

Illinois Rescinds Minimum Wage Hike for State Contractors

On January 12, 2015, before leaving office, Illinois Governor Pat Quinn signed an Executive Order increasing the minimum wage to \$10.00 per hour for all state government contracts. On January 16, Illinois Governor Bruce Rauner rescinded the increase by issuing Executive Order 15-11. As a result, the minimum wage for Illinois government contractors remains at \$8.25 per hour, the same rate that applies to Illinois employers generally.

Background

On his last day in office on January 12, 2015, Illinois Governor Pat Quinn issued [Executive Order 15-07](#) (EO 15-07), establishing an immediately effective minimum wage of \$10.00 per hour for all Illinois state government contracts. Declaring that the current minimum wage of \$8.25 was “insufficient to provide a living wage,” the preamble of EO 15-07 cited Illinois voters’ overwhelming support for the minimum wage hike in the November 2014 advisory referendum. (See our [November 18, 2014 For Your Information](#).)

Under EO 15-07, all solicitations by any state agency were to include a requirement that vendors and their subcontractors pay a \$10 hourly minimum wage, and all pending solicitations were to have been amended to include the new minimum wage rate. If, however, a home rule municipality had a higher minimum wage than \$10 per hour, then the higher minimum wage would apply. Except for contracts arising out of solicitations in which all proposals were received by the state prior to January 12, EO 15-07 required all state contracts to include the new minimum wage.

Wage Hike Rescinded

On January 16, Governor Bruce Rauner issued [Executive Order 15-11](#) (EO 15-11) rescinding the increase in the minimum wage for state contractors and several other executive orders issued by the former governor during his last eight days in office. EO15-11 was effective immediately.

As a result, Illinois government contractors will not be subject to a different state minimum wage than Illinois employers generally. The



state minimum wage for state contractors as well as for employers generally remains at \$8.25 per hour.

In Closing

Former Governor Quinn took executive action to boost the minimum wage for state contractors to \$10 per hour, which could have had wide-ranging effects. Because Governor Rauner quickly reversed that order after taking office, state contractors will not have to build the higher rates into their proposals to state solicitations or their contracts with the state.

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