

# Expense Reimbursement Policies: A Must for Illinois Employers

The Illinois Wage Payment and Collection Act was recently amended to address reimbursement of expenses incurred by employees in the course of their employment. The amendment, which went into effect January 1, 2019, requires employers to reimburse employees for all "necessary" expenses or losses that employees incur as a result of their work.

Illinois employers must tread carefully because the amendment's scope is unclear. For example, the text does not answer the question of just what is a "necessary" expense that must be reimbursed. Although the Illinois Department of Labor has been tasked with adopting rules and providing information to help answer this and other questions, there are steps that employers can take now to reduce their exposure.

Specifically, an employer does not have to reimburse its employees according to the amendment's particular requirements if:

1. The employer has its own written expense reimbursement policy in place; and
2. The employer complies with its policy.

In light of this exception, employers should review their expense reimbursement policies to ensure they describe the expenses that are eligible for reimbursement, identify the individual(s) responsible for reviewing reimbursement requests, and detail the process for submitting a reimbursement request.

Importantly, employers cannot circumvent the law's requirements by instituting a policy that refuses to reimburse employees for their expenses made in furtherance of their employment duties. Employers that violate this law may be subject to penalties under the Illinois Wage Payment and Collection Act.

If you have any questions about your company's expense reimbursement policy or would like us to assist you in developing a policy, please contact [Robert S. Driscoll](#), [Katie D. Triska](#) or your Reinhart attorney.

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