Blogs

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Illinois Minimum Wage Increases on January 1, 2025



On January 1, 2025, the <u>Illinois Minimum Wage</u> will rise to \$15 per hour for individuals who are 18 years and older.

New employees in the first 90 days of employment over the age of 18 may be paid up to 50 cents less per hour. However, this temporary, lower pay rate is not applicable to individuals employed as temporary labor or whose employment is occasional, irregular, or would require not more than 90 days to complete.

Individuals under the age of 18 who work fewer than 650 hours per calendar year may be paid no less than \$13 per hour under the new minimum wage thresholds. Tipped employees may be paid 60% of the hourly minimum wage, which will rise to \$9 in 2025. The state minimum wage applies to employers of four or more employees.

Additionally, Chicago and Cook County have their own minimum wage requirements. Under the <u>Cook County Minimum Wage Ordinance</u>, the minimum wage for Cook County employees is based on the greatest rate among the federal minimum wage, Illinois state minimum wage, or Cook County's individualized calculation using the Consumer Price Index. This latter measure is not used, however, when the Cook County unemployment rate exceeds 8.5%. Effective January 1, 2025, the Illinois rate of \$15 per hour will govern in Cook County.

In contrast, the minimum wage for Chicago employees will continue at the rate of \$16.20 for employers with four or more employees. This minimum wage rate was most recently revised on July 1, 2024. Under the Chicago Minimum Wage Ordinance, tipped employees are to be paid at the minimum wage rate of \$11.02. However, a tipped worker's total wages, including tips, must equal at least the full minimum wage, or the employer is required to make up the difference. Finally, the minimum wage to be paid under contracts with the City of Chicago or concessionaire agreements is \$17.40 per hour. Chicago's minimum wage rises every July 1, when the Chicago Office of Labor Standards releases new rates. This increase is based on whichever is lower of the Consumer Price Index or a flat 2.5% increase.

Employers with questions should contact experienced counsel.

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