



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