



News & Types: Client Advisories

New Illinois Equal Pay Act Reporting for Large Employers Starts March 24, 2022

2/15/2022

By: Nancy E. Sasamoto

Practices: Employment, Labor & Benefits

Last year, Illinois updated the Illinois Equal Pay Act (“IEPA”) by enhancing reporting and compliance requirements for private businesses that have at least 100 employees in Illinois and are required to file an Annual Employer Information Report EEO-1 (“EEO-1”) with the Equal Employment Opportunity Commission. Covered employers will be required to apply for an “equal pay registration certificate” from the Illinois Department of Labor (“IDOL”) between March 24, 2022 and March 23, 2024, and must recertify every two years thereafter. Businesses authorized to do business in Illinois after March 23, 2021 must apply for an equal pay registration certificate within three years of commencing business operations, but not before January 1, 2024, and must recertify every two years thereafter.

According to the IDOL, it will communicate directly to covered businesses when it is time for them to register. Each business will receive no less than 120 days advance notice of their registration deadline. In addition to providing the IDOL with the business's most recently filed EEO-1, the business must also compile a list of all employees during the past calendar year, separated by gender and race and ethnicity categories as reported in the EEO-1, and the county in which the employee works, the employee's start date, total wages paid and any other information the IDOL deems necessary to determine if pay equity exists among employees.

The business must submit a statement signed by a corporate officer, legal counsel, or authorized agent of the business certifying:

- i. that the business is in compliance with the IEPA and other relevant laws, including but not limited to: Title VII of the Civil Rights Act of 1964, the Equal Pay Act of 1963, the Illinois Human Rights Act, and the Equal Wage Act;
- ii. that the average compensation for its female and minority employees is not consistently below the average compensation, as determined by rule of the United States Department of Labor, for its male and non-minority employees within each of the major job categories in the EEO-1 for which an employee is expected to perform work;
- iii. that the business does not restrict employees of one sex to certain job classifications, and makes retention and promotion decisions without regard to sex;

- iv. that wage and benefit disparities are corrected when identified to ensure compliance with the equal pay and discrimination laws;
- v. how often wages and benefits are evaluated; and
- vi. the approach the business takes in determining the level of wages and benefits to pay its employees.

Violations of the IEPA's reporting and certification requirements can result in a fine of up to \$10,000. Additional information can be found on the IDOL's website ([link](#)).