Maryland Poised to Increase Minimum Wage to $15

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Maryland appears poised to increase its minimum wage to $15 per hour over the next few years, joining California, Illinois, Massachusetts, New Jersey, New York, and various local jurisdictions, including its own Montgomery County and neighboring District of Columbia.

On March 14, 2019, the Maryland Senate approved a bill (SB 2080) that would increase the state-wide minimum wage for companies with at least 14 employees from $10.10 to $15 by January 1, 2025, starting with an increase to $11 on January 1, 2020. Smaller business would have until January 1, 2028 to reach $15. Although this differs slightly from the version (HB 166) that the Maryland House approved on March 1, 2019, which would require all business to reach $15 by 2025, it seems likely that the two chambers will work out their differences.

Both bills contain a provision allowing the Board of Public Works to temporarily suspend an increase on a one-time basis if it determines as of October 1 2020, and each year thereafter until October 1, 2024, that the seasonally adjusted total employment for the most recent six months is negative as compared with the immediately preceding six month period. If it does so, the remaining increases will be delayed by one year.

Both bills also require future annual increases of 4% in state funding of reimbursements to providers of nursing home, medical day care, private duty nursing, personal care and Home-and-Community-Based services provided through the Community First Choice Program to help them pay the higher minimum wage, although these do not necessarily make up the full cost of the required minimum wage increases. However, the Senate bill provides slightly higher annual increases than the House bill for reimbursements of health and human services organizations such as those that serve people with disabilities or offer addiction treatment.

Although neither version changes the existing tip credit of $3.13, the Senate bill would require the Commissioner of Labor and Industry to adopt regulations requiring restaurant employers using the tip credit to provide a written or electronic wage statement for each pay period that shows the effective hourly tip rate as derived from cash wages plus all reported tips.

Finally, both bills lower the age at which employer can pay a so-called “training” wage of 85% of the state minimum wage from under age 20 to under age 18.

The House and Senate still have to work out their differences before sending the bill to Governor Hogan. However, even if he vetoes the bill, he would face a likely override because both the House and Senate passed their bills by veto-proof margins.

In the meantime, the minimum wage in Montgomery County is already set to increase to $13 on July 1, 2019, and to $15 by July 1, 2021. And the minimum wage is already at $11.50 in Prince George’s County.

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