



NEWS

JB Pritzker, Governor

Michael D. Kleinik, Director

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New Law Guarantees Tips Are the Property of the Employees Who Earned them

SPRINGFIELD – Legislation signed by Governor JB Pritzker clarifies an existing state law and makes it crystal clear – employees own their tips.

The law, which took effect the beginning of this year, amends the Illinois Wage Payment and Collection Act. The law states that gratuities are the property of employees, and that their employers cannot retain them.

“People in the various service industries work hard for their money and in many cases, such as for restaurant servers, tips make up an important part of the overall compensation,” said Michael Kleinik, Director of the Illinois Department of Labor. “This law leaves no doubt that gratuities belong to the workers who earned them.”

The law requires gratuities to be paid to employees within 13 days after the end of the pay period during which the gratuities were earned. Employers are required to pay tipped workers a minimum of 60 percent of the state’s minimum wage – which rose to \$9.25 an hour on January 1 -- and the tips and wage combined must equal at least the minimum wage.

The law does not prohibit a tip pooling arrangement among employees as permitted by law.

Workers or employers who have questions regarding the Illinois Wage Payment and Collection Act can call the Illinois Department of Labor at 312-793-2800 or email DOL.Questions@Illinois.gov.