

Chicago Office of Labor Standards: A New Administrative Agency

Chicago's city council approved the creation of the [Chicago Office of Labor Standards](#) (OLS) on October 31, 2018.

Effective January 1, 2019, the OLS will be responsible for enforcing all Chicago labor and employment laws. It has the power to subpoena and audit Chicago employers. Additionally, the OLS will have the authority to deny, revoke or suspend any Chicago business license when it determines that a Chicago business has violated a Chicago labor or employment law.

Office of Labor Standards' Responsibilities

In addition to enforcement, the OLS will provide educational outreach and technical assistance to Chicago employers and employees. According to Alderman Patrick O'Conner, Chairman of the Committee on Workforce Development and Audit, "[\[t\]he overwhelming hope is for \[the\] office to become a sounding board for employer and employee inquiries as they relate to Chicago's existing and future labor laws.](#)"

The OLS will focus on enforcing the following Chicago ordinances:

1. *Anti-Wage Theft Ordinance of 2013* – revokes business licenses for businesses found guilty of wage violations. A [2010 study of wage violations in Chicago and Cook County](#) concluded that employees in low-wage occupations lose more than 7.3 million dollars per week as a result of employment and labor law violations.
2. *Minimum Wage Ordinance of 2014* – raises the hourly minimum wage for Chicago workers from \$10.00 an hour in 2015 to \$13.00 an hour by 2019. The \$13.00 minimum wage was [expected to increase the earnings of 31% of Chicago workers and be the approximate equivalent to a wage of \\$10.65 in the rest of the state](#), when cost of living is taken into consideration.
3. *Paid Sick Leave Ordinance of 2017* – requires Chicago employers to provide Chicago workers with the use of up to five paid sick days (40

hours) per year. It also provides workers with the right to rollover up to 20 hours of accrued but unused sick leave into the subsequent year.

The OLS will receive complaints, investigate allegations, conduct hearings, mediate disputes and issue violation notices. It will also have the authority to order employers to pay penalties. If the OLS finds that an employer committed willful or repeated violations of the [Illinois Wage Payment and Collection Act](#), which establishes when, where and how often wages must be paid, or Chicago's employment ordinances, it can refer the person or business to the Commissioner of the Department of Business Affairs and Consumer Protection. The Commissioner, in turn, can deny, revoke or suspend an employer's business license.

Similar Office of Labor Standards in Seattle

By way of comparison, Seattle created its own Office of Labor Standards in 2015. [Since its implementation thru December 2017, the office:](#)

- Received 1,665 employee inquiries regarding paid sick and safe time
- Opened 259 new investigations into paid sick and safe time
- Ordered \$322,271.49 in employee remedies for paid sick and safe time
- Ordered \$7,625.00 in civil penalties for paid sick and safe time
- Received 1,180 employee inquiries regarding wage theft and minimum wage
- Opened 202 wage theft and minimum wage investigations
- Ordered \$798,783.59 in employee remedies for wage theft and minimum wage
- Ordered \$55,290.00 in civil penalties for wage theft and minimum wage

The latest statistics from the Seattle OLS, indicates that in the first 11 months of 2017, it took the office an average of 334 days to complete an investigation. It remains to be seen how efficient Chicago's OLS will be.

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