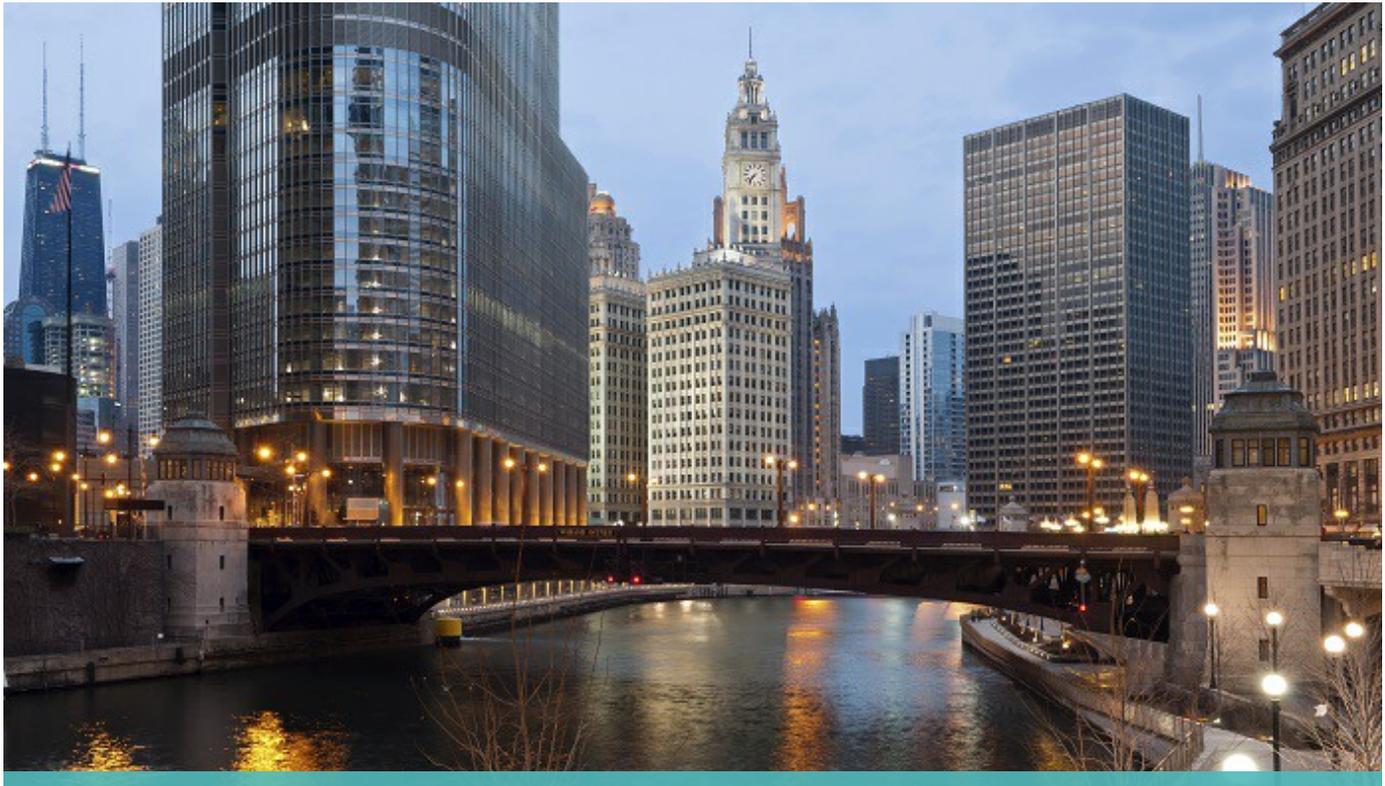


The New Cook County Wage Theft Ordinance is Coming to Town



| Thursday, April 9, 2015

Effective May 1, 2015, businesses will be subject to the new Cook County Wage Theft Ordinance (“Ordinance”). Specifically, if a business has been found in violation of a state or federal wage-payment law, regardless of whether the company’s employees live or work in Cook County (the “County”), the County may refuse to allow the business to operate or do business with the County for up to five years.

Ordinance Details

Under the Ordinance, businesses accused of violating the Illinois Wage Payment and Collection Act, Illinois Worker Adjustment and Retraining Notification, the Illinois Employee Classification Act, the federal Fair Labor Standards Act, or any other comparable state law governing the payment of wages, also risk being found:

- Barred from contracting with the County;
- In default under existing County contracts;
- Ineligible to receive property tax incentives; and
- Disqualified from receiving or renewing County business licenses.

Under the terms of the Ordinance, absent a finding of “good cause,” any person who, within the prior five-year period, has admitted or has been adjudicated liable in any judicial or administrative proceeding of committing a repeated or willful violation of federal or state wage payment laws will be ineligible to:

- a) Enter into a County contract;
- b) Respond to a request for proposal; or

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c) Submit a bid to the County.

Further, any person seeking to contract with the County must attest under oath that the applicant has not been found to have willfully or repeatedly violated federal or state wage and hour laws anywhere in the country, either by a court or an administrative agency. The County Chief Procurement Officer may issue a notice of default under existing contracts whenever it learns that an employer has violated a wage payment law.

In addition, businesses requesting tax incentives from the County Assessor must certify, under oath, that for the past five years they have not been found in willful or repeated violations of such laws. Unless expressly waived by the County Board, any person who has been found liable for a repeated or willful violation of state or federal wage payment laws will be ineligible for such incentives. If the County Assessor learns that an employer has violated these statutes within the prior five years, the Assessor may revoke the incentive or classification unless the employer cures the violation within 45 days. Business can also be ordered to repay the County for tax savings from past years. Businesses do not, however, need to voluntarily disclose violations that may occur after the business has already received a tax incentive from the County.

The Ordinance also reaches businesses located in unincorporated Cook County, which cannot do business without obtaining a two-year General Business License from the County.

Employer Takeaways

In light of its strict penalties, employers that operate in, contract with, or do business in the County, should consider auditing their wage and hour practices to protect their contracts, tax incentives, and business licenses. Before signing affidavits of compliance, businesses should make sure that they have not been found liable for wage and hour violations in any other location.

Moreover, employers facing wage payment or misclassification claims should consult with counsel regarding the potential repercussions under the Ordinance before finalizing any wage payment-related dispute.