



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB2982

Introduced 2/6/2025, by Rep. Elizabeth "Lisa" Hernandez

#### SYNOPSIS AS INTRODUCED:

820 ILCS 105/4	from Ch. 48, par. 1004
820 ILCS 105/9	from Ch. 48, par. 1009
820 ILCS 105/11	from Ch. 48, par. 1011
820 ILCS 115/4.1	

Amends the Minimum Wage Law. Provides that, on and after July 1, 2027, an employer shall not be entitled to an allowance for gratuities and shall pay each employee no less than the applicable minimum wage rate, including any minimum wage rate established by a municipality that is higher than the minimum wage rate provided in the Act. Provides for additional notice requirements that employers must provide to employees who receive gratuities. Provides that any employer or his agent, or the officer or agent of any private employer who violates that provision shall be liable to the Department of Labor for a penalty of up to \$1,500 per day for each violation, payable to the Department's Wage Theft Enforcement Fund. Provides that every employer shall provide each employee who receives gratuities a notice containing specified information concerning the rate of pay. Amends the Illinois Wage Payment and Collection Act. Provides that no employer shall withhold from gratuities paid by credit card any credit card processing fees that the employer must pay in connection with the transaction. Provides that any service charge imposed by an employer on a customer shall be a gratuity and is the property of the employees. Effective July 1, 2025.

LRB104 08468 SPS 18520 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 1. This Act may be referred to as the One Fair Wage  
5 with Tips on Top Act.

6 Section 5. The Minimum Wage Law is amended by changing  
7 Sections 4, 9, and 11 as follows:

8 (820 ILCS 105/4) (from Ch. 48, par. 1004)

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

1 hour or in the case of employees under 18 years of age wages of  
2 not less than \$2.85 per hour, and from January 1, 2004 through  
3 December 31, 2004 every employer shall pay to each of his or  
4 her employees who is 18 years of age or older in every  
5 occupation wages of not less than \$5.50 per hour, and from  
6 January 1, 2005 through June 30, 2007 every employer shall pay  
7 to each of his or her employees who is 18 years of age or older  
8 in every occupation wages of not less than \$6.50 per hour, and  
9 from July 1, 2007 through June 30, 2008 every employer shall  
10 pay to each of his or her employees who is 18 years of age or  
11 older in every occupation wages of not less than \$7.50 per  
12 hour, and from July 1, 2008 through June 30, 2009 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 \$7.75 per hour, and from July 1, 2009 through June 30,  
16 2010 every employer shall pay to each of his or her employees  
17 who is 18 years of age or older in every occupation wages of  
18 not less than \$8.00 per hour, and from July 1, 2010 through  
19 December 31, 2019 every employer shall pay to each of his or  
20 her employees who is 18 years of age or older in every  
21 occupation wages of not less than \$8.25 per hour, and from  
22 January 1, 2020 through June 30, 2020, every employer shall  
23 pay to each of his or her employees who is 18 years of age or  
24 older in every occupation wages of not less than \$9.25 per  
25 hour, and from July 1, 2020 through December 31, 2020 every  
26 employer shall pay to each of his or her employees who is 18

1 years of age or older in every occupation wages of not less  
2 than \$10 per hour, and from January 1, 2021 through December  
3 31, 2021 every employer shall pay to each of his or her  
4 employees who is 18 years of age or older in every occupation  
5 wages of not less than \$11 per hour, and from January 1, 2022  
6 through December 31, 2022 every employer shall pay to each of  
7 his or her employees who is 18 years of age or older in every  
8 occupation wages of not less than \$12 per hour, and from  
9 January 1, 2023 through December 31, 2023 every employer shall  
10 pay to each of his or her employees who is 18 years of age or  
11 older in every occupation wages of not less than \$13 per hour,  
12 and from January 1, 2024 through December 31, 2024, 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 \$14 per hour; and on and after January 1, 2025, every  
16 employer shall pay to each of his or her employees who is 18  
17 years of age or older in every occupation wages of not less  
18 than \$15 per hour.

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

1 subsection (a) to:

2 (A) a day or temporary laborer, as defined in Section  
3 5 of the Day and Temporary Labor Services Act, who is 18  
4 years of age or older; and

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

8 (3) At no time on or before December 31, 2019 shall the  
9 wages paid to any employee under 18 years of age be more than  
10 50¢ less than the wage required to be paid to employees who are  
11 at least 18 years of age under item (1) of this subsection (a).  
12 Beginning on January 1, 2020, every employer shall pay to each  
13 of his or her employees who is under 18 years of age that has  
14 worked more than 650 hours for the employer during any  
15 calendar year a wage not less than the wage required for  
16 employees who are 18 years of age or older under paragraph (1)  
17 of subsection (a) of Section 4 of this Act. Every employer  
18 shall pay to each of his or her employees who is under 18 years  
19 of age that has not worked more than 650 hours for the employer  
20 during any calendar year: (1) \$8 per hour from January 1, 2020  
21 through December 31, 2020; (2) \$8.50 per hour from January 1,  
22 2021 through December 31, 2021; (3) \$9.25 per hour from  
23 January 1, 2022 through December 31, 2022; (4) \$10.50 per hour  
24 from January 1, 2023 through December 31, 2023; (5) \$12 per  
25 hour from January 1, 2024 through December 31, 2024; and (6)  
26 \$13 per hour on and after January 1, 2025.

1 (b) No employer shall discriminate between employees on  
2 the basis of sex or mental or physical disability, except as  
3 otherwise provided in this Act by paying wages to employees at  
4 a rate less than the rate at which he pays wages to employees  
5 for the same or substantially similar work on jobs the  
6 performance of which requires equal skill, effort, and  
7 responsibility, and which are performed under similar working  
8 conditions, except where such payment is made pursuant to (1)  
9 a seniority system; (2) a merit system; (3) a system which  
10 measures earnings by quantity or quality of production; or (4)  
11 a differential based on any other factor other than sex or  
12 mental or physical disability, except as otherwise provided in  
13 this Act.

14 (c) Every employer of an employee engaged in an occupation  
15 in which gratuities have customarily and usually constituted  
16 and have been recognized as part of the remuneration for hire  
17 purposes is entitled to an allowance for gratuities as part of  
18 the hourly wage rate provided in Section 4, subsection (a) in  
19 an amount as follows: not to exceed 40% of the applicable  
20 minimum wage rate through June 30, 2025; not to exceed 20% of  
21 the applicable minimum wage rate from July 1, 2025 through  
22 June 30, 2026; and not to exceed 10% of the applicable minimum  
23 wage rate from July 1, 2026 through June 30, 2027. On and after  
24 July 1, 2027, an employer shall not be entitled to an allowance  
25 for gratuities and shall pay each employee no less than the  
26 applicable minimum wage rate, including any minimum wage rate

1 established by a municipality that is higher than the minimum  
2 wage rate provided in paragraph (1) of subsection (a). The  
3 Director shall require each employer desiring an allowance for  
4 gratuities to provide substantial evidence that the amount  
5 claimed, which may not exceed a percentage of 40% of the  
6 applicable minimum wage rate as provided in this Section, was  
7 received by the employee in the period for which the claim of  
8 exemption is made, and no part thereof was returned to the  
9 employer, and that the employer provides, at the time of  
10 payment, a written accounting of the hourly wages paid for  
11 each shift worked during the pay period. An employer shall not  
12 keep any gratuities received by an employee for any purpose or  
13 allow a manager or a supervisor to keep any portion of an  
14 employee's gratuities, regardless of whether or not the  
15 employer takes an allowance for gratuities. Nothing in this  
16 Section shall be construed to prohibit an otherwise valid  
17 pooling of gratuities among non-managerial and non-supervisory  
18 employees.

19 (d) No camp counselor who resides on the premises of a  
20 seasonal camp of an organized not-for-profit corporation shall  
21 be subject to the adult minimum wage if the camp counselor (1)  
22 works 40 or more hours per week, and (2) receives a total  
23 weekly salary of not less than the adult minimum wage for a  
24 40-hour week. If the counselor works less than 40 hours per  
25 week, the counselor shall be paid the minimum hourly wage for  
26 each hour worked. Every employer of a camp counselor under

1 this subsection is entitled to an allowance for meals and  
2 lodging as part of the hourly wage rate provided in Section 4,  
3 subsection (a), in an amount not to exceed 25% of the minimum  
4 wage rate.

5 (e) A camp counselor employed at a day camp is not subject  
6 to the adult minimum wage if the camp counselor is paid a  
7 stipend on a onetime or periodic basis and, if the camp  
8 counselor is a minor, the minor's parent, guardian or other  
9 custodian has consented in writing to the terms of payment  
10 before the commencement of such employment.

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

12 (820 ILCS 105/9) (from Ch. 48, par. 1009)

13 Sec. 9. (a) Every employer subject to any provision of  
14 this Act or of any regulations issued under this Act shall keep  
15 a summary of this Act approved by the Director, and copies of  
16 any applicable regulations issued under this Act or a summary  
17 of such regulations, posted in a conspicuous and accessible  
18 place in or about the premises wherever any person subject to  
19 this Act is employed. Every employer subject to any provision  
20 of this Act or any regulations issued under this Act with  
21 employees who do not regularly report to a physical workplace,  
22 such as employees who work remotely or travel for work, shall  
23 also provide the summaries and regulations by email to its  
24 employees or conspicuous posting on the employer's website or  
25 intranet site, if such site is regularly used by the employer



1 to communicate work-related information to employees and is  
2 able to be regularly accessed by all employees, freely and  
3 without interference. Employers shall be furnished copies of  
4 such summaries and regulations by the State on request without  
5 charge.

6 (b) Every employer shall provide each employee who  
7 receives gratuities, in writing in English and in the language  
8 identified by each employee as the primary language of the  
9 employee, at the time of hiring and at any time the employee's  
10 compensation changes, a notice containing:

11 (1) the rate or rates of pay and basis thereof,  
12 whether paid by the hour, shift, day, week, salary, or  
13 other method, including overtime compensation rates for  
14 non-exempt employees and allowances claimed as part of the  
15 minimum wage, including gratuities;

16 (2) employees' rights to be compensated by their  
17 employer at the rate prescribed in subsection (a) of  
18 Section 4 when gratuities do not bring the employee to  
19 that rate at the end of each shift;

20 (3) employee rights to retain gratuities as described  
21 in this Act; and

22 (4) other relevant employee rights deemed necessary by  
23 the Director by rule.

24 The Director shall prepare templates that comply with the  
25 notice requirements of this subsection. The template shall  
26 include the information required by this subsection in 2

1 languages, including English and one additional language  
2 determined by the Director based on the population of this  
3 State that speaks the language and any other factor that the  
4 Director deems relevant.

5 (Source: P.A. 103-201, eff. 1-1-24.)

6 (820 ILCS 105/11) (from Ch. 48, par. 1011)

7 Sec. 11. (a) Any employer or his agent, or the officer or  
8 agent of any private employer who:

9 (1) hinders or delays the Director or his authorized  
10 representative in the performance of his duties in the  
11 enforcement of this Act; or

12 (2) refuses to admit the Director or his authorized  
13 representative to any place of employment; or

14 (3) fails to keep the records required under this Act  
15 or to furnish such records required or any information to  
16 be furnished under this Act to the Director or his  
17 authorized representative upon request; or

18 (4) fails to make and preserve any records as required  
19 hereunder; or

20 (5) falsifies any such record; or

21 (6) refuses to make such records available to the  
22 Director or his authorized representative; or

23 (7) refuses to furnish a sworn statement of such  
24 records or any other information required for the proper  
25 enforcement of this Act; or

1           (8) fails to post a summary of this Act or a copy of  
2           any applicable regulation as required by Section 9 of this  
3           Act;

4           shall be guilty of a Class B misdemeanor; and each day of such  
5           failure to keep the records required under this Act or to  
6           furnish such records or information to the Director or his  
7           authorized representative or to fail to post information as  
8           required herein constitutes a separate offense. Any such  
9           employer who fails to keep payroll records as required by this  
10          Act shall be liable to the Department for a penalty of \$100 per  
11          impacted employee, payable to the Department's Wage Theft  
12          Enforcement Fund.

13          (a-5) Any employer or his agent, or the officer or agent of  
14          any private employer who violates any part of subsection (c)  
15          of Section 4 shall be liable to the Department for a penalty of  
16          up to \$1,500 per day for each violation.

17          (b) Any employer or his agent, or the officer or agent of  
18          any private employer, who pays or agrees to pay to any employee  
19          wages at a rate less than the rate applicable under this Act or  
20          of any regulation issued under this Act is guilty of a Class B  
21          misdemeanor, and each week on any day of which such employee is  
22          paid less than the wage rate applicable under this Act  
23          constitutes a separate offense.

24          (c) Any employer or his agent, or the officer or agent of  
25          any private employer, who discharges or in any other manner  
26          discriminates against any employee because that employee has

1 made a complaint to his employer, or to the Director or his  
2 authorized representative, that he has not been paid wages in  
3 accordance with the provisions of this Act, or because that  
4 employee has caused to be instituted or is about to cause to be  
5 instituted any proceeding under or related to this Act, or  
6 because that employee has testified or is about to testify in  
7 an investigation or proceeding under this Act, is guilty of a  
8 Class B misdemeanor.

9 (d) It is the duty of the Department of Labor to inquire  
10 diligently for any violations of this Act, and to institute  
11 the action for penalties herein provided, and to enforce  
12 generally the provisions of this Act.

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

14 Section 10. The Illinois Wage Payment and Collection Act  
15 is amended by changing Section 4.1 as follows:

16 (820 ILCS 115/4.1)

17 Sec. 4.1. Gratuities.

18 (a) Gratuities to employees are the property of the  
19 employees, and employers shall not keep gratuities. Failure to  
20 pay gratuities owed to an employee more than 13 days after the  
21 end of the pay period in which such gratuities were earned  
22 constitutes a violation of this Act.

23 (a-5) Any service charge imposed by an employer on a  
24 customer shall be a gratuity as described in subsection (a)

1 and is the property of the employees. An employer who imposes a  
2 bona fide service charge on a customer shall explicitly and  
3 conspicuously disclose to the consumer that all funds  
4 generated from the service charge are directly given to the  
5 employees in the form of a gratuity. Nothing in this  
6 subsection shall be construed to prohibit an otherwise valid  
7 pooling of gratuities.

8 (b) No employer shall withhold ~~This Section does not~~  
9 ~~prohibit an employer from withholding~~ from gratuities paid by  
10 credit card ~~a proportionate amount of~~ any credit card  
11 processing fees that the employer must pay in connection with  
12 the transaction, ~~provided that the amount withheld does not~~  
13 ~~exceed the proportion of the amount of the tip to the amount of~~  
14 ~~the overall bill, regardless of whether the overall bill was~~  
15 ~~paid using a credit card.~~ This Section does not prohibit tip  
16 pooling as permitted by law. This Section does not affect an  
17 employer's entitlement to an allowance for gratuities to the  
18 extent permitted under subsection (c) of Section 4 of the  
19 Minimum Wage Law.

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

21 Section 99. Effective date. This Act takes effect July 1,  
22 2025.