

## Minimum Wage and Wage Hour Compliance

Despite their close proximity to each other, the District of Columbia, Maryland and Virginia each have differing laws on minimum wages.

As of July 1, 2023, the District of Columbia's minimum wage is \$17.00 per hour. Effective as of January 1, 2023, the minimum wage under Maryland state law rose to \$13.25 per hour for employers with 15 or more employees and \$12.80 per hour for employers with 14 or fewer employees. Montgomery County, Maryland has a higher minimum wage, which ranges from \$14.50 per hour to \$15.65 per hour, depending on employer size. As of January 1, 2023, Virginia's minimum wage is \$12.00. Employers in certain counties who contract with government agencies, or who accept certain government grants, may be subject to additional minimum wage provisions.

Minimum wage requirements also change periodically. The Maryland state minimum wage is scheduled to increase on January 1, 2024 to \$13.25 per hour for employers with 15 or more employees and \$12.80 per hour for employers with 14 or fewer employees. Virginia's minimum wage is scheduled to increase on January 1, 2025 to \$13.50 per hour.

The failure to properly pay hourly employees the current minimum wage can subject employers to scrutiny both from the state as well as the federal labor enforcers. Our attorneys can assist with this.

Not all workers are covered by minimum wage and overtime requirements. However, the rules for determining who is exempt from these requirements are complex and technical. Mistakes in classifying workers as "exempt" or as "independent contractors" can have dire consequences, including liability to a misclassified worker for unpaid overtime (at 150% of the employee's regular rate), and double or treble damages, plus the employee's attorney fees.

Employers that have not carefully reviewed their classification practices for compliance with applicable legal requirements often benefit from a review of worker classifications. The experienced employment attorneys at McMillan Metro Faerber, P.C. are glad to provide guidance and practical problem-solving in this challenging area.

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