

e-Alert

08.09.21

Chicago Passes Wage Theft Ordinance

Background

The City of Chicago has enacted a wage theft ordinance that prohibits employers from committing theft in the form of nonpayment of wages and paid time off. Wages are defined as earnings including salary or compensation for work provided as well as paid time off that is accrued as a result of working a specified number of hours.

Summary

An employee alleging a violation of this law may submit a claim through the Office of Labor Standards or a civil action. The employer may then be liable for underpayments and damages of either:

- 2% of the total amount of underpayment for each month the wages go unpaid or
- Amount stated in the state wage payment law (whichever is greater)

The law also requires employers to provide domestic workers with a contract that includes specified wages and work schedules.

This content is provided with the understanding that HR Knowledge is not rendering legal advice. While every effort is made to provide current information, the law changes regularly and laws may vary depending on the state or municipality. The material is made available for informational purposes only and is not a substitute for legal advice or your professional judgment. You should review applicable laws in your jurisdiction and consult experienced counsel for legal advice. If you have any questions regarding this content, please contact [HR Knowledge](#).



Record Retention

Employers must retain the following records for five years or for the duration of a pending claim, investigation, or civil action:

- Employee's name and address
- Hours worked
- Pay rate
- Wage agreement
- Any other records to demonstrate compliance

Employers that violate the terms of the ordinance are subject to fines between \$500 and \$1,000 for each offense, and an employee may file a civil suit for any alleged violations.

Employer Next Steps

- Employers must post a notice that includes employee rights under the wage theft provisions.
- Employers should monitor the Office of Labor Standards (OLS) [website](#) for an updated version of the workplace posting.
- If you are a Full-Service or Virtual HR client and would like our assistance with updating your policy, please [email us](#).

This content is provided with the understanding that HR Knowledge is not rendering legal advice. While every effort is made to provide current information, the law changes regularly and laws may vary depending on the state or municipality. The material is made available for informational purposes only and is not a substitute for legal advice or your professional judgment. You should review applicable laws in your jurisdiction and consult experienced counsel for legal advice. If you have any questions regarding this content, please contact [HR Knowledge](#).

The People Simplifying HR

For almost twenty years, HR Knowledge has made it our mission to demystify the complex and daunting process of HR management. We do more than just provide the level of service and technology you'd expect from an industry leader. We combine unparalleled passion for service with our decades of HR, payroll, and benefits experience to provide our clients with personalized and actionable advice that is second—to—none. From managed payroll to employee benefits to HR support, we can help your organization thrive, grow, and reduce operating costs—no matter what industry you serve. Whether you're interested in our Full-Service solution or just need your employee handbook written, HR Knowledge can help you minimize risk while staying on top of compliance regulations. The bottom line? We're not just another cloud-based technology company that also does HR, #WeAreHR. [Get the scoop](#) on how we can help you simplify HR.



@WEAREHRK

This content is provided with the understanding that HR Knowledge is not rendering legal advice. While every effort is made to provide current information, the law changes regularly and laws may vary depending on the state or municipality. The material is made available for informational purposes only and is not a substitute for legal advice or your professional judgment. You should review applicable laws in your jurisdiction and consult experienced counsel for legal advice. If you have any questions regarding this content, please contact [HR Knowledge](#).