

Countdown to Summer: Compliance with Maryland Wage & Hour Laws



Presentation for the
Ocean City Chamber of Commerce
May 21, 2025
11:00 a.m.



5: Overtime

Maryland law entitles most workers to overtime pay, calculated at 1 ½ times the regular hourly rate, for time worked over 40 hours in a workweek. (L&E Article, 3-415, 3-420).

The “regular hourly rate” may include items other than wages, such as bonuses, commissions, and tips (up to the amount of any claimed tip credit). (See generally COMAR 09.12.41.19)

4: Records

Employers must keep, for at least three years, records identifying employees, their classifications, wage rates, hours worked each workweek, and pay (L&E Article 3-424)

Records must be maintained “in or about the place of employment,” and produced upon request (L&E Article 3-424, 3-425)

3: Tipped Workers

Maryland law allows an employer to pay a lower minimum wage rate (\$3.63) to an employee who receives tips, and take a “credit” for tips received, so long as the amount the employee receives in tips makes up the balance to at least the \$15 minimum wage (L&E Article, 3-419)

- * No portion of tips may be kept by the “house” or management employees
 - * Mandatory service charge is NOT a “tip”
 - * Terms of any tip pool must be disclosed to employees
 - * Tip credit may only be taken for hours worked in tip producing activities and certain limited amount of activities directly supporting tip producing activities (80/20 rule)
 - * Employer must keep records to support claim for any “tip credit”
 - * Restaurant employers must provide employee with “written or electronic wage statement” showing tip credit calculation
- (L&E Article 3-419; COMAR 09.12.41.19 & 09.12.41.20)

2: Payment and Paystubs

*At time of hire, employer must provide notice of rate of pay; regular paydays; and leave benefits (L&E 3-504)

*Workers must be paid at least twice a month

*Deductions are limited, cannot reduce wages below minimum wage (L&E 3-503)

Pay statement must be provided for each pay period, showing detail of hours, pay rates, earnings and deductions (L&E 3-505) (Template and [compliance guidance](#) available on DLI website!)

1: Final Pay

Final pay for separated worker, even worker terminated for cause, must be paid in full no later than the regular payday (L&E Article, 3-505)

Employer may not hold or delay final pay, or take deductions (other than those specifically allowed by law) from final pay!

Bonus! Sick and Safe Leave

Employers with more than 15 employees (part-time or full-time or both) are required to provide paid sick leave for eligible employees under the Maryland Healthy Working Families Act.

Employers with fewer than 15 employees are required to provide unpaid sick leave for eligible employees under the Maryland Healthy Working Families Act.

Contact Us!

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