



Living Wage for State Service Contracts

Welcome to the Division of Labor and Industry's Living Wage for State Service Contracts unit. The Living Wage unit ensures that contractors and subcontractors pay a living wage to employees performing work on certain state service contracts in excess of \$100,000 (certain exemptions apply). If an employer has a contract above this amount with the State of Maryland to provide services, and if an employee provides direct, measurable work under that contract, that employee is more than likely covered by the State's Living Wage Law. If you are unsure if you are covered by the Living Wage Law, or if you think your employer is not paying you the required amount, please visit our website at:

<http://labor.maryland.gov/labor/prev/livingwage.shtml>

for more information or to file a claim. You may also call the number on the back of this brochure.



Living Wage

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Learn more about Maryland's Living Wage Law by logging onto:

<http://labor.maryland.gov/labor/prev/livingwage.shtml>

Maryland Living Wage



*Helping contractors and employees
know what rate they should be paid
for state service contracts that
exceed \$100,000*
(*certain exemptions apply)*

What is the Living Wage Law?

The Living Wage Law authorizes the Commissioner of Labor and Industry to administer and enforce the law.

The Commissioner of Labor and Industry is required to adjust the wage rates based on the Consumer Price Index and to allow certain reductions to the wage rates. These laws establish and enforce wage standards for workers from private businesses receiving contracts or subsidies from local governments.

Living Wage ensures that the hourly rate earned by an individual working full-time on a State project valued at either \$100,000 or more if the contractor has more than ten (10) employees or \$500,000 or more if the contractor has less than ten (10) employees, is sufficient enough to support their families.

Services Covered Under the Living Wage Law

Under the Living Wage Law, services covered include maintenance services and information technology services. However, services NOT included are construction, construction-related services, architectural and engineering services, energy performance contracts, supplies (including commodities and printing), real property, or the purchase of goods.

Living Wage Rates

The current Living Wage rates are:

- Tier 1—\$14.24 per hour: Anne Arundel County, Baltimore City, Baltimore, Howard, Montgomery, and Prince George's Counties
- Tier 2—\$10.70* per hour: Any county in the State not included in the Tier 1 area for each hour you work on that contract. (*Note—Maryland minimum wage will increase to \$11.00 per hour on 1/1/2020 and is scheduled to increase each January 1 until reaching \$15.00 per hour)

Rates listed depend on the location where the services are performed or on the location benefiting from the work. The rates change each year and are published 90 days from the end of the state fiscal year.

Services Exempt from the Living Wage Law

State service contracts that are:

- Under \$100,000 in value.
- Under \$500,000 in value if the contractor has ten (10) or fewer employees.
- Services needed immediately to prevent or respond to imminent threat to public health or safety.
- Services with employees who work less than thirteen (13) consecutive weeks on the contract.
- A public service company;
- A non-profit organization;
- Between units (interagency agreements).
- Between a unit and a county or Baltimore City.

For more information on services covered and exemptions, please log onto:

<http://labor.maryland.gov/labor/prev/livingwage.shtml>

and click on Frequently Asked Questions (FAQs).

