

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1272
Economic Matters

Employment - Wages - Deduction Prohibition

This bill prohibits an employer from deducting a health coverage surcharge from the wages of an employee who has not undergone an elective medical procedure unless the employee expressly authorizes the deduction in writing.

Fiscal Summary

State Effect: The Maryland Department of Labor (MDL) can implement and enforce the bill with existing budgeted resources. The bill does not apply to the State as an employer. Revenues are not materially affected.

Local Effect: The bill does not apply to local governments as employers. The bill is not anticipated to materially affect the circuit courts.

Small Business Effect: Minimal.

Analysis

Current Law: 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 or twice in each month, 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. MDL's Division of Labor and Industry enforces the State's Wage Payment and Collection Law. Unless otherwise specified, the definition of "employer" in the State's Wage Payment and Collection Law does not include units of government.

An employer may not make a deduction from an employee's wage unless the deduction is ordered by a court of competent jurisdiction, authorized expressly in writing by the employee, allowed by the Commissioner of Labor and Industry because the employee has received full consideration for the deduction, or otherwise made in accordance with any law, rule, or regulation issued by a governmental unit.

The commissioner may investigate a violation of the Wage Payment and Collection Law only upon receipt of a written complaint by an employee. Whenever it is determined that the State's Wage Payment and Collection Law has been violated, the commissioner may (1) try to resolve the violation informally through mediation; (2) ask the Office of the Attorney General to bring an action on behalf of the employee; or (3) bring an action on behalf of the employee in the county where the violation allegedly occurred.

Employers who violate the State's Wage Payment and Collection Law are guilty of a misdemeanor and may be fined up to \$1,000.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland Commission on Civil Rights; Maryland Department of Labor; Department of Legislative Services

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Analysis by: Heather N. MacDonagh

Direct Inquiries to:

(410) 946-5510

(301) 970-5510