

ILLINOIS

Illinois Eliminates Subminimum Wages for Disabled Employees

On Jan. 21, 2025, Illinois enacted the [Dignity in Pay Act](#) (the Act), which phases out subminimum wage authorizations permitted under Section 14(c) of the Fair Labor Standards Act (FLSA) until they are completely eliminated in the state by **Dec. 31, 2029**. The Act took effect on **Jan. 21, 2025**.

Background

The FLSA generally requires employers to pay employees at least the federal minimum wage for every hour worked. However, Section 14(c) of the FLSA authorizes the U.S. Department of Labor to issue certificates permitting employers to pay certain workers with disabilities at wage rates below the minimum wage. These certificates may only be issued to the extent necessary to prevent curtailment of employment opportunities.

Overview

Under the Act, the Illinois Department of Human Services (IDHS), the Illinois Council on Developmental Disabilities (ICDD) and the Illinois Department of Labor will lead a five-year process of eliminating subminimum wages for individuals with disabilities. The Act amends the Employment and Economic Opportunity for Persons with Disabilities Task Force Act by mandating that the Employment and Economic Opportunity for Persons with Disabilities Task Force and ICDD, along with an academic partner, create a multiyear plan for recommended actions, outcomes and benchmarks to eliminate the use of Section 14(c) certificates in Illinois by Dec. 31, 2029. The task force must submit the multiyear plan to phase out subminimum wages by **July 1, 2025**.

The Act also amends the Department of Human Services Act to aid employers during the transition by creating a grant program to make funds available to employers to support workers with disabilities transitioning into competitive integrated employment. Under the amendment, IDHS must provide the governor and general assembly with an annual report with data from each grant recipient and information on the progress towards eliminating the subminimum wage and creating new employment opportunities for individuals with disabilities starting Jan. 1, 2026.

Provided to you by **Employco USA, Inc.**

Important Dates

Jan. 21, 2025

Illinois enacted the Dignity in Pay Act.

Dec. 31, 2029

Illinois will eliminate the use of subminimum wage certificates authorized under Section 14(c) of the FLSA.

Illinois enacted a new law that will eliminate subminimum wages for individuals with disabilities by Dec. 31, 2029.