

Allowable Tip Credit for Employers Subject to the Maryland Minimum Wage

A tip credit can only be applied if the employee

- (i) is engaged in an occupation in which the employee customarily and regularly receives more than \$30 each month in tips;
- (ii) has been informed by the employer about the provisions of the tip credit section of the Maryland Wage and Hour Law; and
- (iii) has kept all of the tips that the employee received. This does not prohibit the pooling of tips.

Tip Credit calculations for employers subject to the **Maryland State** Minimum Wage Rate.

Tip Credit calculations for employers subject to the **Maryland State** Minimum Wage Rate.

| Effective Date | Employer Requirement | Tip Credit Allowed | Total Hourly Rate Due REGULAR EMPLOYER |
|----------------|----------------------|--------------------|--|
| 1/1/24 | \$3.63 | \$11.37 | \$15.00 |

In general, **OVERTIME** is calculated at 1.5 times the usual hourly wage rate for each hour over 40 hours that an employee works during one workweek. The same tip credit for straight time can be applied to overtime hours.

Overtime Tip Credit calculations for employers subject to the **Maryland State** Minimum Wage Rate

| Effective Date | Employer Requirement | Tip Credit Allowed | Total Hourly Rate Due |
|----------------|----------------------|--------------------|-----------------------|
| 1/1/24 | \$11.13 | \$11.37 | \$22.50 |

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