

Allowable Tip Credit for Employers Subject to the Howard County 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 **Howard County** Minimum Wage Rate.

Tip Credit calculations for **REGULAR** employers subject to the **Howard County** Minimum Wage Rate. A "Regular employer" is an employer who employs 15 or more employees.

Effective Date	Employer Requirement	Tip Credit Allowed	Total Hourly Rate Due REGULAR EMPLOYER
4/1/22	\$3.63	\$10.37	\$14.00
1/1/23	\$3.63	\$11.37	\$15.00
1/1/25	\$3.63	\$12.37	\$16.00

Tip Credit calculations for **SMALL** employers subject to the **Howard County** Minimum Wage Rate. A "Small employer" is an employer as defined by the Howard County Code.

Effective Date	Employer Requirement	Tip Credit Allowed	Total Hourly Rate Due SMALL EMPLOYER
4/1/22	\$3.63	\$8.87	\$12.50
1/1/23	\$3.63	\$9.62	\$13.25
1/1/24	\$3.63	\$10.37	\$14.00
1/1/25	\$3.63	\$11.12	\$14.75
1/1/25	\$3.63	\$11.37	\$15.00
1/1/26	\$3.63	\$11.87	\$15.50
7/1/26	\$3.63	\$12.37	\$16.00

* On January 1, 2025, food service employers with 15 or more employees will be required to pay a minimum wage of \$15 per hour as required under State law and local ordinance.

Tip Credit calculations for **HOWARD COUNTY GOVERNMENT** employers as defined in the Howard County Code subject to the **Howard County** Minimum Wage Rate.

Effective Date	Employer Requirement	Tip Credit Allowed	Total Hourly Rate Due HOWARD COUNTY GOVERNMENT
7/1/22	\$3.63	\$11.37	\$15.00
7/1/24	\$3.63	\$12.37	\$16.00

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 calculation for **REGULAR EMPLOYERS** subject to the **Howard County** Minimum Wage Rate ("Regular employer" is an employer who employs 15 or more employees.)

Effective Date	Employer Requirement	Tip Credit Allowed	Total Hourly Rate Due
4/1/22	\$10.63	\$10.37	\$21.00
1/1/23	\$11.13	\$11.37	\$22.50
1/1/25	\$11.63	\$12.37	\$24.00

Overtime Tip Credit calculations for **SMALL** employers subject to the **Howard County Minimum Wage Rate** (Small employer means an employer as defined by the Howard County Code.)

Effective Date	Employer Requirement	Tip Credit Allowed	Total Hourly Rate Due
4/1/22	\$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	\$11.01	\$11.12	\$22.13
1/1/25	\$11.13	\$11.37	\$22.50
1/1/26	\$11.38	\$11.87	\$23.25
7/1/26	\$11.63	\$12.37	\$24.00

*Effective January 1, 2025, food service employers with 15 or more employees will be required to pay the State Minimum Wage of \$15.00 per hour.

Overtime Tip Credit calculations for **HOWARD COUNTY GOVERNMENT** employers as defined in the Howard County Code subject to the **Howard County** Minimum Wage Rate.

Effective Date	Employer Requirement	Tip Credit Allowed	Total Hourly Rate Due
7/1/22	\$10.63	\$11.37	\$22.50
7/1/24	\$11.13	\$12.37	\$24.00

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