

103RD GENERAL ASSEMBLY State of Illinois 2023 and 2024 HB3898

Introduced 2/17/2023, by Rep. Camille Y. Lilly

SYNOPSIS AS INTRODUCED:

New Act 820 ILCS 105/4

from Ch. 48, par. 1004

Creates the High Roads Kitchen Program Act. Provides that the Department of Labor shall create the High Roads Kitchen Program to recognize restaurants that voluntarily take no allowance for gratuities under the Minimum Wage Law. Provides for program eligibility requirements, benefits, and revocation of certification. Provides that the Department may adopt rules to implement and enforce the program. Amends the Minimum Wage Law. Provides that, from July 1, 2024 through December 31, 2024, the allowance for gratuities to which an employer is entitled for an employee engaged in an occupation in which gratuities have been recognized as part of the remuneration shall not exceed 20% of the applicable minimum wage rate. Provides that, from January 1, 2025 through December 31, 2025, the allowance for gratuities shall not exceed 20% of the applicable minimum wage rate. Provides that, on and after January 1, 2026, an employer shall not be entitled to an allowance for gratuities and shall pay each employee no less than the applicable minimum wage rate.

LRB103 25782 SPS 52131 b

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1 AN ACT concerning employment.

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

- Section 1. Short title. This Act may be cited as the High
 Roads Kitchen Program Act.
- 6 Section 5. High Roads Kitchen Program.
 - (a) The Department of Labor shall create the High Roads Kitchen Program to recognize restaurants that voluntarily take no allowance for gratuities under subsection (c) of Section 4 of the Minimum Wage Law.
 - (b) To qualify for recognition as a High Road Kitchen Restaurant under the program, an owner of a restaurant must certify, on a form created by the Department, that the restaurant has satisfied the following requirements:
 - (1) that it takes no allowance for gratuities under subsection (c) of Section 4 of the Minimum Wage Law;
 - (2) that all of the restaurant's owners and employees have completed an equity training program approved by the Department under Section 10; and
 - (3) that it has not been found to have violated the Illinois Wage Payment and Collection Act or the Minimum Wage Law by the Department or a court within the prior 3 years.

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Section 10. Equity training program. The Department of Labor shall approve an equity training program that trains restaurant owners and employees on how to achieve equity among employees in the restaurant while maintaining profitability and eliminating the subminimum wage for workers who have customarily received gratuities. To develop the content of the training and provide the training, the Department may work with non-profit organizations with an established history of working toward the goal of a full minimum wage plus gratuities employees who have customarily received gratuities, eliminating the subminimum wage for such employees, and with a history of advancing racial equity in restaurants. Director of Labor shall have the authority to approve any equity training program under this Section and certify any organization to provide the training that meets the criteria described in this Section. Under no circumstances may a restaurant owner charge an employee a fee for participation in an equity training program.

Section 15. Benefits of program membership. The Department of Labor shall certify restaurants participating in the High Roads Kitchen Program that satisfy the requirements described in subsection (b) of Section 5 and provide those restaurants with the following benefits:

(1) issuing the owner of a restaurant a certificate

- identifying the restaurant as a certified High Road

 Kitchen Restaurant, that may be posted inside of the

 restaurant; and
- 4 (2) listing the restaurant on its website as a certified member of the High Road Kitchen Program.
- 6 Section 20. Revocation of certification under the program.
- 7 (a) Upon a finding that a restaurant certified under this 8 Act has committed a substantial violation of the Illinois Wage 9 Payment and Collection Act or the Minimum Wage Law, the 10 Department of Labor shall revoke the certification as soon as 11 practicable. Upon written notice of the revocation of its 12 certification, the restaurant shall be removed from the 13 Department's website and shall not be permitted to display the 14 program certification.
- 15 (b) The Department shall fine any restaurant that violates
 16 any provision of this Act up to \$1,500 per day for each
 17 violation, payable to the Wage Theft Enforcement Fund.
- Section 25. Rulemaking. The Department of Labor may adopt rules to implement and enforce the provisions of this Act.
- 20 Section 90. The Minimum Wage Law is amended by changing 21 Section 4 as follows:
- 22 (820 ILCS 105/4) (from Ch. 48, par. 1004)

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Sec. 4. (a) (1) Every employer shall pay to each of his employees in every occupation wages of not less than \$2.30 per hour or in the case of employees under 18 years of age wages of not less than \$1.95 per hour, except as provided in Sections 5 and 6 of this Act, and on and after January 1, 1984, every shall pay to each of his employees in every occupation wages of not less than \$2.65 per hour or in the case of employees under 18 years of age wages of not less than \$2.25 per hour, and on and after October 1, 1984 every employer shall pay to each of his employees in every occupation wages of not less than \$3.00 per hour or in the case of employees under 18 years of age wages of not less than \$2.55 per hour, and on or after July 1, 1985 every employer shall pay to each of his employees in every occupation wages of not less than \$3.35 per hour or in the case of employees under 18 years of age wages of not less than \$2.85 per hour, and from January 1, 2004 through December 31, 2004 every employer shall pay to each of his or her employees who is 18 years of age or older in every occupation wages of not less than \$5.50 per hour, and from January 1, 2005 through June 30, 2007 every employer shall pay to each of his or her employees who is 18 years of age or older in every occupation wages of not less than \$6.50 per hour, and from July 1, 2007 through June 30, 2008 every employer shall pay to each of his or her employees who is 18 years of age or older in every occupation wages of not less than \$7.50 per hour, and from July 1, 2008 through June 30, 2009 every

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employer shall pay to each of his or her employees who is 18 years of age or older in every occupation wages of not less than \$7.75 per hour, and from July 1, 2009 through June 30, 2010 every employer shall pay to each of his or her employees who is 18 years of age or older in every occupation wages of not less than \$8.00 per hour, and from July 1, 2010 through December 31, 2019 every employer shall pay to each of his or her employees who is 18 years of age or older in every occupation wages of not less than \$8.25 per hour, and from January 1, 2020 through June 30, 2020, every employer shall pay to each of his or her employees who is 18 years of age or older in every occupation wages of not less than \$9.25 per hour, and from July 1, 2020 through December 31, 2020 every employer shall pay to each of his or her employees who is 18 years of age or older in every occupation wages of not less than \$10 per hour, and from January 1, 2021 through December 31, 2021 every employer shall pay to each of his or her employees who is 18 years of age or older in every occupation wages of not less than \$11 per hour, and from January 1, 2022 through December 31, 2022 every employer shall pay to each of his or her employees who is 18 years of age or older in every occupation wages of not less than \$12 per hour, and from January 1, 2023 through December 31, 2023 every employer shall pay to each of his or her employees who is 18 years of age or older in every occupation wages of not less than \$13 per hour, and from January 1, 2024 through December 31, 2024, every

- employer shall pay to each of his or her employees who is 18 years of age or older in every occupation wages of not less than \$14 per hour; and on and after January 1, 2025, every employer shall pay to each of his or her employees who is 18 years of age or older in every occupation wages of not less than \$15 per hour.
 - (2) Unless an employee's wages are reduced under Section 6, then in lieu of the rate prescribed in item (1) of this subsection (a), an employer may pay an employee who is 18 years of age or older, during the first 90 consecutive calendar days after the employee is initially employed by the employer, a wage that is not more than 50¢ less than the wage prescribed in item (1) of this subsection (a); however, an employer shall pay not less than the rate prescribed in item (1) of this subsection (a) to:
 - (A) a day or temporary laborer, as defined in Section 5 of the Day and Temporary Labor Services Act, who is 18 years of age or older; and
 - (B) an employee who is 18 years of age or older and whose employment is occasional or irregular and requires not more than 90 days to complete.
 - (3) At no time on or before December 31, 2019 shall the wages paid to any employee under 18 years of age be more than 50¢ less than the wage required to be paid to employees who are at least 18 years of age under item (1) of this subsection (a). Beginning on January 1, 2020, every employer shall pay to each

of his or her employees who is under 18 years of age that has worked more than 650 hours for the employer during any calendar year a wage not less than the wage required for employees who are 18 years of age or older under paragraph (1) of subsection (a) of Section 4 of this Act. Every employer shall pay to each of his or her employees who is under 18 years of age that has not worked more than 650 hours for the employer during any calendar year: (1) \$8 per hour from January 1, 2020 through December 31, 2020; (2) \$8.50 per hour from January 1, 2021 through December 31, 2021; (3) \$9.25 per hour from January 1, 2022 through December 31, 2022; (4) \$10.50 per hour from January 1, 2023 through December 31, 2023; (5) \$12 per hour from January 1, 2024 through December 31, 2024; and (6) \$13 per hour on and after January 1, 2025.

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

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(c) Every employer of an employee engaged in an occupation in which gratuities have customarily and usually constituted and have been recognized as part of the remuneration for hire purposes is entitled to an allowance for gratuities as part of the hourly wage rate provided in Section 4, subsection (a) in an amount not to exceed 40% of the applicable minimum wage rate through June 30, 2024. From July 1, 2024 through December 31, 2024, such allowance for gratuities shall not exceed 20% of the applicable minimum wage rate. From January 1, 2024 through December 31, 2025, such allowance for gratuities shall not exceed 10% of the applicable minimum wage rate. The Director shall require each employer desiring an allowance gratuities to provide substantial evidence that the amount claimed, which may not exceed the allowance amount prescribed in this subsection 40% of the applicable minimum wage rate, was received by the employee in the period for which the claim of exemption is made, and no part thereof was returned to the employer. On and after January 1, 2026, an employer shall not be entitled to an allowance for gratuities and shall pay each employee no less than the applicable minimum wage rate. An employer may not keep any gratuities received by its employees for any purposes or allow managers or supervisors to keep any portion of employees' gratuities, regardless of whether or not the employer takes an allowance for gratuities. Nothing in this subsection shall be construed to prohibit an otherwise

valid pooling of gratuities among nonmanagerial and nonsupervisory employees.

- (d) No camp counselor who resides on the premises of a seasonal camp of an organized not-for-profit corporation shall be subject to the adult minimum wage if the camp counselor (1) works 40 or more hours per week, and (2) receives a total weekly salary of not less than the adult minimum wage for a 40-hour week. If the counselor works less than 40 hours per week, the counselor shall be paid the minimum hourly wage for each hour worked. Every employer of a camp counselor under this subsection is entitled to an allowance for meals and lodging as part of the hourly wage rate provided in Section 4, subsection (a), in an amount not to exceed 25% of the minimum wage rate.
- (e) A camp counselor employed at a day camp is not subject to the adult minimum wage if the camp counselor is paid a stipend on a onetime or periodic basis and, if the camp counselor is a minor, the minor's parent, guardian or other custodian has consented in writing to the terms of payment before the commencement of such employment.
- 21 (Source: P.A. 101-1, eff. 2-19-19.)