

AN ACT concerning local government.

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

Section 5. The Illinois Wage Payment and Collection Act is amended by changing Section 9 as follows:

(820 ILCS 115/9) (from Ch. 48, par. 39m-9)

Sec. 9. Except as hereinafter provided, deductions by employers from wages or final compensation are prohibited unless such deductions are (1) required by law; (2) to the benefit of the employee; (3) in response to a valid wage assignment or wage deduction order; (4) made with the express written consent of the employee, given freely at the time the deduction is made; (5) made by a municipality with a population of 500,000 or more, a county with a population of 3,000,000 or more, a community college district in a city with a population of 500,000 or more, a housing authority in a municipality with a population of 500,000 or more, the Chicago Park District, the Metropolitan Transit Authority, the Chicago Board of Education, the Cook County Forest Preserve District, or the Metropolitan Water Reclamation District to pay a debt owed by the employee to a municipality with a population of 500,000 or more, a county with a population of 3,000,000 or more, the Cook County Forest Preserve, the Chicago Park District, the

Metropolitan Water Reclamation District, the Chicago Transit Authority, the Chicago Board of Education, or a housing authority of a municipality with a population of 500,000 or more; provided, however, that the amount deducted from any one salary or wage payment shall not exceed 25% of the net amount of the payment; or (6) made by a housing authority in a municipality with a population of 500,000 or more or a municipality with a population of 500,000 or more to pay a debt owed by the employee to a housing authority in a municipality with a population of 500,000 or more; provided, however, that the amount deducted from any one salary or wage payment shall not exceed 25% of the net amount of the payment. Before the municipality with a population of 500,000 or more, the community college district in a city with a population of 500,000 or more, the Chicago Park District, the Metropolitan Transit Authority, a housing authority in a municipality with a population of 500,000 or more, the Chicago Board of Education, the county with a population of 3,000,000 or more, the Cook County Forest Preserve District, or the Metropolitan Water Reclamation District deducts any amount from any salary or wage of an employee to pay a debt owed to a municipality with a population of 500,000 or more, a county with a population of 3,000,000 or more, the Cook County Forest Preserve District, the Chicago Park District, the Metropolitan Water Reclamation District, the Chicago Transit Authority, the Chicago Board of Education, or a housing authority of a municipality with a

population of 500,000 or more under this Section, the municipality, the county, the Cook County Forest Preserve District, the Chicago Park District, the Metropolitan Water Reclamation District, the Chicago Transit Authority, the Chicago Board of Education, or a housing authority of a municipality with a population of 500,000 or more shall certify that (i) the employee has been afforded an opportunity for a hearing to dispute the debt that is due and owing the municipality, the county, the Cook County Forest Preserve District, the Chicago Park District, the Metropolitan Water Reclamation District, the Chicago Transit Authority, the Chicago Board of Education, or a housing authority of a municipality with a population of 500,000 or more and (ii) the employee has received notice of a wage deduction order and has been afforded an opportunity for a hearing to object to the order. Before a housing authority in a municipality with a population of 500,000 or more or a municipality with a population of 500,000 or more, a county with a population of 3,000,000 or more, the Cook County Forest Preserve District, the Chicago Park District, the Metropolitan Water Reclamation District, the Chicago Transit Authority, the Chicago Board of Education, or a housing authority of a municipality with a population of 500,000 or more deducts any amount from any salary or wage of an employee to pay a debt owed to a housing authority in a municipality with a population of 500,000 or more under this Section, the housing authority shall certify

that (i) the employee has been afforded an opportunity for a hearing to dispute the debt that is due and owing the housing authority and (ii) the employee has received notice of a wage deduction order and has been afforded an opportunity for a hearing to object to the order. For purposes of this Section, "net amount" means that part of the salary or wage payment remaining after the deduction of any amounts required by law to be deducted and "debt due and owing" means (i) a specified sum of money owed to the municipality, county, the Cook County Forest Preserve District, the Chicago Park District, the Metropolitan Water Reclamation District, the Chicago Transit Authority, the Chicago Board of Education, or housing authority for services, work, or goods, after the period granted for payment has expired, or (ii) a specified sum of money owed to the municipality, county, the Cook County Forest Preserve District, the Chicago Park District, the Metropolitan Water Reclamation District, the Chicago Transit Authority, the Chicago Board of Education or housing authority pursuant to a court order or order of an administrative hearing officer after the exhaustion of, or the failure to exhaust, judicial review; (7) the result of an excess payment made due to, but not limited to, a typographical or mathematical error made by a municipality with a population of less than 500,000 or to collect a debt owed to a municipality with a population of less than 500,000 after notice to the employee and an opportunity to be heard; provided, however, that the amount deducted from any

one salary or wage payment shall not exceed 15% of the net amount of the payment. Before the municipality deducts any amount from any salary or wage of an employee to pay a debt owed to the municipality, the municipality shall certify that (i) the employee has been afforded an opportunity for a hearing, conducted by the municipality, to dispute the debt that is due and owing the municipality, and (ii) the employee has received notice of a wage deduction order and has been afforded an opportunity for a hearing, conducted by the municipality, to object to the order. For purposes of this Section, "net amount" means that part of the salary or wage payment remaining after the deduction of any amounts required by law to be deducted and "debt due and owing" means (i) a specified sum of money owed to the municipality for services, work, or goods, after the period granted for payment has expired, or (ii) a specified sum of money owed to the municipality pursuant to a court order or order of an administrative hearing officer after the exhaustion of, or the failure to exhaust, judicial review. Where the legitimacy of any deduction from wages is in dispute, the amount in question may be withheld if the employer notifies the Department of Labor on the date the payment is due in writing of the amount that is being withheld and stating the reasons for which the payment is withheld. Upon such notification the Department of Labor shall conduct an investigation and render a judgment as promptly as possible, and shall complete such investigation

within 30 days of receipt of the notification by the employer that wages have been withheld. The employer shall pay the wages due upon order of the Department of Labor within 15 calendar days of issuance of a judgment on the dispute.

The Department shall establish rules to protect the interests of both parties in cases of disputed deductions from wages. Such rules shall include reasonable limitations on the amount of deductions beyond those required by law which may be made during any pay period by any employer.

In case of a dispute over wages, the employer shall pay, without condition and within the time set by this Act, all wages or parts thereof, conceded by him to be due, leaving to the employee all remedies to which he may otherwise be entitled as to any balance claimed. The acceptance by an employee of a disputed paycheck shall not constitute a release as to the balance of his claim and any release or restrictive endorsement required by an employer as a condition to payment shall be a violation of this Act and shall be void.

(Source: P.A. 91-443, eff. 8-6-99; 92-109, eff. 7-20-01.)