

Minimum Wage Increases Will Take Place in Illinois, Chicago and Some Cook County Suburbs on July 1

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It is that time of year again. Yes, school is “out” and summer has unofficially begun. It also means that the minimum wage will increase across Illinois. On July 1, 2020, the minimum wage will increase in Illinois, Cook County and Chicago, with higher minimum wage increases in Chicago and some suburbs in Cook County. The Illinois minimum wage will increase to \$10.00 per hour and the minimum wage for tipped employees will increase to \$6.00 per hour.

For some suburbs in Cook County, the minimum wage will increase to \$13.00 per hour and the minimum wage for tipped employees will increase to \$5.30 per hour. The higher minimum wage in Cook County will not apply to all suburbs because many suburbs opted out of the Cook County Minimum Wage Ordinance. Employers should determine whether the suburb(s) where they operate has opted out of the Cook County Minimum Wage Ordinance. For the suburbs that opted out, and all other Illinois employers outside of Cook County and Chicago, the Illinois minimum wage applies. Although the Cook County minimum wage is higher than Illinois, employers with tipped employees should take special note that they should pay the higher Illinois tipped minimum wage of \$6.00 per hour than the lower Cook County tipped minimum wage of \$5.30.

Chicago will still have the highest minimum wage in Illinois with an increase to \$14.00 per hour on July 1, 2020, and an increase for tipped employees to \$8.40 per hour.

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Along with the minimum wage increases, employers are required to provide all employees with notice of their wage increase. Employers in Chicago are required to provide employees a written minimum wage notice with the first paycheck after July 1, 2020. The notice is available in English and Spanish versions. Employers outside of Chicago should also inform their employees of the increase in the minimum wage rate. Unlike Chicago, employers are not required to provide a specific form.

Finally, federal law requires that all tipped employees receive notice that the employer is taking the tip credit. The tip credit notice must inform the tipped employee: (1) of the new hourly rate; (2) the amount of the tip credit taken (i.e., the difference between the full minimum wage and the tipped minimum wage); (3) that all tips received by the employee must be retained by the employee (except for tip pooling/sharing arrangements); and (4) that the tip credit will not be taken for employees who do not receive the notice. The tip credit notice need not be in writing, but it is a best practice to provide a written notice.