

SB3396



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3396

Introduced 2/4/2026, by Sen. Robert F. Martwick

SYNOPSIS AS INTRODUCED:

820 ILCS 115/4.1

Amends Illinois Wage Payment and Collection Act. Provides that, beginning January 1, 2027, an employer who collects gratuities through electronic means shall compile and submit a quarterly report to the Department of Labor containing specified information concerning the collection and distribution of electronic gratuities. Provides that, beginning January 1, 2027, an employer shall make available on the pay stub provided to any employee who receives gratuities collected through electronic means specified information concerning the collection and distribution of electronic gratuities. Effective January 1, 2027.

LRB104 18590 SPS 32033 b

A BILL FOR

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 Illinois Wage Payment and Collection Act is
5 amended by changing Section 4.1 as follows:

6 (820 ILCS 115/4.1)

7 Sec. 4.1. Gratuities.

8 (a) Gratuities to employees are the property of the
9 employees, and employers shall not keep gratuities. Failure to
10 pay gratuities owed to an employee more than 13 days after the
11 end of the pay period in which such gratuities were earned
12 constitutes a violation of this Act.

13 (b) This Section does not prohibit an employer from
14 withholding from gratuities paid by credit card a
15 proportionate amount of any credit card processing fees that
16 the employer must pay in connection with the transaction,
17 provided that the amount withheld does not exceed the
18 proportion of the amount of the tip to the amount of the
19 overall bill, regardless of whether the overall bill was paid
20 using a credit card. This Section does not prohibit tip
21 pooling as permitted by law. This Section does not affect an
22 employer's entitlement to an allowance for gratuities to the
23 extent permitted under subsection (c) of Section 4 of the

1 Minimum Wage Law.

2 (c) Beginning January 1, 2027, an employer who collects
3 gratuities through electronic means, including, but not
4 limited to, gratuities collected through debit cards, credit
5 cards, or other point-of-sale transactions, shall compile and
6 submit a quarterly report to the Department of Labor. The
7 report shall include the following information for the
8 preceding quarter:

9 (1) the total amount of electronic gratuities
10 collected by the employer on behalf of all employees;

11 (2) the total amount of electronic gratuities
12 distributed to all employees; and

13 (3) the total amount and the percentage of electronic
14 gratuities withheld from employees under subsection (b)
15 for credit card processing fees.

16 (d) Beginning January 1, 2027, an employer shall make
17 available on the pay stub provided to any employee who
18 receives gratuities collected through electronic means:

19 (1) the total amount of electronic gratuities earned
20 for the pay period before any withholdings;

21 (2) the total amount of electronic gratuities earned
22 under for the pay period after any withholdings; and

23 (3) the percentage of electronic gratuities withheld.

24 (Source: P.A. 101-509, eff. 1-1-20.)

25 Section 99. Effective date. This Act takes effect January
26 1, 2027.