



Illinois Law Will Soon Provide for Greater Employee Access to Paystubs: What Employers Need to Know

Insights

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Illinois lawmakers recently amended state law to provide current and former employees greater access to their paystubs – meaning you’ll have some new obligations to be aware of. The Wage Payment and Collection Act amendments go into effect in 2025, but you should be prepared to update your payroll practices, payroll recordkeeping, and your responses to requests for paystubs. What should you do to comply with these forthcoming changes?

What is the Illinois Wage Payment and Collection Act?

The Illinois Wage Payment and Collection Act (IWPCA) is the primary state statute that governs the payment of wages to employees and the deductions that an employer can make from an employee’s paycheck. The IWPCA generally establishes when, where, and how often wages must be paid.

What Do the IWPCA Amendments Entail?

Governor J.B. Pritzker signed into law new obligations on employers with respect to their payroll and recordkeeping practices, all of which go into effect on January 1, 2025.

Defining “Paystub”

The amendments first clarify the definition of a “paystub” to mean a document reflecting an employee’s hours worked, overtime hours worked, total wages earned, total deductions, and rate of pay during a pay period. In addition, the paystub must show year-to-date wages and deductions. Importantly, other state or local laws may require paystubs to reflect paid time off earned and used (among other information) – the IWPCA amendments do not change those requirements.

Additional Recordkeeping Obligations

The IWPCA amendments also change employers’ recordkeeping obligations. You will be required to maintain copies of employees’ paystubs **for at least three years** after the date of payment, regardless of whether an employee’s employment ends during that period.

Providing Copies of Paystubs

These recordkeeping requirements impact what is perhaps the most significant change: **furnishing copies of an employee's (or former employee's) paystubs upon request**, which is in addition to your current obligation to provide paystubs to employees for each pay period.

- While employers may require that employees submit any such request for paystubs in writing, the employee (or former employee, within one year after separation) is entitled to designate whether the paystubs are in a **physical or electronic format** (which can be downloaded and permanently saved).
- You are then required to provide the requested paystubs **within 21 days**.
- You are not required to grant an employee's request for a copy of paystubs **more than twice in a 12-month period**.

Of further significance, for employers who furnish and maintain electronic paystubs, there are additional requirements imposed by the IWPCA amendments. Namely, upon an employee's separation, you must offer to provide the outgoing employee with a record of all of the outgoing employee's paystubs from one year preceding the separation date. The offer must be made to the outgoing employee by the end of their final pay period, and you must record, in writing, the date on which this offer was made, and how the outgoing employee responded.

What if an Employer Does Not Comply with the New Requirements?

Compliance with the forthcoming requirements is paramount. Employers who fail to furnish an employee or former employee with a paystub or comply with these amendments will be subject to a civil penalty of up to \$500 per "violation," which can add up quickly. These civil penalties are in addition to any damages for wage noncompliance covered by the IWPCA and attorneys' fees that may be awarded to a prevailing employee.

What Should Employers Do Next?

- You should **review the amendments with counsel** to ensure a full understanding of all the additional requirements they impose, including the payroll and recordkeeping obligations.
- Next, **update applicable company policies** to reflect your new obligations – especially your document retention and disclosure practices.
- Then **train your staff** on the changes and obligations so they fully understand what is expected of your organization and the serious consequences that could befall you for even inadvertent mistakes.

Conclusion

If you have questions regarding the amendments or the IWPCA's provisions in general, please contact your Fisher Phillips attorney, the authors of this Insight, or any attorney in [our Chicago office](#).

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