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Illinois Reporting Requirements Expand for Employers



Hannah Batsche

Human Resources & Employment

SB1480 Amends the State's Equal Pay Act and Business Corporation Act

Last month, Illinois Gov. J.B. Pritzker signed SB 1480, which amended the Illinois Human Rights Act (read our article about the IHRA amendments [here](#)), the Illinois Equal Pay Act and the Business Corporation Act.

Larger Employers Required to “Obtain Equal Pay Registration Certificate” by March 24, 2024

Private employers with more than 100 employees in Illinois must obtain an equal pay certificate within the next three years and must recertify every two years thereafter.

To obtain a certificate, businesses will pay a \$150 filing fee and submit an equal pay compliance statement, signed by a corporate officer, legal counsel or authorized agent of the business that states:

- The business is in compliance with Title VII of the Civil Rights Act of 1964, Equal Pay Act of 1963, the Illinois Human Rights Act, the Equal Wage Act and the Equal Pay Act of 2003;
- The average compensation of the female and minority employees of the business is not consistently below the average compensation, taking into account factors such as length of service, requirements of specific jobs, experience, skill, 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 Acts listed above in the first bullet point; and
- How often wages and benefits are evaluated to ensure compliance with applicable employment laws.

The equal pay compliance statement must also indicate whether the business, in setting compensation benefits, uses:

- 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 levels of wages and benefits to pay its employees, and a description of such approach.

Businesses that do not obtain an equal pay registration certificate or whose certificate is suspended or revoked will face a penalty in the amount equal to 1% of the business's gross profits. The law also provides whistleblower protections.

To ensure compliance with these changes, it is best not to wait. Review the requirements and make certain your policies conform with them, as well as other relevant employment laws as soon as possible. Additionally, training materials and handbooks should be updated by 2024 to include anti-retaliatory language under this law.

Additional Recordkeeping and Filing Under the Business Corporation Act by January 1, 2023

Additionally, SB1480 amends the Business Corporation Act to require corporations that must file an annual Employer Information Report (EEO-1) to also file similar information with the Secretary of State each year. Specifically, beginning January 1, 2023, corporations must provide data on the gender, race and ethnicity of their employees. This information will be public. SB1480 requires the Secretary of State to publish the data on the Secretary of State's official website within 90 days of the corporation filing its annual report.

Corporations who file EEO-1 reports must comply. All employers with 100 or more employees are required to file EEO-1 reports annually. These forms provide a demographic breakdown of the employer's workforce. Additionally, the following employers also must file EEO-1 reports:

- Employers with fewer than 100 employees but who are owned by, controlled by or affiliated with a company with 100 employees;
- Federal contractors who are prime contractors or first-tier subcontractors with 50 or more employees whose contract amounts to \$50,000 or more; and
- Federal contractors who serve as a depository of government funds in any amount, or are financial institutions that are issuing and paying agents for U.S. savings bonds and notes.

Illinois employers must prepare to comply with these new reporting obligations. Furthermore, Illinois employers have another reporting deadline approaching: The Workplace Transparency Act requires that employers report all adverse judgments and administrative rulings issued on claims of discrimination or harassment, including those that were entered in jurisdictions outside of Illinois, by July 1, 2021.

If you have any questions or want more information about reporting obligations or any issues discussed in this article, please contact a member of Gould & Ratner's [Human Resources & Employment Law Practice](#).