

# IL Minimum Wage 2023 Update – July 1, 2023 Increases to Chicago and Cook County Minimum Wages; January 1, 2023 Increase to the IRS Mileage Rate!

## Labor & Employment Law Update

By Kevin Kleine on June 13, 2023

On January 1, 2023, we saw the Illinois minimum wage increase from \$12.00 to \$13.00. The City of Chicago and Cook County are also increasing their set minimum wages on July 1, 2023.

Because the unemployment rate for 2022 was less than 8.5%, the minimum wage for Cook County is increasing to \$13.70 for non-tipped employees and \$8.00 for tipped employees on July 1, 2023. All minimum wage increases effective July 1, 2023 for the City of Chicago are indicated in the following chart, which also provides a full picture of the minimum wage increases applicable to all Illinois employers that **went into effect in 2023**: **Non-Tipped Employees**

### **Tipped Employees (Claiming the Tip Credit)**

**Illinois (all employers)** \$13.00 per hour \$7.80 per hour

### **Cook County (employers in municipalities that did not opt-out)**

\$13.70 per hour \$8.00 per hour

### **Chicago (employers in City of Chicago)**

### **Large Employers and Domestic Workers (21 or more employees)**

**Large Employers (21 or more employees)** \$15.80 per hour \$9.48 per hour

### **Small employees (4 to 20 Employees)**

**Small employees (4 to 20 Employees)** \$15.00 per hour \$9.00 per hour

**Youth Workers (under 18, subsidized temporary youth employment program or transitional employment program)**

**Youth Workers (under 18, subsidized temporary youth employment program or transitional employment program)** \$13.50 per hour \$8.10 per hour

*\* Effective July 1, 2023, the Minimum Wage to be paid under City of Chicago contracts or concessionaire agreements is increasing from \$16.00 to \$16.80 per hour for non-tipped employees and from \$8.20 to \$8.80 per hour 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 County ordinances, as some municipalities have changed course since initially opting-out.

## **REMINDERS**

### ***Mileage Reimbursement***

On **January 1, 2023**, the IRS standard mileage rate used by employers to reimburse for travel increased from 62.5 cents to 65.5 cents per mile. The IRS adjusted the standard mileage rate due to an increase in overall driving costs in 2022 due to factors including high gas prices, surging vehicle acquisition costs due to ongoing supply chain constraints, and considerable increases in vehicle ownership and maintenance expense. 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 January 1, 2023.

### ***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 1<sup>st</sup>, 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, Mandarin, Tagalog, and Korean.

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

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The State of Illinois has its Minimum Wage poster on its website in English, Spanish, and Polish.

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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