

1 AN ACT concerning civil law.

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

4 Section 5. The Illinois Wage Assignment Act is amended by  
5 changing Sections 2, 2.1, 2.2, 4.1, and 4.2 as follows:

6 (740 ILCS 170/2) (from Ch. 48, par. 39.2)

7 Sec. 2. Demand on an employer for the wages of wage-earner  
8 by virtue of a wage assignment may not be served on the  
9 employer unless:

10 (1) There has been a default of more than 40 days in  
11 payment of the indebtedness secured by the assignment and  
12 the default has continued to the date of the demand;

13 (2) The demand contains a correct statement as to the  
14 amount the wage-earner is in default and the original or a  
15 ~~photostatic~~ copy of the assignment is exhibited to the  
16 employer; and

17 (3) Not less than 20 days before serving the demand,  
18 notice required under Section 2.2 ~~a notice of intention to~~  
19 ~~make the demand~~ has been served upon the employee, and an  
20 advice copy sent to the employer, by 2 methods: (i) first  
21 class mail; and (ii) registered or certified mail.

22 Service of any demand without complying with this Section  
23 has no legal effect. Proof of certified mail is prima facie

1 evidence of service.

2 A demand under this Section applies only to wages due at  
3 the time of service of the demand and upon subsequent wages  
4 until the total amount due under the assignment is paid, or, if  
5 the wage assignment is revocable under federal law, until the  
6 employee revokes it ~~or until the expiration of the employer's~~  
7 ~~payroll period ending immediately prior to 84 days after~~  
8 ~~service of such demand, whichever first occurs.~~

9 (Source: P.A. 88-395.)

10 (740 ILCS 170/2.1) (from Ch. 48, par. 39.2a)

11 Sec. 2.1. A demand shall be in the following form:

12 "Demand is hereby made upon an assignment of salary, wages,  
13 commissions or other compensation for services, executed by  
14 .... and delivered to .... on (insert date), to secure a debt  
15 contracted on (insert date).

16 The total amount of the debt is \$..... Payments in the  
17 amount of \$.... have been made. The duration of the contract is  
18 .... months. There is now due and owing without acceleration  
19 the sum of \$....., the last payment having been made on (insert  
20 date).

21 The employee herein named has been in default in his  
22 payments in the amount of \$....., of which \$.... has been due  
23 and owing for more than 40 days.

24 Unless you have received a written notice from the employee  
25 herein named revoking the wage assignment ~~within the past 20~~

1 ~~days, or do receive within 5 days after the service hereof, a~~  
 2 ~~notice of defense from the employee herein named, you are~~  
 3 required by law to make payment in accordance with such  
 4 assignment. ...., first being duly sworn, deposes and says that  
 5 the facts stated in the demand above are true and correct; and  
 6 further deposes and says that he (or his principal, if he is an  
 7 agent for the assignee) has not received notice from the debtor  
 8 that he or she is revoking the wage assignment ~~no notice of any~~  
 9 ~~defenses of the debtor.~~

10 Payments must be made until the total amount due under the  
 11 assignment is paid or until the employee revokes the wage  
 12 assignment.

13 .....

14 Subscribed and sworn to before me on (insert date).

15 .....

16 Notary Public".

17 (Source: P.A. 91-357, eff. 7-29-99.)

18 (740 ILCS 170/2.2) (from Ch. 48, par. 39.2b)

19 Sec. 2.2. Forms; notice of intent to assign wages;  
 20 revocation.

21 (a) The notice to an employee required by Section 2 shall  
 22 be in the following form:

23 "NOTICE OF INTENT TO ASSIGN WAGES

24 This notice is required by the Illinois Wage Assignment  
 25 Act. The notice has been sent to tell you that a creditor (name

1 and address listed below) plans to have your wages assigned. A  
2 wage assignment is a document you signed at the time you signed  
3 the contract for your debt. It authorizes your creditor to  
4 receive a portion of your wages directly from your employer, in  
5 order to pay your debt. This notice contains important  
6 information about the debt and what your options are. You  
7 should read the entire notice carefully.

8 WHY THE CREDITOR WANTS TO ASSIGN YOUR WAGES

9 You signed a wage assignment on ..... (date) ..... The  
10 wage assignment was signed as security if you failed to make  
11 payment on the contract you signed on ..... (date)  
12 ..... A copy of the wage assignment is attached. The  
13 creditor's records show that you have not made a payment since  
14 ..... (date) ..... and that you now owe \$..... on the  
15 contract. The creditor will send a demand for wages to your  
16 employer 20 days from the date you receive this.

17 ~~WHAT YOU CAN DO TO PREVENT YOUR WAGES FROM BEING ASSIGNED~~

18 ~~If you have a legal defense to the wage assignment you can~~  
19 ~~stop the wage assignment by filling out the enclosed Notice of~~  
20 ~~Defense Form and (1) sending it to the creditor by registered~~  
21 ~~or certified mail and (2) giving a copy to your employer. You~~  
22 ~~must do those 2 things within 20 days of receiving this notice.~~  
23 ~~You have the right to contact an attorney concerning the wage~~  
24 ~~assignment. In the event a false defense is made, you will be~~  
25 ~~subject to payment of attorneys' fees, court costs and other~~  
26 ~~expenses.~~

1 The creditor's name, and address, and phone number are:

2 .....  
3 .....  
4 .....  
5 .....

6 (Signed by)"

7 (b) If the wage assignment is revocable under federal law,  
8 the notice required under subsection (a) shall also include the  
9 following:

10 UNDERSTANDING YOUR CHOICES UNDER THE  
11 ILLINOIS WAGE ASSIGNMENT ACT

12 There are options available to you in this process. You  
13 should consider your options and determine the one that is best  
14 for you. You have the right to contact an attorney at any point  
15 concerning the wage assignment, or to help you determine your  
16 best option.

17 Your options include:

18 (1) You can stop the wage assignment at any time, which  
19 will stop your wages from being deducted. It will not  
20 eliminate your debt, and interest may continue to accrue.  
21 You may contact your creditor for more information about  
22 the interest rate on your contract, and to determine how  
23 much interest might accrue if you stop the wage assignment.

24 Your creditor will still be able to pursue other means  
25 of collecting any debt you may owe, including filing a  
26 lawsuit against you for the full amount owed under the

1 contract and any interest that might accrue. A lawsuit  
2 might result in you owing legal fees and other costs.

3 You can stop the wage assignment by filling out the  
4 enclosed Revocation Notice Form, or by writing a letter  
5 stating that you are revoking the wage assignment. Send the  
6 Revocation Notice Form or letter by registered or certified  
7 mail to the creditor, at the address listed above. It is  
8 highly recommended that you give a copy of the Revocation  
9 Notice Form or letter to your employer so your employer can  
10 stop any pending payments.

11 If you choose to write a letter, it should be addressed  
12 to the creditor, and should include:

13 (i) your name;

14 (ii) the account number; and

15 (iii) a statement that you are revoking the wage  
16 assignment, such as, "I am revoking the wage  
17 assignment."

18 Even if the wage assignment has already begun, you can  
19 still stop it now or at any point in the future.

20 (2) You can do nothing, and allow the wage assignment  
21 process to proceed. Starting in 20 days, part of your wages  
22 will be sent directly to the creditor to pay off your debt.  
23 This will reduce your take-home pay every pay period until  
24 the total amount of the debt is repaid.

25 Up to 15% of your wages will be sent to the creditor  
26 every pay period. Once the total amount is repaid, the

1 creditor will send a notice to you and to your employer  
 2 that includes the creditor's name, your name, and the  
 3 account number, stating that the wage assignment is closed  
 4 and no further wages should be assigned.

5 (3) You can contact your creditor to repay the debt, or  
 6 to explore other options, including a repayment plan or  
 7 refinancing, if available. You can contact your creditor at  
 8 the address and phone number listed above.

9 If you agree on another repayment option with your  
 10 creditor, the creditor will send a notice to your employer  
 11 stating that your wages should not be assigned.

12 (c) If the wage assignment is revocable under federal law,  
 13 the notice required under subsection (b) shall be accompanied  
 14 by the following Revocation Notice Form, with the relevant  
 15 information inserted by the creditor:

16 "REVOCATION NOTICE

17 The employee's name and address are:

18 .....

19 .....

20 .....

21 .....

22 The creditor's name and address are:

23 .....

24 .....

25 .....

26 .....

1 Re: (insert account number)

2 I, (insert name), hereby revoke the wage assignment I  
3 signed on (insert date the wage assignment was signed). You no  
4 longer have my permission to use this wage assignment.

5 ..... .....  
6 (Signed by) (Date)"

7 (Source: P.A. 83-867.)

8 (740 ILCS 170/4.1) (from Ch. 48, par. 39.4a)

9 Sec. 4.1. Revocation of wage assignment. If the wage  
10 assignment is revocable under federal law, the employee may  
11 revoke the wage assignment at any time by submitting the  
12 Revocation Notice Form as provided in subsection (c) of Section  
13 2.2 of this Act or otherwise providing written notice of  
14 revocation to the creditor. Revocation is effective regardless  
15 of how the creditor receives it. Failure to use the sample  
16 language provided in the notice described in Section 2.2 does  
17 not affect the validity of the written notice of revocation.  
18 The employee may submit a copy of the notice to his or her  
19 employer. If the written notice of revocation is served upon  
20 the creditor prior to the creditor's service of demand upon the  
21 employer, the demand shall not be served. ~~Within 20 days after~~  
22 ~~receiving the notice required by Section 2 or within 5 days~~  
23 ~~after service of the demand, the employee may notify his~~  
24 ~~employer, in writing, of any defense he may have to the wage~~



1 ~~assignment. A copy of such notice shall be served upon the~~  
 2 ~~creditor by registered or certified mail. If served upon the~~  
 3 ~~creditor prior to the creditor's service of demand upon the~~  
 4 ~~employer, such demand shall not be served by the creditor. The~~  
 5 ~~notice shall be by affidavit and shall be in substantially the~~  
 6 ~~following form:~~

7 ~~"I, . . . ., hereby (swear) (affirm) that I have a bona fide~~  
 8 ~~defense to the claim of . . . ., which claim is based on a debt~~  
 9 ~~contracted on (insert date), and for security on which debt a~~  
 10 ~~wage assignment was executed.~~

11 ~~.....~~  
 12 ~~Address for service of summons~~  
 13 ~~.....~~

14 ~~Employee~~

15 ~~Subscribed and sworn to before me on (insert date).~~

16 ~~....."~~  
 17 ~~Notary Public~~

18 (Source: P.A. 91-357, eff. 7-29-99.)

19 (740 ILCS 170/4.2) (from Ch. 48, par. 39.4b)  
 20 Sec. 4.2.

21 If the employee has not served a Revocation Notice Form as  
 22 provided in Section 4.1 of this Act or has not otherwise served  
 23 the creditor with a written notice of revocation (if the wage  
 24 assignment is revocable under federal law) given notice of  
 25 defense as provided in this Act within 20 days after receiving

1 the notice of intention to make a demand, the creditor may  
2 proceed with his demand, and the employer shall commence  
3 payment to the creditor not sooner than 5 business days after  
4 service of such demand, if no revocation notice has been  
5 received by the employer ~~unless a notice of defense is received~~  
6 ~~within that 5 day period.~~ If the employee cures the default  
7 stated in the demand or revokes the wage assignment, the  
8 creditor shall notify the employer and release the demand. No  
9 employer shall be liable for payments made in compliance with  
10 this Section.

11 If a Revocation Notice Form as set forth in Section 4.1 of  
12 this Act or other written notice of revocation from the  
13 employee is received by an employer, ~~If a notice of defense is~~  
14 ~~received by an employer within the period specified in Section~~  
15 ~~4.1,~~ no wages are subject to a demand served by the creditor  
16 for that wage assignment and the employer shall cease any  
17 deduction of wages currently taking place for that wage  
18 assignment, ~~described in that notice of defense;~~ unless the  
19 employer receives a copy of a subsequent written agreement  
20 between the creditor and employee authorizing such payments. If  
21 such an agreement is not reached, the creditor may not  
22 institute further proceedings on the wage assignment. ~~If a~~  
23 ~~notice of defense has been given, service of summons in any~~  
24 ~~subsequent proceeding on the debt for which the wage assignment~~  
25 ~~was given as security may be made by registered or certified~~  
26 ~~mail.~~

1 (Source: Laws 1967, p. 2049.)

2 Section 99. Effective date. This Act takes effect January  
3 1, 2017.