

Minimum Wage - Frequently Asked Questions (FAQs)

1. Which employers are required to pay the Maryland minimum wage?

All employers with employees whose primary work location is in Maryland are required to pay the Maryland minimum wage, regardless of where the employer is located. Effective January 1, 2021, the minimum wage rate that an employer is required to pay depends on the size of the employer. Employers who employ 15 or more employees in Maryland are required to pay a slightly higher rate. The required wage rates can be found at <http://www.labor.maryland.gov/labor/wages/wagehrfacts.shtml>. Please note that employers in Montgomery County may be subject to different minimum wage rates. The link includes information about the minimum wage rates for Montgomery County.

2. Who is entitled to be paid the minimum wage rate?

All employees whose primary work location is in Maryland are entitled to be paid the applicable minimum wage rate unless they are exempt from coverage under the law.

3. Does an employer include all employees whose primary work location is Maryland in calculating the 15 employee threshold for the higher minimum wage rate?

Yes. An employer should include all employees whose primary work location is Maryland in determining whether the employer has 15 or more employees, including full-time and part-time employees.

4. In calculating the number of employees, does an employer include employees that work in Maryland as well as employees that the employer employs in other states?

The Commissioner will consider only those employees whose primary work location is Maryland. All employees of the employer working in Maryland will be considered in determining the 15 employee threshold, including part time employees.

5. Does this law apply to an employer who is based out of state and has employees who work in Maryland? What about a Maryland employer who has employees who live and work in another state?

The law applies to employers with employees whose primary work location is in Maryland even if the employer is located out of state. Employees whose primary work location is in Maryland must be paid the applicable Maryland minimum wage. If a Maryland company has an employee who lives and works exclusively in another state, the employer will need to evaluate whether to pay the Maryland minimum wage rate or the other state's minimum wage rate.

6. If the number of employees fluctuates, how does an employer calculate the number of employees for purposes of determining the applicable minimum wage?

The employer should consider the number of employees it has at the time the minimum wage rate goes into effect. If an employer has 15 or more employees on January 1, 2021, the employer must pay the higher rate. The minimum wage rate is scheduled to increase again on January 1, 2022.