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Legislative Update

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### **New Illinois Law Prohibits Employers from Discriminating against Job Seekers Based on Credit Reports**

Beginning January 1<sup>st</sup>, 2001, many employers in the State of Illinois will no longer be able to run credit checks on individuals applying for jobs.

The new law entitled The Employee Credit Privacy Act ([HB 4658](#)), signed by Governor Pat Quinn, dictates that employers cannot use an individual's credit history to determine whether someone can be hired, fired or promoted. The premise is to prohibit employers from eliminating prospective applicants with poor credit history due to the economic situation having left many individuals unemployed and unable to keep up with bills.

If any employer chooses to ignore the law and access an individual's credit history, they could face legal ramifications, and more specifically civil action in circuit court to seek relief or damages.

It is important to note there are some limited exceptions to the law. Industries such as insurance, banking, national security and those involved with protecting trade secrets are exempt from this new law. Further, [HB 4658](#) describes trade secrets as "sensitive information regarding a company's overall strategy or business plans."

Additionally, covered employers can still use credit reports for employment decisions for managerial positions involved in establishing business direction/control or unsupervised access to more than \$2,500, and signatory power of business assets greater than \$100 per transaction.

Illinois joins the other states of Louisiana, Oregon, Hawaii and Washington which also prohibit the use of credit reports when making employment decisions.

To view the legislation, click [here](#).