

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 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 Commuter Rail Division of
18 the Regional Transportation Authority, the Northeast Illinois
19 Regional Commuter Railroad Corporation, the Chicago Park
20 District, the Metropolitan Transit Authority, the Chicago
21 Board of Education, the Cook County Forest Preserve District,
22 or the Metropolitan Water Reclamation District to pay a debt
23 owed by the employee to a municipality with a population of

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

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

1 wage deduction order and has been afforded an opportunity for a
2 hearing to object to the order. Before a housing authority in a
3 municipality with a population of 500,000 or more or a
4 municipality with a population of 500,000 or more, a county
5 with a population of 3,000,000 or more, the Cook County Forest
6 Preserve District, the Chicago Park District, the Metropolitan
7 Water Reclamation District, the Chicago Transit Authority, the
8 Commuter Rail Division of the Regional Transportation
9 Authority, the Northeast Illinois Regional Commuter Railroad
10 Corporation, the Chicago Board of Education, or a housing
11 authority of a municipality with a population of 500,000 or
12 more deducts any amount from any salary or wage of an employee
13 to pay a debt owed to a housing authority in a municipality
14 with a population of 500,000 or more under this Section, the
15 housing authority shall certify that (i) the employee has been
16 afforded an opportunity for a hearing to dispute the debt that
17 is due and owing the housing authority and (ii) the employee
18 has received notice of a wage deduction order and has been
19 afforded an opportunity for a hearing to object to the order.
20 For purposes of this Section, "net amount" means that part of
21 the salary or wage payment remaining after the deduction of any
22 amounts required by law to be deducted and "debt due and owing"
23 means (i) a specified sum of money owed to the municipality,
24 county, the Cook County Forest Preserve District, the Chicago
25 Park District, the Metropolitan Water Reclamation District,
26 the Chicago Transit Authority, the Commuter Rail Division of

1 the Regional Transportation Authority, the Northeast Illinois
2 Regional Commuter Railroad Corporation, the Chicago Board of
3 Education, or housing authority for services, work, or goods,
4 after the period granted for payment has expired, or (ii) a
5 specified sum of money owed to the municipality, county, the
6 Cook County Forest Preserve District, the Chicago Park
7 District, the Metropolitan Water Reclamation District, the
8 Chicago Transit Authority, the Commuter Rail Division of the
9 Regional Transportation Authority, the Northeast Illinois
10 Regional Commuter Railroad Corporation, the Chicago Board of
11 Education or housing authority pursuant to a court order or
12 order of an administrative hearing officer after the exhaustion
13 of, or the failure to exhaust, judicial review; (7) the result
14 of an excess payment made due to, but not limited to, a
15 typographical or mathematical error made by a municipality with
16 a population of less than 500,000 or to collect a debt owed to
17 a municipality with a population of less than 500,000 after
18 notice to the employee and an opportunity to be heard;
19 provided, however, that the amount deducted from any one salary
20 or wage payment shall not exceed 15% of the net amount of the
21 payment. Before the municipality deducts any amount from any
22 salary or wage of an employee to pay a debt owed to the
23 municipality, the municipality shall certify that (i) the
24 employee has been afforded an opportunity for a hearing,
25 conducted by the municipality, to dispute the debt that is due
26 and owing the municipality, and (ii) the employee has received

1 notice of a wage deduction order and has been afforded an
2 opportunity for a hearing, conducted by the municipality, to
3 object to the order. For purposes of this Section, "net amount"
4 means that part of the salary or wage payment remaining after
5 the deduction of any amounts required by law to be deducted and
6 "debt due and owing" means (i) a specified sum of money owed to
7 the municipality for services, work, or goods, after the period
8 granted for payment has expired, or (ii) a specified sum of
9 money owed to the municipality pursuant to a court order or
10 order of an administrative hearing officer after the exhaustion
11 of, or the failure to exhaust, judicial review. Where the
12 legitimacy of any deduction from wages is in dispute, the
13 amount in question may be withheld if the employer notifies the
14 Department of Labor on the date the payment is due in writing
15 of the amount that is being withheld and stating the reasons
16 for which the payment is withheld. Upon such notification the
17 Department of Labor shall conduct an investigation and render a
18 judgment as promptly as possible, and shall complete such
19 investigation within 30 days of receipt of the notification by
20 the employer that wages have been withheld. The employer shall
21 pay the wages due upon order of the Department of Labor within
22 15 calendar days of issuance of a judgment on the dispute.

23 The Department shall establish rules to protect the
24 interests of both parties in cases of disputed deductions from
25 wages. Such rules shall include reasonable limitations on the
26 amount of deductions beyond those required by law which may be

1 made during any pay period by any employer.

2 In case of a dispute over wages, the employer shall pay,
3 without condition and within the time set by this Act, all
4 wages or parts thereof, conceded by him to be due, leaving to
5 the employee all remedies to which he may otherwise be entitled
6 as to any balance claimed. The acceptance by an employee of a
7 disputed paycheck shall not constitute a release as to the
8 balance of his claim and any release or restrictive endorsement
9 required by an employer as a condition to payment shall be a
10 violation of this Act and shall be void.

11 (Source: P.A. 97-120, eff. 1-1-12.)