

REMINDER – Chicago Minimum Wage Increases Again and Cook County Minimum Wage Begins Starting July 1st 2017

Labor & Employment Law Update

on June 23, 2017

On July 1, 2017, Chicago's Minimum Wage increases to \$11.00 per hour for non-tipped employees and \$6.10 for tipped employees (Chicago Municipal Code §1-24). Cook County's new minimum wage is \$10.00 per hour for non-tipped and \$4.95 for tipped employees.

IMPORTANT NOTICE REQUIREMENTS: All employers that maintain a business facility within the geographic boundaries of Chicago AND/OR are subject to one or more of the license requirements in Title 4 of the Municipal Code of Chicago are covered by Chicago's Minimum Wage Ordinance and **MUST** do the following starting July 1st:

1. Display applicable poster(s) by July 1st
2. Include a copy of Chicago's Minimum Wage Poster with the first paycheck issued after July 1st to each employee that is subject to the Ordinance (i.e. works at least 2 hours in Chicago, or at some point may work at least 2 hours in Chicago)

From our prior Chicago Minimum Wage Ordinance post, here are points that you need to know about the Chicago Minimum Wage Ordinance:

1. Covered Employers: Any individual, partnership, association, corporation, limited liability company, business trust, or any person or group of persons that has at least one employee and (1) maintains a business facility within the geographic boundaries of Chicago AND/OR (2) is subject to one or more of the license requirements in Title 4 of the Municipal Code of Chicago. Cook County: Work in the county, including compensated (sales, delivery, etc.)
2. Covered Employees: Any employee who works for at least 2 hours in any two-week period within Chicago's geographic boundaries, including driving through Chicago during work (e.g., that delivery driver that takes Route 94 from Evanston to Gary and gets stuck in rush hour traffic is covered).

3. Hours subject to Chicago's Minimum Wage: Chicago's Minimum Wage only has to be paid for hours worked by the employee when he or she is physically present within the geographic boundaries of Chicago. This includes time spent driving during working hours, but does not include time commuting between home and work.
4. Non-Tipped Employees' Hourly Rate: Chicago's Minimum Wage for non-tipped employees starting July 1, 2017 will be \$11.00/hour; and increasing on July 1, 2018 to \$12.00/hour; July 1, 2019 to \$13.00/hour; and each July 1st thereafter, Chicago's Minimum Wage will increase by an amount announced by the Commissioner of Business Affairs and Consumer Protection (and, of course, if the CCMW is less than the Illinois or Federal minimum wage, then the highest wage rate applies).
5. Penalties & Damages: A fine of \$500.00 to \$1,000.00 per day for each offense that is not corrected. Potential license suspension or revocations and an order to pay restitution to underpaid employees. Additionally, employees can pursue a private cause of action to recover THREE times the underpayment, attorney fees and costs.
6. Union/CBA Issues: There is no grandfathering for current "in-force" collective bargaining agreements. This means that, depending on the provisions of a current CBA, there could be an automatic increase in all employees' wages (i. e., if only the lowest paid employee's rates are defined and each other level is based a percentage higher), or the union could even demand to re-open bargaining mid-contract.

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