



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

January 31, 2024

Good afternoon, Chair Wilson, Vice Chair Crosby, and members of the Economic Matters Committee.

I am Delegate Jeffrie Long, pleased to present to you HB385. This bill would strengthen Maryland's paystub requirements so that workers know why and what they were paid.

Most employers follow the law. However, a minority of employers pay workers less than the law requires. They hide that underpayment by giving workers paystubs that do not show their pay rate, hours worked, or even the pay period dates. Nationwide, this kind of wage theft costs workers as much as \$50 billion annually. However, the actual cost is difficult to quantify because many workers do not realize they are victims of wage theft or do not report it. It is challenging to track wage theft in Maryland, where our current law requires only that paystubs show "gross earnings and deductions." Maryland's current law is inadequate for two key reasons: (1) it does not require nearly enough information for workers to be able to verify that they are being paid correctly, and (2) if an employer does not even provide "gross earnings and deductions," the law does not allow any remedy, making even that minimum requirement unenforceable and meaningless.

HB385 would fix both of these problems. First, it would require paystubs to include the common-sense information that 95 percent of employers already provide workers:

- The employer's name and contact information
- The dates of work covered by the paystub
- The number of hours worked
- The rates of pay
- The amount and purpose of any deductions

Including this information on paystubs is not a burden for employers because they already have to track it to calculate their employees' pay. Most employers already provide this information on their paystubs even though they are not required to. This bill focuses on the minority employers who take advantage of Maryland's fragile paystub requirements to underpay their workers. Focusing on these employers helps most employers already provide this information by leveling the playing field.

When a paystub does not provide this basic information, HB385 would require workers to file a complaint with the Maryland Department of Labor or in court. We have been working closely with the Maryland Department of Labor, and I have sponsored amendments here that incorporate

the administrative process they requested. If a worker brings the violation to court, a modest penalty of \$100 per week doesn't meet the requirements, up to a maximum of \$5,000. No one is getting rich off this bill – it's just to create an incentive for the minority of employers who aren't already providing this information to provide it.

HB385 is a simple solution to help ensure workers get paid what they're owed. Many other states—including California, Delaware, Massachusetts, Minnesota, New York, Pennsylvania, Texas, Virginia, and Washington—already have paystub requirements that are much more robust than what Maryland currently requires. We're behind the curve, and HB385 will catch us up.

I appreciate your consideration of this much-needed legislation. I hope HB385 earns a favorable report.

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