



News & Types: Employment, Labor & Benefits Update

Navigating Illinois Employers' Payroll and Personnel Record Requirements in 2025

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Practices: Employment, Labor & Benefits

Executive Summary

- Hybrid work models, combining remote and in-office arrangements, have become widespread, with 60% of U.S. employers offering such options. In Illinois, certain laws enacted in 2025 impose new obligations on employers for managing both, in-office and hybrid workforces, particularly around wage compliance and access to personnel records.
- Recent amendments to the Illinois Wage Payment and Collection Act (“IWPCA”) mandate Illinois employers to provide electronic or physical pay stubs to employees each pay period, detailing hours worked, pay rates, overtime, deductions, and year-to-date totals.
- Recent amendments to the Illinois Personnel Records Review Act (“IPRRA”) mandate Illinois employers with five or more employees to provide them access to expanded personnel records, including documents related to benefits, employment contracts, handbooks, and policies affecting employment decisions.

WAGE COMPLIANCE FOR IN-OFFICE AND REMOTE EMPLOYEES:

IWPCA Amendments (S.B. 3208): Effective January 1, 2025, Illinois employers must provide their employees with electronic or physical pay stubs each pay period, detailing hours worked, pay rates, overtime, deductions, and year-to-date totals. Employers must retain records for a period of at least three years after date of payment even if employment ends prior to such three-year duration. An employer may require that employee requests for copies of pay stubs be submitted in writing. Employees can request copies of such records up to twice annually. Upon request, employers must deliver the records to current or former employees within 21 days of the request. An employer is not, however, required to grant a former employee’s request more than one year after the date of separation.

Impact on Hybrid Work: For hybrid employees, accurate tracking of remote work hours is essential to ensuring compliance with Illinois wage-and-hour requirements. Of course, it can be challenging to track hours accurately for remote employees. But to comply with the IWPCA, Illinois employers must implement reliable systems to both track remote hours and deliver pay stubs to their employees. Options for tracking remote

employees' time can include time tracking apps, timesheets, or other digital tools. Former employees must also be given access to electronic pay stubs for one year after separation, or at a minimum, employers must establish a process for offering paystubs to employees upon separation.

ACCESS TO PERSONNEL RECORDS FOR IN-OFFICE AND REMOTE EMPLOYEES:

IPRRA Amendments (P.A. 103-0727): Effective January 1, 2025, Illinois employers with five or more employees must provide employee access to expanded personnel records, including documents related to benefits, employment contracts, handbooks, and policies affecting employment decisions. In addition to pre-existing exceptions under the IPRRA, an employee now does not have a right to an "employer's trade secrets, client lists, sales projections, and financial data." Employees may request records up to twice annually. Employers must respond within seven days of an employee's request and make the records available electronically. Employers may, however, take an additional seven calendar days to comply if they can reasonably show the initial deadline cannot be met. If some or all of the personnel records requested are already accessible to the employee, the IPRRA amendments allow the employer to provide the employee with instructions on how to access that information directly instead of providing copies to the employee.

Impact on Hybrid Work: Hybrid and remote employees are less likely to have in-person access to physical personnel files and HR records. As a result, the IPRRA's electronic-access requirement is particularly important for this segment of the workforce. Illinois employers must ensure that personnel records are not only stored digitally but are easily retrievable and delivered upon request. Inaccessible or delayed records may trigger complaints to the Illinois Department of Labor or lead to civil actions if left unresolved for 180 days.

If you have any questions about this article, please contact [Naureen Amjad](#), [Patrick M. Kelly](#) or any other member of Masuda Funai's Employment, Labor and Benefits Group.

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