

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Wage Payment and Collection Act is  
5 amended by changing Section 9 as follows:

6 (820 ILCS 115/9) (from Ch. 48, par. 39m-9)

7 Sec. 9. Except as hereinafter provided, deductions by  
8 employers from wages or final compensation are prohibited  
9 unless such deductions are (1) required by law; (2) to the  
10 benefit of the employee; (3) in response to a valid wage  
11 assignment or wage deduction order; (4) made with the express  
12 written consent of the employee, given freely at the time the  
13 deduction is made; (5) made by a municipality with a population  
14 of 500,000 or more, a county with a population of 3,000,000 or  
15 more, a community college district in a city with a population  
16 of 500,000 or more, a housing authority in a municipality with  
17 a population of 500,000 or more, the Chicago Park District, the  
18 Metropolitan Transit Authority, the Chicago Board of  
19 Education, the Cook County Forest Preserve District, or the  
20 Metropolitan Water Reclamation District to pay a debt owed by  
21 the employee to a municipality with a population of 500,000 or  
22 more, a county with a population of 3,000,000 or more, the Cook  
23 County Forest Preserve, the Chicago Park District, the

1 Metropolitan Water Reclamation District, the Chicago Transit  
2 Authority, the Chicago Board of Education, or a housing  
3 authority of a municipality with a population of 500,000 or  
4 more; provided, however, that the amount deducted from any one  
5 salary or wage payment shall not exceed 25% of the net amount  
6 of the payment; or (6) made by a housing authority in a  
7 municipality with a population of 500,000 or more or a  
8 municipality with a population of 500,000 or more to pay a debt  
9 owed by the employee to a housing authority in a municipality  
10 with a population of 500,000 or more; provided, however, that  
11 the amount deducted from any one salary or wage payment shall  
12 not exceed 25% of the net amount of the payment. Before the  
13 municipality with a population of 500,000 or more, the  
14 community college district in a city with a population of  
15 500,000 or more, the Chicago Park District, the Metropolitan  
16 Transit Authority, a housing authority in a municipality with a  
17 population of 500,000 or more, the Chicago Board of Education,  
18 the county with a population of 3,000,000 or more, the Cook  
19 County Forest Preserve District, or the Metropolitan Water  
20 Reclamation District deducts any amount from any salary or wage  
21 of an employee to pay a debt owed to a municipality with a  
22 population of 500,000 or more, a county with a population of  
23 3,000,000 or more, the Cook County Forest Preserve District,  
24 the Chicago Park District, the Metropolitan Water Reclamation  
25 District, the Chicago Transit Authority, the Chicago Board of  
26 Education, or a housing authority of a municipality with a

1 population of 500,000 or more under this Section, the  
2 municipality, the county, the Cook County Forest Preserve  
3 District, the Chicago Park District, the Metropolitan Water  
4 Reclamation District, the Chicago Transit Authority, the  
5 Chicago Board of Education, or a housing authority of a  
6 municipality with a population of 500,000 or more shall certify  
7 that (i) the employee has been afforded an opportunity for a  
8 hearing to dispute the debt that is due and owing the  
9 municipality, the county, the Cook County Forest Preserve  
10 District, the Chicago Park District, the Metropolitan Water  
11 Reclamation District, the Chicago Transit Authority, the  
12 Chicago Board of Education, or a housing authority of a  
13 municipality with a population of 500,000 or more and (ii) the  
14 employee has received notice of a wage deduction order and has  
15 been afforded an opportunity for a hearing to object to the  
16 order. Before a housing authority in a municipality with a  
17 population of 500,000 or more or a municipality with a  
18 population of 500,000 or more, a county with a population of  
19 3,000,000 or more, the Cook County Forest Preserve District,  
20 the Chicago Park District, the Metropolitan Water Reclamation  
21 District, the Chicago Transit Authority, the Chicago Board of  
22 Education, or a housing authority of a municipality with a  
23 population of 500,000 or more deducts any amount from any  
24 salary or wage of an employee to pay a debt owed to a housing  
25 authority in a municipality with a population of 500,000 or  
26 more under this Section, the housing authority shall certify

1 that (i) the employee has been afforded an opportunity for a  
2 hearing to dispute the debt that is due and owing the housing  
3 authority and (ii) the employee has received notice of a wage  
4 deduction order and has been afforded an opportunity for a  
5 hearing to object to the order. For purposes of this Section,  
6 "net amount" means that part of the salary or wage payment  
7 remaining after the deduction of any amounts required by law to  
8 be deducted and "debt due and owing" means (i) a specified sum  
9 of money owed to the municipality, county, the Cook County  
10 Forest Preserve District, the Chicago Park District, the  
11 Metropolitan Water Reclamation District, the Chicago Transit  
12 Authority, the Chicago Board of Education, or housing authority  
13 for services, work, or goods, after the period granted for  
14 payment has expired, or (ii) a specified sum of money owed to  
15 the municipality, county, the Cook County Forest Preserve  
16 District, the Chicago Park District, the Metropolitan Water  
17 Reclamation District, the Chicago Transit Authority, the  
18 Chicago Board of Education or housing authority pursuant to a  
19 court order or order of an administrative hearing officer after  
20 the exhaustion of, or the failure to exhaust, judicial review;  
21 (7) the result of an excess payment made due to, but not  
22 limited to, a typographical or mathematical error made by a  
23 municipality with a population of less than 500,000 or to  
24 collect a debt owed to a municipality with a population of less  
25 than 500,000 after notice to the employee and an opportunity to  
26 be heard; provided, however, that the amount deducted from any

1 one salary or wage payment shall not exceed 15% of the net  
2 amount of the payment. Before the municipality deducts any  
3 amount from any salary or wage of an employee to pay a debt  
4 owed to the municipality, the municipality shall certify that  
5 (i) the employee has been afforded an opportunity for a  
6 hearing, conducted by the municipality, to dispute the debt  
7 that is due and owing the municipality, and (ii) the employee  
8 has received notice of a wage deduction order and has been  
9 afforded an opportunity for a hearing, conducted by the  
10 municipality, to object to the order. For purposes of this  
11 Section, "net amount" means that part of the salary or wage  
12 payment remaining after the deduction of any amounts required  
13 by law to be deducted and "debt due and owing" means (i) a  
14 specified sum of money owed to the municipality for services,  
15 work, or goods, after the period granted for payment has  
16 expired, or (ii) a specified sum of money owed to the  
17 municipality pursuant to a court order or order of an  
18 administrative hearing officer after the exhaustion of, or the  
19 failure to exhaust, judicial review. Where the legitimacy of  
20 any deduction from wages is in dispute, the amount in question  
21 may be withheld if the employer notifies the Department of  
22 Labor on the date the payment is due in writing of the amount  
23 that is being withheld and stating the reasons for which the  
24 payment is withheld. Upon such notification the Department of  
25 Labor shall conduct an investigation and render a judgment as  
26 promptly as possible, and shall complete such investigation

1 within 30 days of receipt of the notification by the employer  
2 that wages have been withheld. The employer shall pay the wages  
3 due upon order of the Department of Labor within 15 calendar  
4 days of issuance of a judgment on the dispute.

5 The Department shall establish rules to protect the  
6 interests of both parties in cases of disputed deductions from  
7 wages. Such rules shall include reasonable limitations on the  
8 amount of deductions beyond those required by law which may be  
9 made during any pay period by any employer.

10 In case of a dispute over wages, the employer shall pay,  
11 without condition and within the time set by this Act, all  
12 wages or parts thereof, conceded by him to be due, leaving to  
13 the employee all remedies to which he may otherwise be entitled  
14 as to any balance claimed. The acceptance by an employee of a  
15 disputed paycheck shall not constitute a release as to the  
16 balance of his claim and any release or restrictive endorsement  
17 required by an employer as a condition to payment shall be a  
18 violation of this Act and shall be void.

19 (Source: P.A. 91-443, eff. 8-6-99; 92-109, eff. 7-20-01.)