

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

Senate Bill 694

(Senator Lenett, *et al.*)

Finance

Economic Matters

Labor and Employment - Wage Payment and Collection Law - Definition of Wage

This bill clarifies that the definition of a wage, as it relates to the State's Wage Payment and Collection Law, includes overtime pay.

Fiscal Summary

State Effect: None. The change is clarifying in nature and does not directly affect governmental finances.

Local Effect: None. The bill does not apply to governmental operations.

Small Business Effect: None.

Analysis

Current Law/Background: In the State's Wage Payment and Collection Law, "wage" is defined to mean all compensation that is due to an employee for employment. The definition specifies that a wage includes bonuses, commissions, fringe benefits, or any other remuneration promised for service.

Maryland's Wage Payment and Collection Law regulates the payment of wages by employers in the State. The law requires employers to pay workers the wage promised; establish regular paydays; pay wages when due; pay employees in a specified manner; pay employees at least once every two weeks, with exceptions; furnish employees with a statement of gross earnings; advise employees of their rate of pay and designated payday; and pay employees all wages due on termination of employment.

The Division of Labor and Industry within the Department of Labor, Licensing, and Regulation (DLLR) enforces the provisions of the State's Wage Payment and Collection Law.

DLLR advises that the agency considers overtime wages to be included in the current statutory definition. Complaints that pertain only to overtime violations are handled by the U.S. Department of Labor's Employment Standards Service, as State overtime requirements mirror the requirements of the federal Fair Labor Standards Act.

According to DLLR, the bill may result in an increased number of inquiries received by the Division of Labor and Industry regarding the payment of overtime and the State's Wage Payment and Collection Law. DLLR advises that the expected operational impact is small enough that it can be handled with existing resources.

Additional Information

Prior Introductions: None.

Cross File: HB 214 (Delegate Pena-Melnyk, *et al.*) - Economic Matters.

Information Source(s): Town of Berlin; City of Rockville; Baltimore and Garrett counties; Maryland Association of Counties; Maryland Municipal League; Department of Budget and Management; Department of Labor, Licensing, and Regulation; Department of Legislative Services

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