

Illinois Employers Should Review Expense Reimbursement Policies

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Effective January 1, 2019, Illinois will statutorily require employers to reimburse employees for work-related expenses. This requirement comes as an amendment to the Illinois Wage Payment and Collection Act (IWPCA). Specifically, employers will be required to reimburse expenses or losses that employees incurred in the scope of their employment that are directly related to the services that the employee performs.

Employers are not required to reimburse employees for unauthorized expenses, expenses that were not required for work, losses resulting from negligence, normal wear, or theft (unless the theft was a result of the employer's negligence). Employees must also follow an employer's written reimbursement policies, which may include reasonable caps on expenses and other guidelines.

After this law goes into effect, employers should anticipate IWPCA claims being filed in Illinois over vehicle expenses, mobile device charges, home office expenses, and internet data-related fees. While such claims may appear to be fairly nominal or inconsequential on an individual basis, a current trend in employment litigation is to pursue these types of claims on a class basis for a substantial period of time.

In order to protect against possible claims, employers should implement clear written expense reimbursement policies before December 31, 2018.

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