



## ILLINOIS DEPARTMENT OF LABOR

Pat Quinn  
Governor

Joseph Costigan  
Director

### Notice to Employers

Effective January 1, 2011, the Illinois Wage Payment & Collection Act was amended to include enhanced civil and criminal penalties.

Under the amended Act, an employer is liable not only for the amount of any unpaid wages or final compensation owed to an employee but also for:

- **damages** equal to 2% of the underpayment, per month (calculated from the date of the underpayment) for each month during which wages or final compensation remain unpaid. Damages are payable to the employee and continue to accrue, *without limitation*, until the amount found owing is paid.

In addition, any employer who has been demanded or ordered by Illinois Department of Labor (IDOL) (or ordered by a court) to pay wages or final compensation to an employee must also pay:

- a **\$250 non-waivable administrative fee** to IDOL. (Note: This fee will not be assessed if the claim is paid prior to the issuance of a demand or order.)

Furthermore, any employer who fails to timely comply with a demand or final order issued by IDOL shall also be liable for:

- a **penalty**, payable to IDOL, equal to **20%** of the underpayment; and
- a **penalty**, payable to the employee, equal to **1% per day** of the underpayment, for each day that payment is delayed. Again, this penalty continues to accrue *without limitation* until the amount found owing is paid.

Lastly, be advised that:

- in addition to an individual who is deemed to be an employer under the Act, any officers of a corporation or agents of an employer who knowingly permit such employer to violate the Act shall be **personally liable** for an employee's unpaid wages or final compensation and any fees or penalties assessed.

#### **Examples:**

- An employee files a claim with IDOL on March 1, 2011 seeking \$1000 in wages that were due, but not paid, on February 15, 2011. A demand issues from IDOL on June 15, 2011 in the amount sought. If the employer pays within 15 days (that is, by June 30, 2011), the employer is required to pay for a total of **\$1330 (\$1080 to the employee and \$250 to IDOL)** calculated as follows:

- \$1000 in wages to the employee;
- plus \$80 in damages to the employee (2% of \$1000 x 4 months);
- plus a \$250 administrative fee to IDOL

**NOTE:** For each month the employer continues to not pay the amount found owing, the 2% penalty continues to accrue without limitation on a monthly basis.

- In contrast, and by way of illustration, if the employer waits until August 15, 2011, (46 days after payment of the demand was due on June 30, 2011), the employer is required to pay a total of **\$2030 (\$1580 to the employee and \$450 to IDOL)** calculated as follow:

- \$1000 in wages to the employee;
- plus \$120 in damages to the employee (2% of \$1000 x 6 months);
- plus a penalty of \$460 to the employee (1% of \$1000 x 46 days);
- plus a \$250 administrative fee to IDOL;
- plus a penalty of \$200 to IDOL (20% of \$1000)

**NOTE:** For each day the employer continues to not pay the amount found owing, the 1% penalty continues to accrue without limitation on a daily basis.

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\*To view a full copy of the Illinois Wage Payment and Collection Act, please see our website at [www.state.il.us/agency/idol/](http://www.state.il.us/agency/idol/)