



Maryland Law Updates: What to Know Before October 1

For many Maryland employers, October 1—the day on which newly-passed laws from the most recent legislative session often take effect—can cause some unease. The fast pace of the Maryland General Assembly’s 90-day session makes it difficult to track which bills passed, whether they were amended, and how they will ultimately impact your organization.

Below, we have summarized a few of the state law updates that you will want to familiarize yourself with before they take effect on October 1:

- Wage Range Transparency Act ([House Bill 649](#)): The Wage Range Transparency Act requires employers to disclose the following information on all job postings (1) the “wage range” (*i.e.*, the minimum and maximum hourly rate or salary) for the position, (2) a general description of the benefits offered for the position, and (3) any other compensation offered for the position. (We discussed the Act in greater detail in our [July 22 Monday Minute](#).)
- Time to Care Act ([Senate Bill 275](#) (2022), as amended by [Senate Bill 828](#) (2023) and

Senate Bill 485 (2024): The start dates for required contributions and benefit payments to Maryland's new paid family and medical leave program have been delayed to July 1, 2025 (for employers and employees to begin making the required contributions) and July 1, 2026 (for benefit payments to begin). Nonetheless, the law officially takes effect on October 1 and we expect that the Secretary of Labor will promulgate regulations for the program sometime between now and February 1, 2025.

- **Pay Stubs and Pay Statement Act (Senate Bill 38)**: These updates to the Maryland Wage Payment and Collection Law mandate that new employees receive, in writing and at the time of hiring, a statement of their pay rate, pay schedule, and leave benefits. The Act also requires employers to include certain additional information—including the date of payment, the beginning and ending dates of the relevant pay period, and additional bases of pay such as bonuses or commissions—on each pay stub.
- **Workplace Fraud and Prevailing Wage (House Bill 465)**: This revision to the Workplace Fraud Act increases the maximum civil penalty for knowingly failing to properly classify an individual as an employee to \$10,000. Previously, the maximum civil penalty was \$5,000.
- **Updates to Maryland's Employment Discrimination Laws (Senate Bill 413, House Bill 602, and House Bill 1397)**: Senate Bill 413 prohibits employment discrimination on the basis of military status; House Bill 602 expands the Maryland Equal Pay for Equal Work Act to prohibit wage and other employment discrimination on the basis of sexual orientation (in addition to prohibiting discrimination on the bases of sex and gender identity); and House Bill 1397 creates a more consistent definition of "protected characteristics" across Maryland's employment laws, specifically by adding language that prohibits discrimination on the bases of sexual orientation, gender identity, race, religious beliefs, marital status, and disability to several existing statutes.

On the federal side, we have been carefully monitoring updates to the U.S. Department of Labor's Independent Contractor Rule and the Federal Trade Commission's Noncompete Rules:

- **Independent Contractor Rule**: Back in March, the Department of Labor issued a new regulation that replaced the previous standard for determining whether a worker is an employee or independent contractor. The Department's new "economic reality" test examines the following factors in classifying workers:
 - 1.) Opportunity for profit or loss depending on managerial skill (the greater the degree of opportunity, the more likely an independent contractor);
 - 2.) Investments by the worker and the potential employer (investments by the worker moving the needle toward contractor status; by the employer toward employment status);
 - 3.) Degree of permanence of the work relationship (longer relationships are more likely to be considered employee/employer relationships);
 - 4.) Nature and degree of the employer's control (with more control, workers appear more like employees);
 - 5.) Extent to which the work performed is an integral part of the potential employer's business (integral work tipping the scale toward employment); and
 - 6.) Specialized skill and initiative (tipping it back toward contractor status).
- **Noncompete Rules**: Earlier this year, the FTC announced a general ban on noncompete agreements. That regulation has been enjoined by a federal district court and therefore is not currently in effect.

**This client alert is for informational purposes and is not legal advice. View [previous issues](#) of Monday Minute.*

What's Next?

If you have questions about the updates above or how they might apply to your company's specific circumstances, please reach out to:

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