

Testimony in Support of SB38.pdf

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Position: FAV



THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony in Support of SB38 Wage Payment and Collection – Pay Stubs and Pay Statements – Required Information

Wage theft is an issue across the nation, which costs workers as much as \$50 billion a year.¹ The true cost is difficult to calculate due to many workers either not reporting it, or not knowing that it is occurring to them. It is especially difficult 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.

To address the concerns mentioned above I am introducing SB38, which would strengthen Maryland’s paystub requirements so that workers know why they were paid and what they were paid. SB38 would fix both problems. First, it would require paystubs to include the information that most 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, and the amount and purpose of any deductions. Including this information on paystubs is not a burden for employers because they already must 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 is just focused on the minority of employers that take advantage of Maryland’s very weak paystub requirements to underpay their workers. By focusing just on these employers, it helps most employers who are already providing this information by leveling the playing field.

When a paystub does not provide this basic information, SB38 would 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 asked for. If a worker brings the violation to court, there’s a modest penalty of \$100 per week that doesn’t meet the requirements, up to a maximum of \$5,000. The fine is an incentive for the minority of employers who are not already providing this information to provide it.

SB38 is a simple solution that would help make sure 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

¹ Economic Policy Institute, *Wage Theft Costs American Workers as Much as \$50 Billion a Year*, September 11, 2014, <https://www.epi.org/press/wage-theft-costs-american-workers-50-billion/>.

much stronger than what Maryland currently requires.² The proposed bill will allow us to catch up to the aforementioned states.

For these reasons, I respectfully request a favorable report on SB 38.

² Center for Popular Democracy, *Combatting Wage Theft with the Maryland Paystub Transparency Act of 2016*, at page 6, <https://populardemocracy.org/sites/default/files/MD%20Pay%20Stub-web.pdf>.

Maryland Legal Aid Testimony on SB 38.pdf

Uploaded by: Cornelia Bright Gordon

Position: FAV



**MARYLAND
LEGAL AID**

Advancing
**Human Rights and
Justice for All**

**Senate Bill 38
Wage Payment and Collection Pay Stubs and Pay Statements - Required Information
Hearing February 1, 2024
Finance Committee
Position: FAVORABLE**

Maryland Legal Aid (MLA) submits its written and oral testimony on SB 38 in response to a request from Senator Washington.

Maryland Legal Aid (MLA) is the largest non-profit law firm in the State of Maryland. Our clients are low-income and hourly wage workers that frequently experience and report wage theft. We also see this problem in our Migrant Farmworkers Project. SB 38 would require employers to include specific and clear information on paystubs provided to their employees. The bill will ensure that workers understand how their pay was calculated, the true legal name of their employer, the dates of work covered by the wages, and for the first time, the amount and purpose of all deductions from pay.

Currently, Maryland law only requires vague information on paystubs. Employers must report gross earnings and deductions. Most employers in the State choose to provide extensive information on paystubs. Some employers, however, use the current law's lack of specificity in disclosure requirements as a way to cheat and mislead employees out of their earned wages. For example, an employer with subsidiary or multiple identities may lump all of their compensation together under one name, making it impossible for an employee to figure out their wage rate, and whether they are being paid correctly. Workers who are truly employees, and not independent contractors, face difficulty obtaining —worker's compensation, unemployment, and other employee-based benefits. In these cases, unscrupulous employers also avoid paying proper premiums to the Maryland State Government. SB 38 would ensure that wage paystubs provide clarity relating to hours of employment, pay rates and deductions, and that neither employees nor the state or federal government are misled about the identity of the employer, amounts of pay and actual deductions. Wage theft is prevalent throughout the United States. See <https://www.cbsnews.com/news/owed-employers-face-little-accountability-for-wage-theft/> With SB 38 Maryland would take an important step in combatting the problem.

Workers should be able to see their paycheck and paystub, who they were working for in a given period and how much they are owed. MLA urges a favorable report on SB 38. Please contact me if you need additional information.

Cornelia Bright Gordon, Esq.
Director of Advocacy for Administrative Law, Maryland Legal Aid
410-951-7728
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SB38 - PJC - Fav - with attachments.pdf

Uploaded by: David Rodwin

Position: FAV

SB38: Wage Payment & Collection - Pay Stubs & Pay Statements - Required Information

Hearing before the Senate Finance Committee, Feb. 1, 2024

Position: FAVORABLE

The Public Justice Center (PJC) is a not-for-profit civil rights and anti-poverty legal services organization which seeks to advance social justice, economic and racial equity, and fundamental human rights in Maryland. Our Workplace Justice Project works to expand and enforce the right of low-wage workers to receive an honest day's pay for an honest day's work. **The PJC supports SB38, which will ensure that employee paystubs show the basic information—such as pay rates, hours worked, deductions, and dates of the pay period—that most employers already provide and that workers need to understand how their pay was calculated.**

The problem:

- **Workers can't get ahead if their paystubs don't allow them to understand if they were paid correctly.** Most employers follow the law. But wage theft holds back thousands of Maryland workers. Although it hurts workers across all races, Black, brown, and other workers of color are especially likely to face it. Unfortunately, some bad actors cheat employees out of their earned wages by masking their illegal conduct with confusing or insufficient paystubs—or by not providing *any* paystub at all. For example, an employer might lump together all compensation on a paystub, making it nearly impossible for an employee to figure out their wage rate or see whether they are paid correctly for overtime work.
- **Current Maryland law is failing Maryland's workers.** Right now, Maryland law requires only that paystubs include (1) gross earnings and (2) deductions. That does not give workers enough information to determine if they've been paid correctly. Moreover, the law does not provide any remedy if the employer fails to provide even that very basic information. Many other states—from Alaska to California to Texas to New Mexico and beyond—provide much stronger paystub transparency protections than Maryland.¹
- **The check to the right is a real-life example of the problem.** All it shows is \$1,000 for "work." No paystub was attached. Even though it does not show "gross earnings" or "deductions," current law does not give the worker any way to get even that limited information. Without more information, a worker cannot understand whether they've been paid correctly.



¹ Center for Popular Democracy, *Combatting Wage Theft*, 2016, at page 6, available at <https://populardemocracy.org/sites/default/files/MD%20Pay%20Stub-web.pdf>. More jurisdictions – including Virginia and Washington, D.C. – have bolstered their paystub transparency protections since this 2016 publication. A chart from the 2016 report is attached to this testimony.

- **The lack of paystub transparency fuels the misclassification of employees as independent contractors—also known as “workplace fraud”—and tackling that issue is a priority for Governor Moore, Comptroller Lierman, and Attorney General Brown.** Some employers confuse their employees by misclassifying them as independent contractors, paying them less than what they’re owed. Just weeks ago, Governor Moore issued an executive order establishing a task force to combat this harmful practice. As the Governor’s press release noted, “Workplace fraud deprives workers of basic protections such as rights to minimum wage and overtime pay, health insurance coverage, and access to unemployment benefits. Businesses may also be put at a disadvantage when competitors misclassify workers. As a result, required taxes may be unpaid, which lowers state revenue and impacts funding to pay for critical public services.”² As Gov. Moore noted, ending misclassification is “an important step toward a more equitable, competitive, and prosperous economy that lifts all Marylanders.” SB38 will help end misclassification by helping workers understand whether their employer has classified them as an employee or as an independent contractor.
- **SB38 would advance the recommendations in DLS’s just-released evaluation of Maryland’s Worker Classification Protection Unit (WCPU).** That evaluation³ makes clear that while the problem of workplace fraud persists, the WCPU has—until recently—not been an effective advocate for workers. SB38 would help workers better understand their employment classification and challenge it when they have been misclassified.

SB38’s solution:

- **The bill has two parts.**
 - **First, it sets out what must go on 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.
 - **Second, it creates a remedy when paystubs do not show the required information.** It allows workers to file a complaint with the Maryland Department of Labor, or in court, if paystubs do not meet the requirements, and receive a small amount of money as compensation. No one will get rich pursuing paystub violations; rather, the goal is to improve the conduct of employers that are hiding their wage theft.
- **SB38 is short and simple—and it won’t change anything for 95% of employers.** It is much shorter and simpler than bills introduced in previous sessions that included paystub transparency. For example, 2020’s SB641/HB1097 was 14 pages long and included provisions on retaliation, among other things. This year’s bill focuses just on what must go on the paystub and how to enforce those requirements.
- **The bill is very similar to legislation Virginia passed in 2020,** which is now law (see VA Code Ann. § 40.1-29.C).
- The provisions for reasonable attorneys’ fees—necessary to make sure the law is actually enforced—match Maryland’s wage laws, such as the Wage and Hour Law.
- The PJC supports the bill’s sponsor amendments.

For the foregoing reasons, the PJC **SUPPORTS SB38** and urges a **FAVORABLE** report. Should you have any questions, please call David Rodwin at 410-625-9409 ext. 249.

² <https://governor.maryland.gov/news/press/pages/governor-moore-issues-executive-order-establishing-crossgovernmental-task-force-to-combat-workplace-fraud.aspx> The press release is also attached to this testimony.

³ <https://dls.maryland.gov/pubs/prod/ProgEval/EvaloftheWorkerClassificationProtectionUnit.pdf>

The chart below is from 2016 -- since then, more states (including Virginia) have expanded paystub transparency requirements.

COMPARISON OF PAYSTUB REQUIREMENTS

Many states—including many states with weaker worker protections than Maryland—have paystub requirements that go beyond Maryland’s and more effectively encourage compliance and deter wage theft.

State	Gross wages	Deductions	Hours worked	Rate(s)of pay	Net pay	Employer information	Dates in pay period
Alaska	✓	✓	✓	✓	✓		✓
California	✓	✓	✓	✓	✓	✓	✓
Colorado	✓	✓			✓	✓	✓
Delaware	✓	✓	✓				✓
Hawaii	✓	✓	✓	✓	✓	✓	✓
Massachusetts		✓	✓	✓		✓	
Maryland	✓	✓					
Maine	✓	✓	✓				✓
Minnesota	✓	✓	✓	✓	✓	✓	✓
New Mexico	✓	✓	✓			✓	
Nevada	✓	✓	✓		✓		
New York	✓	✓	✓	✓	✓	✓	✓
Pennsylvania	✓	✓	✓	✓	✓		
Texas	✓	✓	✓	✓	✓		
Vermont	✓	✓	✓	✓			
Washington	✓	✓	✓	✓			✓

Sources: Alaska Admin. Code tit. 8, § 15.160, subd. (h)., Cal. Lab. Code § 226, subd. (a)., Colo. Rev. Stat. Ann. § 8-4-103, subd. (4)., Del. Code Ann. tit. 19, § 1108., Haw. Rev. Stat. Ann. § 387-6, subd. (c)., Mass. Gen. Laws Ann. ch. 149, § 148. Requires employer name but not address or phone number., Me. Rev. Stat. tit. 26, § 665., Minn. Stat. Ann. § 181.032, subd. (b). Requires employer’s legal name and operating name (if different) but not address or phone number., N.M. Stat. Ann. § 50-4-2, subd. (B). Requires paystubs to identify the employer; does not specify address and phone., Nev. Rev. Stat. Ann. § 608.115., N.Y. Lab. Law § 195, subd. (3)., Pa. Code § 231.36., Tex. Labor Code Ann. § 62.003, subd. (b)., Vt. Admin. Code 13-1-101:6., Wash. Admin. Code 296-126-040.



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Governor Moore Issues Executive Order Establishing Cross-Governmental Task Force to Combat Workplace Fraud

Published: 1/11/2024

ANNAPOLIS, MD — Governor Wes Moore this week signed an [executive order](#) to renew and expand a cross-governmental task force dedicated to strengthening investigations and enforcement of laws regarding workplace fraud. The nine-member Joint Enforcement Task Force on Workplace Fraud, chaired by Maryland Department of Labor Secretary Portia Wu, includes Maryland Attorney General Anthony G. Brown and Comptroller Brooke E. Lierman.

"We will never tolerate the exploitation of Maryland workers," **said Gov. Moore.** "This order will help ensure that employees receive the pay and benefits they've earned while driving fair competition in the private sector. Today, we take an important step toward a more equitable, competitive, and prosperous economy that lifts all Marylanders."

[Workplace fraud](#) deprives workers of basic protections such as rights to minimum wage and overtime pay, health insurance coverage, and access to unemployment benefits. Businesses may also be put at a disadvantage when competitors misclassify workers. As a result, required taxes may be unpaid, which lowers state revenue and impacts funding to pay for critical public services.

"Companies that hire workers and misclassify them to circumvent our tax and labor laws are committing serious fraud that erodes basic rights and benefits, saddles workers with an undue financial burden, and undermines the economic well-being of our state," **said Comptroller Brooke E. Lierman.** "This executive order expands our ability to share information, coordinate resources, and investigate suspected workplace fraud to protect Marylanders and their families. We should all stand against this form of egregious theft. I thank Governor Moore for prioritizing this issue and I look forward to working as a partner in this initiative to build a stronger and fairer Maryland."

As outlined in the executive order, the task force will collaborate to share information and data across agencies and drive strategic and effective enforcement. It will identify industries where workplace fraud is more prevalent and focus efforts to address the problem, including stronger outreach to businesses and workers. The task force will also make recommendations on where regulations and laws may be strengthened.

"I commend Governor Moore's work to combat workplace fraud and protect Maryland workers and their families," **said Attorney General Anthony G. Brown.** "The reestablishment of the Joint Enforcement Task Force on Workplace Fraud is an important effort, along with our work with the Department of Labor to improve and enhance the role of my office and our resources to advance this critical priority. I look forward to continuing our work with the administration to ensure the relationship between Maryland employers and their employees remains fair and equitable."

The task force will advance the Moore-Miller Administration's efforts to make Maryland a fair and equitable place to work and do business. [Studies have shown](#) that workers of color, immigrants, young workers and those in low-wage employment are most at risk for exploitation, including misclassification and wage theft.

"This is a win for both businesses and workers," **said Maryland Department of Labor Secretary Portia Wu.** "Employees need to be classified correctly and paid fairly, and this keeps our businesses on a level-playing field in the competitive

SB 38 - Wage Payment and Collection - Pay Stubs an

Uploaded by: Donna Edwards

Position: FAV



MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

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President

Donna S. Edwards

Secretary-Treasurer

Gerald W. Jackson

**SB 38 - Wage Payment and Collection - Pay Stubs and Pay Statements - Required Information
Senate Finance Committee
January 31, 2024**

SUPPORT

**Donna S. Edwards
President
Maryland State and DC AFL-CIO**

Madame Chair and members of the Committee, thank you for the opportunity to provide testimony in support of SB 38. My name is Donna S. Edwards, and I am the President of the Maryland State and DC AFL-CIO. On behalf of the 300,000 union members in the state of Maryland, I offer the following comments.

We applaud SB 38 for promoting pay transparency and worker protections by requiring that pay stubs include common and essential information for all workers. There is nothing extraordinary in the information in SB 38 to be given to the employee. In fact, arguably the employer has all this information written down if they are accurately paying their employees and maintaining payroll information as required by law.

Maryland currently only requires that pay stubs include gross earnings and deductions. This is not enough information for a worker to know whether they have been properly compensated for their work. SB 38 requires: the employer's name, address, and telephone number, the number of hours worked, the rates of pay, and the amount and purpose of deductions, among others. The requirements of SB 38 will mean that workers and the state have the tools and information they need to help fight against wage theft.

SB38.pdf

Uploaded by: John Barber

Position: FAV



Eastern Atlantic States
REGIONAL COUNCIL OF CARPENTERS

8500 Pennsylvania Avenue, Upper Marlboro, MD 20772 | Phone: 301-735-6660 | EASCARPENTERS.ORG

TESTIMONY

**SB38 / HB385 - Wage Payment and Collection - Pay Stubs and Pay Statements -
Required Information
FAVORABLE**

Dear Chair Griffith and honorable members of the Senate Finance Committee:

On behalf of the Eastern Atlantic States Council of Carpenters (EASRCC), representing 42,000 members throughout the region, I write today to express our support for SB38 / HB385 - Wage Payment and Collection - Pay Stubs and Pay Statements - Required Information, and to ask for a favorable report.

As you may be aware, the Joint Audit and Evaluation Committee recently instructed the Office of Program Evaluation and Government Accountability to conduct an evaluation of the Worker Classification Protection Unit (WCPU) of the Maryland Department of Labor. Among the issues found, the Maryland Department of Labor, Licensing and Regulation, has one field inspector for the entire state of Maryland, which explains the exorbitant wage theft, UI Insurance fraud, Workers Comp fraud, misclassification, and other payroll violations uncovered, that can be attributable to both the structure of the state agency, and the inadequacy of the state statutes as means to enforce these practices.

This legislation addresses the statutory inadequacy with respect to the lack of information on paystubs as a way to facilitate wage theft, resulting in greater difficulties for our members in being able to provide middle-class-sustaining wages for their families.

For these reasons, we ask for a favorable report.

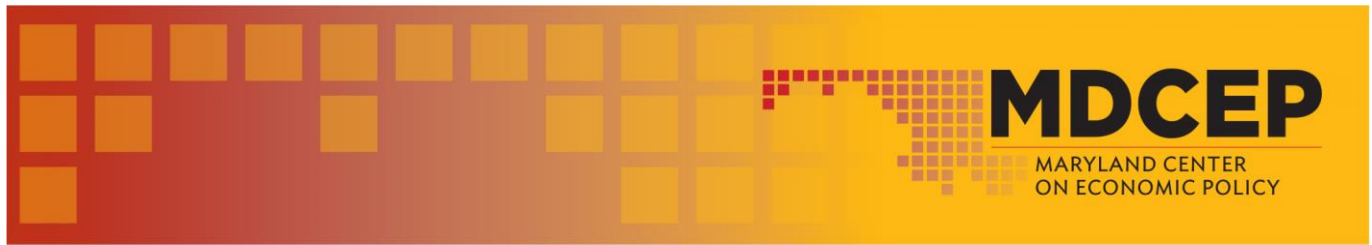
Sincerely,

John Barber

SB 38_MD Center on Economic Policy_FAV.pdf

Uploaded by: Kali Schumitz

Position: FAV



FEBRUARY 1, 2024

For a Healthy Economy, Strengthen Marylanders' Rights in the Workplace

Position Statement in Support of Senate Bill 38

Given before the Senate Finance Committee

Strong legal protections for workers are an essential tool to steer our economy along a healthy growth path that delivers broadly shared prosperity. Maryland has made important advances in recent years by protecting workers' right to earn paid sick days and take time off for a serious illness or major life event, and by raising the minimum wage to \$15 per hour. However, our current labor laws do not guarantee workers the information they need to effectively exercise their rights. This undermines the effectiveness of Maryland's existing worker protections, hurting all working people and especially heightening barriers that hold back many women and workers of color.

The Maryland Center on Economic Policy supports Senate Bill 38, which would strengthen the transparency standards that make other worker protections meaningful.

Senate Bill 38 requires employers to provide the following basic information on workers' regular pay stubs:

- The employer's legal name, address, and telephone number
- The dates of the covered pay period
- The number of hours worked during the pay period, for a non-exempt employee
- The worker's hourly, annual, or other wage/salary, or piece rate if applicable
- Gross pay, net pay, and the amount and purpose of any deductions
- A description of the information used to calculate the worker's pay

This is the bare minimum information workers need to verify that they are being paid appropriately, and to take legal action if not – just as employers universally require mechanisms to verify that workers are performing their duties. Moreover, employers must have this basic information readily available in order to calculate pay.

Nationwide, wage theft – including minimum wage violations, overtime violations, off-the-clock work, and other forms of illegal underpayment – rivals or exceeds the value of all other forms of theft, according to multiple credible estimates. While limited data on wage theft exist (partly because of inadequate enforcement), a 2017 analysis found that minimum wage violations alone add up to about \$15 billion per year nationwide, more than the sum of robberies, burglaries, larcenies, and motor vehicle thefts.¹

We should measure the health of our economy not simply by the number of dollars exchanged or the number of people who go to work each day, but by its ability to raise all families' standard of living. Yet our economy has largely moved in the opposite direction over the last half century, as typical workers saw little improvement in their

wages despite explosive growth for the wealthiest 1%.ⁱⁱ Basic standards push against this negative trend, helping to ensure that everyone shares in the benefits of a growing economy—and these standards are meaningful only if workers have the information they need to exercise their rights.

For these reasons, the Maryland Center on Economic Policy respectfully requests that the Finance Committee make a favorable report on Senate Bill 38.

Equity Impact Analysis: Senate Bill 38

Bill summary

Senate Bill 38 requires employers to provide the following basic information on workers' regular pay stubs:

- The employer's legal name, address, and telephone number
- The dates of the covered pay period
- The number of hours worked during the pay period, for a non-exempt employee
- The worker's hourly, annual, or other wage/salary, or piece rate if applicable
- Gross pay, net pay, and the amount and purpose of any deductions
- A description of the information used to calculate the worker's pay

Background

Nationwide, wage theft – including minimum wage violations, overtime violations, off-the-clock work, and other forms of illegal underpayment – rivals or exceeds the value of all other forms of theft, according to multiple credible estimates. While limited data on wage theft exist (partly because of inadequate enforcement), a 2017 analysis found that minimum wage violations alone add up to about \$15 billion per year nationwide, more than the sum of robberies, burglaries, larcenies, and motor vehicle thefts.

Equity Implications

Current labor law provides especially weak protections to part-time workers, low-wage workers, and tipped workers. These weaknesses heighten economic roadblocks facing many workers who already face obstacles in the labor market. For example, 60% of tipped workers in Maryland are women, and workers of color are more likely than their white counterparts to work for low wages.

Senate Bill 38 would reduce barriers facing these workers by making it easier for them to enforce their existing rights.

Impact

Senate Bill 38 would likely **improve racial, gender, immigration, and economic equity** in Maryland.

ⁱ David Cooper and Teresa Kroeger, "Employers Steal Billions from Workers' Paychecks Each Year," Economic Policy Institute, 2017, <https://www.epi.org/publication/employers-steal-billions-from-workers-paychecks-each-year/>

ⁱⁱ Christopher Meyer, "What a \$15 Minimum Wage Would Mean for Maryland: Good Jobs, Secure Families, and a Healthy Economy," Maryland Center on Economic Policy, 2018, http://www.mdeconomy.org/wp-content/uploads/2018/02/MDCEP_FF15_report-2.pdf

Councilmember Laurie-Anne Sayles Testimony SB38.pd

Uploaded by: Laurie-Anne Sayles

Position: FAV



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

COUNCILMEMBER LAURIE-ANNE SAYLES

ECONOMIC DEVELOPMENT

AT LARGE

HEALTH AND HUMAN SERVICES

January 31, 2024

TO: Senator Pamela Beidle
Chair, Finance

FROM: Laurie-Anne Sayles
Montgomery County Council Member At-Large

RE: Senate Bill 38, *Wage Payment and Collection - Pay Stubs and Pay Statements - Required Information*

I am writing to express my support for **SB38 - Wage Payment and Collection - Pay Stubs and Pay Statements - Required Information**. While most businesses provide their employees with transparency regarding their hours worked, pay rate, and tax rate, Maryland's lack of state policy requiring this type of information allows bad-faith actors to deceive and mistreat employees. Employees such as single mothers or immigrants face an incredibly high risk of exploitation if they are economically or socially vulnerable, as they are more likely to be forced to accept subpar working standards.

Wage theft is most prevalent among low-income workers. A [2017 report from the Economic Policy Institute](#) found that, in the ten most populous U.S. states, approximately 2.4 million minimum wage workers were paid below their legal minimum wage, representing 17% of low-wage workers. This data shows that over \$8 billion is stolen every year from low-income folks' pockets in just those ten states. Workers experiencing wage theft in this study lost an average of \$3,300 annually. We have seen thousands of wage theft claims in Maryland in recent years. According to the [Maryland Department of Labor](#), as of March 31, 2023, there are a total of 8,290 wage-theft claims dating back to 2009 that totaled \$20,140,568.60 in owed wages, and 364 wage-theft claims in the past 14 years that were for more than \$10,000.

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COUNCILMEMBER.SAYLES@MONTGOMERYCOUNTYMD.GOV

SB38 is a small step the General Assembly can implement today to significantly cut down on the rates of wage theft in Maryland and protect workers. This simple reform, which codifies the widespread business practice of giving employees a detailed pay stub, would allow exploited workers to know if they are being underpaid. While more work is necessary to ensure that exploited workers have access to legal recourse, SB38 is the vital first step in this process.

For these reasons, I urge a favorable opinion on SB38. Thank you for your leadership and partnership.

CC: Members of the Finance Committee

32BJ TESTIMONY FOR SB38.pdf

Uploaded by: Mario Murcia

Position: FAV

TESTIMONY FOR SB38/HB385 – PAYSTUB TRANSPARENCY

My name is Maria Argueta and I have been a member of 32BJ SEIU for 9 years in Baltimore, Maryland.

I am writing on behalf of the union 32BJ SEIU in **support** of SB38 or HB385. Our union is the largest property service union in the country. We currently have 3,882 members in Maryland. Our membership is mostly comprised of commercial building cleaners, security officers and airport service workers.

Unfortunately, wage theft is a regular problem for workers here. Too often, workers receive pay statements that do not show their pay rates, their hours of work, deductions, or even the dates of the pay period. Unlike many other states, Maryland does not create any way for workers to correct this problem, leaving us at the mercy of our employers with no checks and balances to prevent us from being taken advantage of.

Unfortunately, I have personally experienced wage theft. In a past job, I would get pay statements that didn't show my dates of work, my pay rate, deductions, or almost anything else. It was impossible for me to understand my pay when I questioned the amount on the check, and my employer was not helpful when I asked. I was usually quickly dismissed or ignored, and made to feel like I should just be lucky enough to even have this job. Maryland doesn't have retaliation protections, so nothing would have stopped my employer from firing me for asking questions. The lack of information and transparency on paystubs is a way to hide wage theft and take advantage of workers. Without basic information about rates, hours, and dates, there is no way for a worker to check to make sure they were paid correctly.

We should not have to live our lives intimidated by our employers and left feeling like we cannot stand up for ourselves. This bill would help make sure that all workers, including my 32BJ brothers and sisters, have complete visibility with pay stubs so that we can ensure that we are not being taken advantage of and that we are being paid fairly.

This bill is a simple and common-sense way to fix the problem of employers hiding wage theft with confusing pay statements. Most employers already put this basic information on pay statements – we are simply asking that ALL employers provide full transparency on pay statements..

We are urging for a **favorable** report, and we know that you will do what is right for all workers across Maryland

Sincerely,

Maria Argueta

SB 38_MAP_FAV.pdf

Uploaded by: Mark Huffman

Position: FAV



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

Mark Huffman, Co-Chair
P: (301) 776-0442 x1033
E: MHuffman@laureladvocacy.org

TESTIMONY IN SUPPORT OF SB 38

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

Finance Committee
February 1, 2024 1pm

Submitted by Mark Huffman, Co-Chair

Marylanders Against Poverty (MAP) supports SB 38, which would require employers to provide basic information regarding information on the paystubs distributed to employees. 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.

SB 38 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 employers 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.

SB 38 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, SB 38 includes basic enforcement mechanisms to hold unscrupulous employers accountable.

SB 38 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. SB 38 simply requires the employers to disclose that information to employees, at negligible extra cost. Indeed SB 38 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 SB 38.

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.

Testimony in support of SB0038.pdf

Uploaded by: Richard KAP Kaplowitz

Position: FAV

2/1/2024

Richard Keith Kaplowitz
Frederick, MD 21703

TESTIMONY ON SB#0038 - FAVORABLE

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

TO: Chair Beidle, Vice Chair Klausmeier, and members of Finance Committee

FROM: Richard Keith Kaplowitz

My name is Richard Keith Kaplowitz. I am a resident of District 3. I am submitting this testimony in support of SB#0038, Wage Payment and Collection - Pay Stubs and Pay Statements - Required Information

My Jewish faith teaches that there are Jewish Ethics that govern the relationships between employers and employees. HB#0136 closely mirrors that ethical framework in creating a climate of moral treatment that governs labor relations.

In the article “Jewish Employee-Employer Relations” (<https://www.myjewishlearning.com/article/jewish-employee-employer-relations/>) the dimensions of employer’s conduct is discussed.

While making certain demands on workers, the bulk of Jewish labor law imposes obligations on employers. This emphasis on the responsibilities of employers reflects an understanding of the essential power imbalance between employers and employees, as well as an internalization of the Exodus narrative. Often cited within discussions of labor law is the biblical verse, “they are my servants” (Leviticus 25:43), understood by the rabbis to imply “and not servants to servants.” The experience of slavery and redemption instills within the lawmakers a wariness about any situation in which one person might, de facto, become the servant of another.

The essence of the proposed bill is to create an environment in which employer conduct towards employees includes giving them a more complete picture of the work they are doing and how they are compensated for it. During my time working in food service as a tipped employee I had an employer where I had to calculate how my credit tips were being applied to the tip credit being claimed by my employer to ensure that the totals earning were minimum wage.

HB0385 is a common-sense application of regulations on how we treat the imbalance created when an employer does not fully inform their employee in a pay stub of all the earnings and deductions and how they were applied. It enforces the ability of the employee to ensure they are being compensated fairly and correctly. **I respectfully urge this committee to return a favorable report on SB0038.**

240130_SB0038_Workplace Fraud and Prevailing Wage

Uploaded by: Sonny Holding

Position: FAV



January 30, 2024

The Honorable Pamela Beidle
Chair, Finance Committee
3 East
Miller Senate Office Building
Annapolis, Maryland 21401

The Honorable Katherine Klausmeier
Vice Chair, Finance Committee
3 East
Miller Senate Office Building
Annapolis, Maryland 21401

Dear Chair Beidle and Vice Chair Klausmeier,

I would like to express my full support for *Senate Bill 38 - Workplace Fraud and Prevailing Wage - Violations - Penalties and Referrals*.

Wage theft is one of, if not the most challenging obstacles that many of the workers in Maryland, especially those in the Building Trades industry, face every single day. There is an estimated \$60 million in wage theft yearly in Maryland and tactics can vary - they can look as simple as not paying the minimum wage, prevailing wage, or overtime, or as complicated as misclassifying workers based on the type of work they complete during their shifts.

There is no question that those who engage in wage theft are stealing money from the pockets of their employees and/or contractors. Period. However, this issue is far more widespread in Maryland than it should be, and this is a problem that needs to be corrected immediately for the sake of all Marylanders.

SB38 will require that the earnings statement provided to employees by employers be written on the physical pay stub or online pay statement and include the following important pieces of information: employer's name, the dates of work covered by the pay period, the number of hours worked, the rates of pay, the gross and net pay earned, the amount and purpose of all deductions, a description of the information used by the employer to calculate the employees gross and net pay, and for each employee paid at a piece rate, the applicable rate and number of pieces. These additional pieces of information will provide clarity for employees when it comes to their paychecks and allow them to keep better track of the monies being paid to them, as well as the deductions to their pay.

Adding in a layer of transparency mandated by law to every employer in Maryland is a very important first step to combatting wage theft. By forcing employers to "show their work" and shining a light in a gray area that bad actors like to get criminally creative in, Marylanders will be better protected against having their hard earned money stolen from them without their knowledge.

For these reasons, I strongly urge this committee to give *Senate Bill 38 - Workplace Fraud and Prevailing Wage - Violations - Penalties and Referrals* the highest consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read 'David Trone', is positioned above the printed name.

David Trone
Member of Congress

SB 38 Victoria Leonard LiUNA (SUPPORT).pdf

Uploaded by: Victoria Leonard

Position: FAV



February 1, 2024

The Honorable , Pam Beidle, Chair
The Honorable Kathy Klausmeier, Vice Chair
Senate Finance Committee
3 East - Miller Senate Office Building
Annapolis, Maryland 21401

**SB 38: Wage and Payment Collection - Pay Stubs and Pay Statements - Required Information
Position - Support**

Thank you Chair Beidle and Vice Chair Klausmeier and members of the Senate Finance Committee for the opportunity to submit written testimony in support of SB 38.

My name is Victoria Leonard, Political and Legislative Director for the Baltimore-Washington area of the Philadelphia/Baltimore/Washington Laborers' District Council (PBWLDC), an affiliate of the Laborers' International Union of North America (LiUNA). The PBWLDC represents more than 13,000 members. Our members are proudly employed on many infrastructure construction projects across the region. Nationwide, LiUNA represents more than 500,000 members.

LiUNA supports SB 38. Maryland currently only requires employers to furnish or provide a statement with details of an employee's pay information. There's no requirement for the pay statement to be in writing or issued as paper pay stubs.

It is time for Maryland to adopt a more rigorous standard. Doing so will protect and better inform employees, and help them identify if they are being paid correctly. Improving employees' access to pay information should also help deter employer wage theft.

Specifically, SB 38 would create more transparency by requiring that employee earnings be written on a physical pay stub or online pay statement. The written or online statement would have to include the employer's name, the dates of work covered by the pay period, the number of hours worked, the rates of pay, the gross and net pay earned, 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 for each employee paid at a piece rate, the applicable rate and number of pieces. SB 38 would also create a private right of action for employees who do not receive written or online pay statements that include all the appropriate information.

SB 38 will help improve workers' access to important information related to their pay, and we urge the committee to issue a favorable report.

MarylandSenatePayStatementBill0038CommentsJan24Fin

Uploaded by: Adam Prinzo

Position: FWA



January 29, 2024

The Honorable Pamela Beidle
Chair, Finance Committee
Maryland Senate
pamela.beidle@senate.state.md.us

The Honorable Katherine Klausmeier
Vice Chair, Finance Committee
Maryland Senate
katherine.klausmeier@senate.state.md.us

RE: Support with clarifying language changes for S.B. 0038, Wage Payment and Collection – Pay Stubs and Pay Statements – Required Information

Dear Senators Beidle and Klausmeier:

PayrollOrg (PAYO) supports Maryland's efforts to create transparency for employees regarding their pay and requests clarifying changes to S.B. 0038, specifically Section 1(a)(2) on written statements.

ABOUT PAYO

PAYO, formerly the American Payroll Association, is a nonprofit association representing more than 20,000 payroll professionals throughout the United States. PAYO's Government Relations Task Force partners with government agencies to help payroll professionals with compliance, while minimizing the administrative burden on government, employers, and individual workers. PAYO members are directly responsible for calculating wages and withholding for their employers across all industries and employer types.

SECTION 1(A)(2)(II): "THE DATES OF WORK COVERED BY THE PAY PERIOD FOR WHICH THE PAYMENT IS MADE"

In general, payroll systems print the beginning and/or ending dates of a pay period. The language "dates of work covered by..." could cause confusion for employees and problems for payroll processing. For example, if an employee did not work on the first or last day of the pay period, would S.B. 0038 require the written statement to be manually adjusted to customize the dates for this employee to show actual work hours?

PAYO does not believe the Maryland legislature intends to require employers to customize the pay period dates on each employee's pay statement. Most states that require pay period dates on pay statements use the term "dates of the pay period" or similar.

PAYO recommends changing the bill language to:

"Beginning and ending dates of the pay period for which the payment is made;"

SECTION 1(A)(2)(VII): “A DESCRIPTION OF THE INFORMATION USED BY THE EMPLOYER TO CALCULATE THE EMPLOYEE’S GROSS AND NET PAY”

The requirement for “a description of the information used by the employer to calculate the employee’s gross and net pay” is unclear, particularly because the bill already includes the dates of work covered by the pay period, hours worked, rates of pay, and the number of pieces completed at each piece rate (if applicable). The specific reference to “net pay” implies that the employer should explain each tax or other deduction calculation.

PAYO recommends changing the bill language to:

“The information used by the employer to calculate the employee’s gross pay if factors other than those enumerated in the earnings section (e.g., bonus) are included. Employers may provide such details in a separate statement, at the same time as the pay statement, which can be electronic;”

With limited space on a pay statement, employers may opt to provide information on applicable other factors in a separate statement at the same time as the pay statement, which may be electronic. Generally, requirements to provide a “description” are treated as a separate request, which would be preferable over providing “descriptions” on the pay statement. For example, New York Labor Code § 195(3) “...Upon the request of an employee, an employer shall furnish an...”

To discuss these comments on S.B. 0038 and pay statements further, PAYO can be reached through Alice Jacobsohn at 202-669-4001 or ajacobsohn@payroll.org.

Sincerely,



Alice P. Jacobsohn, Esq.
Director, Government Relations

For: Government Relations Task Force
State and Local Topics Subcommittee:
Cochairs Pete Isberg; Carlanna Livingstone, CPP; and Bruce Phipps, CPP

Cc: Senate Finance Committee Members

SB38_MDCC_UNF

Uploaded by: Hannah Allen

Position: UNF



MARYLAND
Chamber of Commerce

LEGISLATIVE POSITION:

Unfavorable

Senate Bill 38

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

Senate Finance Committee

Thursday, February 1, 2024

Dear Chair Beidle and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 6,800 members and federated partners working to develop and promote strong public policy that ensures sustained economic recovery and growth for Maryland businesses, employees, and families.

Senate Bill 38 requires that pay stubs and pay statements include the following information written on the pay stub or statement: employer's name, address and phone number, the dates of work covered by the pay period, the number of hours worked, the rates of pay, the gross and net pay earned, the amount and purpose of all deductions, a description of the information used by the employer to calculate the employees gross and net pay, and for each employee paid at a piece rate, the applicable rate and number of pieces.

Many businesses use a third-party payroll provider to process payroll. Employers are limited by the capabilities of their chosen payroll provider. In instances where the payroll provider cannot include the information laid out in SB 38, an employer would either be found in violation of this law or would be forced to hire a new provider (depending on when their contract ends with their current payroll provider) that has the capabilities to include this increased information. There is also concern over the impact SB 38 will have on small businesses who do not or cannot afford to use third party payroll companies. It will be burdensome to those small businesses, especially when calculating commission-based employee's paychecks.

Furthermore, if the employer fails to provide any of the information listed in SB 38, it allows the Attorney General or an employee to bring an action against the employer. If the employer is found in violation, the employer could be subject up to \$5,000 of liquidated damages, reasonable attorney's fees, and injunctive relief. The private right of action further opens Maryland's small businesses to additional liability that would add yet another degree of uncertainty in already turbulent times.

Senate Bill 38 will adversely impact small businesses and cause unnecessary burdens on

MDCHAMBER.ORG

60 West Street, Suite 100, Annapolis 21401 | 410-269-0642

businesses who do not have nor need the capabilities that larger companies have when handling pay stubs and pay statements.

For these reasons, the Maryland Chamber of Commerce respectfully requests an **unfavorable report** on **SB 38**.



SB 38 2024.pdf

Uploaded by: Kirk McCauley

Position: UNF



WMDA/CAR Service Station
and Automotive Repair Association

February 1, 2024

Chair: Melony Griffith
Members of Senate Finance Committee

RE: SB38 Wage Payment and Collection-Pay Stubs and Pay Statements
Required Information

Position: oppose

My name is Kirk McCauley, my employer is WMDA/CAR, we represent service stations , convenience stores and repair facilities across the state.

We opposed SB38 for the following reason

Page 2 – line 8 - 9

Employer's name registered with the state, address, and telephone number

Employer's name, address and phone number could have unintended consequences, involving an employee fired for cause or from any disgruntled employee.

Page 2 line 18 - 19

A description of the information used by the employer to calculate the employee's gross and net pay.

What does that mean, I'm not sure? Hours worked, rate of pay, taxes, gross , net , amount and purpose of all deductions are already there.

Page 3 lines 7-11

\$100 for each work week in which violations occurred, not to exceed \$5,000 and reasonable council fees and costs, unless an employer shows they acted in good faith and reasonably believed he met the requirements.

Now the burden is on the employer, just how does he do that, how does someone prove they acted in good faith. I'm talking about small employers that don't have professional help at hand. Penalties are out of line.

For all these reasons I asked for a no vote on SB38

WMDA/CAR is a trade association that has represented service stations, convenience stores and independent repair shops since 1937. Any questions can be addressed to Kirk McCauley, 301-775-0221 or kmccauley@wmda.net

ABC_UNFAV_SB0038.pdf

Uploaded by: Martin Kraska

Position: UNF



The Voice of Merit Construction

February 1, 2024

Mike Henderson

*President
Greater Baltimore Chapter
mhenderson@abcbaltimore.org*

Chris Garvey

*President & CEO
Chesapeake Shores Chapter
cgarvey@abc-chesapeake.org*

Dan Bond CAE

*President & CEO
Metro Washington Chapter
dbond@abcmetrowashington.org*

Amos McCoy

*President & CEO
Cumberland Valley Chapter
amos@abccvc.com*

Tricia Baldwin

*Chairman
Joint Legislative Committee
tbaldwin@reliablecontracting.com*

Marcus Jackson

*Director of Government Affairs
Metro Washington Chapter
mjackson@abcmetrowashington.org*

Martin "MJ" Kraska

*Government Affairs Director
Chesapeake Shores Chapter
mkraska@abc-chesapeake.org*

*Additional representation by:
Harris Jones & Malone, LLC*

6901 Muirkirk Meadows Drive
Suite F
Beltville, MD 20705
(T) (301) 595-9711
(F) (301) 595-9718

To: Senate Finance Committee

From: Associated Builders & Contractors

RE: SB 38 - Wage Payment and Collection - Pay Stubs and Pay Statements - Required Information

Position: Unfavorable

Associated Builders and Contractors (ABC) represent more than 1500 construction and construction-related companies through its four Maryland chapters. Our members believe in the tenets of free enterprise, investing in their workforce and giving back to the communities in which they live, work and play.

Senate Bill 38 expands information that an employer must give to an employee for each pay period. If an employer fails to provide the information required under the bill, an employee or the Attorney General may bring an action against the employer. Under specified conditions, the court may order injunctive relief, liquidated damages of \$100 for each workweek in which the violation occurred, up to \$5,000, and reasonable counsel fees and costs.

ABC is opposed to SB 38, while we understand the intention behind the bill to enhance transparency in the employer-employee relationship, we believe that the proposed expansion of information requirements imposes an undue burden on businesses, particularly those in the construction industry. Requiring additional details for each pay period creates administrative complexities, leading to increased costs for employers. Small and medium-sized businesses, already grappling with various challenges, may find it challenging to comply with these expanded reporting obligations.

Moreover, the provision allowing employees or the Attorney General to bring legal action against an employer may inadvertently encourage frivolous lawsuits, placing an unnecessary strain on the legal system. This may lead to an influx of cases that could be resolved through alternative, less burdensome means. The prescribed penalties, including injunctive relief, liquidated damages, and counsel fees, seem disproportionate and may act as a deterrent to entrepreneurship. Imposing a maximum penalty of \$5,000 per violation, along with additional costs, could disproportionately impact smaller construction businesses and hinder their ability to remain competitive in the market.

ABC appreciates your consideration and, for these reasons, respectfully requests a **unfavorable** report on Senate Bill 38.

*Martin "MJ" Kraska
Government Affairs Director
Chesapeake Shores Chapter*

SB38_RestaurantAssoc_Thompson_UNFAVORABLE.pdf

Uploaded by: Melvin Thompson

Position: UNF



Senate Bill 38

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

February 1, 2024

POSITION: Oppose

Madame Chair and Members of the Senate Finance Committee:

The *Restaurant Association of Maryland* opposes Senate Bill 38. 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, reading "Melvin R. Thompson".

Melvin R. Thompson
Senior Vice President

SB 38_MAA_UNF.pdf

Uploaded by: Rachel Clark

Position: UNF

CHAIRMAN:
Jeff Graf
VICE CHAIRMAN
David Slaughter



TREASURER:
Paul Bramble
SECRETARY:
Curtis Hall
PRESIDENT:
Tim Smith

February 1, 2024

Senator Pamela Beidle, Chair
Senate Finance Committee
3 East, Miller Senate Office Building
Annapolis, MD 21401

**RE: SB 38 – UNFAVORABLE – Wage Payment and Collection – Pay Stubs and Pay Statements
– Required Information**

Dear Chair Beidle and Members of the Committee:

The Maryland Asphalt Association (MAA) is comprised of 19 producer members representing more than 48 production facilities, 25 contractor members, 25 consulting engineer firms and 41 other associate members. MAA works proactively with regulatory agencies to represent the interests of the asphalt industry both in the writing and interpretation of state and federal regulations that may affect our members. We also advocate for adequate state and federal funding for Maryland's multimodal transportation system.

Senate Bill 38 expands the information that an employer must provide to an employee for each pay period, to include the employer's name, address, and phone number; the dates of work covered by the pay period; the number of hours worked; the rates of pay; the gross and net pay earned; the amount and purpose of any deductions; a description of the information used by the employer to calculate the employee's pay; and for piece rate payment, the applicable piece rates of pay and the number of pieces completed at each piece rate. If an employer fails to provide the information, an employee or the Attorney General may bring an action against the employer. A court may order injunctive relief, liquidated damages up to \$5,000, and attorney's fees.

This legislation is onerous yet again on the employers of Maryland. We already provide some of this information and have concerns about the tedious and time-consuming nature of this request. This would make each written pay stub pages upon pages. Moreover, many employees do not receive written pay stubs any longer but have opted for electronic versions. This bill is not very clear on whether the written statements with all of this new information still must be provided physically if the employee receives online pay statements. Our member companies see no issue with providing this information should the employee request it, but providing all of this with every pay period is overly burdensome. Should this bill move forward, we request that it be altered so that this information is provided upon an employee's request. We also have very serious concerns about the private right of action this bill gives to an

CHAIRMAN:
Jeff Graf
VICE CHAIRMAN
David Slaughter

MARYLAND ASPHALT ASSOCIATION



TREASURER:
Paul Bramble
SECRETARY:
Curtis Hall
PRESIDENT:
Tim Smith

employee. Again, should this bill move forward, we request that the private right of action be removed from this bill.

We appreciate you taking the time to consider our request and for the reasons stated above, we respectfully request an **UNFAVORABLE** report Senate Bill 38.

Sincerely,

A handwritten signature in black ink that reads "Tim Smith". The signature is written in a cursive, flowing style.

Tim E. Smith. P.E.
President
Maryland Asphalt Association

SB 38_MTBMA_UNF.pdf

Uploaded by: Rachel Clark

Position: UNF



February 1, 2024

Senator Pamela Beidle, Chair
Senate Finance Committee
3 East, Miller Senate Office Building
Annapolis, MD 21401

**RE: SB 38 – UNFAVORABLE – Wage Payment and Collection – Pay Stubs and Pay Statements
– Required Information**

Dear Chair Beidle and Members of the Committee:

The Maryland Transportation Builders and Materials Association (“MTBMA”) has been and continues to serve as the voice for Maryland’s construction transportation industry since 1932. Our association is comprised of 200 members. MTBMA encourages, develops, and protects the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials. We proactively work with regulatory agencies and governing bodies to represent the interests of the transportation industry and advocate for adequate state and federal funding for Maryland’s multimodal transportation system.

Senate Bill 38 expands the information that an employer must provide to an employee for each pay period, to include the employer’s name, address, and phone number; the dates of work covered by the pay period; the number of hours worked; the rates of pay; the gross and net pay earned; the amount and purpose of any deductions; a description of the information used by the employer to calculate the employee’s pay; and for piece rate payment, the applicable piece rates of pay and the number of pieces completed at each piece rate. If an employer fails to provide the information, an employee or the Attorney General may bring an action against the employer. A court may order injunctive relief, liquidated damages up to \$5,000, and attorney’s fees.

This legislation is onerous yet again on the employers of Maryland. We already provide some of this information and have concerns about the tedious and time-consuming nature of this request. This would make each written pay stub pages upon pages. Moreover, many employees do not receive written pay stubs any longer but have opted for electronic versions. This bill is not very clear on whether the written statements with all of this new information still must be provided physically if the employee receives online pay statements. Our member companies see no issue with providing this information should the employee request it, but providing all of this with every pay period is overly burdensome. Should this bill move forward, we request that it be altered so that this information is provided upon an employee’s request. We also have very serious concerns about the private right of action this bill gives to an

employee. Again, should this bill move forward, we request that the private right of action be removed from this bill.

We appreciate you taking the time to consider our request and for the reasons stated above, we respectfully request an **UNFAVORABLE** report Senate Bill 38.

Thank you,

A handwritten signature in blue ink, appearing to read 'Michael Sakata', with a long horizontal stroke extending to the right.

Michael Sakata
President and CEO
Maryland Transportation Builders and Materials Association