

Illinois

EMPLOYMENT

(820 ILCS 120/) Sales Representative Act.

(820 ILCS 120/0.01) (from Ch. 48, par. 2250)

Sec. 0.01. Short title. This Act may be cited as the Sales Representative Act.

(Source: P.A. 86-1324.)

(820 ILCS 120/1) (from Ch. 48, par. 2251)

Sec. 1. As used in this Act:

- (1) "Commission" means compensation accruing to a sales representative for payment by a principal, the rate of which is expressed as a percentage of the dollar amount of orders or sales or as a percentage of the dollar amount of profits.
- (2) When a commission becomes due shall be determined in the following manner:
 - (A) The terms of the contract between the principal and salesperson shall control;
 - (B) If there is no contract, or if the terms of the contract do not provide when the commission becomes due, or the terms are ambiguous or unclear, the past practice used by the parties shall control;
 - (C) If neither (A) nor (B) can be used to clearly ascertain when the commission becomes due, the custom and usage prevalent in this State for the parties' particular industry shall control.
- (3) "Principal" means a sole proprietorship, partnership, corporation or other business entity whether or not it has a permanent or fixed place of business in this State and which:
 - (A) Manufacturers, produces, imports, or distributes a product for sale;
 - (B) Contracts with a sales representative to solicit order for the product; and
- (4) Compensates the sales representative, in whole or in part, by commission. "Sales representative" means a person who contracts with a principal to solicit orders and who is compensated, in whole or in part, by commission, but shall not include one who places orders or purchases for his own account for resale or one who qualifies as an employee of the principal pursuant to the Illinois Wage Payment and Collection Act.

(Source: 820 ILCS 120/2) (from Ch. 48, par. 2252)

Sec. 2. All commissions due at the time of termination of a contract between a sales representative and principal shall be paid within 13 days of termination, and commissions that become due after termination shall be paid within 13 days of the date on which such commissions become due. Any provision in any contract between a sales representative and principal purporting to waive any of the provisions of this Act shall be void.

(Source: P.A. 84-627.P.A. 86-586; 87-948.)

(820 ILCS 120/3) (from Ch. 48, par. 2253)

Sec. 3. A principal who fails to comply with the provisions of Section 2 concerning timely payment or with any contractual provision concerning timely payment of commissions due upon

the termination of the contract with the sales representative, shall be liable in a civil action for exemplary damages in an amount which does not exceed 3 times the amount of the commissions owed to the sales representative. Additionally, such principal shall pay the sales representative's reasonable attorney's fees and court costs.

(Source: P.A. 84-627.)

<http://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=2403&ChapterID=68>