 1-1-20.)

23 (820 ILCS 96/1-25)

24 Sec. 1-25. Conditions of employment or continued

1 employment.

2 (a) Any agreement, clause, covenant, or waiver that is a
3 unilateral condition of employment or continued employment and
4 has the purpose or effect of preventing an employee or
5 prospective employee from making truthful statements or
6 disclosures about alleged unlawful employment practices or
7 engaging in protected concerted activity to address
8 work-related issues is against public policy, void to the
9 extent it prevents such statements or disclosures, and
10 severable from an otherwise valid and enforceable contract
11 under this Act.

12 (b) Any agreement, clause, covenant, or waiver that is a
13 unilateral condition of employment or continued employment and
14 requires the employee or prospective employee to waive,
15 arbitrate, or otherwise diminish any existing or future claim,
16 right, or benefit related to an unlawful employment practice
17 to which the employee or prospective employee would otherwise
18 be entitled under any provision of State or federal law,
19 including that which purports to shorten the applicable
20 statute of limitation, apply non-Illinois law to an Illinois
21 employee's claim, or require a venue outside of Illinois to
22 adjudicate an Illinois employee's claim, is against public
23 policy, void to the extent it denies an employee or
24 prospective employee a substantive or procedural right or
25 remedy related to alleged unlawful employment practices, and
26 severable from an otherwise valid and enforceable contract

1 under this Act.

2 (c) Any agreement, clause, covenant, or waiver that is a
3 mutual condition of employment or continued employment may
4 include provisions that would otherwise be against public
5 policy as a unilateral condition of employment or continued
6 employment, but only if the agreement, clause, covenant, or
7 waiver is in writing, demonstrates actual, knowing, and
8 bargained-for consideration from both parties, and
9 acknowledges the right of the employee or prospective employee
10 to:

11 (1) report any good faith allegation of unlawful
12 employment practices to any appropriate federal, State, or
13 local government agency enforcing discrimination laws;

14 (2) report any good faith allegation of criminal
15 conduct to any appropriate federal, State, or local
16 official;

17 (3) participate in a proceeding related to unlawful
18 employment practices, including any litigation brought by
19 any federal, State, or local government agency or any
20 other person who alleges that the employer has violated
21 any State, federal, or local law, regulation, or rule with
22 ~~any appropriate federal, State, or local government agency~~
23 ~~enforcing discrimination laws;~~

24 (4) make any truthful statements or disclosures
25 required by law, regulation, or legal process; ~~and~~

26 (5) request or receive confidential legal advice; and

1 -

2 (6) engage in concerted activity to address
3 work-related issues.

4 (d) Failure to comply with the provisions of subsection
5 (c) shall establish a rebuttable presumption that the
6 agreement, clause, covenant, or waiver is a unilateral
7 condition of employment or continued employment that is
8 governed by subsection (a) or (b).

9 (e) Nothing in this Section shall be construed to prevent
10 an employee or prospective employee and an employer from
11 negotiating and bargaining over the terms, privileges, and
12 conditions of employment.

13 (Source: P.A. 101-221, eff. 1-1-20; 102-558, eff. 8-20-21.)

14 (820 ILCS 96/1-30)

15 Sec. 1-30. Settlement or termination agreements.

16 (a) An employee, prospective employee, or former employee
17 and an employer may enter into a valid and enforceable
18 settlement or termination agreement that includes promises of
19 confidentiality related to alleged unlawful employment
20 practices, other than future or prospective concerted activity
21 related to workplace conditions, so long as:

22 (1) confidentiality is the documented preference of
23 the employee, prospective employee, or former employee and
24 is mutually beneficial to both parties;

25 (2) the employer notifies the employee, prospective

1 employee, or former employee, in writing, of his or her
2 right to have an attorney or representative of his or her
3 choice review the settlement or termination agreement
4 before it is executed;

5 (3) there is valid, bargained for consideration in
6 exchange for the confidentiality separate from any
7 consideration that is provided in exchange for a release
8 of claims;

9 (4) the settlement or termination agreement does not
10 waive any claims of unlawful employment practices that
11 accrue after the date of execution of the settlement or
12 termination agreement;

13 (5) the settlement or termination agreement is
14 provided, in writing, to the parties to the prospective
15 agreement and the employee, prospective employee, or
16 former employee is given a period of 21 calendar days to
17 consider the agreement before execution, during which the
18 employee, prospective employee, or former employee may
19 sign the agreement at any time, knowingly and voluntarily
20 waiving any further time for consideration; and

21 (6) unless knowingly and voluntarily waived by the
22 employee, prospective employee, or former employee, he or
23 she has 7 calendar days following the execution of the
24 agreement to revoke the agreement and the agreement is not
25 effective or enforceable until the revocation period has
26 expired.

1 (b) An employer may not unilaterally include any clause in
2 a settlement or termination agreement that prohibits the
3 employee, prospective employee, or former employee from making
4 truthful statements or disclosures regarding unlawful
5 employment practices or unilaterally include any clause in a
6 settlement or termination agreement that states that the
7 promises of confidentiality are the preference of the
8 employee.

9 (c) Failure to comply with the provisions of this Section
10 shall render any promise of confidentiality related to alleged
11 unlawful employment practices against public policy void and
12 severable from an otherwise valid and enforceable agreement.

13 (d) Nothing in this Section shall be construed to prevent
14 a mutually agreed upon settlement or termination agreement
15 from waiving or releasing the employee, prospective employee,
16 or former employee's right to seek or obtain any remedies or
17 relief of any kind relating to an unlawful employment practice
18 claim that occurred before the date on which the agreement is
19 executed.

20 (Source: P.A. 101-221, eff. 1-1-20.)

21 (820 ILCS 96/1-35)

22 Sec. 1-35. Consequential damages, costs, ~~Costs~~ and
23 attorney's fees. An employee, prospective employee, or former
24 employee shall be entitled to consequential damages, in
25 addition to reasonable attorney's fees and costs incurred in

1 challenging a contract for violation of this Act upon a final,
2 non-appealable action in favor of the employee, prospective
3 employee, or former employee on the question of the validity
4 and enforceability of the contract or defending an action for
5 breach of a confidentiality agreement pursuant to this Act.

6 (Source: P.A. 101-221, eff. 1-1-20.)

7 (820 ILCS 96/1-40)

8 Sec. 1-40. Right to testify. Notwithstanding any other
9 law to the contrary, any agreement, clause, covenant, or
10 waiver, settlement agreement, or termination agreement that
11 waives the right of an employee, prospective employee, or
12 former employee to testify in an administrative, legislative,
13 arbitral, or judicial proceeding, including a deposition taken
14 in connection with any of the proceedings, concerning alleged
15 criminal conduct or alleged unlawful employment practices on
16 the part of the other party to the employment contract,
17 settlement agreement, or termination agreement, or on the part
18 of the party's agents or employees, when the employee,
19 prospective employee, or former employee has been required or
20 requested to attend the proceeding pursuant to a court order,
21 subpoena, or written request from an administrative agency or
22 the legislature, is void and unenforceable under the public
23 policy of this State. This Section is declarative of existing
24 law.

25 (Source: P.A. 101-221, eff. 1-1-20.)