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1 AN ACT

AN ACT concerning employment.

## 2 Be it enacted by the People of the State of Illinois, 3 represented in the General Assembly:

Section 5. The Minimum Wage Law is amended by changing
Section 12 as follows:

6 (820 ILCS 105/12) (from Ch. 48, par. 1012)

7 Sec. 12. (a) If any employee is paid by his or her employer less than the wage to which he or she is entitled under the 8 9 provisions of this Act, the employee may recover in a civil action treble the amount of any such underpayments together 10 with costs and such reasonable attorney's fees as may be 11 allowed by the Court, and damages of 5% of the amount of any 12 13 such underpayments for each month following the date of 14 payment during which such underpayments remain unpaid. Any agreement between the employee and the employer to work for 15 16 less than such wage is no defense to such action. At the 17 request of the employee or on motion of the Director of Labor, the Department of Labor may make an assignment of such wage 18 19 claim in trust for the assigning employee and may bring any 20 legal action necessary to collect such claim, and the employer 21 shall be required to pay the costs incurred in collecting such 22 claim. Every such action shall be brought within 3 years from the date of the underpayment. Such employer shall be liable to 23

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the Department of Labor for a penalty in an amount of up to 20% 1 2 of the total employer's underpayment where the employer's 3 conduct is proven by a preponderance of the evidence to be willful, repeated, or with reckless disregard of this Act or 4 5 any rule adopted under this Act. Such employer shall be liable to the Department for an additional penalty of \$1,500. All 6 7 administrative penalties ordered under this Act shall be paid by certified check, money order, or an electronic payment 8 9 system designated by the Department for such purposes and 10 shall be made  $\tau$  payable to the Department's Wage Theft 11 Enforcement Fund. Such employer shall be additionally liable 12 to the employee for damages in the amount of 5% of the amount of any such underpayments for each month following the date of 13 14 payment during which such underpayments remain unpaid. These 15 penalties and damages may be recovered in a civil action 16 brought by the Director of Labor in any circuit court. In any 17 such action, the Director of Labor shall be represented by the 18 Attorney General.

If an employee collects damages of 5% of the amount of 19 20 underpayments as a result of an action brought by the Director of Labor, the employee may not also collect those damages in a 21 22 private action brought by the employee for the same violation. 23 If an employee collects damages of 5% of the amount of underpayments in a private action brought by the employee, the 24 25 employee may not also collect those damages as a result of an 26 action brought by the Director of Labor for the same HB3227 Enrolled

1 violation.

2 employee has not collected damages under (b) Ιf an 3 subsection (a) for the same violation, the Director is authorized to supervise the payment of the unpaid minimum 4 5 wages and the unpaid overtime compensation owing to any 6 employee or employees under Sections 4 and 4a of this Act and 7 may bring any legal action necessary to recover the amount of 8 the unpaid minimum wages and unpaid overtime compensation and 9 an equal additional amount as damages, and the employer shall 10 be required to pay the costs incurred in collecting such 11 claim. Such employer shall be additionally liable to the 12 Department of Labor for up to 20% of the total employer's 13 underpayment where the employer's conduct is proven by a preponderance of the evidence to be willful, repeated, or with 14 15 reckless disregard of this Act or any rule adopted under this 16 Act. Such employer shall be liable to the Department of Labor 17 additional penalty of \$1,500, payable for an to the Department's Wage Theft Enforcement Fund. The action shall be 18 brought within 5 years from the date of the failure to pay the 19 20 wages or compensation. Any sums thus recovered by the Director 21 on behalf of an employee pursuant to this subsection shall be 22 deposited into the Department of Labor Special State Trust 23 Fund, from which the Department shall disburse the sums owed 24 to the employee or employees. The Department shall conduct a 25 good faith search to find all employees for whom it has recovered unpaid minimum wages or unpaid overtime 26

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1 compensation. All disbursements authorized under this Section
2 shall be made by certified check, money order, or an
3 electronic payment system designated by the Department paid to
4 the employee or employees affected. Any sums which, more than
5 one year after being thus recovered, the Director is unable to
6 pay to an employee shall be deposited into the General Revenue
7 Fund.

8 <u>(c) The Department shall hold any moneys due to employees</u> 9 <u>that it is unable to locate in the Department of Labor Special</u> 10 <u>State Trust Fund for no less than 3 years after the moneys were</u> 11 <u>collected.</u>

12 Beginning November 1, 2023, or as soon as is practical, and each November 1 thereafter, the Department shall report 13 14 any moneys due to employees who cannot be located and that have 15 been held by the Department in the Department of Labor Special 16 State Trust Fund for 3 or more years and moneys due to 17 employees who are deceased to the State Treasurer as required by the Revised Uniform Unclaimed Property Act. The Department 18 19 shall not be required to provide the notice required under 20 Section 15-501 of the Revised Uniform Unclaimed Property Act. Beginning July 1, 2023, or as soon as is practical, and 21 22 each July 1 thereafter, the Department shall direct the State 23 Comptroller and State Treasurer to transfer from the 24 Department of Labor Special State Trust Fund the balance of 25 the moneys due to employees who cannot be located and that have 26 been held by the Department in the Department of Labor Special

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State Trust Fund for 3 or more years and moneys due to 1 2 employees who are deceased as follows: (i) 15% to the Wage 3 Theft Enforcement Fund and (ii) 85% to the Unclaimed Property 4 Trust Fund. The Department may use moneys in the Wage Theft 5 Enforcement Fund for the purposes described in Section 14 of 6 7 the Illinois Wage Payment and Collection Act. 8 (d) The Department may adopt rules to implement and 9 administer this Section. 10 (Source: P.A. 101-1, eff. 2-19-19.) 11 Section 10. The Illinois Wage Payment and Collection Act 12 is amended by changing Sections 11.5 and 14 as follows: 13 (820 ILCS 115/11.5) 14 Sec. 11.5. Departmental wage recovery; remittance to 15 aggrieved employee. 16 (a) Upon the recovery of unpaid wages, wage supplements, or final compensation from an employer that has violated this 17 Act, the Department shall conduct a good faith search to find 18 19 the aggrieved employee. If, after conducting a good faith 20 search for the aggrieved employee, the Department is unable to 21 find the aggrieved employee, the Department shall deposit the amount recovered into the Department of Labor Special State 22 23 Trust Fund, from which the Department shall disburse the sums owed to the employee or employees. The Department shall 24

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1 conduct a good faith search to find all employees for whom it 2 has recovered unpaid wages, wage supplements, or final 3 compensation. All disbursements authorized under this Section 4 shall be made by certified check, money order, or an 5 electronic payment system designated by the Department. (a-5) The Department shall hold any moneys due to 6 7 employees that it is unable to locate in the Department of 8 Labor Special State Trust Fund for no less than 3 years after 9 the moneys were collected.

Beginning November 1, 2023, or as soon as is practical, 10 11 and each November 1 thereafter, the Department shall report 12 any moneys due to employees who cannot be located and that have been held by the Department in the Department of Labor Special 13 14 State Trust Fund for 3 or more years and moneys due to 15 employees who are deceased to the State Treasurer as required 16 by the Revised Uniform Unclaimed Property Act. The Department 17 shall not be required to provide the notice required under 18 Section 15-501 of the Revised Uniform Unclaimed Property Act. 19 Beginning July 1, 2023, or as soon as is practical, and each July 1 thereafter, the Department shall direct the State 20 21 Comptroller and State Treasurer to transfer from the 22 Department of Labor Special State Trust Fund the balance of 23 the moneys due to employees who cannot be located and that have 24 been held by the Department in the Department of Labor Special

25 <u>State Trust Fund for 3 or more years and moneys due to</u>
26 <u>employees who are deceased as follows: (i) 15% to the Wage</u>

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<u>Theft Enforcement Fund and (ii) 85% to the Unclaimed Property</u>
 Trust Fund.

3 <u>The Department may use moneys in the Wage Theft</u> 4 <u>Enforcement Fund for the purposes described in Section 14 of</u> 5 <u>the Illinois Wage Payment and Collection Act.</u>

6 (b) An aggrieved employee may make a request to the 7 Department in order to recover unpaid wages, wage supplements, 8 or final compensation that has been deposited into the 9 Department of Labor Special State Trust Fund. The Department 10 shall not require the employee to present a Social Security 11 number or proof of United States citizenship. For the purpose 12 of paying claims under this Section from the Department of 13 Labor Special State Trust Fund to aggrieved employees, the 14 Comptroller shall assign a vendor payment number to the 15 Department. When an aggrieved employee makes a valid request 16 for payment to the Department, the Department shall use the 17 vendor payment number to process payment on behalf of the aggrieved employee. 18

19 (c) The Department shall adopt rules for the20 administration of this Section.

- 21 (Source: P.A. 99-762, eff. 1-1-17.)
- 22 (820 ILCS 115/14) (from Ch. 48, par. 39m-14)

23 Sec. 14. (a) Any employee not timely paid wages, final 24 compensation, or wage supplements by his or her employer as 25 required by this Act shall be entitled to recover through a HB3227 Enrolled - 8 - LRB103 30108 SPS 56532 b

claim filed with the Department of Labor or in a civil action, but not both, the amount of any such underpayments and damages of 5% of the amount of any such underpayments for each month following the date of payment during which such underpayments remain unpaid. In a civil action, such employee shall also recover costs and all reasonable attorney's fees.

7 (a-5) In addition to the remedies provided in subsections 8 (a), (b), and (c) of this Section, any employer or any agent of 9 an employer, who, being able to pay wages, final compensation, 10 or wage supplements and being under a duty to pay, wilfully 11 refuses to pay as provided in this Act, or falsely denies the 12 amount or validity thereof or that the same is due, with intent to secure for himself or other person any underpayment of such 13 14 indebtedness or with intent to annoy, harass, oppress, hinder, 15 delay or defraud the person to whom such indebtedness is due, 16 upon conviction, is guilty of:

17 (1) for unpaid wages, final compensation or wage 18 supplements in the amount of \$5,000 or less, a Class B 19 misdemeanor; or

(2) for unpaid wages, final compensation or wage
 supplements in the amount of more than \$5,000, a Class A
 misdemeanor.

Each day during which any violation of this Act continuesshall constitute a separate and distinct offense.

25 Any employer or any agent of an employer who violates this 26 Section of the Act a subsequent time within 2 years of a prior HB3227 Enrolled - 9 - LRB103 30108 SPS 56532 b

criminal conviction under this Section is guilty, upon
 conviction, of a Class 4 felony.

3 (b) Any employer who has been demanded or ordered by the Department or ordered by the court to pay wages, final 4 5 compensation, or wage supplements due an employee shall be 6 required to pay a non-waivable administrative fee to the Department of Labor in the amount of \$250 if the amount ordered 7 8 by the Department as wages owed is \$3,000 or less; \$500 if the 9 amount ordered by the Department as wages owed is more than 10 \$3,000, but less than \$10,000; and \$1,000 if the amount 11 ordered by the Department as wages owed is \$10,000 or more. Any 12 employer who has been so demanded or ordered by the Department 13 or ordered by a court to pay such wages, final compensation, or 14 wage supplements and who fails to seek timely review of such a 15 demand or order as provided for under this Act and who fails to 16 comply within 15 calendar days after such demand or within 35 17 days of an administrative or court order is entered shall also be liable to pay a penalty to the Department of Labor of 20% of 18 19 the amount found owing and a penalty to the employee of 1% per 20 calendar day of the amount found owing for each day of delay in 21 paying such wages to the employee. All moneys recovered as 22 fees and civil penalties under this Act, except those owing to 23 the affected employee, shall be deposited into the Wage Theft Enforcement Fund, a special fund which is hereby created in 24 25 the State treasury. Moneys in the Fund may be used only for enforcement of this Act and for outreach and educational 26

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## activities of the Department related to the recovery of unpaid or underpaid compensation and the disbursement of moneys to affected parties.

4 (b-5) Penalties and fees under this Section may be 5 assessed by the Department and recovered in a civil action 6 brought by the Department in any circuit court or in any 7 administrative adjudicative proceeding under this Act. In any 8 such civil action or administrative adjudicative proceeding 9 under this Act, the Department shall be represented by the 10 Attorney General.

(c) Any employer, or any agent of an employer, 11 who 12 discharges or in any other manner discriminates against any employee because that employee has made a complaint to his or 13 her employer, to the Director of Labor or his or her authorized 14 15 representative, in a public hearing, or to a community 16 organization that he or she has not been paid in accordance 17 with the provisions of this Act, or because that employee has caused to be instituted any proceeding under or related to 18 19 this Act, or because that employee has testified or is about to 20 testify in an investigation or proceeding under this Act, is guilty, upon conviction, of a Class C misdemeanor. An employee 21 22 who has been unlawfully retaliated against shall be entitled 23 to recover through a claim filed with the Department of Labor or in a civil action, but not both, all legal and equitable 24 25 relief as may be appropriate. In a civil action, such employee 26 shall also recover costs and all reasonable attorney's fees.

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1 (Source: P.A. 102-50, eff. 7-9-21.)

2 Section 99. Effective date. This Act takes effect upon
3 becoming law.