

# SENATE BILL 797

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EMERGENCY BILL

8lr2956

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By: **Senators Astle and Kittleman**

Introduced and read first time: February 6, 2008

Assigned to: Rules

Re-referred to: Finance, February 14, 2008

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 20, 2008

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Labor and Employment – Wage Payment on Termination of Employment –**  
3 **Accrued Leave**

4 FOR the purpose of requiring that employers give certain notice of certain leave  
5 benefits to employees; requiring an employer with a certain written policy to  
6 pay accrued leave to an employee on termination of employment only under  
7 certain circumstances; providing for the payment of accrued leave to an  
8 employee whose employment terminated during a certain time period; providing  
9 for the application of this Act; making this Act an emergency measure; and  
10 generally relating to the payment of wages upon termination of employment.

11 BY repealing and reenacting, with amendments,  
12 Article – Labor and Employment  
13 Section ~~3-505~~ 3-504 and 3-505  
14 Annotated Code of Maryland  
15 (1999 Replacement Volume and 2007 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article – Labor and Employment**

19 3-504.

20 (a) An employer shall give to each employee:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1           (1)    at the time of hiring, notice of:

2                   (i)    the rate of pay of the employee; [and]

3                   (ii) the regular paydays that the employer sets; AND

4                   (III) **LEAVE BENEFITS;**

5           (2)    for each pay period, a statement of the gross earnings of the  
6 employee and deductions from those gross earnings; and

7           (3)    at least 1 pay period in advance, notice of any change in a payday  
8 or wage.

9           (b)    This section does not prohibit an employer from increasing a wage  
10 without advance notice.

11 3-505.

12           (A)    **[Each] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION,**  
13 **EACH** employer shall pay an employee or the authorized representative of an  
14 employee all wages due for work that the employee performed before the termination  
15 of employment, on or before the day on which the employee would have been paid the  
16 wages if the employment had not been terminated.

17           (B)    ~~IF AN EMPLOYER HAS A WRITTEN POLICY REGARDING THE~~  
18 ~~PAYMENT OF ACCRUED LEAVE TO AN EMPLOYEE AND THAT POLICY IS~~  
19 ~~COMMUNICATED TO AN EMPLOYEE PRIOR TO THE TERMINATION OF~~  
20 ~~EMPLOYMENT, THE~~ **AN** EMPLOYER SHALL PAY ACCRUED LEAVE TO AN  
21 EMPLOYEE ONLY IF:

22                   (1)    **THE EMPLOYER HAS A WRITTEN POLICY THAT LIMITS THE**  
23 **COMPENSATION OF ACCRUED LEAVE TO EMPLOYEES;**

24                   (2)    **THE EMPLOYER NOTIFIED THE EMPLOYEE OF THE**  
25 **EMPLOYER'S LEAVE BENEFITS IN ACCORDANCE WITH § 3-504(A)(1) OF THIS**  
26 **SUBTITLE; AND**

27                   (3)    **THE EMPLOYEE IS ENTITLED TO PAYMENT FOR ACCRUED**  
28 **LEAVE AT TERMINATION UNDER THE TERMS OF THE EMPLOYER'S WRITTEN**  
29 **POLICY.**

30           SECTION 2. AND BE IT FURTHER ENACTED, That, for an employee whose  
31 employment terminated on or after November 1, 2007, and before the effective date of  
32 this Act, if the employer of the employee had a written policy regarding the payment of

1 accrued leave and, before termination of the employee's employment, communicated  
2 that policy to the employee, the employer is required to pay accrued leave to the  
3 employee only if the employee is entitled to the payment under the terms of the  
4 employer's written policy.

5 SECTION 3. AND BE IT FURTHER ENACTED, That this Act may not be  
6 applied to any case for which a final judgment has been rendered and for which all  
7 judicial appeals have been exhausted prior to the effective date of this Act.

8 SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That this Act ~~shall take~~  
9 ~~effect October 1, 2008~~ is an emergency measure, is necessary for the immediate  
10 preservation of the public health or safety, has been passed by a yea and nay vote  
11 supported by three-fifths of all the members elected to each of the two Houses of the  
12 General Assembly, and shall take effect from the date it is enacted.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.