



MHLA

HR COMMITTEE MEETING

August 1, 2024

WELCOME



COMMITMENT TO ANTITRUST STATEMENT



Antitrust Laws Statement

It is the policy of the Maryland Hotel Lodging Association to comply with laws and regulations applicable to their activities.

Among other things, Maryland Hotel Lodging Association Board of Directors, employees, and members are subject to antitrust laws that prohibit fixing prices, dividing or allocating geographic markets, engaging in unfair or deceptive practices, setting profit levels, engaging in boycotts, and other anti-competitive actions as are set forth in the Sherman Act, the Clayton Act, the Federal Trade Commission Act, as well as other federal laws and regulations and the laws and regulations of the State of Maryland. Maryland Hotel Lodging Association neither permits nor condones anti-competitive behavior, whether willful or inadvertent, in connection with any Maryland Hotel Lodging Association activity.

This statement will be circulated and acknowledged at all Association business meetings, including Board of Director, Committee, General, and Special Meetings.

MHLA HUMAN RESOURCES COMMITTEE

HR Committee Description

Made up of HR Professionals who represent MHLA member properties in support of MHLA's mission.

- Network and connect with other HR professionals employed by MHLA member properties
- Be informed of legislation that may affect HR within the lodging industry
- May assist MHLA's advocacy as needed through HR expertise
- Assist and engage fellow member hotels with "Stars of the Industry" Awards nomination process
- Participate in compliance webinars and other meetings as determined by the needs of the group.

MHLA VISION & MISSION

VISION

We strive to actively advance the interests of the lodging industry in Maryland at the state and local levels.

MISSION

We provide advocacy, information, recognition, and networking opportunities that benefit lodging industry owners, managers, associates, related businesses, and communities in Maryland.

GUEST SPEAKER

Artificial Intelligence in the Lodging Industry and its legal implications



Darryl G. McCallum

Partner

Shawe Rosenthal LLP



Artificial Intelligence in the Lodging Industry and Other Hot HR Topics: What Employers Need to Know

Darryl G. McCallum
Shawe Rosenthal LLP
One South Street,
Suite 1800
Baltimore, MD 21202
410-752-1040
www.shawe.com

August 1, 2024

Disclaimer

The materials presented in this webinar are for informational purposes only and not for the purpose of providing legal advice. You should contact your attorney to obtain advice with respect to any particular issue or problem. Participation in this webinar does not create an attorney-client relationship between the participant and Shawe Rosenthal LLP. The opinions expressed in this webinar are the opinions of the individual presenter and may not reflect the opinions of MHLA, the firm, or any other individual attorney.

Artificial Intelligence

- What is it?
- Using a machine that simulates human intelligence and problem solving.
- AI is about providing more complete data, analyzing data, and delivering an action on that data.

Generative AI

- ChatGPT and other generative artificial intelligence tools are having a significant impact in the workplace – in terms of administrative functions (like resume screening, applicant selection, employee evaluations, .etc.)

Generative AI Risks and Concerns

- Discrimination in Employment Decisions
- False Information
- Limitations on Knowledgebase
- Company and Employee Confidentiality
- Intellectual Property Rights
- Impact on Staffing

Federal Guidance Regarding AI Use in the Workplace

- EEOC Technical Guidance – focused on preventing discrimination against job applicants and employees with disabilities
- DOL Guidance on AI in the Workplace under the Fair Labor Standards Act and Other Federal Standards

FLSA Issues Regarding AI

- Hours Worked
- Break Time
- Waiting Time
- Work Performed at Multiple Locations
- Calculating Wage Rates

FMLA Issues Regarding AI

- Processing Leave Requests
- FMLA Certifications
- FMLA Interference and Retaliation
- Other laws

Maryland Law Regarding Artificial Intelligence in the Hiring Process

- AI can link face recognition programs with applicant databases in seconds.
- Maryland is one of a few jurisdictions with a law that governs the use of facial recognition software in the hiring process.
- Md Labor and Employment Code § 3-717 prohibits the use of a facial recognition technology during an applicant's interview without their consent.

Maryland Law

- An applicant may consent to the use of such technology by signing a waiver that contains the applicant's name, the interview date, the applicant's consent to the use of facial recognition during the interview, and whether the applicant read the consent waiver.

Hot HR Topics

- Updated Regulations for FAMILI (SB0485/HB0571)
- New Maryland Wage Range Transparency Law
- New Maryland Security Guard Standards and Certifications
- Federal Overtime Rule

FAMLI Draft Regulations

- The General Assembly passed a law in 2022 that set up a paid family and medical leave insurance program (known as FAMLI). The program will apply to all employers with employees in Maryland. It will provide eligible employees with 12 weeks of paid family and medical leave, with the possibility of an additional 12 weeks of paid parental leave (for a possible total of 24 weeks of paid leave). This \$1.6 billion program will be administered by the State and funded by contributions from employers and employees. Contributions will begin on July 1, 2025, with benefits starting July 1, 2026.

Modifications to Paid Family and Medical Leave/FAMLI

- Funded by contributions from employers and employees, administered by MD DOL
- Employees will be able to take 12 weeks of paid leave for FMLA-type reasons, possible additional 12 for parental bonding
- Leave may be taken intermittently
- Contributions begin 7/1/25*
- Benefits begin 7/1/26*

FAMLI – Employee Eligibility

- Employees performing services under employment located in the State*
- Worked for 680 hours in the 12 months prior to leave (13 hours per week)
 - Not necessarily current employer
- Includes employees not eligible for FMLA

FAMLI Draft Regulations

- On July 10, 2024, the Maryland Department of Labor’s (MDOL) issued a [second version of “draft” regulations](#) to implement Maryland’s paid family and medical leave insurance (FAMLI) law.
- Here are the more significant developments in the latest version of the draft regulations.
- FAMLI’s new definition of “[health care provider](#)” does not include the FMLA’s provisions as to Christian Science Practitioners or practitioners accepted by a group health plan’s benefits manager to substantiate a claim for benefits.
- The draft regulations clarify that the [online account](#) that employers must create will be used to make required information reports, remit contribution payments, and communicate with the State.
- Following submission of the quarterly wage and hour reports, employers may [amend the submission](#) before the due date of the next report.
- Employers may seek [reimbursement of contribution overpayments](#), and must return the employee’s share to the employee. If the employee cannot be located, the employee’s contributions go back to the State plan.

FAMILY Draft Regulations

- Equivalent Private Insurance Plans – may be challenging if not virtually impossible

Wage Range Transparency Law

- Currently, employers must provide wage range upon applicant's request
- Effective October 1, 2024, employers must include the following in any internal or external posting for jobs that are physically performed, at least in part, in Maryland:
 - Wage range
 - General description of benefits
 - Any other applicable compensation
- If posting not available to applicant, info must be provided to them before any discussion of compensation and upon their request

Wage Range Transparency Law (cont.)

“Wage range” is the minimum and maximum hourly rate or salary, set in good faith based on one of following:

- any applicable pay scale;
- any previously determined minimum and maximum hourly rate or salary for the position;
- the minimum and maximum hourly rate or salary for an individual holding a comparable position at the time of the posting; or
- the budgeted amount for the position.

Wage Range Transparency Law (cont.)

- Employers may not refuse to interview, hire, employ, promote or transfer an applicant/employee because the employee:
 - Refused to provide prior wage history
 - Asked for the wage range
 - Exercised any other rights under the law
- Employees may file complaint with the Commissioner of Labor and Industry for alleged violations.
 - Commissioner may order compliance and impose a civil penalty

Salary Posting Requirement – Practical Steps

- Identify wage range for any positions posted for jobs performed in Maryland
 - Does not apply to remote positions
- Update job posting format to include wage range, benefits, other compensation
 - DOL will develop a form that employers may use for this purpose
- Retain records for three (3) years

New Hiring Notice Requirements

Effective October 1, 2024, at hiring, give written notice of:

- rate of pay,
- the regular paydays, and
- leave benefits

New Pay Stub Requirements

Effective October 1, 2024, on each physical pay stub or online pay statement, give written notice of:

- The employer's registered name, address and telephone number;
- The date of payment and the beginning/ending dates of the applicable pay period;
- For non-exempt employees, the number of hours worked in the pay period;
- The rates of pay;
- The gross and net pay earned during the pay period;
- A list of additional bases of pay, including bonuses, sales commissions, etc.; and
- For piece-rate employees, the applicable piece rates of pay and number of pieces completed at each rate.

New Pay Stub Reqts (cont.)

- For violations, the Commissioner of Labor and Industry may order the employer to comply and impose administrative penalty of up to \$500 for each employee
- Employers may request an administrative hearing
- Commissioner may bring suit if employer fails to comply

New Hiring & Pay Stub Reqts – Practical Steps

- Ensure required written notice is provided upon hire
- Ensure required written notice is provided with each paystub
 - MDOL will create pay stub template
 - Work with payroll company to ensure compliance

Maryland Security Guard Standards and Certifications Law Effective January 1, 2025

- This law sets forth new requirements for businesses and organizations that employ private security guards but are not security guard agencies.
- Security Guard employers can only hire a security guard if the individual is certified as such by the Secretary of State Police, unless one of two exceptions are met.

Certification Requirements

- Be at least 18 years of age.
- Certify that they have not been convicted of a disqualifying crime or a crime of violence or if a current or former officer, that they have not been found to have used excessive force or made false statements during employment.
- Complete 12 hours of initial security guard training (unless the applicant was a police officer within the last 3 years).
- Obtain a Maryland handgun permit if they will carry a firearm.

Exceptions to Certification Requirement

- The employer submitted the unlicensed security guard's application for certification to the Secretary and the Secretary has not disapproved the application; or
- The unlicensed security guard obtained and currently possesses certification as a police officer through the Maryland Police Training and Standards Commission.

Other Requirements of the Security Guard Law

- Insurance Requirements
- Reporting Requirements

NEW FEDERAL OVERTIME RULE

Department of Labor Justification

“The goal of this rulemaking is to set effective earnings thresholds to help define and delimit the FLSA's EAP exemption. To this end, the Department is finalizing its proposed change to the standard salary level.”

Increased Standard Salary Level

- July 1, 2024 – Increase the standard salary level to \$844 per week (or \$43,888 annually).
- January 1, 2025 – Increase the salary level to \$1,128 per week (or \$58,656 annually).
- Thus, as of January 2025, the salary level threshold will increase nearly 65% from the current \$684/week threshold.

Increased Highly Compensated Employee Total Annual Compensation Threshold

- July 1, 2024 – Increase of more than \$25,000 to \$132,964/year.
- January 1, 2025 – Increase HCE salary threshold to \$151,164/year.

Automatic Salary Increases

- Beginning July 1, 2027, automatic updates to the salary thresholds every three years, using then current wage data.
 - The rule provides that a scheduled automatic update could be delayed temporarily if there is unforeseen economic or other conditions.

What to Do?

- Identify positions that need to be reclassified.
- Develop new compensation plan for reclassified employees.
- Review wage and hour policies and processes.
- Update timekeeping systems.
- Communicate changes to employees.
- Train reclassified employees and managers.

Questions

Darryl G. McCallum

dgm@shawe.com

410-843-3465

2025 “Stars of the Industry” Awards



2024 MHLA AWARD CATEGORIES

(1) PROPERTY AWARD

Outstanding Property of the Year

(8) EMPLOYEE AWARDS

Culinary & Kitchen Star of the Year
(hourly position)

Food & Beverage Star of the Year
(hourly position)

Front Office & Guest Services Star of the Year
(hourly position)

Housekeeping Star of the Year
(hourly position)

Back of the House Star of the Year
(hourly position)

Sales & Events Professional of the Year
(hourly or management position)

Manager of the Year
(management award)

General Manager of the Year
(management award)

GHLA Streamlined Stars Model

- ☆ **Each property** submits the names of their winners in their selected categories for their properties. No stories or photos required.
- ☆ Attendees arrive to see the **Wall of Champions** at registration where all names submitted are proudly displayed.
- ☆ Honorees take team photos & receive medallions same as MFLA nominees currently.
- ☆ All participating properties receive a plaque with their **Honorees** for the given year. The property name and General Manager are listed for each submitted.
- ☆ **All Honorees** are expected to attend the Annual Awards Luncheon as they will be recognized on stage in each of the award categories by walking down the catwalk stage in the center of the room. 2024 they had record attendance.



2024 GHLA Stars Event

OPEN FORUM



THANK YOU



For questions contact:

MELISSA SIMPSON at Melissa@MDLodging.org