Sen. Kimberly A. Lightford

## Filed: 2/21/2013

AMENDMENT TO SENATE BILL 68

AMENDMENT NO. $\qquad$ . Amend Senate Bill 68 by replacing everything after the enacting clause with the following:

> "Section 5. The Minimum Wage Law is amended by changing Sections 3, 4, 4a, and 12 as follows:
(820 ILCS 105/3) (from Ch. 48, par. 1003)
Sec. 3. As used in this Act:
(a) "Director" means the Director of the Department of Labor, and "Department" means the Department of Labor.
(b) "Wages" means compensation due to an employee by reason of his employment, including allowances determined by the Director in accordance with the provisions of this Act for gratuities and, when furnished by the employer, for meals and lodging actually used by the employee.
(c) "Employer" includes any individual, partnership, association, corporation, limited liability company, business
trust, governmental or quasi-governmental body, or any person or group of persons acting directly or indirectly in the interest of an employer in relation to an employee, for which one or more persons are gainfully employed on some day within a calendar year. An employer is subject to this Act in a calendar year on and after the first day in such calendar year in which he employs one or more persons, and for the following calendar year.
(d) "Employee" includes any individual permitted to work by an employer in an occupation, but does not include any individual permitted to work:
(1) (Blank). For an employer employing few than 4 employes exclusive of the employer's parent, spouse or ehild or other members of his immediate family.
(2) As an employee employed in agriculture or aquaculture (A) if such employee is employed by an employer who did not, during any calendar quarter during the preceding calendar year, use more than 500 man-days of agricultural or aquacultural labor, (B) if such employee is the parent, spouse or child, or other member of the employer's immediate family, (C) if such employee (i) is employed as a hand harvest laborer and is paid on a piece rate basis in an operation which has been, and is customarily and generally recognized as having been, paid on a piece rate basis in the region of employment, (ii) commutes daily from his permanent residence to the farm on
which he is so employed, and (iii) has been employed in agriculture less than 13 weeks during the preceding calendar year, (D) if such employee (other than an employee described in clause (C) of this subparagraph): (i) is 16 years of age or under and is employed as a hand harvest laborer, is paid on a piece rate basis in an operation which has been, and is customarily and generally recognized as having been, paid on a piece rate basis in the region of employment, (ii) is employed on the same farm as his parent or person standing in the place of his parent, and (iii) is paid at the same piece rate as employees over 16 are paid on the same farm.
(3) (Blank). In domestic service in or a private home.
(4) As an outside salesman.
(5) As a member of a religious corporation or organization.
(6) At an accredited Illinois college or university employed by the college or university at which he is a student who is covered under the provisions of the Fair Labor Standards Act of 1938, as heretofore or hereafter amended.
(7) For a motor carrier and with respect to whom the U.S. Secretary of Transportation has the power to establish qualifications and maximum hours of service under the provisions of Title 49 U.S.C. or the State of Illinois
under Section 18b-105 (Title 92 of the Illinois Administrative Code, Part 395 - Hours of Service of Drivers) of the Illinois Vehicle Code.

The above exclusions from the term "employee" may be further defined by regulations of the Director.
(e) "Occupation" means an industry, trade, business or class of work in which employees are gainfully employed.
(f) "Gratuities" means voluntary monetary contributions to an employee from a guest, patron or customer in connection with services rendered.
(g) "Outside salesman" means an employee regularly engaged in making sales or obtaining orders or contracts for services where a major portion of such duties are performed away from his employer's place of business.
(h) "Day camp" means a seasonal recreation program in operation for no more than 16 weeks intermittently throughout the calendar year, accommodating for profit or under philanthropic or charitable auspices, 5 or more children under 18 years of age, not including overnight programs. The term "day camp" does not include a "day care agency", "child care facility" or "foster family home" as licensed by the Illinois Department of Children and Family Services. (Source: P.A. 94-1025, eff. 7-14-06; 95-945, eff. 1-1-09.)
(820 ILCS 105/4) (from Ch. 48, par. 1004)
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 employer 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 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 on and after July 1, 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 $\$ 8.25$ per hour.
(2) (Blank). Unles an employee's wages are redueed undex section 6, then in lieu of the rate preseribed 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 eonsecutive calendar days after the employee is initially employed by the employer, a wage that is not more than 50\% less than the wage preseribed in item (1) of this subsection (a); however, an employex shall pay not les than the rate preseribed in item (1) of this subsection (a) to:
(A) a day or temporary laborex, as defined in section 5 of the Day and Temporary Labor Sexvies Aet, who is 10 yearsof age or older; and
(B) an employee who is 18 years of age or older and whose employment is ocasional or irregular and requires not more than 90 days to complete.
(3) (Blank). At no time shall the wages paid to any employe undex 18 years of age be moxe than 50 less than the wage required to be paid to employees who are at least 18 years
ef age under item (1) of this subsection (a).
(4) Beginning on the later of July 1, 2013 or 60 days after the effective date of this amendatory Act of the 98th General Assembly, and on July 1st of each year thereafter, the minimum wage established in subsection (a) (1) of this Section shall be increased by $\$ 0.50$ plus an additional amount equal to the increase in the cost of living during the preceding year, until the minimum wage is restored to its historic level. Thereafter the minimum wage shall be increased on July 1st of each year by the increase in the cost of living during the preceding year.
(5) The historic level of the minimum wage shall be the inflation adjusted equivalent of $\$ 1.60$ per hour in 1968 , and shall be calculated by adjusting that wage rate to the current year's dollars based on the percentage change in the consumer Price Index for all Urban Consumers (or a successor index if any) as published by the Bureau of Labor Statistics of the United States Department of Labor, between January 1, 1968 and the most recent month for which data is available at the time the adjustment is made.
(6) The increase in the cost of living during the preceding year shall be calculated by multiplying the current minimum wage by the twelve-month percentage increase, if any, in the Consumer Price Index for all Urban Consumers based on the most recent 12 month period for which data is available when the adjustment is made and rounding that result to the nearest 5 cents.
(7) The adjusted minimum wage shall be calculated and announced by April 1 of each year, except for 2013 when the adjusted minimum wage may be announced later than April 1.
(b) No employer shall discriminate between employees on the basis of sex or mental or physical handicap, 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 handicap, except as otherwise provided in this Act.
(c) (Blank). Every employex of an employec engaged in an ecupation in which gratuities have eustomarily and usually eonstituted and have been reeognized as part of the remunexation 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 execed 40\% of the applicable minimum wage rate. The Director shall require each employer desiring an allowanee for gratuities to provide substantial evidence that the amount claimed, which may not exeed 40\% of the applieable minimum wage rate, was reecived by
the employee in the period for which the claim of exemption is made, and no part thereof was returned to the employer.
(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. (Source: P.A. 94-1072, eff. 7-1-07; 94-1102, eff. 7-1-07; 95-945, eff. 1-1-09.)
(820 ILCS 105/4a) (from Ch. 48, par. 1004a)
Sec. 4a. (1) Except as otherwise provided in this Section, no employer shall employ any of his employees for a workweek of more than 40 hours unless such employee receives compensation
for his employment in excess of the hours above specified at a rate not less than $1 / 2$ times the regular rate at which he is employed.
(2) The provisions of subsection (1) of this Section are not applicable to:
A. Any salesman or mechanic primarily engaged in selling or servicing automobiles, trucks or farm implements, if he is employed by a nonmanufacturing establishment primarily engaged in the business of selling such vehicles or implements to ultimate purchasers.
B. Any salesman primarily engaged in selling trailers, boats, or aircraft, if he is employed by a nonmanufacturing establishment primarily engaged in the business of selling trailers, boats, or aircraft to ultimate purchasers.
C. (Blank). Any employer of agricultural labor, with respect to weh agrieultural employment.
D. Any employee of a governmental body excluded from the definition of "employee" under paragraph (e)(2)(C) of Section 3 of the Federal Fair Labor Standards Act of 1938.
E. Any employee employed in a bona fide executive, administrative or professional capacity, including any radio or television announcer, news editor, or chief engineer, as defined by or covered by the Federal Fair Labor Standards Act of 1938 and the rules adopted under that Act, as both exist on March 30, 2003, but compensated at the amount of salary specified in subsections (a) and
(b) of Section 541.600 of Title 29 of the Code of Federal Regulations as proposed in the Federal Register on March 31,2003 or a greater amount of salary as may be adopted by the United States Department of Labor. For bona fide executive, administrative, and professional employees of not-for-profit corporations, the Director may, by regulation, adopt a weekly wage rate standard lower than that provided for executive, administrative, and professional employees covered under the Fair Labor Standards Act of 1938, as now or hereafter amended.
F. Any commissioned employee as described in paragraph (i) of Section 7 of the Federal Fair Labor Standards Act of 1938 and rules and regulations promulgated thereunder, as now or hereafter amended.
G. Any employment of an employee in the stead of another employee of the same employer pursuant to a worktime exchange agreement between employees.
H. Any employee of a not-for-profit educational or residential child care institution who (a) on a daily basis is directly involved in educating or caring for children who (1) are orphans, foster children, abused, neglected or abandoned children, or are otherwise homeless children and (2) reside in residential facilities of the institution and (b) is compensated at an annual rate of not less than $\$ 13,000$ or, if the employee resides in such facilities and receives without cost board and lodging from such
institution, not less than $\$ 10,000$.
I. Any employee employed as a crew member of any uninspected towing vessel, as defined by Section $2101(40)$ of Title 46 of the United States Code, operating in any navigable waters in or along the boundaries of the State of Illinois.
(3) Any employer may employ any employee for a period or periods of not more than 10 hours in the aggregate in any workweek in excess of the maximum hours specified in subsection (1) of this Section without paying the compensation for overtime employment prescribed in subsection (1) if during that period or periods the employee is receiving remedial education that:
(a) is provided to employees who lack a high school diploma or educational attainment at the eighth grade level;
(b) is designed to provide reading and other basic skills at an eighth grade level or below; and
(c) does not include job specific training.
(4) A governmental body is not in violation of subsection (1) if the governmental body provides compensatory time pursuant to paragraph (o) of Section 7 of the Federal Fair Labor Standards Act of 1938, as now or hereafter amended, or is engaged in fire protection or law enforcement activities and meets the requirements of paragraph (k) of Section 7 or paragraph (b) (20) of Section 13 of the Federal Fair Labor

Standards Act of 1938, as now or hereafter amended. (Source: P.A. 92-623, eff. 7-11-02; 93-672, eff. 4-2-04.)
(820 ILCS 105/12) (from Ch. 48, par. 1012)
Sec. 12. (a) If any employee is paid by his employer less than the wage to which he is entitled under the provisions of this Act, the employee may recover in a civil action the amount of any such underpayments, including interest thereon, together with costs and such reasonable attorney's fees as may be allowed by the Court, and an additional amount of damages equal to twice the underpaid wages and damages of $2 \%$ of the zmount of any such undexpayments for each month following the date of payment during which such underpayments remain unpaid. Any agreement between the employee and the employer to work for less than such wage is no defense to such action. At the request of the employee or on motion of the Director of Labor, the Department of Labor may make an assignment of such wage claim in trust for the assigning employee and may bring any legal action necessary to collect such claim, and the employer shall be required to pay the costs incurred in collecting such claim. Every such action shall be brought within 3 years from the date of the underpayment. Such employer shall be liable to the Department of Labor for up to $20 \%$ of the total employer's underpayment where the employer's conduct is proven by a preponderance of the evidence to be willful, repeated, or with reckless disregard of this Act or any rule adopted under this

Act. Such employer shall be additionally liable to the employee for an additional amount of damages equal to twice the underpaid wages damages in the amount of $2 \%$ of the amount of any wueh underpayments for each month following the date of payment during which such underpayments remain unpaid. These penalties and damages may be recovered in a civil action brought by the Director of Labor in any circuit court. In any such action, the Director of Labor shall be represented by the Attorney General.

If an employee collects an additional amount of damages equal to twice the underpaid wages damages of $2 \%$ of the amount ef undexpyments as a result of an action brought by the Director of Labor, the employee may not also collect those damages in a private action brought by the employee for the same violation. If an employee collects an additional amount of damages equal to twice the underpaid wages damages of 2\% of the munt of undexpants in a private action brought by the employee, the employee may not also collect those damages as a result of an action brought by the Director of Labor for the same violation.
(b) If an employee has not collected damages under subsection (a) for the same violation, the Director is authorized to supervise the payment of the unpaid minimum wages and the unpaid overtime compensation owing to any employee or employees under Sections 4 and 4 a of this Act and may bring any legal action necessary to recover the amount of the unpaid
minimum wages and unpaid overtime compensation and an additional amount equal to twice the unpaid wages and compensation as damages, and the employer shall be required to pay the costs incurred in collecting such claim. Such employer shall be additionally liable to the Department of Labor for up to $20 \%$ of the total employer's underpayment where the employer's conduct is proven by a preponderance of the evidence to be willful, repeated, or with reckless disregard of this Act or any rule adopted under this Act. The action shall be brought within 5 years from the date of the failure to pay the wages or compensation. Any sums thus recovered by the Director on behalf of an employee pursuant to this subsection shall be paid to the employee or employees affected. Any sums which, more than one year after being thus recovered, the Director is unable to pay to an employee shall be deposited into the General Revenue Fund.
(Source: P.A. 94-1025, eff. 7-14-06.)

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

