

Maryland Approves Minimum Wage Increase to \$15 an Hour

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Wage and Hour

Maryland has become the sixth state in the nation to adopt a minimum wage of \$15.00 per hour. The state's Democratic-controlled legislature overrode Republican Governor Larry Hogan's veto on March 28, 2019. The current minimum wage in Maryland is \$10.10 per hour.

Under the new legislation, businesses with at least 15 employees (Large Employers) will have to pay workers a series of increases starting on January 1, 2020, to arrive at \$15.00 per hour by 2025. Businesses with fewer than 15 employees (Small Employers) will have an extra year to raise wages to \$15.00 per hour.

Yearly Scheduled Increases

Large Employers will see increases to the hourly minimum wage on the following schedule:

Date	Minimum Wage
January 1, 2020	\$11.00
January 1, 2021	\$11.75
January 1, 2022	\$12.50
January 1, 2023	\$13.25
January 1, 2024	\$14.00
January 1, 2025	\$15.00

Small Employers will see increases to the hourly minimum wage on the following schedule:

Date	Minimum Wage
January 1, 2020	\$11.00
January 1, 2021	\$11.60
January 1, 2022	\$12.20
January 1, 2023	\$12.80
January 1, 2024	\$13.40
January 1, 2025	\$14.00
January 1, 2026	\$14.60
July 1, 2026	\$15.00

Businesses may pay workers under the age of 18 a minimum wage equal to 85 percent of the state's minimum wage.

Wage Statement for Tipped Employees

Under the new legislation, the Commissioner of the Maryland Division of Labor and Industry (DLI) will adopt regulations requiring restaurant employers that include a tip credit as part of their wages to employees to provide tipped employees with a written or electronic wage statement for each pay period. The Wage Statement must show the employees' hourly tip rate (derived from employer-paid cash wages) plus all reported tips (for tip credit hours) worked each workweek.

The Commissioner will provide notification of the Wage Statement regulations on the DLI's website.

The other states to have approved a \$15.00 per hour minimum wage are California, Illinois, Massachusetts, New Jersey, and New York. Some local jurisdictions, including Washington, D.C. and Montgomery County in Maryland, also have adopted a \$15.00 per hour minimum wage.

Jackson Lewis attorneys are available to assist employers in achieving compliance with this and other workplace requirements. Employers should regularly review their policies and practices with employment counsel to ensure they address specific organizational needs effectively and comply with applicable law.

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