

LEGAL UPDATES

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Illinois Passes Bill to Raise Minimum Wage to \$15.00/hour by 2025

On February 14, 2019, the Illinois House voted to complete the passage of legislation that increased the minimum wage paid to Illinois employees to \$15.00/hour over a 6-year period. Consistent with his campaign promise, Governor J. B. Pritzker signed the bill on February 19th making Illinois the fifth state to establish a \$15.00 minimum wage by 2025.

Under the legislation, the current minimum wage of \$8.25/hour will increase by \$1.00 to \$9.25/hour on January 1, 2020. On July 7, 2020, an increase of .75 cents will raise the minimum wage to \$10.00/hour, and on January 1 of each subsequent year, the minimum wage will increase by \$1.00 until it reaches the maximum of \$15.00/hour on January 1, 2025.

The legislation contains provisions that lower wage costs and assist employers with the increase in costs resulting from the minimum wage hike including:

An allowance not exceeding 40% of the applicable minimum wage rate for gratuities provided to employers of tipped workers.

Lower minimum wages paid to employees younger than 18 years and working less than 650 hours a year beginning at \$8.00/hour as of January 1, 2020, and increasing each year to a maximum of \$13.00/hour as of January 1, 2025.

A tax credit of 25% of the amount withheld to offset the cost of the minimum wage increase to employers with 50 or fewer employees. The tax credit will be phased out over a period of years providing a longer phase-out period for employers with five or fewer employees.

Chicago and Cook County presently provide minimum wage rates at \$12.00 and \$11.00/hour, respectively. As of July 1, 2019, Chicago will increase its

minimum wage rate to \$13.00/hour and Cook County will increase it to \$12.00/hour.

Contact Us

If you have questions about the effect of the new legislation on your business, contact Tom Godar, Anne Mayette or your Husch Blackwell attorney.

Tracey Oakes O'Brien was a contributing author of this content.