First Deadline Approaching for New Illinois Equal Pay Act Requirements

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On January 25, 2022, the Illinois Department of Labor ("IDOL") issued notices to 625 Illinois businesses to inform them that they have until May 25, 2022 to submit their Equal Pay Registration Certificate ("Certificate") application as required under the amendments to the Illinois Equal Pay Act ("IEPA").

Background

The IEPA was amended, effective June 25, 2021, to require private businesses with more than 100 employees within the State of Illinois to obtain a Certificate by March 23, 2024, and every two years thereafter. On January 24, 2022, the IDOL issued a <u>press release</u> announcing that it would communicate directly with businesses when it is time for them to submit their applications for the Certificate. The first group of Illinois businesses have now been notified that their deadline to apply for a Certificate is May 25, 2022.

In order to obtain a Certificate, employers will need to submit the following to the IDOL:

- The employer's most recently filed EEO-1 Report.
- A list of employees separated by gender, race, and ethnicity with employee-level data including county, dates of employment, and total wages. Notably, the IDOL has now provided a <u>template list for employers to complete</u>, which includes detailed requests for information regarding employee names, job titles, and Social Security numbers.
- A signed compliance statement certifying the following:
 - The business is in compliance with Title VII of the Civil Rights Act of 1964, the Equal Pay Act of 1963, the IHRA, the Equal Wage Act and the IEPA.

- The average compensation for its female and minority employees (as defined by the Illinois Business Enterprise for Minorities, Women, and Persons with Disabilities Act) is not consistently below the average compensation for its male and non-minority employees within each of the major job categories in the Employer's EEO-1 report, taking into account factors such as length of service, requirements of specific jobs, experience, skill set, effort, responsibility, working conditions of the job, or other mitigating factors;
- The business does not restrict employees of one sex to certain job classifications and makes retention and promotion decisions without regard to sex;
- Wage and benefit disparities are corrected when identified to ensure compliance with the laws referenced above; and
- Wages and benefits are evaluated to ensure compliance with the laws referenced above, as well as the frequency of any such evaluations.
- The employer must also indicate on its equal pay compliance statement whether, in setting compensation and benefits, it utilizes: a market pricing approach; state prevailing wage or union contract requirements; a performance pay system; an internal analysis; or an alternative approach to determine what level of wages and benefits to pay its employees.
- A \$150 filing fee.

The issuance of a Certificate by the IDOL does not constitute a defense against any IEPA violation, nor does it constitute a basis to mitigate damages. 820 ILCS 112/11(d).

Takeaways

Now is the time for employers to begin assessing their compliance with the IEPA requirements and collecting information that they will need to submit to the IDOL. Employers can also provide their contact information to the IDOL at <u>this link</u>, if they have not already done so.

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