

KNOW



CHICAGO'S MINIMUM WAGE ORDINANCE

The Chicago City Council passed the ordinance on December 2, 2014 that will begin phasing in the new minimum wage.

The Minimum Wage Ordinance Applies to:

- Employers that maintain a business facility within the City of Chicago and/or are required to obtain a business license to operate in the City.
- Employees who work at least two hours in the City within the period of two weeks qualify for the minimum wage required by the ordinance. This includes domestic employees and home health care workers. A union may waive its members' rights to collect the minimum wage as part of a collective bargaining agreement.

How the Minimum Wage Increase Works:

Chicago will raise its minimum wage in the following stages:

- **July 1, 2015**, to \$10 per hour • **July 1, 2016**, to \$10.50 per hour • **July 1, 2017**, to \$11 per hour
- **July 1, 2018**, to \$12 per hour • **July 1, 2019**, to \$13 per hour
- Beginning **July 1, 2020** and every **July 1** thereafter, the minimum wage will be tied to a cost of living adjustment but will be capped at a 2.5% increase.
- There will be no increase to the minimum wage in years when the unemployment rate in Chicago is equal to or greater than 8.5%.


How It Impacts Tipped Wage Employees:

- The minimum wage for tipped employees will increase by \$1 over two years from the current State minimum of \$4.95 to \$5.45 as of **July 1, 2015** and \$5.95 as of **July 1, 2016**.
- By **July 1, 2017** and every **July 1** thereafter, the minimum wage for tipped employees will be tied to inflation but will be capped at a 2.5% increase.
- As with minimum wage workers, there will be no increase in wages for tipped employees when the city's unemployment rate is equal to or greater than 8.5%.


How Small Businesses Can Comply with the Increase:

- Employers are responsible for posting notice of the wage increases in their business facilities and in their employees' first paycheck when the wage increases goes into effect.

Employers that violate the Minimum Wage ordinance will be fined \$500 to \$1,000 for each offense. Each day that a violation continues constitutes a separate and distinct offense to which a separate fine shall apply.

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BUSINESS AFFAIRS
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