



TESTIMONY IN SUPPORT OF HB 385

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

House Economic Matters Committee
January 31, 2024

Submitted by Mark Huffman, Co-Chair

Member Agencies:

211 Maryland

Anne Arundel County Food Bank

Baltimore Jewish Council

Behavioral Health System Baltimore

CASH Campaign of Maryland

Energy Advocates

Episcopal Diocese of Maryland

Family League of Baltimore

Fuel Fund of Maryland

Job Opportunities Task Force

Laurel Advocacy & Referral Services,
Inc.

League of Women Voters of Maryland

Loyola University Maryland

Maryland Center on Economic Policy

Maryland Community Action
Partnership

Maryland Family Network

Maryland Food Bank

Maryland Hunger Solutions

Paul's Place

St. Vincent de Paul of Baltimore

Welfare Advocates

Marylanders Against Poverty

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Marylanders Against Poverty (MAP) supports HB 385, which would require employers to provide basic information regarding information on the paystubs distributed to employee. This simple change in current practice would ensure that all workers, including low-wage workers, receive proper payment and would help to root out unscrupulous employers.

HB 385 would help to combat wage theft and in doing so help low-wage workers to move out of poverty. Wage theft is the unlawful failure by employer to pay employees what they have earned and is unfortunately widespread. It is one of many unfair employment practices that prevent those who are working and still struggling to make ends meet from moving out of poverty. In fact, [one national study](#) estimates that low-wage employees forego \$15 billion per year in earnings due to employers' failure to pay minimum wage, overtime, or other legally required wages. When workers already struggling to make ends meet are cheated out of a portion of their paychecks that can be the difference between paying for rent or heat and water or medicine.

HB 385 would, at a minimum, help employees know if and when they have been victims of wage theft by requiring employers to provide paystubs including the dates of work covered by the pay period, number of hours worked, rate of pay, and the amount and purpose of all deductions. The vast majority of law-abiding employers already provide this information on paystubs. In addition, HB 385 includes basic enforcement mechanisms to hold unscrupulous employers accountable.

HB 385 is an important first step in addressing wage theft and does so without imposing significant burdens on employers. Employers should already be keeping the information that the legislation requires and using it to calculate wages. HB 385 simply requires the employers to disclose that information to employees, at negligible extra cost. Indeed HB 385 benefits law-abiding employers by encouraging similar compliance among their competitors who are willing to cheat their employees to save costs, thus levelling the playing field.

MAP appreciates your consideration and urges a favorable report on HB 385.

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.