

1 AN ACT concerning local government.

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

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

6 (820 ILCS 115/9) (from Ch. 48, par. 39m-9)

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

1 Metropolitan Water Reclamation District, the Chicago Transit
2 Authority, the Chicago Board of Education, or a housing
3 authority of a municipality with a population of 500,000 or
4 more; provided, however, that the amount deducted from any one
5 salary or wage payment shall not exceed 25% of the net amount
6 of the payment; or (6) made by a housing authority in a
7 municipality with a population of 500,000 or more or a
8 municipality with a population of 500,000 or more to pay a debt
9 owed by the employee to a housing authority in a municipality
10 with a population of 500,000 or more; provided, however, that
11 the amount deducted from any one salary or wage payment shall
12 not exceed 25% of the net amount of the payment. Before the
13 municipality with a population of 500,000 or more, the
14 community college district in a city with a population of
15 500,000 or more, the Chicago Park District, the Metropolitan
16 Transit Authority, a housing authority in a municipality with a
17 population of 500,000 or more, the Chicago Board of Education,
18 the county with a population of 3,000,000 or more, the Cook
19 County Forest Preserve District, or the Metropolitan Water
20 Reclamation District deducts any amount from any salary or wage
21 of an employee to pay a debt owed to a municipality with a
22 population of 500,000 or more, a county with a population of
23 3,000,000 or more, the Cook County Forest Preserve District,
24 the Chicago Park District, the Metropolitan Water Reclamation
25 District, the Chicago Transit Authority, the Chicago Board of
26 Education, or a housing authority of a municipality with a

1 population of 500,000 or more under this Section, the
2 municipality, the county, the Cook County Forest Preserve
3 District, the Chicago Park District, the Metropolitan Water
4 Reclamation District, the Chicago Transit Authority, the
5 Chicago Board of Education, or a housing authority of a
6 municipality with a population of 500,000 or more shall certify
7 that (i) the employee has been afforded an opportunity for a
8 hearing to dispute the debt that is due and owing the
9 municipality, the county, the Cook County Forest Preserve
10 District, the Chicago Park District, the Metropolitan Water
11 Reclamation District, the Chicago Transit Authority, the
12 Chicago Board of Education, or a housing authority of a
13 municipality with a population of 500,000 or more and (ii) the
14 employee has received notice of a wage deduction order and has
15 been afforded an opportunity for a hearing to object to the
16 order. Before a housing authority in a municipality with a
17 population of 500,000 or more or a municipality with a
18 population of 500,000 or more, a county with a population of
19 3,000,000 or more, the Cook County Forest Preserve District,
20 the Chicago Park District, the Metropolitan Water Reclamation
21 District, the Chicago Transit Authority, the Chicago Board of
22 Education, or a housing authority of a municipality with a
23 population of 500,000 or more deducts any amount from any
24 salary or wage of an employee to pay a debt owed to a housing
25 authority in a municipality with a population of 500,000 or
26 more under this Section, the housing authority shall certify

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

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

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

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

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

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