

Committee  
Workforce

**ORDINANCE**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:**

**SECTION 1.** Section 6-105-030 of the Municipal Code of Chicago is hereby amended by adding the language underscored, and by deleting the language struck through, as follows:

**6-105-030 Minimum hourly wage in occupations receiving gratuities.**

(a) Every Employer of a Covered Employee engaged in an Occupation in which Gratuities have customarily constituted part of the remuneration is entitled to an allowance for gratuities as part of the hourly wage Wage rate provided in Section 6-105-020(b) in an amount not to exceed:

- (1) 40 percent of the applicable minimum wage Wage rate until July 1, 2024.
- (2) 32 percent of the applicable minimum wage Wage rate on and after July 1, 2024, until and including June 30, 2025.
- (3) 24 percent of the applicable minimum wage Wage rate on and after July 1, 2025, until and including June 30, ~~2026~~2027.
- (4) 16 percent of the applicable minimum wage Wage rate on and after July 1, ~~2026~~ 2027, until and including June 30, ~~2027~~ 2028.
- (5) 8 percent of the applicable minimum wage Wage rate on and after July 1, ~~2027~~ 2028, until and including June 30, ~~2028~~ 2029.
- (6) On and after July 1, ~~2028~~ 2029, an employer shall not be entitled to an allowance for gratuities and shall pay each Covered Employee no less than the applicable minimum wage Wage rate.

(b) ~~Every Employer that pays a Covered Employee the Wage described in subsection (a) shall transmit to the Commissioner, in a manner provided by rule, substantial evidence establishing: (1) the amount the Covered Employee received as Gratuities during the relevant pay period; and (2) that no part of that amount was returned to the Employer. If an Employer is required by the Minimum Wage Law to provide substantially similar data to the Illinois Department of Labor, the Commissioner may allow the Employer to comply with this subsection (b) by filing a copy of the state documentation.~~ Wage Allowance Statement. Every Employer that pays a Covered Employee less than the full applicable minimum Wage pursuant to a Wage allowance shall provide that Covered Employee, for each pay period, a Wage statement. For each workweek in the pay period in which a Wage allowance is claimed, the statement shall show, in a form prescribed by the Department: (1) the number of Wage allowance hours worked; (2) the Employer-paid Wage rate and total Wages paid for such hours; (3) the gratuities reported by, or credited to, the Covered Employee for such hours; (4) any additional make-up Wages paid by the Employer to satisfy the applicable minimum Wage; (5) the amount of the Wage allowance claimed by the Employer; and (6) the Covered Employee's effective hourly rate of pay for such Wage allowance hours.

(c) ~~The Commissioner shall make available to Employers a bulletin announcing the City's minimum hourly Wage for the upcoming year for workers who receive Gratuities.~~ Safe Harbor for Payroll Systems. An Employer satisfies subsection (b) if the required information is included on, with, or accessible through the Covered Employee's regular pay stub, payroll statement, or electronic payroll system and is made available to the Covered Employee no later than the regular pay date for the pay period.

(d) Model Statement. The Commissioner shall make available on the Department's website a model Wage allowance statement that Employers may use to satisfy subsection (b).

(e) Monthly Digital Report. Every Employer subject to this section shall, monthly, digitally transmit to the Commissioner, in a manner prescribed by rule, a report for each Covered Employee for whom a Wage allowance was claimed during the reporting month, containing: (1) the number of Wage allowance hours worked; (2) the Employer-paid Wage rate and total Wages paid

for such hours; (3) the gratuities reported by, or credited to, the Covered Employee for such hours; (4) any additional make-up Wages paid by the Employer to satisfy the applicable minimum Wage; (5) the amount of the Wage allowance claimed by the Employer; and (6) an Employer attestation that no gratuities were returned to the Employer or retained by the Employer. The report shall not include customer-identifying information. If an Employer is required by applicable State law to provide substantially similar data to the Illinois Department of Labor, the Commissioner may allow the Employer to comply with this subsection by filing a copy of the state documentation.


(f) *Worker Privacy and Data Minimization.* In administering this section, the Commissioner shall minimize the collection of personally identifying information to the extent practicable. Worker-level payroll and gratuity data submitted to the Commissioner shall be used solely for enforcement, compliance review, audit, adjudication, or administration of this chapter, and shall not be publicly disclosed except as required by law. Any public reporting based on information collected under this section shall be aggregated and anonymized to protect worker privacy.

**SECTION 2.** Section 6-105-120 of the Municipal Code of Chicago is hereby amended by adding the language underscored, and by deleting the language struck through, as follows:

**6-105-120 Retention of records.**

Each Employer shall maintain for at least five years, or for the duration of any claim, civil action, or investigation pending pursuant to this chapter, whichever is longer, a record of each Covered Employee's name and addresses, hours worked, pay rate, ~~wage~~ Wage agreement, and records necessary to demonstrate compliance with this chapter, including, where appropriate, the Wage allowance statement and monthly Wage allowance report. Failure to maintain these records shall create a presumption, rebuttable by clear and convincing evidence, that the Employer violated this Chapter 6-105 for the periods for which records were not retained for each Covered Employee. Each Employer shall provide each Covered Employee a copy of the records relating to such Covered Employee upon the Covered Employee's reasonable request.

**SECTION 3.** This ordinance shall be in full force and effect upon passage and publication.



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Walter R. Burnett  
Alderman, 27th Ward