



ERIC The ERISA Industry Committee

Driven By and For Large Employers

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Bryan Hum, Retirement & Compensation Policy Associate

June 16, 2017

Rey Phillips, Assistant Corporation Counsel
The City of Chicago, Department of Law
121 N. La Salle Street
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Barbara Gressel, Assistant Commissioner
The City of Chicago, Department of Business Affairs & Consumer Protection
City Hall
121 N. La Salle Street
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Chicago, Illinois 60602

RE: Comments Regarding Proposed Rulemaking on Chicago's Paid Sick Leave

Mr. Phillips & Ms. Gressel,

The ERISA Industry Committee ("ERIC") is pleased to submit comments on the City of Chicago's proposed rules for its paid sick leave ordinance ("Proposed Rules").

ERIC is the only national association that advocates exclusively for large employers on health, retirement, and compensation public policies at the federal, state, and local levels. ERIC's members provide comprehensive paid leave programs that benefit tens of millions of workers and their families. ERIC has a strong interest in proposals, such as these proposed amendments, that would affect its members' ability to provide quality and uniform paid sick leave benefits.

I. ERIC'S INTEREST IN THE RULEMAKING

ERIC shares the same goal of making sure workers have access to paid sick leave, but, we strongly encourage the City of Chicago not to adopt any final rules that would increase administrative and compliance burdens on large employers. Large employers should be able to design their own paid sick leave benefits while still satisfying the intent of the City's underlying ordinance. Large employers, ERIC members especially, tailor their paid sick leave plans to work within the overall compensation and employee benefits goals of the company, and are tailored to their respective industry, competitive environment, and workforce.

II. ERIC'S COMMENTS ON THE INTERPLAY WITH COOK COUNTY EARNED SICK LEAVE

ERIC is the only national association that advocates exclusively for large employers on health, retirement, and compensation public policies at the federal, state, and local levels.

The City of Chicago is readying itself to implement final rules for its paid or earned sick leave ordinance, but is doing so within a larger geographic area that has already enacted its own rules on the issue. Cook County finalized its rules for its earned sick leave ordinance on May 25, 2017, which are set to go into effect the same day as the City of Chicago's Proposed Rules. With respect to both sets of rules, ERIC requests that Chicago's Proposed Rules be amended as needed to ensure the greatest level of clarity, and quash any discrepancy or needless friction between the two sets of rules.

With regards to enforcement and choice of law, the Proposed Rules under Rule MW 1.01 hold that in the instances where, "the City of Chicago, the State of Illinois, and the federal government possess concurrent powers under their respective laws, the strictest of the three laws shall control." Because there is no federal law relating to paid sick leave and no state-wide law that applies to all private employers generally, ERIC respectfully request that Cook County be included in this hierarchy. Thus, the last sentence of the provision should be amended to read:

"In areas where the City of Chicago, *Cook County*, the State of Illinois, and the federal government possess concurrent powers under their respective laws, the strictest of the three shall control."

Additionally, ERIC believes that the City of Chicago should take precedence over Cook County's regulation based on Section 1010.100 of the Country's rules, which reads, in part: "With respect to enforcement of the Ordinance, the Commission will defer to the jurisdiction of any municipality that is within the geographic boundaries of Cook County, including but not limited to the City of Chicago, that has enacted an earned sick leave law applicable to the Covered Employee at issue." Therefore, ERIC respectfully request that Rule MW 3.01 of the Proposed Rules be amended to read:

"In the event that the City of Chicago and Cook County's earned sick leave ordinance and rules come into conflict with one another, the City of Chicago's rules will govern."

On rules where the City of Chicago and Cook County differ, the City of Chicago should do its best to align or mirror its language to Cook County's finalized rules. This will ensure greater uniformity for employers that operate in both municipalities.

III. CONCLUSION

ERIC appreciates the opportunity to provide comments on the City of Chicago's Proposed Rules. We welcome the opportunity to work with your office in crafting rules that benefits all residents of Chicago without increasing the compliance burden on employers already satisfying the underlying intent and purpose of the ordinance.

If you have any questions concerning this letter, or if we can be of further assistance, please contact Bryan Hum at bhum@eric.org or 202-789-1400.

Sincerely,

A handwritten signature in blue ink that reads "Bryan Hum". The signature is fluid and cursive, with the first name "Bryan" and last name "Hum" clearly distinguishable.

Bryan Hum
Associate, Retirement & Compensation Policy