



SUBSTANCE

ILLINOIS MECHANICAL & SPECIALTY CONTRACTORS ASSOCIATION

SUMMER 2024



WISE – WORKPLACE INITIATIVES AND STRATEGIES FOR EMPLOYERS

KEY ILLINOIS EMPLOYMENT LAW CHANGES TAKING EFFECT JULY 1, 2024

By Alexander L. Reich

On July 1, 2024, three ordinances went into effect that will alter critical employment laws for Cook County and Chicago businesses. These three ordinances are: (1) the Chicago Paid Leave and Paid Sick and Safe Leave Ordinance, (2) the One Fair Wage Ordinance, and (3) the Cook County's Minimum Wage Ordinance. To ensure compliance and avoid potential penalties, employers operating in Chicago must familiarize themselves with these requirements and take appropriate action. Here is what you need to know.

Chicago Paid Leave and Paid Sick and Safe Leave Ordinance

This ordinance mandates that all employers provide eligible employees with two buckets of paid leave they can use for various purposes. Specifically, the ordinance requires that eligible employees receive: (1) up to five days of paid time off (that can be used for any reason), and (2) five days of paid sick and safe leave (that can be used for qualifying reasons). Eligible employees must accrue at least one hour of paid leave and one hour of paid sick and safe leave for every 35 hours worked. Additionally, employers must allow employees to carry over up to 16 hours of unused paid leave (unless leave is frontloaded) and up to 80 hours of unused sick and safe leave. Employers are not required to pay out sick and safe leave upon separation of employment, whereas payout of paid leave depends on the size of the employer.

Failure to comply with the ordinance can result in significant penalties. Therefore, employers should update their payroll systems and employee handbooks to reflect the new accrual rates and usage policies. For more information about the Chicago Paid Leave and Paid Sick and Safe Leave Ordinance, please view our prior blog post [here](#), but note that the ordinance was subsequently amended following our prior post.

One Fair Wage Ordinance

This ordinance phases out the subminimum wage for tipped employees over several years, beginning on July 1. The ordinance will entirely eliminate the subminimum wage by 2028, by increasing the tipped minimum wage eight percent per year.

Non-compliance with the ordinance can lead to fines and civil suits. Therefore, employers need to adjust compensation practices for tipped employees to meet the new base wage requirements.

Cook County's Minimum Wage Ordinance

This ordinance will increase the regular minimum wage within Cook County to \$14.05 per hour worked, up from \$14.00. This new minimum wage will apply to all non-exempt employees over the

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Alexander Reich is a trusted litigator and advisor who focuses on employment law. He counsels employers on an array of matters involving federal and state statutes such as Title VII, Title IX, the Age Discrimination in Employment Act (ADEA), the Americans with Disabilities Act (ADA) and the Family and Medical Leave Act (FMLA). Alex regularly drafts employment agreements and litigates issues relating to restrictive covenants and trade secrets. Alex defends employers in cases ranging from single employee discrimination claims to class action wage and hour matters. His practice includes cases in state and federal courts, as well as matters before administrative agencies including the Illinois Department of Human Rights (IDHR), the Equal Employment Opportunity Commission (EEOC), and the Department of Labor (DOL).

As a business-minded advocate, Alexander counsels clients across a variety of industries on proactive compliance with employment statutes and on the development of employment policies. In addition, he assists clients with internal investigations and provides risk management training.



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Personal service is usually impractical and service by certified mail, return receipt requested is cumbersome and often fails because the Postal Service for a myriad of reasons, is unable or otherwise fails to obtain a signed receipt for the delivered item. Many intended recipients refuse to sign or are unavailable. As national delivery services, such as Federal Express and UPS have become ubiquitous over the last few decades, laws governing notice requirements in many jurisdictions have been modernized to permit service of notices by such delivery services.

Following that trend, HB 4660 now provides that a notice of lien under the Act may be served by a “nationally recognized delivery company with tracking service.” Permitting service through a nationally recognized delivery company will ease the burden on subcontractors who must comply with the existing stringent requirement or lose their lien rights. The proposed law would also increase the likelihood that property owners will be aware of lien claims and, sharply reduce the number of mechanics liens found unenforceable because the Postal Service was unable to obtain a

signature on a green card receipt. The proposed method of service is consistent with modern business practices for delivering papers of all kinds when tracking delivery of a notice is important. The proposed amendment to the Mechanics Lien Act provides a more effective and efficient means to effect service of notices of mechanics liens for the benefit of subcontractors as well as those who are entitled to receive the notice. The proponent of the new measure, the Illinois Mechanical & Specialty Contractors Association (“IMSCA”) is hopeful that Governor Pritzker will sign the bill into law. ■

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age of 18, but the base wage for tipped employees will remain \$8.40 per hour. The minimum wage will continue to be subject to annual adjustments, with exceptions if the unemployment rate in Cook County reaches 8.5 percent.

The Cook County minimum wage remains below the Chicago minimum wage, which currently sits at \$15.00 per hour for businesses with 4-20 employees and \$15.80 for businesses with 21 or more employees. Note, however, the Chicago minimum wage will also increase on July 1, 2024 to correspond with the Consumer Price Index or 2.5 percent, whichever is lower. The new Chicago minimum wage has not yet been announced.

Failure to pay employees the new minimum wage could lead to an

investigation by the Cook County Human Rights Commission, not to mention lawsuits by aggrieved employees. Therefore, affected employers should timely update their payroll systems to reflect the new minimum wage rates.

With these three significant changes quickly approaching, it is important for Chicago employers to act now to update policies, train staff, and adjust payroll systems.

If you have any questions regarding these three key employment laws and how they may impact your company, or if you would like assistance in updating your policies, please reach out to the author or your regular Saul Ewing LLP attorney. Please note: Summer Associate, Alexandria Wilson, contributed to the writing of this article. ■