

Montgomery County’s Scheduled Increases To Minimum Wages Take Effect

By Hayes Edwards

Written with assistance from Erin N. Schiffman, Law Clerk.

As of July 1, 2021, the following minimum wages are now required for workers in Montgomery County. These increases were scheduled by legislation passed in 2017 (Bill 28-17), which provides for continued increases until all employers are required to pay \$15.00 per hour. Medium-sized employers will reach \$15.00 on July 1, 2022, as will small employers on July 1, 2023. The \$15.00 minimum wages will be subject to continuing annual increases, based on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for Washington-Baltimore.

Employer Size	Number of Employees	Minimum Hourly Wage
Large	51 or more	\$15
Medium*	11-50*	\$14
Small	10 or fewer	\$13.50

Although the County’s minimum wages are higher than the Maryland’s, certain employees might not be covered by the County law. That is because the County adopts both state and federal exemptions for minimum wage. Employers should be careful when identifying exempt employees, in case they are exempt under *only* federal law, in which case they would be entitled to the state minimum wage.

It is important to note that an employer’s “size” under this law is calculated based upon their average number of employees per calendar week during the preceding calendar year (counting all weeks when at least one employee worked for compensation). That calculation is performed as of the time the employer first became subject to the law, which first took effect on July 1, 2018. Employers with more than 50 employees qualify as only “medium-sized employers” if they either: (a) enjoy 501(c)(3) status; or (b) provide either home health services or “home or community-based services” and receive at least 75% of their income from state and federal Medicaid programs.