

IL Minimum Wage 2022 Update – July 1, 2022 Increases to Chicago and Cook County Minimum Wages and IRS Mileage Rate!

Labor & Employment Law Update

on June 22, 2022

On January 1, 2022, we saw the Illinois minimum wage increase from \$11.00 to \$12.00. Not to be outdone, the City of Chicago and Cook County are increasing their set minimum wages on July 1, 2022.

Unlike last year, where the unemployment rate was greater than 8.5%, the unemployment rate is now under 8.5%, which means that the minimum wage for the City of Chicago and Cook County is increasing. The following chart provides a full picture of the minimum wages for Illinois employers that will go into effect **July 1, 2022**:

** City of Chicago contracts and concessionaire agreements: \$16.00 for non-tipped employees and \$8.20 for tipped employees.*

As a reminder, many municipalities in Cook County opted-out of the Cook County Minimum Wage and/or Paid Sick Leave ordinances. Businesses in Cook County (but not the City of Chicago), should make sure to double check whether or not the municipality in which they operate opted-out of one or both of these ordinances, as some municipalities have changed since initially opting-out.

REMINDERS

Mileage Reimbursement

Effective **July 1, 2022**, the IRS standard mileage rate used by employers to reimburse for travel increases from 58.5 cents to 62.5 cents per mile. The IRS adjusted the standard mileage rate due to the increase in fuel prices. While businesses are not required to use the IRS standard mileage rate when reimbursing for travel, the alternative requires calculating the actual cost of the employee's use of their own vehicle. Employers using the IRS standard mileage rate, should update their system to reflect the new rate as of July 1, 2022.

Remember to update your posters AND provide written notices to employees!

Under Chicago's rules, employers have to post the most up to date minimum wage and paid sick leave posters and provide written notices to covered employees each year with the first paycheck after July 1st, whether by paper or electronic means. The City of Chicago posters for Chicago minimum wage and paid sick leave can be found on the City of Chicago webpages for Minimum Wage and Paid Sick Leave in English, Spanish, Polish, Chinese, Filipino and Korean.

The Cook County website has posters for Minimum Wage and Sick Leave in English, Spanish, Polish, and Chinese.

The State of Illinois has its Minimum Wage poster on its website in English or Spanish.

Employers who are unsure whether they must comply, what they must do to comply or are concerned about their policies complying should contact experienced employment counsel to mitigate exposures and minimize risk.

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