



Illinois Legislation Limiting Credit Reports for Employment Screening Purposes Sent to Governor for Approval

Illinois HB 4658, which would limit the use of credit reports for employment decisions, has passed both the state's House and Senate Chambers and was sent to Governor Quin's office for signature on June 26th. The governor is expected not to veto the bill; if the bill is not vetoed within 60 days it will become state law.

This bill creates the Employee Credit Privacy Act which prohibits employers from inquiring about or using an employee's or prospective employee's credit history as a basis for employment, recruitment, discharge, or compensation with some exceptions.

There are several exceptions to the prohibition:

1. State or federal law requires bonding or other security covering an individual holding the position.
2. The duties of the position include custody of or unsupervised access to cash or marketable assets valued at \$2,500 or more.
3. The duties of the position include signatory power over business assets of \$100 or more per transaction.
4. The position is a managerial position which involves setting the direction or control of the business.
5. The position involves access to personal or confidential information, financial information, trade secrets, or State or national security information.
6. The position meets criteria in administrative rules, if any, that the U.S. Department of Labor or the Illinois Department of Labor has promulgated to establish the circumstances in which a credit history is a bona fide occupational requirement.
7. The employee's or applicant's credit history is otherwise required by or exempt under federal or State law.

Employers are encouraged to seek legal counsel in order to determine if they operate within one of the exceptions above.

For more information, please visit

<http://www.ilga.gov/legislation/BillStatus.asp?DocNum=4658&GAID=10&DocTypeID=HB&LegID=48740&SessionID=76&GA=96>

If you would like more information about how this legislative update may affect your program and how GIS can help, please feel free to contact your account manager.

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