



CITY OF CHICAGO • OFFICE OF THE MAYOR



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**CITY COUNCIL APPROVES ORDINANCE TO RAISE CHICAGO'S MINIMUM WAGE
TO \$15 PER HOUR BY 2021**

*Landmark legislation provides minimum wage increase and removes exemptions to
improve pay for hundreds of thousands of Chicago workers*

CHICAGO—Mayor Lori E. Lightfoot and the Chicago City Council today passed an ordinance to raise the minimum wage in Chicago to \$15 per hour by 2021. The ordinance will increase the minimum wage for many Chicago workers who are already receiving \$13 and help tens of thousands more by responsibly eliminating many of the exemptions that exist in the current law. Together, these changes will bring much-needed economic relief to hundreds of thousands of workers and help to reduce poverty in the city.

"Growing up, my family struggled financially even though my father worked two to three jobs at a time and my mother held a series of low-wage positions. This story is all too familiar in Chicago today, which is why I promised during the campaign to increase Chicago's minimum wage to \$15 an hour by 2021 because it is fundamental to making Chicago more equitable and fairer for all residents," said Mayor Lightfoot. "The proposal we passed not only addresses wage stagnation, but it also eliminates exemptions for workers with disabilities, youth and other key populations. While we have more work to do to eliminate poverty throughout our city, this is another progressive victory that will ensure working Chicagoans have access to greater financial stability and certainty."

The Mayor's ordinance expands Chicago's minimum wage to include a significant number of workers who are not currently covered. It also provides a pathway to bring youth, disabled workers, and sister agencies to a shared minimum wage by 2025 and advances the \$15 minimum wage for most currently covered employees in Chicago to 2021, four years before the State of Illinois' requirements take hold. This reform is the product of input and collaboration by elected officials, businesses, workers and organized labor and will increase wages and take-home pay for many working-class Chicagoans.



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"Today's vote to increase the minimum wage in Chicago to \$15 by 2021 is without a question a significant step in the right direction," said 4th Ward Alderman Sophia King. "By moving quicker than the state's timeline to increase the minimum wage and refusing to wait on the federal government to act, over 400,000 Chicagoans will have more money in their pockets, which will unquestionably grow our city's economy."

The Mayor's proposal lays out a responsible path to implementation, allowing flexibility for small businesses to come into compliance. Beginning on July 1, 2020, the minimum wage will increase from the current rate of \$13/hour to \$14/hour for large businesses. It will again increase to \$15/hour for current employees and those at the City's sister agencies in July 2021. Thereafter, minimum wage will increase annually at a rate commensurate with the consumer price index capped at 2.5 percent annually. Small businesses with 20 or fewer employees, will have an extended timeline to reach the requirements – minimum wage for employees at these enterprises will increase by 50 cents per year, starting in 2020, to reach \$15 an hour by 2023. Micro-businesses, with fewer than 4 employees, will not be subject to the Minimum Wage Ordinance. By 2025, all businesses and workers will be on the same minimum wage schedule.

"By raising the minimum wage to \$15, we are ensuring a hard day's work is compensated with a fair day's pay, which will give Chicago's working families greater economic stability and certainty," said Chair of the Workforce Committee and 10th Ward Alderman Susan Sadlowski Garza. "After partnering with Mayor Lightfoot this summer to pass the most progressive Fair Workweek law in the nation, today's vote to increase the minimum wage is another victory for working Chicagoans across the city."

The revised minimum wage ordinance also supports important reforms for our disabled residents. Starting in 2024, employers will no longer be able to pay subminimum wage for these workers. This is part of an important national movement to move away from an outdated mindset that disabled workers should be sheltered and institutionalized. Mayor Lightfoot knows that people with disabilities are incredibly loyal and dedicated workers and can be critical to fill high vacancy areas.

"Hundreds of thousands of Chicago families will get a raise they desperately need and deserve, reducing the necessity for Chicagoans to have two or three jobs to survive," said Greg Kelley, president of SEIU Healthcare Illinois. "While we have more work to do to protect the rights of workers, data proves that increasing the minimum wage will reduce poverty and inequality and help neighborhood businesses grow and rebuild communities throughout Chicago."



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A growing number of youth under the age of 18 are bringing in much needed income to their families. Under Mayor Lightfoot's proposal youth will also see a gradual increase, starting at \$10/hour in 2020 and reaching \$15/hour by 2024. By 2025 there will no longer be a minimum wage exemption for youth.

Thousands of tipped workers will also receive a raise in 2020 under the Mayor's proposal, from \$6.40 to \$8.40 an hour. Tips can be counted towards the remaining balance for the employee to reach the minimum wage. If the employee does not earn enough in tips to reach the full minimum wage, the employer is required to provide additional pay to make the employer whole. This policy gives restaurant owners and workers the flexibility to meet the demands of their industry while raising the minimum wage.

"Today's vote balances the need balances the needs of hard-working Chicagoans and neighborhood businesses that drive our economy," said Sam Toia, president of the Illinois Restaurant Association. "I want to thank the City Council for their support, and Mayor Lightfoot for fulfilling her promise to bring every stakeholder to the table, consider each perspective and find a solution that is fair for both employers and employees."

To ensure tipped workers are not left behind, the City's Department of Business Affairs and Consumer Protection (BACP) will conduct a study of the economic impact of tipped wages and the effectiveness of current enforcement starting in 2020. Chicago's Minimum Wage Ordinance, along with other landmark labor legislation such as Paid Sick Leave and Fair Workweek, is administered and enforced by the Office of Labor Standards within BACP.

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