**Increasing and Expanding Chicago’s Minimum Wage**

Mayor Lightfoot is committed to Chicago’s economic growth—and to ensuring that everyone in the city benefits from that growth by providing Chicago’s families that are living in poverty new pathways towards the middle class.

Increasing wages and take-home pay for workers is a fundamental tool to tackling poverty. Thus, starting in 2020, the proposed hourly minimum wage for most employees currently covered by the Minimum Wage Ordinance in Chicago will rise to $14, followed by $15 in 2021. Thereafter, minimum wage will increase annually at a rate commensurate with the Consumer Price Index, capped at 2.5 percent annually. By 2025, Chicago’s minimum wage will also cover tens of thousands of youth and disabled employees.

**Raising the Minimum Wage, and Raising it for More Chicagoans**

Mayor Lightfoot’s new minimum wage requirements will increase worker pay by **eliminating** current minimum wage exemptions for:

* All youth under 18
* Disabled workers
* Sister Agencies
* Camp counselors at non-profit sleepover camps
* Minor league baseball players
* Agricultural/aquaculture workers
* Subsidized youth employment training programs
* “Learners” programs
* Subsidized transition employment training programs

After extensive conversations with businesses, workers and organized labor, the new law will maintain flexibility for employees and employers in the categories of:

* Guardian approved teen camp counselors
* Motor carriers
* Outside salesmen
* College/university students with a waiver
* Religious corporations
* Very small businesses with 3 or less employees
* Trial periods

Additionally, in order to help businesses comply and successfully transition to this new living wage, Lightfoot **created** a small employer category (4 -20 employees). Employees in this category must reach $15 by 2023.

The City is also updating the tipped wage law. Starting next year, employers will be obligated to pay tipped employees $8.40 in 2020, $2 more than is currently required. Tips will count towards the remaining balance for the employee to reach minimum wage. If an employee has not made 40% of their hourly wage in tips, the employer must make them whole. The Mayor takes this issue seriously and appreciates its complexity. The legislation mandates a comprehensive study of the economic impact of tipped wages and current enforcement activities.

**Getting to $15 and Beyond**

* **July 2020**: The hourly minimum wage will increase to $14 for companies with more than 20 employees. There is also an update to Chicago’s laws for tipped workers, with tipped workers receiving a base wage of 60% of Chicago’s minimum wage (according to whatever schedule the business is on). This is similar to the State of Illinois.
* **July 2021:** The minimum wage for most of Chicago, including employees at the City’s Sister Agencies will reach a living wage of $15.
* **July 2023:** The minimum wage for small businesses, those with 4-20 employees, will reach $15. After this year, the wages for small businesses will rise by no more than $1 to join the regular minimum wage in 2024.
* **July 2024:** The minimum wage for youth, disabled workers, and others will reach $15. After this year, the wage for these employees will rise by no more than $1.50 to join the regular minimum wage, likely by 2025.

**See the schedule below for more information.**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|   |   | 2019 | 2020 | **2021** | 2022 | **2023** | 2024 | **2025** |
| Schedule 1 | Large Employers  | $13.00  | $14.00  | $15.00  | $15.35\* | $15.70  | $16.00  | $16.40 |
| Schedule 1 | Sister Agencies | $8.25  | $8.25  | $15.00  | $15.35 | $15.70 | $16.00  | $16.40  |
| Schedule 2 | Small Employers | $13.00  | $13.50  | $14.00  | $14.50 | $15.00  | $16.00 | $16.40  |
|  | Disabled Workers |  *no floor*  | *no floor*  |  *no floor*  | *no floor*  | *no floor*  | $16.00 | $16.40  |
| Schedule 3 | All Youth Under 18including publicly subsidized programs | $7.75 | $10.00  | $11.00  | $12.00 | $13.50  | $15.00  | $16.40  |
| Schedule 3 | “Learners” Programs |  *no floor*  | $10.00  | $11.00  | $12.00  | $13.50  | $15.00  | $16.40  |
| Schedule 3 | Subsidized Transition Employment Training Programs |  $8.25  | $10.00  | $11.00  | $12.00 | $13.50  | $15.00  | $16.40  |

(After reaching $15, the minimum wage will rise with inflation. The increases included here are conservative estimates.)