



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB5227

Introduced 2/10/2026, by Rep. Jay Hoffman

#### SYNOPSIS AS INTRODUCED:

820 ILCS 305/1

from Ch. 48, par. 138.1

Amends the Workers' Compensation Act. Provides that any corporation, limited liability company, or partnership in the business of selling or transporting goods, or in facilitating or brokering transportation services that contracts with a person or entity engaged in any business or enterprise related to the provision of transportation services, is liable to pay compensation to its own immediate employees in accordance with the provisions of the Act. Makes conforming changes.

LRB104 20010 SPS 33461 b

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 Workers' Compensation Act is amended by  
5 changing Section 1 as follows:

6 (820 ILCS 305/1) (from Ch. 48, par. 138.1)

7 Sec. 1. This Act may be cited as the Workers' Compensation  
8 Act.

9 (a) The term "employer" as used in this Act means:

10 1. The State and each county, city, town, township,  
11 incorporated village, school district, body politic, or  
12 municipal corporation therein.

13 2. Every person, firm, public or private corporation,  
14 including hospitals, public service, eleemosynary, religious  
15 or charitable corporations or associations who has any person  
16 in service or under any contract for hire, express or implied,  
17 oral or written, and who is engaged in any of the enterprises  
18 or businesses enumerated in Section 3 of this Act, or who at or  
19 prior to the time of the accident to the employee for which  
20 compensation under this Act may be claimed, has in the manner  
21 provided in this Act elected to become subject to the  
22 provisions of this Act, and who has not, prior to such  
23 accident, effected a withdrawal of such election in the manner

1 provided in this Act.

2 3. Any corporation, limited liability company, or  
3 partnership in the business of selling or transporting goods,  
4 or in facilitating or brokering transportation services that  
5 contracts with a person or entity engaged in any business or  
6 enterprise referred to in subsection 3 of Section 3 of this  
7 Act, is liable to pay compensation to its own immediate  
8 employees in accordance with the provisions of this Act, and  
9 in addition thereto if it directly or indirectly engages any  
10 contractor whether principal or sub-contractor to do any such  
11 work, it is liable to pay compensation to the employees of any  
12 such contractor or sub-contractor unless such contractor or  
13 sub-contractor has insured, in any company or association  
14 authorized under the laws of this State to insure the  
15 liability to pay compensation under this Act, or guaranteed  
16 its liability to pay such compensation. Any one engaging in  
17 any business or enterprise referred to in subsections 1, ~~and~~  
18 2, and 3 of Section 3 of this Act who undertakes to do any work  
19 enumerated therein, is liable to pay compensation to his own  
20 immediate employees in accordance with the provisions of this  
21 Act, and in addition thereto if he directly or indirectly  
22 engages any contractor whether principal or sub-contractor to  
23 do any such work, he is liable to pay compensation to the  
24 employees of any such contractor or sub-contractor unless such  
25 contractor or sub-contractor has insured, in any company or  
26 association authorized under the laws of this State to insure

1 the liability to pay compensation under this Act, or  
2 guaranteed his liability to pay such compensation. With  
3 respect to any time limitation on the filing of claims  
4 provided by this Act, the timely filing of a claim against a  
5 contractor or subcontractor, as the case may be, shall be  
6 deemed to be a timely filing with respect to all persons upon  
7 whom liability is imposed by this paragraph.

8 In the event an entity covered under this subsection ~~any~~  
9 ~~such person~~ pays compensation under this subsection the entity  
10 ~~he~~ may recover the amount thereof from the contractor or  
11 sub-contractor, if any, and in the event the contractor pays  
12 compensation under this subsection the entity ~~he~~ may recover  
13 the amount thereof from the sub-contractor, if any.

14 If an employer is engaged in activities referred to in  
15 subsections 1 and 2 of Section 3 of this Act, this ~~This~~  
16 subsection does not apply in any case where the accident  
17 occurs elsewhere than on, in or about the immediate premises  
18 on which the principal has contracted that the work be done.

19 4. Where an employer operating under and subject to the  
20 provisions of this Act loans an employee to another such  
21 employer and such loaned employee sustains a compensable  
22 accidental injury in the employment of such borrowing employer  
23 and where such borrowing employer does not provide or pay the  
24 benefits or payments due such injured employee, such loaning  
25 employer is liable to provide or pay all benefits or payments  
26 due such employee under this Act and as to such employee the

1 liability of such loaning and borrowing employers is joint and  
2 several, provided that such loaning employer is in the absence  
3 of agreement to the contrary entitled to receive from such  
4 borrowing employer full reimbursement for all sums paid or  
5 incurred pursuant to this paragraph together with reasonable  
6 attorneys' fees and expenses in any hearings before the  
7 Illinois Workers' Compensation Commission or in any action to  
8 secure such reimbursement. Where any benefit is provided or  
9 paid by such loaning employer the employee has the duty of  
10 rendering reasonable cooperation in any hearings, trials or  
11 proceedings in the case, including such proceedings for  
12 reimbursement.

13 Where an employee files an Application for Adjustment of  
14 Claim with the Illinois Workers' Compensation Commission  
15 alleging that his claim is covered by the provisions of the  
16 preceding paragraph, and joining both the alleged loaning and  
17 borrowing employers, they and each of them, upon written  
18 demand by the employee and within 7 days after receipt of such  
19 demand, shall have the duty of filing with the Illinois  
20 Workers' Compensation Commission a written admission or denial  
21 of the allegation that the claim is covered by the provisions  
22 of the preceding paragraph and in default of such filing or if  
23 any such denial be ultimately determined not to have been bona  
24 fide then the provisions of Paragraph K of Section 19 of this  
25 Act shall apply.

26 An employer whose business or enterprise or a substantial

1 part thereof consists of hiring, procuring or furnishing  
2 employees to or for other employers operating under and  
3 subject to the provisions of this Act for the performance of  
4 the work of such other employers and who pays such employees  
5 their salary or wages notwithstanding that they are doing the  
6 work of such other employers shall be deemed a loaning  
7 employer within the meaning and provisions of this Section.

8 (b) The term "employee" as used in this Act means:

9 1. Every person in the service of the State, including  
10 members of the General Assembly, members of the Commerce  
11 Commission, members of the Illinois Workers' Compensation  
12 Commission, and all persons in the service of the University  
13 of Illinois, county, including deputy sheriffs and assistant  
14 state's attorneys, city, town, township, incorporated village  
15 or school district, body politic, or municipal corporation  
16 therein, whether by election, under appointment or contract of  
17 hire, express or implied, oral or written, including all  
18 members of the Illinois National Guard while on active duty in  
19 the service of the State, and all probation personnel of the  
20 Juvenile Court appointed pursuant to Article VI of the  
21 Juvenile Court Act of 1987, and including any official of the  
22 State, any county, city, town, township, incorporated village,  
23 school district, body politic or municipal corporation therein  
24 except any duly appointed member of a police department in any  
25 city whose population exceeds 500,000 according to the last  
26 Federal or State census, and except any member of a fire

1 insurance patrol maintained by a board of underwriters in this  
2 State. A duly appointed member of a fire department in any  
3 city, the population of which exceeds 500,000 according to the  
4 last federal or State census, is an employee under this Act  
5 only with respect to claims brought under paragraph (c) of  
6 Section 8.

7 One employed by a contractor who has contracted with the  
8 State, or a county, city, town, township, incorporated  
9 village, school district, body politic or municipal  
10 corporation therein, through its representatives, is not  
11 considered as an employee of the State, county, city, town,  
12 township, incorporated village, school district, body politic  
13 or municipal corporation which made the contract.

14 2. Every person in the service of another under any  
15 contract of hire, express or implied, oral or written,  
16 including persons whose employment is outside of the State of  
17 Illinois where the contract of hire is made within the State of  
18 Illinois, persons whose employment results in fatal or  
19 non-fatal injuries within the State of Illinois where the  
20 contract of hire is made outside of the State of Illinois, and  
21 persons whose employment is principally localized within the  
22 State of Illinois, regardless of the place of the accident or  
23 the place where the contract of hire was made, and including  
24 noncitizens, and minors who, for the purpose of this Act are  
25 considered the same and have the same power to contract,  
26 receive payments and give quittances therefor, as adult

1 employees.

2 3. Every sole proprietor and every partner of a business  
3 may elect to be covered by this Act.

4 An employee or his dependents under this Act who shall  
5 have a cause of action by reason of any injury, disablement or  
6 death arising out of and in the course of his employment may  
7 elect to pursue his remedy in the State where injured or  
8 disabled, or in the State where the contract of hire is made,  
9 or in the State where the employment is principally localized.

10 However, any employer may elect to provide and pay  
11 compensation to any employee other than those engaged in the  
12 usual course of the trade, business, profession or occupation  
13 of the employer by complying with Sections 2 and 4 of this Act.  
14 Employees are not included within the provisions of this Act  
15 when excluded by the laws of the United States relating to  
16 liability of employers to their employees for personal  
17 injuries where such laws are held to be exclusive.

18 The term "employee" does not include persons performing  
19 services as real estate broker, broker-salesman, or salesman  
20 when such persons are paid by commission only.

21 (c) "Commission" means the Industrial Commission created  
22 by Section 5 of "The Civil Administrative Code of Illinois",  
23 approved March 7, 1917, as amended, or the Illinois Workers'  
24 Compensation Commission created by Section 13 of this Act.

25 (d) To obtain compensation under this Act, an employee  
26 bears the burden of showing, by a preponderance of the

1 evidence, that he or she has sustained accidental injuries  
2 arising out of and in the course of the employment.

3 (Source: P.A. 102-1030, eff. 5-27-22.)