

Cook County and Chicago Minimum Wage Increases Go Into Effect on July 1st

Antonio Caldarone
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Cook County and Chicago's annual minimum wage increases go into effect on July 1, 2022. The Chicago minimum wage will increase to \$15.40 per hour for employers with 21 or more employees and to \$14.50 per hour for employers with 4-20 employees. The minimum wage for employees in suburban Cook County will also increase on July 1st to \$13.35 per hour. The increases in suburban Cook County will not apply to suburbs that opted-out of the Cook County Minimum Wage Ordinance. If a suburb opted-out, the Illinois minimum wage applies.

With the increases in the Chicago and Cook County minimum wage, the minimum wage paid to tipped employees will also increase. In Chicago, the minimum wage paid to tipped employees will increase to \$9.24 per hour for employers with 21 or more employees and \$8.70 per hour for employers with 4-20 employees. The minimum wage for tipped employees in suburban Cook County will increase to \$7.40 per hour. Again, this increase may not apply to suburbs that opted-out of the Cook County Minimum Wage Ordinance.

Employers must inform employees of these increases in writing. In addition, Chicago employers must provide all employees a **notice** of the minimum wage increases by July 31, 2022. Cook County's minimum wage notice is **here**. These updated notices should also be posted with other legally-required posters.

Attorneys

Antonio Caldarone

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Employers with tipped employees have additional notice obligations. Under federal law, employers must notify tipped employees that the employer is taking the tip credit, including any changes to their rate of pay. The tip credit notice must inform the tipped employee: (1) of the new hourly rate; (2) the amount of the tip credit taken (i.e., the difference between the full minimum wage and the tipped minimum wage); (3) that all tips received by the employee must be retained by the employee (except for tip pooling/sharing arrangements); and (4) that the tip credit will not be taken for employees who do not receive the notice. The tip credit notice need not be in writing, but it is a best practice to provide a written notice and have employees acknowledge receipt. Employers should provide new tip credit notices every time a tipped employee's wage rate changes. Therefore, even if an employer provided a tip credit notice in the past, employers must provide an updated tip credit notice with the new minimum wage rates.