

**104TH GENERAL ASSEMBLY****State of Illinois****2025 and 2026****HB4263**

Introduced 1/14/2026, by Rep. Curtis J. Tarver, II

**SYNOPSIS AS INTRODUCED:**

820 ILCS 105/4

from Ch. 48, par. 1004

Amends the Minimum Wage Law. Provides that the regulation of allowances for gratuities as part of the hourly wage rate is an exclusive power and function of the State. Provides that a home rule unit may not regulate allowances for gratuities as part of the hourly wage rate. Effective immediately.

LRB104 14643 SPS 27785 b

1                   AN ACT concerning employment.

2                   **Be it enacted by the People of the State of Illinois,**  
3                   **represented in the General Assembly:**

4                   Section 5. The Minimum Wage Law is amended by changing  
5                   Section 4 as follows:

6                   (820 ILCS 105/4) (from Ch. 48, par. 1004)

7                   Sec. 4. (a) (1) Every employer shall pay to each of his  
8                   employees in every occupation wages of not less than \$2.30 per  
9                   hour or in the case of employees under 18 years of age wages of  
10                   not less than \$1.95 per hour, except as provided in Sections 5  
11                   and 6 of this Act, and on and after January 1, 1984, every  
12                   employer shall pay to each of his employees in every  
13                   occupation wages of not less than \$2.65 per hour or in the case  
14                   of employees under 18 years of age wages of not less than \$2.25  
15                   per hour, and on and after October 1, 1984 every employer shall  
16                   pay to each of his employees in every occupation wages of not  
17                   less than \$3.00 per hour or in the case of employees under 18  
18                   years of age wages of not less than \$2.55 per hour, and on or  
19                   after July 1, 1985 every employer shall pay to each of his  
20                   employees in every occupation wages of not less than \$3.35 per  
21                   hour or in the case of employees under 18 years of age wages of  
22                   not less than \$2.85 per hour, and from January 1, 2004 through  
23                   December 31, 2004 every employer shall pay to each of his or

1       her employees who is 18 years of age or older in every  
2       occupation wages of not less than \$5.50 per hour, and from  
3       January 1, 2005 through June 30, 2007 every employer shall pay  
4       to each of his or her employees who is 18 years of age or older  
5       in every occupation wages of not less than \$6.50 per hour, and  
6       from July 1, 2007 through June 30, 2008 every employer shall  
7       pay to each of his or her employees who is 18 years of age or  
8       older in every occupation wages of not less than \$7.50 per  
9       hour, and from July 1, 2008 through June 30, 2009 every  
10      employer shall pay to each of his or her employees who is 18  
11      years of age or older in every occupation wages of not less  
12      than \$7.75 per hour, and from July 1, 2009 through June 30,  
13      2010 every employer shall pay to each of his or her employees  
14      who is 18 years of age or older in every occupation wages of  
15      not less than \$8.00 per hour, and from July 1, 2010 through  
16      December 31, 2019 every employer shall pay to each of his or  
17      her employees who is 18 years of age or older in every  
18      occupation wages of not less than \$8.25 per hour, and from  
19      January 1, 2020 through June 30, 2020, every employer shall  
20      pay to each of his or her employees who is 18 years of age or  
21      older in every occupation wages of not less than \$9.25 per  
22      hour, and from July 1, 2020 through December 31, 2020 every  
23      employer shall pay to each of his or her employees who is 18  
24      years of age or older in every occupation wages of not less  
25      than \$10 per hour, and from January 1, 2021 through December  
26      31, 2021 every employer shall pay to each of his or her

1 employees who is 18 years of age or older in every occupation  
2 wages of not less than \$11 per hour, and from January 1, 2022  
3 through December 31, 2022 every employer shall pay to each of  
4 his or her employees who is 18 years of age or older in every  
5 occupation wages of not less than \$12 per hour, and from  
6 January 1, 2023 through December 31, 2023 every employer shall  
7 pay to each of his or her employees who is 18 years of age or  
8 older in every occupation wages of not less than \$13 per hour,  
9 and from January 1, 2024 through December 31, 2024, every  
10 employer shall pay to each of his or her employees who is 18  
11 years of age or older in every occupation wages of not less  
12 than \$14 per hour; and on and after January 1, 2025, every  
13 employer shall pay to each of his or her employees who is 18  
14 years of age or older in every occupation wages of not less  
15 than \$15 per hour.

16 (2) Unless an employee's wages are reduced under Section  
17 6, then in lieu of the rate prescribed in item (1) of this  
18 subsection (a), an employer may pay an employee who is 18 years  
19 of age or older, during the first 90 consecutive calendar days  
20 after the employee is initially employed by the employer, a  
21 wage that is not more than 50¢ less than the wage prescribed in  
22 item (1) of this subsection (a); however, an employer shall  
23 pay not less than the rate prescribed in item (1) of this  
24 subsection (a) to:

25 (A) a day or temporary laborer, as defined in Section  
26 5 of the Day and Temporary Labor Services Act, who is 18

1           years of age or older; and

2           (B) an employee who is 18 years of age or older and  
3           whose employment is occasional or irregular and requires  
4           not more than 90 days to complete.

5           (3) At no time on or before December 31, 2019 shall the  
6           wages paid to any employee under 18 years of age be more than  
7           50¢ less than the wage required to be paid to employees who are  
8           at least 18 years of age under item (1) of this subsection (a).  
9           Beginning on January 1, 2020, every employer shall pay to each  
10          of his or her employees who is under 18 years of age that has  
11          worked more than 650 hours for the employer during any  
12          calendar year a wage not less than the wage required for  
13          employees who are 18 years of age or older under paragraph (1)  
14          of subsection (a) of Section 4 of this Act. Every employer  
15          shall pay to each of his or her employees who is under 18 years  
16          of age that has not worked more than 650 hours for the employer  
17          during any calendar year: (1) \$8 per hour from January 1, 2020  
18          through December 31, 2020; (2) \$8.50 per hour from January 1,  
19          2021 through December 31, 2021; (3) \$9.25 per hour from  
20          January 1, 2022 through December 31, 2022; (4) \$10.50 per hour  
21          from January 1, 2023 through December 31, 2023; (5) \$12 per  
22          hour from January 1, 2024 through December 31, 2024; and (6)  
23          \$13 per hour on and after January 1, 2025.

24           (b) No employer shall discriminate between employees on  
25           the basis of sex or mental or physical disability, except as  
26           otherwise provided in this Act by paying wages to employees at

1 a rate less than the rate at which he pays wages to employees  
2 for the same or substantially similar work on jobs the  
3 performance of which requires equal skill, effort, and  
4 responsibility, and which are performed under similar working  
5 conditions, except where such payment is made pursuant to (1)  
6 a seniority system; (2) a merit system; (3) a system which  
7 measures earnings by quantity or quality of production; or (4)  
8 a differential based on any other factor other than sex or  
9 mental or physical disability, except as otherwise provided in  
10 this Act.

11 (c) Every employer of an employee engaged in an occupation  
12 in which gratuities have customarily and usually constituted  
13 and have been recognized as part of the remuneration for hire  
14 purposes is entitled to an allowance for gratuities as part of  
15 the hourly wage rate provided in Section 4, subsection (a) in  
16 an amount not to exceed 40% of the applicable minimum wage  
17 rate. The Director shall require each employer desiring an  
18 allowance for gratuities to provide substantial evidence that  
19 the amount claimed, which may not exceed 40% of the applicable  
20 minimum wage rate, was received by the employee in the period  
21 for which the claim of exemption is made, and no part thereof  
22 was returned to the employer.

23 The regulation of allowances for gratuities as part of the  
24 hourly wage rate is an exclusive power and function of the  
25 State. A home rule unit may not regulate allowances for  
26 gratuities as part of the hourly wage rate. This subsection

1        (c) is a denial and limitation of home rule powers and  
2        functions under subsection (h) of Section 6 of Article VII of  
3        the Illinois Constitution.

4                (d) No camp counselor who resides on the premises of a  
5        seasonal camp of an organized not-for-profit corporation shall  
6        be subject to the adult minimum wage if the camp counselor (1)  
7        works 40 or more hours per week, and (2) receives a total  
8        weekly salary of not less than the adult minimum wage for a  
9        40-hour week. If the counselor works less than 40 hours per  
10      week, the counselor shall be paid the minimum hourly wage for  
11      each hour worked. Every employer of a camp counselor under  
12      this subsection is entitled to an allowance for meals and  
13      lodging as part of the hourly wage rate provided in Section 4,  
14      subsection (a), in an amount not to exceed 25% of the minimum  
15      wage rate.

16                (e) A camp counselor employed at a day camp is not subject  
17      to the adult minimum wage if the camp counselor is paid a  
18      stipend on a onetime or periodic basis and, if the camp  
19      counselor is a minor, the minor's parent, guardian or other  
20      custodian has consented in writing to the terms of payment  
21      before the commencement of such employment.

22      (Source: P.A. 101-1, eff. 2-19-19.)

23                Section 99. Effective date. This Act takes effect upon  
24      becoming law.