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County Building
118 North Clark Street, Room 1127
Chicago, Illinois 60602-1304
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To: Marynic Foster, Director, Commission on Human Rights
Thaddeus Makarewicz, Assessor's Office

From: Joseph Clary, Counsel to the CFO

Re: Living Wage Ordinance

Date: August 20, 2012

Memorandum

Under the Cook County Living Wage Ordinance, and unless expressly waived by the County Board, not less than a living wage shall be paid to each employee of any employer that is awarded either a contract or subcontract with the County, or a property tax incentive for owner-occupied property. Sec. 34-160. Under the Ordinance, employees who believe that their employer is not complying with the Living Wage requirements may submit a complaint to the County Commission on Human Rights Sec. 34-160. If the Commission on Human Rights concludes that an employer is not complying with the living-wage requirement, the Commission shall notify the Assessor and the Chief Procurement Officer. Sec. 34-160. Under the Ordinance, the CFO is responsible for calculating the Living Wage each year, and notifying the Chief Procurement Officer and the Assessor of results of the calculation. Sec. 2-408. The Finance Bureau, Chief Procurement Officer, and the Assessor's Office then post the information on their homepages. Sec. 34-160, Sec 34-121, Sec. 2-318.

Recently the CFO's office has received a number of questions from County residents and employers regarding the Living Wage Ordinance. Because the Finance Bureau, the Assessor's Office, and the Commission on Human Rights have a stake in policy pronouncements, investigations, determinations, and enforcement actions regarding the Living Wage Ordinance, we met with the Assessor's Office and the Commission on Human Rights to clarify some procedures and policies regarding the Living Wage Ordinance. Based on these discussions, the Bureau of Finance, the Assessor's Office, and the Commission on Human Rights have established the following procedures and policies:

Procedures

1. When any of the parties receive questions regarding the Living Wage Ordinance that raise policy considerations, the answers to those questions will be developed by the Finance Bureau, the Assessor's Office, and the Commission on Human Rights, and then formally communicated to the questioner by the CFO's office.



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2. When the Commission on Human Rights receives a complaint or charge that an employer is in violation of the Living Wage Ordinance, the Commission will investigate the matter, and then communicate its findings and conclusions to the Finance Bureau and the Assessor's Office.

Policy Questions & Determinations

The following questions have been presented to the Finance Bureau by external employers and workers. The Finance Bureau, the Assessor's Office, and the Commission on Human Rights agree upon these answers:

1. If companies pay their workers less than the established Living Wage, but pay sales, performance, and holiday bonus, would they be deemed to be in compliance if the additional compensation yields an hourly wage that is at least equal to the Living Wage?

Answer: No. The Ordinance provides that the Living Wage is to be paid on an hourly basis.

2. If a company's labor comes via a staffing company---does the staffing company have to pay the living wage?

Answer: Yes. In this instance, the Staffing Company would be deemed a sub-contractor to the County.

3. Are non-employee contract laborers supposed to be paid the Cook County Living Wage?

Answer: We would need more information to answer this question, particularly to determine if the "non-employees" are actually employees, independent contractors, or employees of subcontractors.

4. The County memo references the minimum living wage for a "family of four"---do these living wage requirements only apply to people with children?

No. The "family of four" standard applies to all workers.

5. What reporting requirements are there----how does the County follow up on the representations in the affidavit after the award?

Answer: The Assessor's Office and the Chief Procurement Officer both require the submission of a Living Wage Ordinance affidavit which subjects the affiant to a charge of perjury if the information submitted is not accurate. In addition, the Chief Procurement Officer requires that parties to Cook County agreements post a Living-Wage Notice on all of their employment sites in



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the County. If an employee or other concerned party submits to the Commission on Human Rights a complaint that a particular employer is not complying with the Living Wage Ordinance, the Commission will conduct an investigation.

6. If a branch plant of a larger company wishes to seek renewal of its 6b property incentive, must the entire company's payroll be in compliance with the living wage requirement or just the branch plant's?

Answer: The Living Wage Ordinance would apply to employees who work in Cook County.

7. A company offers an employee the required living wage of \$11.53 per hour with health insurance, however the employee decides not to sign up for the company's health insurance plan. Would the company be in violation of the living wage requirement if the employee is still being paid \$11.53 per hour and not the required living wage \$14.41 per hour without health insurance?

Answer: No. However, the Company should be prepared to demonstrate, through documentation, that the employee was indeed offered and declined health insurance that meets the requirements of the Living Wage Ordinance.

