



Alerts

Chicago Minimum Wage Hike Is Here: Are You Ready?

June 12, 2015

Insights for Employers

You may recall that last December, just as Chicagoans were starting to hunker down for another cold, snowy winter, the Chicago City Council made national news by passing an ordinance that will raise the minimum wage for Chicago workers. More specifically, the ordinance will gradually raise the minimum wage for Chicago workers over the course of the next four years from the current \$8.25/hour to \$13/hour.

This last winter is now receding into the distant past, but the ordinance should be front and center in the business operations of certain employers. That's because the first phase of the increase provided for in the ordinance takes effect on July 1, 2015. By that date, all employers that maintain a business facility within the city of Chicago and/or are required to obtain a business license to operate in Chicago must increase all minimum wage jobs to \$10/hour for any employee who works at least two hours in Chicago within a two-week period. The ordinance also increases the minimum wage for tipped employees from the current state minimum of \$4.95/hour to \$5.45/hour on July 1, 2015. (Unions may elect to waive their members' rights under collective bargaining agreements.)

The implementation timeline is below:

The administration also announced this week that it will be relying on the workers themselves to increase enforcement of the ordinance through the filing of complaints. Employees may file a complaint with the Department of Business Affairs and Consumer Protection ("BACP"), an agency that mostly deals with issuing business licenses and protecting consumers from fraud. Employers will not want to find themselves on the wrong end of the BACP's learning curve. Once a complaint is filed, the BACP advised it will give employers two weeks to respond to the complaint before the BACP decides to issue a citation of \$500 to \$1000 for each offense. The employer may also be ordered to pay the employees the amount of money owed under the higher minimum wage ordinance. Repeat offenses may prompt the City to revoke a company's license.

If you have questions about the implementation of the ordinance, compliance under its terms, or are among the first to face complaints before the BACP, contact [Aimee Delaney](#) or your regular [Hinshaw labor & employment counsel](#).

Attorneys

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