

SB3396



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB3396

Introduced 2/14/2020, by Sen. Chuck Weaver

SYNOPSIS AS INTRODUCED:

820 ILCS 105/4

from Ch. 48, par. 1004

Amends the Minimum Wage Law. Provides that units of local government may enact ordinances to opt into a reduced minimum wage that is less than the wage otherwise required under the Law. Provides for minimum wages based upon a percentage of the otherwise required minimum wage depending upon the region of the State. Establishes 6 regions for purposes of determining the minimum wage. Provides that in regions where the minimum wage is reduced, the unit of local government must establish a procedure to increase the local minimum wage by at least 5% per year beginning January 1, 2026 and continuing until the local minimum wage is established at \$15 per hour. Provides for reduced minimum wages for employees who have not worked 650 hours during a calendar year for an employer. Effective immediately.

LRB101 17699 JLS 67126 b

FISCAL NOTE ACT
MAY APPLY

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 Minimum Wage Law is amended by changing
5 Section 4 as follows:

6 (820 ILCS 105/4) (from Ch. 48, par. 1004)

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

1 every employer shall pay to each of his or her employees who is
2 18 years of age or older in every occupation wages of not less
3 than \$5.50 per hour, and from January 1, 2005 through June 30,
4 2007 every employer shall pay to each of his or her employees
5 who is 18 years of age or older in every occupation wages of
6 not less than \$6.50 per hour, and from July 1, 2007 through
7 June 30, 2008 every employer shall pay to each of his or her
8 employees who is 18 years of age or older in every occupation
9 wages of not less than \$7.50 per hour, and from July 1, 2008
10 through June 30, 2009 every employer shall pay to each of his
11 or her employees who is 18 years of age or older in every
12 occupation wages of not less than \$7.75 per hour, and from July
13 1, 2009 through June 30, 2010 every employer shall pay to each
14 of his or her employees who is 18 years of age or older in every
15 occupation wages of not less than \$8.00 per hour, and from July
16 1, 2010 through December 31, 2019 every employer shall pay to
17 each of his or her employees who is 18 years of age or older in
18 every occupation wages of not less than \$8.25 per hour, and
19 from January 1, 2020 through June 30, 2020, every employer
20 shall pay to each of his or her employees who is 18 years of age
21 or older in every occupation wages of not less than \$9.25 per
22 hour, and from July 1, 2020 through December 31, 2020 every
23 employer shall pay to each of his or her employees who is 18
24 years of age or older in every occupation wages of not less
25 than \$10 per hour, and from January 1, 2021 through December
26 31, 2021 every employer shall pay to each of his or her

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

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

25 (A) a day or temporary laborer, as defined in Section 5
26 of the Day and Temporary Labor Services Act, who is 18

1 years of age or older; and

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

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

24 (b) No employer shall discriminate between employees on the
25 basis of sex or mental or physical disability, except as
26 otherwise provided in this Act by paying wages to employees at

1 a rate less than the rate at which he pays wages to employees
2 for the same or substantially similar work on jobs the
3 performance of which requires equal skill, effort, and
4 responsibility, and which are performed under similar working
5 conditions, except where such payment is made pursuant to (1) a
6 seniority system; (2) a merit system; (3) a system which
7 measures earnings by quantity or quality of production; or (4)
8 a differential based on any other factor other than sex or
9 mental or physical disability, except as otherwise provided in
10 this Act.

11 (c) Every employer of an employee engaged in an occupation
12 in which gratuities have customarily and usually constituted
13 and have been recognized as part of the remuneration for hire
14 purposes is entitled to an allowance for gratuities as part of
15 the hourly wage rate provided in Section 4, subsection (a) in
16 an amount not to exceed 40% of the applicable minimum wage
17 rate. The Director shall require each employer desiring an
18 allowance for gratuities to provide substantial evidence that
19 the amount claimed, which may not exceed 40% of the applicable
20 minimum wage rate, was received by the employee in the period
21 for which the claim of exemption is made, and no part thereof
22 was returned to the employer.

23 (d) No camp counselor who resides on the premises of a
24 seasonal camp of an organized not-for-profit corporation shall
25 be subject to the adult minimum wage if the camp counselor (1)
26 works 40 or more hours per week, and (2) receives a total

1 weekly salary of not less than the adult minimum wage for a
2 40-hour week. If the counselor works less than 40 hours per
3 week, the counselor shall be paid the minimum hourly wage for
4 each hour worked. Every employer of a camp counselor under this
5 subsection is entitled to an allowance for meals and lodging as
6 part of the hourly wage rate provided in Section 4, subsection
7 (a), in an amount not to exceed 25% of the minimum wage rate.

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

14 (f) A unit of local government, whether or not a home rule
15 unit, and any non-home rule county with respect to the
16 unincorporated territory of the county, may enact an ordinance
17 to opt into a reduced minimum wage from that required by
18 subsection (a) of this Section. The reduced minimum wage rate
19 shall be determined by reference to the Metropolitan or
20 Nonmetropolitan area of the State that is the base of
21 operations of the employee. The Metropolitan and
22 Nonmetropolitan areas of this State are those areas in Illinois
23 as defined by the United States Bureau of Labor Statistics as
24 of May 2018.

25 The maximum reduced minimum wage rate shall be as follows:

26 (1) For the period July 1, 2020 through December 31,

1 2025, the maximum reduced minimum wage rate for the City of
2 Chicago-Naperville-Elgin region excluding Chicago and Cook
3 County may not be more than 5% less than the rates as
4 determined in subsection (a) of this Section;

5 (2) For the Bloomington, Champaign-Urbana, and
6 Springfield areas:

7 (A) for the period July 1, 2020 through December
8 31, 2020, the maximum reduced minimum wage rate may not
9 be more than 5% less than the rates as determined in
10 subsection (a) of this Section;

11 (B) for the period January 1, 2021 through December
12 31, 2025, the maximum reduced minimum wage rate may not
13 be more than 10% less than the rates as determined in
14 subsection (a) of this Section;

15 (C) for wages paid to employees under 18 years of
16 age who have not worked more than 650 hours for the
17 employer during any calendar year, the maximum reduced
18 minimum wage rate for the period January 1, 2021
19 through December 31, 2021 may not be more than 5% less
20 than the rates as determined in subsection (a) of this
21 Section and for the period January 1, 2022 through
22 December 31, 2025 the maximum reduced minimum wage rate
23 may not be more than 10% less than the rates as
24 determined in subsection (a) of this Section;

25 (3) For the Cape Girardeau, Carbondale-Marion,
26 Davenport-Moline-Rock Island, Peoria, and St. Louis MO-IL

1 areas:

2 (A) for the period January 1, 2021 through December
3 31, 2025, the maximum reduced minimum wage rate for may
4 not be more than 15% less than the rates as determined
5 in subsection (a) of this Section;

6 (B) for wages paid to employees under 18 years of
7 age who have not worked more than 650 hours for the
8 employer during any calendar year, the maximum reduced
9 minimum wage rate for the period January 1, 2021
10 through December 31, 2021 may not be more than 5% less
11 than the rates as determined in subsection (a) of this
12 Section; for the period January 1, 2022 through
13 December 31, 2022 the maximum reduced minimum wage rate
14 may not be more than 10% less than the rates as
15 determined in subsection (a) of this Section; and for
16 the period January 1, 2023 through December 31, 2025
17 the maximum reduced minimum wage rate may not be more
18 than 15% less than the rates as determined in
19 subsection (a) of this Section;

20 (4) For the Danville, Decatur, Kankakee, and Rockford
21 areas;

22 (A) for the period January 1, 2021 through December
23 31, 2021, the maximum reduced minimum wage rate for may
24 not be more than 15% less than the rates as determined
25 in subsection (a) of this Section;

26 (B) for the period January 1, 2022 through December

1 31, 2025, the maximum reduced minimum wage rate for may
2 not be more than 20% less than the rates as determined
3 in subsection (a) of this Section;

4 (C) for wages paid to employees under 18 years of
5 age who have not worked more than 650 hours for the
6 employer during any calendar year, the maximum reduced
7 minimum wage rate for the period January 1, 2021
8 through December 31, 2021 may not be more than 5% less
9 than the rates as determined in subsection (a) of this
10 Section; for the period January 1, 2022 through
11 December 31, 2022 the maximum reduced minimum wage rate
12 may not be more than 10% less than the rates as
13 determined in subsection (a) of this Section; and for
14 the period January 1, 2023 through December 31, 2025
15 the maximum reduced minimum wage rate may not be more
16 than 20% less than the rates as determined in
17 subsection (a) of this Section;

18 (5) For the Northwest Illinois, West Central Illinois,
19 East Central Illinois, and South Illinois nonmetropolitan
20 areas:

21 (A) for the period January 1, 2021 through December
22 31, 2021, the maximum reduced minimum wage rate for may
23 not be more than 15% less than the rates as determined
24 in subsection (a) of this Section;

25 (B) for the period January 1, 2022 through December
26 31, 2022, the maximum reduced minimum wage rate for may

1 not be more than 20% less than the rates as determined
2 in subsection (a) of this Section;

3 (C) for the period January 1, 2023 through December
4 31, 2025, the maximum reduced minimum wage rate for may
5 not be more than 25% less than the rates as determined
6 in subsection (a) of this Section;

7 (D) for wages paid to employees under 18 years of
8 age who have not worked more than 650 hours for the
9 employer during any calendar year, the maximum reduced
10 minimum wage rate for the period January 1, 2021
11 through December 31, 2021 may not be more than 5% less
12 than the rates as determined in subsection (a) of this
13 Section; for the period January 1, 2022 through
14 December 31, 2022 the maximum reduced minimum wage rate
15 may not be more than 10% less than the rates as
16 determined in subsection (a) of this Section; for the
17 period January 1, 2023 through December 31, 2023 the
18 maximum reduced minimum wage rate may not be more than
19 20% less than the rates as determined in subsection (a)
20 of this Section; and for the period January 1, 2024
21 through December 31, 2025 the maximum reduced minimum
22 wage rate may not be more than 25% less than the rates
23 as determined in subsection (a) of this Section;

24 (6) For the period January 1 through December 31, 2021
25 for the Cape Girardeau, Carbondale-Marion,
26 Davenport-Moline-Rock Island, Peoria, St. Louis MO-IL,

1 Danville, Decatur, Kankakee, Rockford, Northwest Illinois,
2 West Central Illinois, East Central Illinois, and South
3 Illinois nonmetropolitan areas, the minimum wage rate
4 shall be \$9.25.

5 (g) Any unit of local that enacts an ordinance to opt into
6 a reduced maximum minimum wage rate as provided in subsection
7 (f) of this Section shall by ordinance increase the maximum
8 reduced minimum wage rate by a minimum of 5% per year beginning
9 January 1, 2026 until the rate reaches \$15 per hour.

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

11 Section 99. Effective date. This Act takes effect upon
12 becoming law.