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# WAGE & HOUR FACT SHEET

## Extracts from and summary of the Labor and Employment Article, Title 3, Subtitle 4 Annotated Code of Maryland

### **\$7.25 per hour** Beginning July 24, 2009

The minimum wage that must be paid to covered employees is \$7.25 per hour as of July 24, 2009 at 12:01 AM. With certain exceptions, time and a half the usual hourly rate must be paid for all hours worked in excess of 40 in a workweek.

**Certain employees and establishments are exempt from both the minimum wage and overtime provisions.** Exemptions include certain agricultural workers, executives, administrative and professional employees; employees of educational, charitable, religious and other non-profit organizations where the employee is working as a volunteer; employees of restaurants, cafes, drive-ins, taverns, and drug stores which sell food and drink for consumption on the premises where the annual gross is less than \$250,000, employees of motion picture and drive-in theaters; employees under 16 years of age working less than 20 hours per week; outside salesmen and individuals compensated on a commission basis; individuals 62 years of age and working not more than 25 hours a week; employees of establishments engaged in the first canning, packing or freezing of fruits, vegetables, poultry and seafood; the immediate family of the employer; those employees enrolled in a special educational program and non-administrative employees of organized camps.

**Certain employers are exempt from the overtime provisions, but must pay their employees minimum wage.** The following employers are exempt from overtime but subject to minimum wage: employers covered by certain railroad requirements of the Department of Transportation, the Federal Motor carrier Act and the Interstate Commerce Commission; employers operating a hotel, motel, restaurant, gas service station, an amusement or recreational establishment including certain swimming pools; employers operating a bona fide private country club; employers operating a non-profit entity in any of the following: providing in home care services for the sick, aged or individuals with disabilities; operating a theater, music festival, musical pavilion, theatrical show or concert promotion; employers who employ certain mechanics, parts-persons, or salespersons who primarily sell or service automobiles, farm equipment, trailers or trucks; employers who operate a taxicab business.

Employees of bowling establishments and institutions primarily engaged in the care of the sick, the aged, or individuals with disabilities who reside on the premises (other than hospitals) shall be paid time and one half after 48 hours.

Theater craft or trade employees that work for a "for profit" employer must be paid time and a half after 40 hours.

Covered agricultural workers must be paid time and a half after working 60 hours in any one workweek.

Employers are allowed to pay tipped employees (defined as employees regularly earning more than \$30 per month in tips) not less than \$3.63 per hour, provided each employee earns enough tips to bring their average hourly wage to at least the State minimum wage \$7.25 per hour. Deficiencies must be supplemented by the employer to bring the employee to the minimum wage level.

Employers covered by the Federal Fair Labor Standards Act may pay an opportunity wage of \$4.25 per hour to employees under 20 years of age during their first 90 consecutive calendar days of employment with an employer. Employers are prohibited from displacing employees in order to hire youth at the opportunity wage rate. Also prohibited are partial displacements such as reducing employees' hours, wages, or employment benefits.

Employers must keep records for 3 years in or about the premises where the employee is employed consisting of the name, address, race, gender and occupation of each employee, the rate of pay, amount paid each pay period, and the daily and weekly hours worked by each employee.

Penalties are prescribed for violations of the law.

**EMPLOYERS ARE REQUIRED TO POST THIS INFORMATION PURSUANT TO LABOR AND EMPLOYMENT ARTICLE, TITLE 3, SUBTITLE 4, ANNOTATED CODE OF MARYLAND**

December 17, 2009