

● **ILLINOIS WAGE ASSIGNMENT ACT**

*STATUTORY CITATION:* 740 Ill. Comp. Stat. §§ 170/01 – 170/11

*GENERAL SUMMARY:* The Illinois Wage Assignment Act prevents creditors, in concert with employers, from collecting debts through wage assignments except under conditions and procedures prescribed in the Act, which protects agricultural workers to the same extent as their non-agricultural counterparts.

*SPECIFIC TERMS AND CONDITIONS*

**WAGE ASSIGNMENT FORMAT** — Among other limitations, no assignment of wages is valid unless it is made in a written instrument signed by the wage earner and identifying the worker, the employer, the amount of money loaned or the price of the goods sold, the interest rate to be paid, and the date payments are due.

**DEMANDS BY CREDITORS** — A demand by a creditor may not be served on an employer for a worker's wages under a wage assignment unless (1) there has been a default of more than 40 days in payment of the indebtedness involved and the default has continued to the date of demand, (2) the demand, in prescribed form, contains a correct statement as to the amount the worker is in default, and (3) not less than 20 days before serving the demand, a notice of intent to make the demand has been served on the worker and a copy has been sent by certified mail to the employer.

**LIMITATION ON AMOUNTS** — The amount of wages that may be collected under a lawful wage assignment for any workweek may not exceed the lesser of (1) 15 percent of the worker's gross earnings that week, or (2) the amount by which disposable earnings that week exceed 45 times the federal or state minimum wage, whichever is greater (at the current state minimum of \$8.25, that portion of net pay above \$371).

**EXCEPTIONS** — The provisions of the Wage Assignment Act do not apply to court-ordered withholding of income under various state laws providing for the support of a child or maintenance of a spouse.

*SPECIAL NOTES OR ADVISORIES*

**RETALIATION** — It is a misdemeanor for an employer to fire or suspend an employee because the employee's earnings have been subjected to assignment for indebtedness.

*ADMINISTRATION AND ENFORCEMENT*

**PRIMARY ENFORCEMENT AGENCY** — *None.*

**SECONDARY OR ASSOCIATED ENFORCEMENT AGENCY** — *None.*

**PRIVATE CIVIL ACTION** — Any worker who has had debts collected through wage deductions which do not conform to the process described above should consult an attorney. A person who wrongfully serves a notice of intent to make a wage assignment demand, wrongfully causes such a demand to be served, or fails to release a demand is liable to the worker and the employer for damages.