

# Illinois Governor Signs Bills Expanding Contractors' Liability for Unpaid Wages of Subcontractors' Workers

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Eric A. Berg

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Chicago

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Author



Lori Chen

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Chicago

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Author

On June 10, 2022, Illinois Governor JB Pritzker signed [House Bill 5412](#) and its trailer bill, [House Bill 4600](#), into law. Both bills amend the Illinois Wage Payment and Collection Act (WPCA) to make certain primary contractors liable for any debt owed by a subcontractor—at any tier—relating to the wage claimant's performance of labor for contracts entered into on or after July 1, 2022.

Specifically, HB 5412 makes a primary contractor performing "erection, construction, alteration, or repair of a building, structure, or other private work in [Illinois]" liable for the wages and fringe benefits of its subcontractor's employees if the subcontractor fails to pay those employees. This reallocation of liability puts prime contractors on the hook for wage theft committed by their subcontractors. HB 4600, the trailer bill, carves out two categories of contractors exempt from liability for such unpaid wages and benefits: (1) contractors who are signatories of collective bargaining agreements on projects where work is being performed and (2) primary contractors altering or repairing an existing single-family dwelling or single residential unit. Additionally, HB 4600 also limits the scope of the amendment to the WPCA, applying it only to contractors doing work in Illinois that exceeds \$20,000 on private (i.e., nongovernment) projects, other than an owner acting as a primary contractor on the owner's primary residence.

General contractors may not contract around this new obligation in their subcontracts.

Under the enactments, an employee must provide written notice to the primary contractor and the employee's employer, detailing the nature and basis for the alleged nonpayment claim. If the employer or primary contractor fails to resolve the claim within ten days after receipt of the notice or by any agreed upon extension of that deadline, the employee-claimant may file a lawsuit to enforce the provisions of the act.

Ogletree Deakins' [Chicago office](#) and [Construction Law Practice Group](#) will continue to monitor changes to Illinois's Wage Payment and Collection Act and will post updates on the firm's [Illinois](#) and [Construction](#) blogs with respect to potential compliance issues related to the amendments under HB 5412 and HB 4600. Important information for employers is also available via the firm's [webinar](#) and [podcast](#) programs.