



Rep. Elizabeth "Lisa" Hernandez

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LRB104 08468 SPS 24268 a

1 AMENDMENT TO HOUSE BILL 2982

2 AMENDMENT NO. _____. Amend House Bill 2982 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. This Act may be referred to as the One Fair
5 Wage with Tips on Top Act.

6 Section 5. The Illinois Income Tax Act is amended by
7 adding Section 246 as follows:

8 (35 ILCS 5/246 new)

9 Sec. 246. Credit for payment of minimum wage without
10 gratuity allowance.

11 (a) As used in this Section:

12 "Eligible tipped employee" means an employee for whom a
13 taxpayer is lawfully able to take an allowance, as an
14 employer, against the payment of the full minimum wage for
15 gratuities as provided under subsection (c) of Section 4 of

1 the Minimum Wage Law.

2 "Full minimum wage" means the required wage that must be
3 paid to an employee as set forth in paragraph (1) of subsection
4 (a) of Section 4 of the Minimum Wage Law

5 (b) For taxable years beginning on or after January 1,
6 2025 and ending before January 1, 2028, each taxpayer who
7 employs an eligible tipped employee and does not take an
8 allowance against the full minimum wage is entitled to a
9 credit in each of those taxable years against the tax imposed
10 by subsections (a) and (b) of Section 201 in an amount equal to
11 the product of \$1.50 multiplied by the total number of hours
12 for which an allowance could have been claimed by the employer
13 in the taxable year for eligible tipped employees under
14 subsection (c) of Section 4 of the Minimum Wage Law but was not
15 claimed by the employer in that taxable year.

16 (c) In no event shall a credit under this Section reduce
17 the taxpayer's liability to less than zero. If the amount of
18 the credit exceeds the tax liability for the year, the excess
19 may be carried forward and applied to the tax liability of the
20 5 taxable years following the excess credit year. The tax
21 credit shall be applied to the earliest year for which there is
22 a tax liability. If there are credits for more than one year
23 that are available to offset a liability, the earlier credit
24 shall be applied first.

25 (d) A taxpayer claiming the credit provided under this
26 Section must maintain and record any information that the

1 Department may require by rule regarding the credit claimed.

2 Section 10. The Minimum Wage Law is amended by changing
3 Sections 4, 9, and 11 as follows:

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

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

1 to each of his or her employees who is 18 years of age or older
2 in every occupation wages of not less than \$6.50 per hour, and
3 from July 1, 2007 through June 30, 2008 every employer shall
4 pay to each of his or her employees who is 18 years of age or
5 older in every occupation wages of not less than \$7.50 per
6 hour, and from July 1, 2008 through June 30, 2009 every
7 employer shall pay to each of his or her employees who is 18
8 years of age or older in every occupation wages of not less
9 than \$7.75 per hour, and from July 1, 2009 through June 30,
10 2010 every employer shall pay to each of his or her employees
11 who is 18 years of age or older in every occupation wages of
12 not less than \$8.00 per hour, and from July 1, 2010 through
13 December 31, 2019 every employer shall pay to each of his or
14 her employees who is 18 years of age or older in every
15 occupation wages of not less than \$8.25 per hour, and from
16 January 1, 2020 through June 30, 2020, every employer shall
17 pay to each of his or her employees who is 18 years of age or
18 older in every occupation wages of not less than \$9.25 per
19 hour, and from July 1, 2020 through December 31, 2020 every
20 employer shall pay to each of his or her employees who is 18
21 years of age or older in every occupation wages of not less
22 than \$10 per hour, and from January 1, 2021 through December
23 31, 2021 every employer shall pay to each of his or her
24 employees who is 18 years of age or older in every occupation
25 wages of not less than \$11 per hour, and from January 1, 2022
26 through December 31, 2022 every employer shall pay to each of

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

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

22 (A) a day or temporary laborer, as defined in Section
23 5 of the Day and Temporary Labor Services Act, who is 18
24 years of age or older; and

25 (B) an employee who is 18 years of age or older and
26 whose employment is occasional or irregular and requires

1 not more than 90 days to complete.

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

21 (b) No employer shall discriminate between employees on
22 the basis of sex or mental or physical disability, except as
23 otherwise provided in this Act by paying wages to employees at
24 a rate less than the rate at which he pays wages to employees
25 for the same or substantially similar work on jobs the
26 performance of which requires equal skill, effort, and

1 responsibility, and which are performed under similar working
2 conditions, except where such payment is made pursuant to (1)
3 a seniority system; (2) a merit system; (3) a system which
4 measures earnings by quantity or quality of production; or (4)
5 a differential based on any other factor other than sex or
6 mental or physical disability, except as otherwise provided in
7 this Act.

8 (c) Every employer of an employee engaged in an occupation
9 in which gratuities have customarily and usually constituted
10 and have been recognized as part of the remuneration for hire
11 purposes is entitled to an allowance for gratuities as part of
12 the hourly wage rate provided in Section 4, subsection (a) in
13 an amount as follows: not to exceed 40% of the applicable
14 minimum wage rate through June 30, 2025; not to exceed 20% of
15 the applicable minimum wage rate from July 1, 2025 through
16 June 30, 2026; and not to exceed 10% of the applicable minimum
17 wage rate from July 1, 2026 through June 30, 2027. On and after
18 July 1, 2027, an employer shall not be entitled to an allowance
19 for gratuities and shall pay each employee no less than the
20 applicable minimum wage rate, including any minimum wage rate
21 established by a municipality that is higher than the minimum
22 wage rate provided in paragraph (1) of subsection (a). The
23 Director shall require each employer desiring an allowance for
24 gratuities to provide substantial evidence that the amount
25 claimed, which may not exceed a percentage of 40% of the
26 applicable minimum wage rate as provided in this Section, was

1 received by the employee in the period for which the claim of
2 exemption is made, and no part thereof was returned to the
3 employer, and that the employer provides, at the time of
4 payment, a written accounting of the hourly wages paid for
5 each shift worked during the pay period. An employer shall not
6 keep any gratuities received by an employee for any purpose or
7 allow a manager or a supervisor to keep any portion of an
8 employee's gratuities, regardless of whether or not the
9 employer takes an allowance for gratuities. Nothing in this
10 Section shall be construed to prohibit an otherwise valid
11 pooling of gratuities among non-managerial and non-supervisory
12 employees.

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

25 (e) A camp counselor employed at a day camp is not subject
26 to the adult minimum wage if the camp counselor is paid a

1 stipend on a onetime or periodic basis and, if the camp
2 counselor is a minor, the minor's parent, guardian or other
3 custodian has consented in writing to the terms of payment
4 before the commencement of such employment.

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

6 (820 ILCS 105/9) (from Ch. 48, par. 1009)

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

25 (b) Every employer shall provide each employee who

1 receives gratuities, in writing in English and in the language
2 identified by each employee as the primary language of the
3 employee, at the time of hiring and at any time the employee's
4 compensation changes, a notice containing:

5 (1) the rate or rates of pay and basis thereof,
6 whether paid by the hour, shift, day, week, salary, or
7 other method, including overtime compensation rates for
8 non-exempt employees and allowances claimed as part of the
9 minimum wage, including gratuities;

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

14 (3) employee rights to retain gratuities as described
15 in this Act; and

16 (4) other relevant employee rights deemed necessary by
17 the Director by rule.

18 The Director shall prepare templates that comply with the
19 notice requirements of this subsection. The template shall
20 include the information required by this subsection in 2
21 languages, including English and one additional language
22 determined by the Director based on the population of this
23 State that speaks the language and any other factor that the
24 Director deems relevant.

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

1 (820 ILCS 105/11) (from Ch. 48, par. 1011)

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

4 (1) hinders or delays the Director or his authorized
5 representative in the performance of his duties in the
6 enforcement of this Act; or

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

9 (3) fails to keep the records required under this Act
10 or to furnish such records required or any information to
11 be furnished under this Act to the Director or his
12 authorized representative upon request; or

13 (4) fails to make and preserve any records as required
14 hereunder; or

15 (5) falsifies any such record; or

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

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

21 (8) fails to post a summary of this Act or a copy of
22 any applicable regulation as required by Section 9 of this
23 Act;

24 shall be guilty of a Class B misdemeanor; and each day of such
25 failure to keep the records required under this Act or to
26 furnish such records or information to the Director or his

1 authorized representative or to fail to post information as
2 required herein constitutes a separate offense. Any such
3 employer who fails to keep payroll records as required by this
4 Act shall be liable to the Department for a penalty of \$100 per
5 impacted employee, payable to the Department's Wage Theft
6 Enforcement Fund.

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

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

18 (c) Any employer or his agent, or the officer or agent of
19 any private employer, who discharges or in any other manner
20 discriminates against any employee because that employee has
21 made a complaint to his employer, or to the Director or his
22 authorized representative, that he has not been paid wages in
23 accordance with the provisions of this Act, or because that
24 employee has caused to be instituted or is about to cause to be
25 instituted any proceeding under or related to this Act, or
26 because that employee has testified or is about to testify in

1 an investigation or proceeding under this Act, is guilty of a
2 Class B misdemeanor.

3 (d) It is the duty of the Department of Labor to inquire
4 diligently for any violations of this Act, and to institute
5 the action for penalties herein provided, and to enforce
6 generally the provisions of this Act.

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

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

10 (820 ILCS 115/4.1)

11 Sec. 4.1. Gratuities.

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

17 (a-5) Any service charge imposed by an employer on a
18 customer shall be a gratuity as described in subsection (a)
19 and is the property of the employees. An employer who imposes a
20 bona fide service charge on a customer shall explicitly and
21 conspicuously disclose to the consumer that all funds
22 generated from the service charge are directly given to the
23 employees in the form of a gratuity. Nothing in this
24 subsection shall be construed to prohibit an otherwise valid

1 pooling of gratuities.

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

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

15 Section 99. Effective date. This Act takes effect July 1,
16 2025.".