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Subcommittees

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Revenues



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THE MARYLAND HOUSE OF DELEGATES
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HB 69: Labor and Employment - Exemptions From Overtime Pay - Administrative, Executive, or Professional Capacity

Government, Labor, and Elections Committee

Thursday, February 19th – 1:00 PM

Chair Wells, Vice Chair Kerr, and Government, Labor, and Elections Committee,

In 2024, the U.S. Department of Labor raised the threshold that determines which salaried workers qualify for overtime pay—an update that would have extended overtime compensation to millions of additional workers across the country. However, a federal judge in Texas struck down that rule. While that decision has been appealed, new leadership at the Department of Labor has indicated their intent to reevaluate the rule altogether, leaving workers and employers in a state of uncertainty.

HB 69 would allow Maryland to move forward with that higher standard at the state level, ensuring that more workers are compensated for the extra hours they work. The exemption threshold increases \$3,000 each year beginning July 1, 2027 until reaching the equivalent annual salary of \$50,000 beginning July 1, 2031.

This legislation codifies a clear overtime salary threshold in Maryland law for the first time. Maryland's Wage and Hour Law complements the Federal Fair Labor Standards act in requiring employers to pay time and a half, but does not delineate salary thresholds for overtime pay. By establishing a state standard, HB 69 creates stability and predictability for both workers and employers, while maintaining flexibility to adjust if the federal government raises the threshold again in the future.

Overall, HB 69 ensures that overtime protections keep pace with economic reality and that Maryland workers are paid fairly for the time they put in on the job.

I urge the committee to give a favorable report on HB 0069.