



House Bill 385

Wage Payment and Collection - Pay Stubs and Pay Statements - Required Information

January 31, 2024

POSITION: Oppose

Mr. Chairman and Members of the Economic Matters Committee:

The *Restaurant Association of Maryland* opposes House Bill 385. Maryland law and the federal Fair Labor Standards Act already require employers to keep certain pay records on file for three years, and most of the pertinent information specified in this bill is already included on pay stubs provided by payroll services.

Employers must keep records containing identifying information about employees, pay rate, pay period, amount paid each pay period, pay date, hours worked, basis on which wages are paid, allowances or deductions, overtime hours/earnings, and any other required information. At time of hiring, Maryland employers must provide new employees with notice of the employee's pay rate, regular pay dates and any leave benefits. Employers with tipped employees must also provide notification and specific information regarding use of the tip credit. Maryland law also requires employers to provide employees with a statement of gross earnings and deductions for each pay period.

We are concerned that information specified in the bill, such as "the amount and purpose of all deductions," "a description of the information used by the employer to calculate the employee's gross and net pay," and other requirements would create challenges for employers and payroll services to redesign standard wage/pay records to comply with the specific requirements outlined. We also have concerns about the bill language regarding private right of action, liquidated damages, and counsel fees and costs, which we believe will encourage complaints by unscrupulous individuals seeking to take advantage of such provisions.

For these reasons, we oppose this legislation as currently drafted.

Sincerely,

A handwritten signature in black ink that reads "Melvin R. Thompson" with a long horizontal flourish extending to the right.

Melvin R. Thompson
Senior Vice President