

More Employers Are Now Impacted By Chicago's Minimum Wage and Paid Sick Leave Laws After Recent Expansion

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As we previously reported here, Chicago, along with Cook County and Illinois, raised its minimum wage rate effective July 1, 2020. Along with Chicago establishing differing wage rates for large employers (21 or more employees), small employers (4 to 20 employees, if the employees are not domestic workers), and youth workers, another major change that accompanied Chicago's July 1, 2020 wage increase was an increase in the number of employers that may potentially have to pay Chicago's new wage rate and provide paid sick leave benefits to their employees.

Chicago's amended Minimum Wage and Paid Sick Leave Ordinance that went into effect on July 1, 2020, redefines an employer as an entity that "gainfully employees at least one Employee." This amended version of the law removes the Ordinance's prior requirement that a covered employer maintain a physical business facility within Chicago's city-limits and/or that the entity be subject to Chicago's licensing requirements.

For purposes of the minimum wage, with few exceptions pertaining to camp counselors, certain youth employees during their first 90 days of employment, and non-City of Chicago government employees, a "Covered Employee" under a further revised version of the amended Ordinance means an employee (excluding contractors) who performs at least two hours of work for an employer, in any two-week period, while physically present within the geographic boundaries of Chicago. Compensated time

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spent traveling by an employee, "including, but not limited to, deliveries, sales calls, and travel related to other business activity taking place within the City," is considered "work while physically present within the geographic boundaries of the City;" however, normal uncompensated commute time while physically present within Chicago is not considered work.

Under the amended Ordinance, an employer, with no other connection to the City of Chicago, that sends a non-overtime exempt employee to Chicago to perform a minimum of two hours of work in a two-week period would be required to pay that employee Chicago's minimum wage rate. By way of example, if a Florida-based employer, with no facility in Chicago that is not subject to Chicago's licensing requirements, sends a non-overtime exempt employee to a two-week training course in Chicago, that employer must pay the employee Chicago's minimum wage rate.

Further, Chicago's Paid Sick Leave law follows the same definition of employer and covered employee as the City's Minimum Wage law. The added requirement for paid sick leave eligibility is that the covered employee work "at least 80 hours for an Employer within any 120-day period." If the same Florida-based employer with no Chicago facilities or licenses, sends the non-overtime exempt employee to Chicago for the two-week training and the employee works 80 hours, that employer would have to track and provide that employee with paid sick leave benefits in compliance with Chicago's law.

Employers that send employees to Chicago should review their compensation and benefit practices for compliance with Chicago's recently amended Minimum Wage and Paid Sick Leave Ordinance.