

# 2020 NOTICE REGARDING EXECUTIVE ORDER 2014-1 AND THE CHICAGO BASE WAGE ORDINANCE

## EXECUTIVE ORDER 2014-1

For City of Chicago contracts advertised on or after October 1, 2014, Contractor must comply with Mayoral Executive Order 2014-1 and any applicable related regulations issued by the CPO.

As of July 1, 2020, the Minimum Wage to be paid under City contracts or concessionaire agreements pursuant to the Order is **\$14.15** per hour. When applying an allowance for gratuities to the wage of City concessionaire employees in positions that customarily receive gratuities, the resulting rate is **\$7.65** per hour. The Minimum Wage must be paid to:

- All employees, also including employees of City concessionaires, regularly performing work on City property or at a City jobsite.
- All employees whose regular work entails performing a service for the City under a City contract.

Each July 1st, this wage shall increase in proportion to the increase, if any, in the Consumer Price Index for All Urban Consumers most recently published by the Bureau of Labor Statistics of the United States Department of Labor.

For those contracts advertised prior to October 1, 2014, Contractor and all other Performing Parties must pay the Base Wage listed below.

Whether a City contract was awarded before or after October 1, 2014, however, if the payment of prevailing wages is required for work or services done under that contract, and the prevailing wages for Covered Employees are higher than the Minimum Wage or the Base Wage, then the Contractor must pay the prevailing wage rates.

## THE CHICAGO BASE WAGE ORDINANCE

**The Chicago Base Wage Ordinance is repealed effective July 1, 2020. Please be advised that all City contractors must comply with the Chicago Minimum Wage Ordinance and all applicable wage related laws and contract provisions.**

## THE CHICAGO MINIMUM WAGE ORDINANCE AND PAID SICK LEAVE ORDINANCE<sup>1</sup>

On December 2, 2014, the City Council of the City of Chicago passed a new chapter of the Municipal Code, Chapter 1-24, specifying a minimum wage of \$10.00 per hour to be paid to all workers within the City of Chicago, not just employees of City contractors, effective July 1, 2015. Every July 1 until 2019, these wages will increase. On November 13, 2019, City Council amended Chapter 1-24.

As of July 1, 2020, the minimum wage for each hour of work performed for an employer by a covered employee is as follows:

- (1) \$14.00 per hour for employers who have 21 or more employees.
- (2) \$13.50 per hour for employers who have more than 3, but fewer than 21 employees, and employers who have more than 0 but fewer than 21 employees who are domestic workers.

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<sup>1</sup> For more information, please visit the City's Department of Business Affairs and Consumer Protection website at [chicago.gov/bacp](http://chicago.gov/bacp).

- (3) \$10.00 per hour for subsidized temporary youth employment programs, for subsidized transitional employment programs, for covered employees who are under 18 years of age, and those subject to Section 6 of the Minimum Wage Law.

As of July 1, 2020, the minimum wage for each hour of work performed for an employer by a tipped employee is as follows:

- (1) \$8.40 per hour for employers who have 21 or more employees
- (2) \$8.10 per hour for employers who have more than 3, but fewer than 21 employees.
- (3) \$6.00 per hour for subsidized temporary youth employment programs, for subsidized transitional employment programs, for covered employees who are under 18 years of age, and those subject to Section 6 of the Minimum Wage Law.

The Chicago minimum wage increases annually on July 1. Updates to the Chicago minimum wage will be posted to the website of the Department of Business Affairs and Consumer Protection.

If the Contractor is required by Executive Order 2014-1 or any other law (e.g., the Prevailing Wage Act) to pay a higher rate, above the generally applicable Chicago minimum wage, that higher rate will apply.

On June 22, 2016, the City Council passed a new section of the Minimum Wage Ordinance, which requires paid sick leave and became effective July 1, 2017, codified at Section 1-24-045 of the Municipal Code of Chicago.

On October 5, 2016, the Cook County Board of Commissioners passed a new section of the Cook County Code of Ordinances, 16-4229, which has a similar paid sick leave requirement and also went into effect July 1, 2017.