

New Minimum Wage Rates Set to Take Effect on New Year's Day

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SPRINGFIELD – Illinoisans will ring in the New Year with an additional increase in the minimum wage to \$11 an hour, and the Illinois Department of Labor is encouraging employees to watch their paychecks to ensure that time worked in 2021 is paid at the new rate.

Governor JB Pritzker signed legislation into law in 2019 providing a path to a \$15 minimum wage by 2025. Minimum wage earners received two increases in 2020 to \$9.25 an hour on January 1 followed by an increase to \$10 an hour on July 1. The minimum wage will continue to increase an additional \$1 an hour each January 1 until it reaches \$15 an hour in 2025.

“We want to make sure that workers earning minimum wage are aware that the \$1 increase should be reflected in their pay checks for any time they work after the first of the year,” said Michael Kleinik, director of the Illinois Department of Labor. “While we fully expect employers will pay the new wage, we also want workers to be aware of the change.”

Prior to the 2020 increases, the last time Illinois increased its minimum wage was more than a decade ago in 2010 when it was raised to \$8.25. Cook County has a higher minimum wage than the state, currently \$13 an hour. The current city of Chicago minimum wage is \$13.50 an hour for small employers (4 to 20 employees) and \$14 an hour for large employers (21 or more employees).

A recent study by the Illinois Economic Policy Institute at the University of Illinois indicated that more than 1.4 million adult hourly workers in Illinois make less than \$15 per hour.

The new law maintains provisions for employers to count gratuities to offset wages for workers such as food servers who regularly earn tips. Tipped employees may be paid 60 percent of the hourly minimum wage. These workers must still earn the minimum wage after receiving tips or the employer must make up the difference.

Workers who are under 18 years old and work fewer than 650 hours in a year will earn a minimum wage of \$8.50 per hour beginning January 1. The youth minimum wage rate will gradually rise to \$13 an hour by 2025.

All Illinois employers are required to post the “Your Rights Under Illinois Employment Laws” in a conspicuous location on the premises of the employer where notices to employees are customarily posted. The color poster, which also covers other Illinois labor laws, can be found here in English and Spanish: <https://www2.illinois.gov/idol/Employers/Pages/posters.aspx>

Employees with problems regarding the minimum wage can file a complaint with IDOL at the following link: <https://www2.illinois.gov/idol/Pages/Complaints.aspx> or call 312-793-2800.

New Minimum Wage Rates

1-1-2021 \$11.00

1-1-2022 \$12.00

1-1-2023 \$13.00

1-1-2024 \$14.00

1-1-2025 \$15.00