Illinois Department of Labor Publishes Guidance for Employers Seeking Equal Pay Registration Certificate

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Effective March 24, 2022, the Illinois Equal Pay Act (IEPA) was amended to require private businesses with more than 100 employees in Illinois to obtain an Equal Pay Registration Certificate (EPRC) by March 23, 2024, and every two years thereafter.

To apply for the EPRC, businesses must submit the following to the Illinois Department of Labor (IDOL): (1) a filing fee; (2) an equal pay compliance statement; (3) a copy of the employer's most recently filed EEO-1 report; and (4) a list of employees separated by gender and the race and ethnicity categories as reported in the employer's most recently filed EEO-1 report, and the total wages paid to each employee during the past calendar year.

The IDOL recently updated its <u>Frequently Asked Questions (FAQs)</u> for the EPRC, addressing, among other things, the application and submission processes, fee requirements, recertification, publicly available data, and penalties for employer noncompliance. Here are key takeaways:

- All employees based in Illinois, including those working remotely, should be included in the total employee count for reporting purposes. An employer's total employee count includes the total number of people employed who worked in or were based out of Illinois on **December 31** of the 12-month calendar year immediately prior the year the employer is required to submit an EPRC application.
- For reporting purposes, "wages" means any compensation paid to an employee by an employer pursuant to an employment contract or agreement between the two parties, including wages, salaries, earned commissions, earned bonuses, stocks and ownership shares. This does not include retirement health insurance benefits, or other fringe benefits.
- If an employer's submitted wage data in its EPRC application shows that the employer is paying unequal wages to male and female employees or to African-American and non-African

American employees, the IDOL may initiate its own investigation pursuant to Sections 10(a) and 15(c) of the IEPA and Section 320.200 of the IEPA regulations.

- Before any fines may be imposed for a violation of the IEPA, the IDOL will provide notice to an employer that violates the IEPA and inadvertently fails to file an initial EPRC application or recertification that they have 30 calendar days to submit the application or recertification. If the employer fails to do so, it shall be fined up to \$10,000.
- An employer that falsifies or misrepresents data on an EPRC application faces suspension or revocation of the EPRC and civil penalties up to \$10,000.
- Current employees subject to the IEPA may request anonymized data from the IDOL regarding their job classification or title and the pay for that classification.

Illinois employers should audit their pay practices to ensure that any differences in wages amongst employees of similar job classifications are justified by legitimate, non-discriminatory reasons.

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