

Illinois Minimum Wage 2025 Update – July 1, 2025 Increases to Chicago and Cook County Minimum Wages; January 1, 2025 Increase to the IRS Mileage Rate

Labor & Employment Law Update

By Kevin Kleine on June 16, 2025

On January 1, 2025, we saw the Illinois minimum wage increase from \$14.00 to \$15.00 per hour. The City of Chicago is increasing its set minimum wage on July 1, 2025 for employers with four (4) or more employees. Cook County's minimum wage, on the other hand, will not increase on July 1, 2025, and will remain the same as the applicable statewide minimum wage.

All minimum wage increases effective July 1, 2025, 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 2025**:

Non-Tipped Employees

Tipped Employees (Claiming the Tip Credit)

Illinois (all employers)

\$15.00 per hour

\$9.00 per hour

Cook County

\$15.00 per hour

\$9.00 per hour

Chicago (employers in City of Chicago)*

Standard Employees

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\$16.60 per hour

\$12.62 per hour

Youth Workers

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

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

\$16.50 per hour

\$12.54 per hour

** Effective July 1, 2025, the minimum wage to be paid under City of Chicago contracts or concessionaire agreements is increasing from \$17.40 to \$17.80 per hour for non-tipped employees and from \$9.40 to \$12.62 per hour for tipped employees.*

REMINDERS

MILEAGE REIMBURSEMENT

On **January 1, 2025**, the IRS standard mileage rate used by employers to reimburse for travel increased from 67 cents to 70 cents per mile. While businesses are not required to use the IRS standard mileage rate when reimbursing for travel, many do. Employers using the IRS standard mileage rate, should update their system to reflect the new rate as of January 1, 2025.

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 leave and paid sick leave posters and provide written notices to covered employees each year with the first paycheck after July 1, whether by paper or electronic means. The City of Chicago posters for Chicago minimum wage and paid leave and paid sick leave can be found on the City of Chicago webpages for Minimum Wage and Paid Leave and Paid Sick Leave in English, Spanish, Mandarin, Tagalog, and Korean.

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The Cook County website has posters for Minimum Wage and Paid Leave in English, Spanish, Polish, Chinese, Arabic, Filipino, and Urdu.

The State of Illinois has its posters for Minimum Wage and Paid Sick Leave on its website in English, Spanish, and Polish.

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