

EMPLOYMENT LAW SUMMARY

Maryland: Overtime Wages and Work Hours



Because You're Different

The Fair Labor Standards Act (FLSA) regulates federal work hour and overtime payment requirements. Under the FLSA, employees must receive one and one-half times their regular wage rate for all hours worked over 40 hours in a workweek. For the most part, Maryland has adopted federal regulations as state standards. However, in some instances, Maryland law provides additional requirements that employers must follow. The Division of Labor and Industry (DLI) of the Maryland Department of Labor, Licensing and Regulation enforces overtime wage standards and investigates wage violation claims throughout the state.

OVERTIME PAY

Maryland has adopted the 40-hour workweek (seven consecutive calendar days) as the regular work period and the basis to calculate an employee's overtime pay. Employees that work over 40 hours in one week are entitled to receive one and one-half times their regular wage rate for all hours worked over 40. The hours an employee works during one workweek may not offset the hours worked in previous or future workweeks.

REGULAR WAGE RATE

Employers must calculate their employees' regular rate before they can determine applicable overtime wages. An employee's regular rate can vary from week to week and may be different from the employee's contractual rate of pay. To calculate an employee's regular rate for a specific work period, employers must divide the employee's entire compensation for a period by the number of hours the employee worked during that period. In Maryland, an employee's entire compensation includes bonuses, commissions, fringe benefits, overtime wages and any other compensation due to an employee for his or her service. Compensation may also include board, lodging and other benefits provided to an employee if these benefits are customarily provided to employees. These benefits must be reported only for the cost that they represent to the employer, in compliance with any limits set by the DLI.

REGULAR WORK HOURS

Maryland generally recognizes the 40-hour workweek for most employees. However, Maryland also allows extended workweeks for employees in certain industries.

48-HOUR WORKWEEK

Employees working for a bowling establishment and employees that work and reside at a facility that provides care for the aged, intellectually disabled and sick (if the institution is not a hospital) are exempt from the 40-hour workweek standard. These individuals are eligible to receive overtime pay for all hours worked over 48 hours during a workweek.

60-HOUR WORKWEEK

In Maryland, agricultural employees exempt from federal overtime regulations are entitled to receive overtime compensation for hours worked over a 60-hour workweek, unless they are subject to an overtime wage exception under the Maryland Wage and Hour Law.

EXCEPTIONS TO OVERTIME PAYMENT LAWS

Maryland overtime wage laws do not apply to:

- Bona-fide private country club employees;
- Bona-fide salaried executive, administrative and professional employees;
- Employees of amusement or recreational establishments, including swimming pools, if the establishment:
 - Operates for no more than seven months in a calendar year; or
 - For any six months during the preceding calendar year, has receipts which exceed one-third of the average receipts for the other six months;
- Employees of nonprofit concert promoters, legitimate theaters, music festivals, music pavilions or theatrical shows;
- Employees working for nonprofit organizations which provide temporary at-home care services (such as companionship or delivery of prepared meals) to aged, sick, disabled or mentally handicapped individuals;
- Gasoline service station employees;
- Hotel and motel employees;
- Motor carriers subject to federal regulation;
- Railroad employees subject to federal law;
- Restaurant employees;
- Salesmen, partsmen and mechanics who primarily sell or service automobiles, farm equipment, trailers or trucks and work for a non-manufacturer primarily engaged in selling and servicing those vehicles to ultimate purchasers; and
- Taxicab drivers.

PENALTIES

Due to a recent decision from the Maryland Court of Appeals, employers that fail to adequately pay an employee's overtime wages violate Maryland's Wage Payment and Collection Law (WPCL) and may be ordered to pay up to three times the amount of withheld wages, reasonable attorneys' fees, court costs and any other expense an employee may have incurred to collect his or her unpaid overtime wages.

MORE INFORMATION

Contact Heffernan Insurance Brokers for more information on wage payment and work hour laws in Maryland.

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