



Office of City Clerk  
City Council Document Tracking Sheet

City Hall  
121 North LaSalle Street  
Room 107  
Chicago, IL 60602  
www.chicityclerk.com

**Matter ID:** SO2023-0002995

**Meeting Date:** 7/19/2023

**Sponsor(s):** Fuentes (26) \*  
La Spata (01) (C)  
Dowell (03) (C)  
Yancy (05) (C)  
Robinson (04) (C)  
Hall (06) (C)  
Ramirez (12) (C)  
Gutierrez (14) (C)  
Coleman (16) (C)  
Moore (17) (C)  
Curtis (18) (C)  
Taylor (20) (C)  
Mosley (21) (C)  
Rodriguez (22) (C)  
Scott (24) (C)  
Sigcho-Lopez (25) (C)



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Cruz (30) (C)

Rodriguez Sanchez (33) (C)

Ramirez-Rosa (35) (C)

Mitts (37) (C)

Vasquez (40) (C)

Clay (46) (C)

Martin (47) (C)

Manaa-Hoppenworth (48) (C)

Hadden (49) (C)

**Type:** Ordinance

**Title:** Amendment of Municipal Code Chapter 6-105 by modifying Section 6-105-030 regarding minimum hourly wage in occupations receiving gratuities

**Committee Assignment:** Committee on Workforce Development

**SUBSTITUTE**  
**ORDINANCE**

**WHEREAS**, the City of Chicago is a home rule unit of government pursuant to the 1970 Illinois Constitution, Article VII, Section 6(a), and pursuant to its home rule power, the City of Chicago may exercise any power and perform any function relating to its government and affairs including the power to regulate for the protection of the public health, safety, morals, and welfare; and

**WHEREAS**, the majority of workers who receive a portion of their wages are women and non-White; and

**WHEREAS**, many of those who receive a portion of their wages from tips have economic instability and therefore have a greater chance of having to rely on food stamps and other government-sponsored safety net programs; and

**WHEREAS**, economic instability and reliance on tips has been shown to lead to underreporting of workplace abuse by employees; and

**WHEREAS**, data has shown that where governments in the United States have reduced or removed the wage discount to employers for employee-received tips, workers' take-home pay has gone up, unemployment has gone down, and employee turnover has reduced; and

**WHEREAS**, recognizing the research that indicates that phasing out the discount employers receive on paying tipped employees will protect those employees, now, therefore,

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:**

**SECTION 1.** Section 6-105-030 of the Municipal Code of Chicago is hereby amended by adding the language underscored, and by deleting the language struck through, as follows:

**6-105-030 Minimum hourly wage in occupations receiving gratuities.**

(a) Every Employer of a Covered Employee engaged in an Occupation in which Gratuities have customarily constituted part of the remuneration is entitled to an allowance for gratuities as part of the hourly wage rate provided in Section 6-105-020(b) in an amount not to exceed:

- (1) 40% of the applicable minimum wage rate until July 1, 2024.
- (2) 32% of the applicable minimum wage rate on and after July 1, 2024, until and including June 30, 2025.
- (3) 24% of the applicable minimum wage rate on and after July 1, 2025, until and including June 30, 2026.
- (4) 16% of the applicable minimum wage rate on and after July 1, 2026, until and including June 30, 2027.
- (5) 8% of the applicable minimum wage rate on and after July 1, 2027, until and including June 30, 2028.
- (6) On and after July 1, 2028, an employer shall not be entitled to an allowance for gratuities and shall pay each Covered Employee no less than the applicable minimum wage rate.

(b) Every Employer that pays a Covered Employee the Wage described in subsection (a) shall transmit to the Commissioner, in a manner provided by rule, substantial evidence establishing: (1) the amount the Covered Employee received as Gratuities during the relevant pay period; and (2) that no part of that amount was returned to the Employer. If an Employer is required by the Minimum Wage Law to provide substantially similar data to the Illinois Department of Labor, the Commissioner may allow the Employer to comply with this subsection (b) by filing a copy of the state documentation.

(c) The Commissioner shall make available to Employers a bulletin announcing the City's minimum hourly Wage for the upcoming year for workers who receive Gratuities.

**SECTION 2.** Section 6-105-060 of the Municipal Code of Chicago is hereby reprinted for reference here:

**6-105-060 Application to collective bargaining agreements.**

Nothing in this chapter shall be deemed to interfere with, impede, or in any way diminish the right of Employees to bargain collectively with their Employers through representatives of their own choosing in order to establish wages or other conditions of work in excess of the applicable minimum standards of the provisions of this chapter. The minimum wage requirements of this chapter may be waived in a bona fide collective bargaining agreement, but only if the waiver is set forth explicitly in such agreement in clear and unambiguous terms. Nothing in Section 6-105-045 shall be deemed to affect the validity or change the terms of bona fide collective bargaining agreements in force on July 1, 2017. After that date, requirements of Section 6-105-045 may be waived in a bona fide collective bargaining agreement, but only if the waiver is set forth explicitly in such agreement in clear and unambiguous terms. In no event shall Section 6-105-045 apply to any Employee working in the construction industry who is covered by a bona fide collective bargaining agreement.

**SECTION 3.** Section 6-105-100 of the Municipal Code of Chicago is hereby reprinted for reference here:

**6-105-100 Violation – Penalty.**

Any Employer who violates this chapter or any rule promulgated thereunder shall be subject to a fine of not less than \$500.00 nor more than \$1,000.00 for each offense. Each day that a violation continues shall constitute a separate and distinct offense to which a separate fine shall apply.

**SECTION 4.** This ordinance shall take effect upon passage and approval.