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# Minimum Wage Hike for Cook County Employers Effective July 1, 2017

By Scott Cruz / Jun 30, 2017

On October 26, 2016, the Cook County Board of Commissioners passed the Cook County Minimum Wage Ordinance (the "Ordinance"). Recently, the Cook County Commission on Human Rights also issued final interpretive and procedural rules (the "Rules") governing the Ordinance, which becomes effective July 1, 2017. The Rules can be accessed [here](#).

Under the Rules, Covered Employers (defined below) must pay all Covered Employees (defined below) the greater of (1) the Illinois minimum wage; (2) the federal minimum wage; or (3) the Cook County Minimum Wage Ordinance Rate for Non-Tipped Employees. Currently, the Illinois minimum wage is \$8.25 per hour (and has been since 2010) and the federal minimum wage is \$7.25 per hour (and has been since 2009).

Beginning July 1, 2017, the Cook County minimum wage increases to \$10.00 per hour for non-tipped workers (\$15.00 for overtime) and \$4.95 per hour (excluding gratuities) for tipped workers. Beginning July 1, 2018, the minimum wage for non-tipped workers increases to \$11.00 per hour; on July 1, 2019, the Cook County minimum wage for non-tipped workers increases to \$12.00 per hour; and on July 1, 2020, the Cook County minimum wage for non-tipped workers increases to \$13.00 per hour.

As defined under the Ordinance, "Covered Employers" are those employers that:

- Employ at least four employees who are paid for their services, one of whom is a Covered Employee; or
- Employ 1 Covered Employee as a paid domestic worker; and
- Maintain a business facility within Cook County or have a license issued by Cook County.

Excluded from the definition of Covered Employers under the Ordinance are:

- Governmental entities (other than Cook County);
- Units of local government and school districts; and
- An employer who is preempted by Federal or State law from being covered under the Ordinance.

Employers who maintain a business facility within Cook County are considered Covered Employers subject to the Ordinance, regardless of whether the employer's corporate headquarters, primary place of business, or the majority of its business, facilities or employees are located outside of Cook County.

As defined under the Ordinance, a "Covered Employee" is an individual who performs at least 2 hours of work for a Covered Employer in any particular two-week period while physically present and within the geographic boundaries of Cook County. Traveling through Cook County *without* stopping for a "work purpose" (e.g. purchasing gas or buying food) does not constitute compensated work within Cook County. Examples of a "work purpose" include making deliveries and sales calls.

The Ordinance also excludes several categories of employees, including employees covered under a collective bargaining agreement entered into *prior* to July 1, 2017. For collective bargaining agreements entered into after July 1, 2017 the ordinance will apply unless the agreement unambiguously states that employees have waived their rights under the Ordinance.

Additionally, the Ordinance strongly encourages Covered Employers to keep payroll and personnel records for Covered Employees for at least three years. We recommend employers maintain the records for three years so that they prove compliance with the Ordinance should an employee file a complaint. Covered Employers also must post a notice advising Covered Employees of their rights under the Ordinance. A sample model of the notice is available [here](#).

Thus far, more than half of Cook County's 132 municipalities have chosen to opt-out of the Ordinance's minimum wage mandate and will not have to comply with the minimum wage increase. However, those Cook County employers located in Cook County municipalities that have not opted-out of the Ordinance and, who employ individuals whom they are paying minimum wage, must implement the required wage increase to be compliant with the Ordinance's requirements. Failure to comply with the Ordinance may result in a fine of \$500.00 per day for each individual violation and payment of back wages.

If you have any questions about the decision, please contact Scott Cruz at (312) 985-5910 | [scruz@clarkhill.com](mailto:scruz@clarkhill.com), or your Clark Hill labor and employment attorney.