

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.

Effective Date	Employer Requirement	Tip Credit Allowed (Regular Employer)	Total Hourly Rate Due (Regular Employers- More than 14 employees)	Tip Credit Allowed (Small Employer)	Total Hourly Rate Due (Small Employers-14 or Fewer employees)
7/1/15	\$3.63	\$4.62	\$8.25		
7/1/16	\$3.63	\$5.12	\$8.75		
7/1/17	\$3.63	\$5.62	\$9.25		
7/1/18	\$3.63	\$6.47	\$10.10		
1/1/20	\$3.63	\$7.37	\$11.00	\$7.37	\$11.00
1/1/21	\$3.63	\$8.12	\$11.75	\$7.97	\$11.60
1/1/22	\$3.63	\$8.87	\$12.50	\$8.57	\$12.20
1/1/23	\$3.63	\$9.62	\$13.25	\$9.17	\$12.80
1/1/24	\$3.63	\$10.37	\$14.00	\$9.77	\$13.40
1/1/25	\$3.63	\$11.37	\$15.00	\$10.37	\$14.00
1/1/26	\$3.63	\$11.37	\$15.00	\$10.97	\$14.60
7/1/26	\$3.63	\$11.37	\$15.00	\$11.37	\$15.00

Tip Credit calculations for **LARGE** employers subject to the **Montgomery County** Minimum Wage Rate. A "Large employer" is an employer who employs 51 or more employees.

Effective Date	Employer Requirement	Tip Credit Allowed	Total Hourly Rate Due <b>LARGE EMPLOYER</b>
7/1/15	\$4.00	\$4.40	\$8.40
10/1/15	\$4.00	\$5.55	\$9.55
7/1/16	\$4.00	\$6.75	\$10.75
7/1/17	\$4.00	\$7.50	\$11.50
7/1/18	\$4.00	\$8.25	\$12.25
7/1/19	\$4.00	\$9.00	\$13.00
7/1/20	\$4.00	\$10.00	\$14.00
7/1/21	\$4.00	\$11.00	\$15.00

Tip Credit calculations for **MID-SIZED** employers subject to the **Montgomery County** Minimum Wage Rate. A "Mid-sized employer" is an employer who employs between 11-50 employees.

Effective Date	Employer Requirement	Tip Credit Allowed	Total Hourly Rate Due <b>MID-SIZED EMPLOYER</b>
7/1/15	\$4.00	\$4.40	\$8.40
10/1/15	\$4.00	\$5.55	\$9.55
7/1/16	\$4.00	\$6.75	\$10.75
7/1/17	\$4.00	\$7.50	\$11.50
7/1/18	\$4.00	\$8.00	\$12.00
7/1/19	\$4.00	\$8.50	\$12.50
7/1/20	\$4.00	\$9.25	\$13.25
7/1/21	\$4.00	\$10.00	\$14.00
7/1/22	\$4.00	\$10.50	\$14.50
7/1/23	\$4.00	\$11.00	\$15.00

Tip Credit calculations for **SMALL** employers subject to the **Montgomery County** Minimum Wage Rate. A "Small employer" is an employer who employs 10 or fewer employees.

Effective Date	Employer Requirement	Tip Credit Allowed	Total Hourly Rate Due <b>SMALL EMPLOYER</b>
7/1/15	\$4.00	\$4.40	\$8.40
10/1/15	\$4.00	\$5.55	\$9.55
7/1/16	\$4.00	\$6.75	\$10.75
7/1/17	\$4.00	\$7.50	\$11.50
7/1/18	\$4.00	\$8.00	\$12.00
7/1/19	\$4.00	\$8.50	\$12.50
7/1/20	\$4.00	\$9.00	\$13.00
7/1/21	\$4.00	\$9.50	\$13.50
7/1/22	\$4.00	\$10.00	\$14.00
7/1/23	\$4.00	\$10.50	\$14.50
7/1/24	\$4.00	\$11.00	\$15.00

Tip Credit calculation for employers subject to the **Prince George's County** Minimum Wage Rate

Effective Date	Employer Requirement	Tip Credit Allowed	Total Hourly Rate Due
10/1/14	\$3.63	\$4.77	\$8.40
10/1/15	\$3.63	\$5.92	\$9.55
10/1/16	\$3.63	\$7.12	\$10.75
10/1/17	\$3.63	\$7.87	\$11.50
1/1/21	MARYLAND STATE MINIMUM WAGE APPLIES		

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 REGULAR employers subject to the Maryland State Minimum Wage Rate (Regular employer means an employer who employs more than 14 employees).**

Effective Date	Employer Requirement	Tip Credit Allowed	Total Hourly Rate Due
7/1/15	\$7.76	\$4.62	\$12.38
7/1/16	\$8.01	\$5.12	\$13.13
7/1/17	\$8.26	\$5.62	\$13.88
7/1/18	\$8.68	\$6.47	\$15.15
1/1/20	\$9.13	\$7.37	\$16.50
1/1/21	\$9.51	\$8.12	\$17.63
1/1/22	\$9.88	\$8.87	\$18.75
1/1/23	\$10.26	\$9.62	\$19.88
1/1/24	\$10.63	\$10.37	\$21.00
1/1/25	\$11.13	\$11.37	\$22.50

**Overtime Tip Credit calculations for SMALL employers subject to the Maryland State Minimum Wage Rate (Small employer means an employer who employs 14 or fewer employees).**

Effective Date	Employer Requirement	Tip Credit Allowed	Total Hourly Rate Due
7/1/15	\$7.76	\$4.62	\$12.38
7/1/16	\$8.01	\$5.12	\$13.13
7/1/17	\$8.26	\$5.62	\$13.88
7/1/18	\$8.68	\$6.47	\$15.15
1/1/20	\$9.13	\$7.37	\$16.50
1/1/21	\$9.43	\$7.97	\$17.40
1/1/22	\$9.73	\$8.57	\$18.30
1/1/23	\$10.03	\$9.17	\$19.20
1/1/24	\$10.33	\$9.77	\$20.10
1/1/25	\$10.63	\$10.37	\$21.00
1/1/26	\$10.93	\$10.97	\$21.90
7/1/26	\$11.13	\$11.37	\$22.50

**Overtime** Tip Credit calculations for **LARGE** employers subject to the **Montgomery County** Minimum Wage Rate: A "Large Employer" is an employer who employs 51 or more employees.

Effective Date	Employer Requirement	Tip Credit Allowed	Total Hourly Rate Due <b>LARGE EMPLOYER</b>
7/1/15	\$8.20	\$4.40	\$12.60
10/1/15	\$8.78	\$5.55	\$14.33
7/1/16	\$9.38	\$6.75	\$16.13
7/1/17	\$9.75	\$7.50	\$17.25
7/1/18	\$10.13	\$8.25	\$18.38
7/1/19	\$10.50	\$9.00	\$19.50
7/1/20	\$11.00	\$10.00	\$21.00
7/1/21	\$11.50	\$11.00	\$22.50

**Overtime** Tip Credit calculations for **MID-SIZED** employers subject to the **Montgomery County** Minimum Wage Rate. A "Mid-sized employer" is an employer who employs between 11-50 employees.

Effective Date	Employer Requirement	Tip Credit Allowed	Total Hourly Rate Due <b>MID-SIZED EMPLOYER</b>
7/1/15	\$8.20	\$4.40	\$12.60
10/1/15	\$8.78	\$5.55	\$14.33
7/1/16	\$9.38	\$6.75	\$16.13
7/1/17	\$9.75	\$7.50	\$17.25
7/1/18	\$10.00	\$8.00	\$18.00
7/1/19	\$10.25	\$8.50	\$18.75
7/1/20	\$10.63	\$9.25	\$19.88
7/1/21	\$11.00	\$10.00	\$21.00
7/1/22	\$11.25	\$10.50	\$21.75
7/1/23	\$11.50	\$11.00	\$22.50

**Overtime** Tip Credit calculations for **SMALL** employers subject to the **Montgomery County** Minimum Wage Rate: A "Small Employer" is an employer who employs 10 or fewer employees.

Effective Date	Employer Requirement	Tip Credit Allowed	Total Hourly Rate Due <b>SMALL EMPLOYER</b>
7/1/15	\$8.20	\$4.40	\$12.60
10/1/15	\$8.78	\$5.55	\$14.33
7/1/16	\$9.38	\$6.75	\$16.13
7/1/17	\$9.75	\$7.50	\$17.25
7/1/18	\$10.00	\$8.00	\$18.00
7/1/19	\$10.25	\$8.50	\$18.75
7/1/20	\$10.50	\$9.00	\$19.50
7/1/21	\$10.75	\$9.50	\$20.25
7/1/22	\$11.00	\$10.00	\$21.00
7/1/23	\$11.25	\$10.50	\$21.75
7/1/24	\$11.50	\$11.00	\$22.50

**Overtime** Tip Credit calculation for employers subject to the **Prince George's County** Minimum Wage Rate:

Effective Date	Employer Requirement	Tip Credit Allowed	Total Hourly Rate Due
10/1/14	\$7.83	\$4.77	\$12.60
10/1/15	\$8.41	\$5.92	\$14.33
10/1/16	\$9.01	\$7.12	\$16.13
10/1/17	\$9.38	\$7.87	\$17.25
1/1/21	<b>SAME AS MARYLAND STATE REQUIREMENT</b>		

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