

Rep. Elizabeth "Lisa" Hernandez

Filed: 3/19/2024

| | 10300HB5345ham001 LRB103 38149 SPS 71155 a |
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| 1 | AMENDMENT TO HOUSE BILL 5345 |
| 2 | AMENDMENT NO Amend House Bill 5345 by replacing |
| 3 | everything after the enacting clause with the following: |
| 4 | "Section 1. Short title; references to Act. |
| 5 | (a) Short title. This Act may be cited as the High Road |
| 6 | Restaurant Program Act. |
| 7 | (b) References to Act. This Act may be referred to as the |
| 8 | One Fair Wage with Tips on Top Act. |
| 9 | Section 5. High Road Restaurant Program. |
| 10 | (a) The Department of Commerce and Economic Opportunity |
| 11 | shall create the High Road Restaurant Program to recognize |
| 12 | restaurants that voluntarily take no allowance for gratuities |
| 13 | under subsection (c) of the Minimum Wage Law. |
| 14 | (b) To qualify for recognition as a High Road Restaurant |
| 15 | under the program, an owner of a restaurant must certify, on a |
| 16 | form created by the Department, that the restaurant has |

1 satisfied the following requirements:

2 (1) that it takes no allowance for gratuities under
3 subsection (c) of Section 4 of the Minimum Wage Law;

4 (2) that all of the restaurant's owners and employees
5 have completed an equity training program approved by the
6 Department under Section 10; and

7 (3) that it has not been found to have violated the
8 Illinois Wage Payment and Collection Act or the Minimum
9 Wage Law by the Department of Labor or a court within the
10 prior 3 years.

Section 10. Equity training program. The Department of 11 12 Commerce and Economic Opportunity shall approve an equity 13 training program that trains restaurant owners and employees 14 on how to achieve equity among employees in the restaurant 15 while maintaining profitability and eliminating the subminimum wage for workers who have customarily received gratuities. To 16 develop the content of the training and provide the training, 17 the Department may work with non-profit organizations with an 18 19 established history of working toward the goal of a full 20 minimum wage plus gratuities for employees who have customarily received gratuities, eliminating the subminimum 21 22 wage for such employees, and with a history of advancing 23 racial equity in restaurants. The Director of Commerce and 24 Economic Opportunity shall have the authority to approve any equity training program under this Section and certify any 25

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1 organization to provide the training that meets the criteria described in this Section. Under no circumstances may a 2 3 restaurant owner charge an employee a fee for participation in 4 an equity training program. For purposes of this Section, 5 "equity" means efforts, regulations, policies, programs, standards, processes, and any other functions of government or 6 principles of law and governance intended to: (1) identify and 7 remedy past and present patterns of discrimination or 8 9 inequality, and disparities in outcome; (2) ensure that 10 patterns of discrimination, inequality, and disparities in 11 outcome, whether intentional or unintentional, are neither reinforced nor perpetuated; and (3) prevent the emergence and 12 13 persistence of foreseeable future patterns of discrimination 14 against or disparities in outcome against minority persons, as 15 that term is defined in Section 2 of the Business Enterprise 16 for Minorities, Women, and Persons with Disabilities Act.

17 Section 15. Benefits of program membership. The Department 18 of Commerce and Economic Opportunity shall certify restaurants 19 participating in the High Road Restaurant Program that satisfy 20 the requirements described in subsection (b) of Section 5 and 21 provide those restaurants with the following benefits:

(1) issuing the owner of a restaurant a certificate
identifying the restaurant as a certified High Road
Restaurant, that may be posted inside of the restaurant;
(2) be listed on the Department's website as a

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certified High Road Restaurant; and
 (3) provide access to zero interest loans to assist
 with the restaurant's participation in the High Road
 Restaurant Program, subject to appropriation.

5 Section 20. Revocation of certification under the program. 6 (a) Upon a finding that a restaurant certified under this 7 Act has committed a substantial violation of the Illinois Wage 8 Payment and Collection Act or the Minimum Wage Law, the 9 Department of Commerce and Economic Opportunity shall revoke 10 the certification as soon as practicable. Upon written notice of the revocation of the certification, the restaurant shall 11 12 be removed from the Department's website and shall not be 13 permitted to display any previously issued High Road 14 Restaurant certification.

(b) The Department shall fine any restaurant that violates any provision of this Act up to \$1,500 per day for each violation, payable to the Department of Commerce and Economic Opportunity to administer and enforce this Act.

Section 25. Rulemaking. The Department of Commerce and Economic Opportunity may adopt rules to implement and enforce the provisions of this Act.

Section 30. Repeal. This Act is repealed on January 1,2028.

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Section 90. The Minimum Wage Law is amended by changing 1 Sections 3, 4, and 9 and by adding Section 12.1 as follows: 2 3 (820 ILCS 105/3) (from Ch. 48, par. 1003) Sec. 3. As used in this Act: 4 (a) "Director" means the Director of the Department of 5 6 Labor, and "Department" means the Department of Labor. 7 (b) "Wages" means compensation due to an employee by 8 reason of his employment, including allowances determined by 9 the Director in accordance with the provisions of this Act for gratuities and, when furnished by the employer, for meals and 10 11 lodging actually used by the employee. "Employer" includes any individual, partnership, 12 (C) 13 association, corporation, limited liability company, business 14 trust, governmental or quasi-governmental body, or any person or group of persons acting directly or indirectly in the 15 interest of an employer in relation to an employee, for which 16 one or more persons are gainfully employed on some day within a 17 18 calendar year. An employer is subject to this Act in a calendar year on and after the first day in such calendar year in which 19 he employs one or more persons, and for the following calendar 20 21 year.

(d) "Employee" includes any individual permitted to work
by an employer in an occupation, and includes, notwithstanding
subdivision (1) of this subsection (d), one or more domestic

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workers as defined in Section 10 of the Domestic Workers' Bill of Rights Act, but does not include any individual permitted to work:

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(1) For an employer employing fewer than 4 employees exclusive of the employer's parent, spouse or child or other members of his immediate family.

7 As an employee employed in agriculture (2)or 8 aquaculture (A) if such employee is employed by an 9 employer who did not, during any calendar quarter during 10 the preceding calendar year, use more than 500 man-days of 11 agricultural or aquacultural labor, (B) if such employee is the parent, spouse or child, or other member of the 12 13 employer's immediate family, (C) if such employee (i) is 14 employed as a hand harvest laborer and is paid on a piece 15 rate basis in an operation which has been, and is 16 customarily and generally recognized as having been, paid on a piece rate basis in the region of employment, (ii) 17 commutes daily from his permanent residence to the farm on 18 19 which he is so employed, and (iii) has been employed in 20 agriculture less than 13 weeks during the preceding 21 calendar year, (D) if such employee (other than an 22 employee described in clause (C) of this subparagraph): 23 (i) is 16 years of age or under and is employed as a hand 24 harvest laborer, is paid on a piece rate basis in an 25 operation which has been, and is customarily and generally 26 recognized as having been, paid on a piece rate basis in

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the region of employment, (ii) is employed on the same farm as his parent or person standing in the place of his parent, and (iii) is paid at the same piece rate as employees over 16 are paid on the same farm.

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(3) (Blank).

(4) As an outside salesman.

7 (5) As a member of a religious corporation or
8 organization.

9 (6) At an accredited Illinois college or university 10 employed by the college or university at which he is a 11 student who is covered under the provisions of the Fair 12 Labor Standards Act of 1938, as heretofore or hereafter 13 amended.

14 (7) For a motor carrier and with respect to whom the
15 U.S. Secretary of Transportation has the power to
16 establish qualifications and maximum hours of service
17 under the provisions of Title 49 U.S.C. or the State of
18 Illinois under Section 18b-105 (Title 92 of the Illinois
19 Administrative Code, Part 395 - Hours of Service of
20 Drivers) of the Illinois Vehicle Code.

(8) As an employee employed as a player who is 28 years
old or younger, a manager, a coach, or an athletic trainer
by a minor league professional baseball team not
affiliated with a major league baseball club, if (A) the
minor league professional baseball team does not operate
for more than 7 months in any calendar year or (B) during

the preceding calendar year, the minor league professional baseball team's average receipts for any 6-month period of the year were not more than 33 1/3% of its average receipts for the other 6 months of the year.

5 The above exclusions from the term "employee" may be 6 further defined by regulations of the Director.

7 (e) "Occupation" means an industry, trade, business or
8 class of work in which employees are gainfully employed.

9 (f) "Gratuities" means voluntary monetary contributions to 10 an employee from a guest, patron or customer in connection 11 with services rendered.

12 (g) "Outside salesman" means an employee regularly engaged 13 in making sales or obtaining orders or contracts for services 14 where a major portion of such duties are performed away from 15 his employer's place of business.

16 (h) "Day camp" means a seasonal recreation program in operation for no more than 16 weeks intermittently throughout 17 18 calendar year, accommodating for profit or the under philanthropic or charitable auspices, 5 or more children under 19 20 18 years of age, not including overnight programs. The term "day camp" does not include a "day care agency", "child care 21 facility" or "foster family home" as licensed by the Illinois 22 23 Department of Children and Family Services.

(i) "Interested party" means an organization that monitors
 or is attentive to compliance with public or worker safety
 laws, wage and hour requirements, or other statutory

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1 requirements.

2 (Source: P.A. 99-758, eff. 1-1-17; 100-192, eff. 8-18-17.)

3 (820 ILCS 105/4) (from Ch. 48, par. 1004)

4 Sec. 4. (a) (1) Every employer shall pay to each of his 5 employees in every occupation wages of not less than \$2.30 per hour or in the case of employees under 18 years of age wages of 6 7 not less than \$1.95 per hour, except as provided in Sections 5 8 and 6 of this Act, and on and after January 1, 1984, every 9 employer shall pay to each of his employees in every 10 occupation wages of not less than \$2.65 per hour or in the case of employees under 18 years of age wages of not less than \$2.25 11 per hour, and on and after October 1, 1984 every employer shall 12 pay to each of his employees in every occupation wages of not 13 14 less than \$3.00 per hour or in the case of employees under 18 15 years of age wages of not less than \$2.55 per hour, and on or after July 1, 1985 every employer shall pay to each of his 16 employees in every occupation wages of not less than \$3.35 per 17 hour or in the case of employees under 18 years of age wages of 18 19 not less than \$2.85 per hour, and from January 1, 2004 through 20 December 31, 2004 every employer shall pay to each of his or 21 her employees who is 18 years of age or older in every occupation wages of not less than \$5.50 per hour, and from 22 23 January 1, 2005 through June 30, 2007 every employer shall pay 24 to each of his or her employees who is 18 years of age or older 25 in every occupation wages of not less than \$6.50 per hour, and

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from July 1, 2007 through June 30, 2008 every employer shall 1 2 pay to each of his or her employees who is 18 years of age or older in every occupation wages of not less than \$7.50 per 3 4 hour, and from July 1, 2008 through June 30, 2009 every 5 employer shall pay to each of his or her employees who is 18 6 years of age or older in every occupation wages of not less than \$7.75 per hour, and from July 1, 2009 through June 30, 7 2010 every employer shall pay to each of his or her employees 8 9 who is 18 years of age or older in every occupation wages of 10 not less than \$8.00 per hour, and from July 1, 2010 through 11 December 31, 2019 every employer shall pay to each of his or her employees who is 18 years of age or older in every 12 13 occupation wages of not less than \$8.25 per hour, and from January 1, 2020 through June 30, 2020, every employer shall 14 15 pay to each of his or her employees who is 18 years of age or 16 older in every occupation wages of not less than \$9.25 per hour, and from July 1, 2020 through December 31, 2020 every 17 employer shall pay to each of his or her employees who is 18 18 vears of age or older in every occupation wages of not less 19 20 than \$10 per hour, and from January 1, 2021 through December 31, 2021 every employer shall pay to each of his or her 21 22 employees who is 18 years of age or older in every occupation wages of not less than \$11 per hour, and from January 1, 2022 23 24 through December 31, 2022 every employer shall pay to each of 25 his or her employees who is 18 years of age or older in every 26 occupation wages of not less than \$12 per hour, and from 10300HB5345ham001 -11- LRB103 38149 SPS 71155 a

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

11 (2) Unless an employee's wages are reduced under Section 6, then in lieu of the rate prescribed in item (1) of this 12 13 subsection (a), an employer may pay an employee who is 18 years of age or older, during the first 90 consecutive calendar days 14 15 after the employee is initially employed by the employer, a 16 wage that is not more than 50¢ less than the wage prescribed in item (1) of this subsection (a); however, an employer shall 17 18 pay not less than the rate prescribed in item (1) of this 19 subsection (a) to:

20 (A) a day or temporary laborer, as defined in Section
21 5 of the Day and Temporary Labor Services Act, who is 18
22 years of age or older; and

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

26 (3) At no time on or before December 31, 2019 shall the

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1 wages paid to any employee under 18 years of age be more than 2 50¢ less than the wage required to be paid to employees who are at least 18 years of age under item (1) of this subsection (a). 3 4 Beginning on January 1, 2025 2020, every employer shall pay to 5 each of his or her employees who is under 18 years of age that 6 has worked more than 650 hours for the employer during any calendar year a wage not less than the wage required for 7 8 employees who are 18 years of age or older under paragraph (1) 9 of subsection (a) of Section 4 of this Act. Every employer 10 shall pay to each of his or her employees who is under 18 years 11 of age that has not worked more than 650 hours for the employer during any calendar year: (1) \$8 per hour from January 1, 2020 12 13 through December 31, 2020; (2) \$8.50 per hour from January 1, 2021 through December 31, 2021; (3) \$9.25 per hour 14 from 15 January 1, 2022 through December 31, 2022; (4) \$10.50 per hour 16 from January 1, 2023 through December 31, 2023; (5) hour from January 1, 2024 through December 31, 2024; and 17 18 \$13 per hour on and after January 1, 2025.

(b) No employer shall discriminate between employees on 19 20 the basis of sex or mental or physical disability, except as otherwise provided in this Act by paying wages to employees at 21 22 a rate less than the rate at which he pays wages to employees for the same or substantially similar work on jobs the 23 24 performance of which requires equal skill, effort, and 25 responsibility, and which are performed under similar working 26 conditions, except where such payment is made pursuant to (1)

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1 a seniority system; (2) a merit system; (3) a system which 2 measures earnings by quantity or quality of production; or (4) 3 a differential based on any other factor other than sex or 4 mental or physical disability, except as otherwise provided in 5 this Act.

(c) Before January 1, 2025, every Every employer of an 6 employee engaged in an occupation in which gratuities have 7 customarily and usually constituted and have been recognized 8 9 as part of the remuneration for hire purposes is entitled to an 10 allowance for gratuities as part of the hourly wage rate provided in Section 4, subsection (a) in an amount not to 11 exceed 40% of the applicable minimum wage rate. On and after 12 13 January 1, 2025, an employer shall not be entitled to an 14 allowance for gratuities and shall pay each employee no less 15 than the applicable minimum wage rate as provided in paragraph (1) of subsection (a). An allowance for gratuities shall only 16 be taken for shifts in which an employee's wages and 17 gratuities combined over that shift result in an average 18 19 hourly wage rate equal to or greater than the hourly minimum 20 wage provided in paragraph (1) of subsection (a).

The Director shall require each employer desiring an allowance for gratuities to provide substantial evidence that the amount claimed, which may not exceed <u>the allowance amount</u> <u>prescribed in this subsection</u> 40% of the applicable minimum wage rate, was received by the employee in the period for which the claim of exemption is made, and no part thereof was -14- LRB103 38149 SPS 71155 a

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returned to the employer, and that the employer provides, at the time of payment, a written accounting of the hourly wages paid, the gratuities earned, and the average hourly remuneration for each shift worked during the pay period.

5 <u>An employer shall not keep any gratuities received by an</u> 6 <u>employee for any purpose or allow a manager or a supervisor to</u> 7 <u>keep any portion of an employee's gratuities, regardless of</u> 8 <u>whether or not the employer takes an allowance for gratuities.</u> 9 <u>Nothing in this subsection shall be construed to prohibit an</u> 10 <u>otherwise valid pooling of gratuities among non-managerial and</u> 11 non-supervisory employees.

(d) No camp counselor who resides on the premises of a 12 13 seasonal camp of an organized not-for-profit corporation shall 14 be subject to the adult minimum wage if the camp counselor (1) 15 works 40 or more hours per week, and (2) receives a total 16 weekly salary of not less than the adult minimum wage for a 40-hour week. If the counselor works less than 40 hours per 17 week, the counselor shall be paid the minimum hourly wage for 18 each hour worked. Every employer of a camp counselor under 19 20 this subsection is entitled to an allowance for meals and 21 lodging as part of the hourly wage rate provided in Section 4, 22 subsection (a), in an amount not to exceed 25% of the minimum 23 wage rate.

(e) A camp counselor employed at a day camp is not subject
to the adult minimum wage if the camp counselor is paid a
stipend on a onetime or periodic basis and, if the camp

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1 counselor is a minor, the minor's parent, guardian or other 2 custodian has consented in writing to the terms of payment 3 before the commencement of such employment.

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

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(820 ILCS 105/9) (from Ch. 48, par. 1009)

Sec. 9. (a) Every employer subject to any provision of 6 7 this Act or of any regulations issued under this Act shall keep 8 a summary of this Act approved by the Director, and copies of 9 any applicable regulations issued under this Act or a summary 10 of such regulations, posted in a conspicuous and accessible place in or about the premises wherever any person subject to 11 12 this Act is employed. Every employer subject to any provision 13 of this Act or any regulations issued under this Act with 14 employees who do not regularly report to a physical workplace, 15 such as employees who work remotely or travel for work, shall also provide the summaries and regulations by email to its 16 employees or conspicuous posting on the employer's website or 17 intranet site, if such site is regularly used by the employer 18 19 to communicate work-related information to employees and is able to be regularly accessed by all employees, freely and 20 21 without interference. Employers shall be furnished copies of 22 such summaries and regulations by the State on request without 23 charge.

24 (b) Every employer shall provide each employee who 25 receives gratuities, in writing in English and in the language

| 1 | identified by each employee as the primary language of the |
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| 2 | employee, at the time of hiring and at any time the employee's |
| 3 | compensation changes, a notice containing: |
| 4 | (1) the rate or rates of pay and basis thereof, |
| 5 | whether paid by the hour, shift, day, week, salary, or |
| 6 | other method, including overtime compensation rates for |
| 7 | non-exempt employees and allowances claimed as part of the |
| 8 | minimum wage, including gratuities; |
| 9 | (2) employees' rights to be compensated by their |
| 10 | employer at the rate prescribed in subsection (a) of |
| 11 | Section 4 when gratuities do not bring the employee to |
| 12 | that rate at the end of each shift; |
| 13 | (3) employee rights to retain gratuities as described |
| 14 | in this Act; and |
| 15 | (4) and other relevant employee rights deemed |
| 16 | necessary by the Director by rule. |
| 17 | The Director shall prepare templates that comply with the |
| 18 | notice requirements of this subsection. The template shall |
| 19 | include the information required by this subsection in 2 |
| 20 | languages, including English and one additional language |
| 21 | determined by the Director based on the population of this |
| 22 | State that speaks the language and any other factor that the |
| 23 | Director deems relevant. |
| 24 | (Source: P.A. 103-201, eff. 1-1-24.) |
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25 (820 ILCS 105/12.1 new)

| 1 | Sec. 12.1. Civil actions brought by an interested party. |
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| 2 | (a) Upon a reasonable belief that an employer covered by |
| 3 | this Act is in violation of any provision of this Act, an |
| 4 | interested party may initiate a civil action in the county |
| 5 | where the alleged offenses occurred or where any party to the |
| 6 | action resides, asserting that a violation of this Act has |
| 7 | occurred, as follows: |
| 8 | (1) The interested party submits to the Department of |
| 9 | Labor a complaint describing the violation and naming the |
| 10 | employer who violated this Act. |
| 11 | (2) The Department sends notice of complaint to the |
| 12 | named party alleged to have violated this Act and the |
| 13 | interested party. The named parties may contest the |
| 14 | alleged violation. |
| 15 | (3) A named party may contest the alleged violation |
| 16 | within 30 days after the receipt of the notice of |
| 17 | complaint. If a named party does not respond within 30 day |
| 18 | |
| | after the receipt of the notice of complaint, the |
| 19 | after the receipt of the notice of complaint, the Department shall issue a notice of the right to sue to the |
| 19 20 | |
| | Department shall issue a notice of the right to sue to the |
| 20 | Department shall issue a notice of the right to sue to the interested party in accordance with the requirements |
| 20 21 | Department shall issue a notice of the right to sue to the interested party in accordance with the requirements described in paragraph (4). |
| 20 21 22 | Department shall issue a notice of the right to sue to the interested party in accordance with the requirements described in paragraph (4). (4) The Department shall issue a notice of the right |
| 20 21 22 23 | Department shall issue a notice of the right to sue to the interested party in accordance with the requirements described in paragraph (4). (4) The Department shall issue a notice of the right to sue to the interested party if one or more of the |

not have jurisdiction over the matter or the parties; 1 2 or (B) the Director has determined that the 3 4 allegation is justified or has not made a 5 determination, and either has decided not to exercise jurisdiction over the matter or has concluded 6 7 administrative enforcement of the matter. (b) If, within 180 days after service of the notice of 8 9 complaint to the named party and the interested party, the 10 Department has not (i) resolved a contest to the alleged 11 violation as described in paragraph (3) of subsection (a) or 12 (ii) issued a notice of the right to sue to the interested 13 party as described in paragraph (4) of subsection (a), the 14 interested party may initiate a civil action for penalties. 15 The limitations period for the interested party to bring an 16 action for the alleged violation of the Act shall be tolled for the 180-day period and for the period of any mutually agreed 17 extensions. At the end of the 180-day period, or any mutually 18 19 agreed extensions, the Department shall issue a right to sue 20 letter to the interested party. 21 (c) Any claim or action filed under this Section must be 22 made within 3 years of the alleged conduct resulting in the 23 complaint plus any period for which the limitations period has 24 been tolled. 25 (d) In an action brought under this Section, an interested 26 party may recover against the covered entity any statutory

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| 1 | penalties and injunctive relief. An interested party who |
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| 2 | prevails in a civil action shall receive 10% of any statutory |
| 3 | penalties assessed, plus any attorneys' fees and expenses in |
| 4 | bringing the action. The remaining 90% of any statutory |
| 5 | penalties assessed shall be deposited into the Department's |
| 6 | Wage Theft Enforcement Fund. |
| | |
| 7 | Section 95. The Illinois Wage Payment and Collection Act |
| 8 | is amended by changing Section 4.1 as follows: |
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| 9 | (820 ILCS 115/4.1) |
| 10 | Sec. 4.1. Gratuities. |
| 11 | (a) Gratuities to employees are the property of the |
| 12 | employees, and employers shall not keep gratuities. Failure to |
| 13 | pay gratuities owed to an employee more than 13 days after the |
| 14 | end of the pay period in which such gratuities were earned |
| 15 | constitutes a violation of this Act. |
| 16 | <u>(a-5) Any service charge imposed by an employer on a</u> |
| 17 | customer shall be a gratuity as described in subsection (a) |
| 18 | and is the property of the employees. An employer who imposes a |
| 19 | bona fide service charge on a customer shall explicitly and |
| 20 | conspicuously disclose to the consumer that all funds |
| 21 | generated from the service charge are directly given to the |
| 22 | employees in the form of a gratuity. |
| 23 | (b) <u>No employer shall withhold</u> This Section does not |

24 prohibit an employer from withholding from gratuities paid by

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1 credit card a proportionate amount of any credit card 2 processing fees that the employer must pay in connection with 3 the transaction, provided that the amount withheld does not 4 exceed the proportion of the amount of the tip to the amount of 5 the overall bill, regardless of whether the overall bill was 6 paid using a credit card. This Section does not prohibit tip 7 pooling as permitted by law. This Section does not affect an employer's entitlement to an allowance for gratuities to the 8 9 extent permitted under subsection (c) of Section 4 of the 10 Minimum Wage Law.

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

Section 999. Effective date. This Act takes effect upon becoming law.".