



## TESTIMONY IN SUPPORT OF SB 641

### MARYLAND WAGE AND HOUR LAW AND MARYLAND WAGE PAYMENT AND COLLECTION ACT – REVISIONS (MARYLAND WAGE PROTECTION ACT)

Senate Finance Committee

February 27, 2020

Submitted by Stacey Jefferson and Margo Quinlan, Co-Chairs

#### Member Agencies:

Advocates for Children and Youth  
Baltimore Jewish Council  
Behavioral Health System Baltimore  
CASH Campaign of Maryland  
Catholic Charities  
Episcopal Diocese of Maryland  
Family League of Baltimore  
Fuel Fund of Maryland  
Health Care for the Homeless  
Homeless Persons  
Representation Project  
Job Opportunities Task Force  
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Loyola University Maryland  
Maryland Catholic Conference  
Maryland Center on Economic Policy  
Maryland Community Action  
Partnership  
Maryland Family Network  
Maryland Hunger Solutions  
Paul's Place  
Public Justice Center  
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**Lifting Maryland's working poor out of poverty requires not only an increase in wages, but protections to ensure that workers actually receive all wages they have earned.** Wage theft – the denial or failure to pay workers their earned minimum wages, overtime, and other promised wages – is a common practice that deprives those living in or at the edge of poverty of needed income. Nationally, low-wage workers are denied minimum wages to the tune of fifteen billion dollars per year.<sup>1</sup> **In Maryland, 580,000 workers are cheated out of a cumulative \$875 million in gross wages each year.**<sup>2</sup>

Wage theft keeps workers poor, preventing them from affording basic necessities like rent, food, and healthcare. In one recent study, among the 2.4 million workers experiencing minimum wage violations, over 21% were living at or below the poverty line.<sup>3</sup> If these workers actually received all wages earned, 31% fewer would be in poverty.<sup>4</sup> **Ultimately, taxpayers are paying a price for these wage violations; nearly a third of workers who suffer minimum wage violations must rely on public assistance.**<sup>5</sup>

The Maryland Wage Protection Act provides an effective solution by preventing and remedying wage theft. It ensures that workers can determine, in the first instance, if they have been paid correctly by guaranteeing them complete information about their regular and overtime hours and pay rate on their paystub. Further, it protects workers from retaliation, so that they can enforce their right to be paid without fear of being fired or losing pay. Finally, it ensures that low-road employers cannot get away with wage theft by simply labelling their employees as “independent contractors,” even when the employees are not truly in business for themselves.

By putting in place common sense measures to combat wage theft, the Maryland Wage Protection Act is a critical tool for combatting poverty among low-wage workers. **MAP strongly urges a favorable vote.**

**Marylanders Against Poverty (MAP)** is a coalition of service providers, faith communities, and advocacy organizations advancing statewide public policies and programs necessary to alleviate the burdens faced by Marylanders living in or near poverty, and to address the underlying systemic causes of poverty.

<sup>1</sup> David Cooper & Teresa Kroeger, Employers Steal Billions from Workers' Paychecks Each Year (Economic Policy Institute, May 10, 2017), <https://www.epi.org/files/pdf/125116.pdf>

<sup>2</sup> Center for Popular Democracy, Combatting Wage Theft with the Maryland Paystub Transparency Act of 2016 4 (2016), <https://populardemocracy.org/sites/default/files/MD%20Pay%20Stub-web.pdf>

<sup>3</sup> Cooper, *supra* n. 1, at 13-15.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*