



House Bill 385

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

MACo Position: **OPPOSE**

To: Economic Matters Committee

Date: January 31, 2024

From: Brianna January

The Maryland Association of Counties (MACo) **OPPOSES** HB 385. This bill seeks to require a series of additional information to be included on employee pay stubs and, in doing so, would force many county governments (and others) to reprogram or purchase new human resources (HR) software to come into compliance with the bill's detailed mandates.

Most of the required information required by HB 385 is basic information about employees and wage calculations that county governments already provide to the thousands of county workers each pay period. Counties take no issue with providing this information; in fact, they want county employees to understand their pay and the various deductions and withholdings factored into wage calculation. Counties fully support financial literacy and wage education for public servants.

However, counties have serious concerns about a vague requirement in the bill to provide on paystubs "a description of the information used by the employer to calculate the employee's gross and net pay," as written on lines 17-18 of page 2 of the bill draft. It is unclear what is required by this proposal and could be interpreted in several ways, including providing the mathematical calculations for gross and net pay, or providing a written statement about how gross and net pay were calculated.

County HR software and systems cannot provide this information on paystubs under either interpretation. County HR departments would, in many cases, be forced to reprogram and/or purchase software to accommodate this requirement. This would ultimately be a significant expense to solve a problem that, for county governments, largely does not exist.

Maryland counties have historically opposed measures that would complicate HR processes and procedures and increase county expenses. HB 385 would be an unnecessary and costly mandate for counties, and for these reasons, MACo **OPPOSES HB 385** and urges an **UNFAVORABLE** report.