

## CHAPTER 220

(Senate Bill 797)

AN ACT concerning

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

FOR the purpose of requiring that employers give certain notice of certain leave benefits to employees; requiring specifying that an employer with a certain written policy is not required to pay accrued leave to an employee on termination of employment ~~only~~ under certain circumstances; providing for the payment of accrued leave to an employee whose employment terminated during a certain time period; providing for the application of this Act; making this Act an emergency measure; and generally relating to the payment of wages upon termination of employment.

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

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

#### **Article – Labor and Employment**

3-504.

(a) An employer shall give to each employee:

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

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

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

**(III) LEAVE BENEFITS;**

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

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

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

3-505.

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

(B) ~~IF AN EMPLOYER HAS A WRITTEN POLICY REGARDING THE PAYMENT OF ACCRUED LEAVE TO AN EMPLOYEE AND THAT POLICY IS COMMUNICATED TO AN EMPLOYEE PRIOR TO THE TERMINATION OF EMPLOYMENT, THE~~ **AN EMPLOYER SHALL IS NOT REQUIRED TO PAY ACCRUED LEAVE TO AN EMPLOYEE ONLY IF:**

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

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

(3) THE EMPLOYEE IS *NOT* ENTITLED TO PAYMENT FOR ACCRUED LEAVE AT TERMINATION UNDER THE TERMS OF THE EMPLOYER'S WRITTEN POLICY.

SECTION 2. AND BE IT FURTHER ENACTED, That, for an employee whose employment terminated on or after November 1, 2007, and before the effective date of this Act, if the employer of the employee had a written policy regarding the payment of accrued leave and, before termination of the employee's employment, communicated that policy to the employee, the employer is required to pay accrued leave to the employee only if the employee is entitled to the payment under the terms of the employer's written policy.

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

SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That this Act ~~shall take effect October 1, 2008~~ is an emergency measure, is necessary for the immediate

preservation of the public health or safety, has been passed by a yea and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

**Approved by the Governor, April 24, 2008.**