

SENATE BILL 38

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(PRE-FILED)

4r1389
CF HB 385

By: **Senator A. Washington**

Requested: November 1, 2023

Introduced and read first time: January 10, 2024

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 12, 2024

CHAPTER _____

1 AN ACT concerning

2 **Wage Payment and Collection – Pay Stubs and Pay Statements – Required**
3 **Information**

4 FOR the purpose of requiring that a notice containing certain information provided to an
5 employee at the time of hiring be written; requiring that the statement regarding
6 earnings required to be provided to employees by employers be written on the
7 physical pay stub or online pay statement and include certain information; requiring
8 the Commissioner of Labor and Industry to create and make available to an employer
9 at no charge a pay stub template for certain purposes; and generally relating to
10 information on pay stubs and pay statements.

11 BY repealing and reenacting, with amendments,
12 Article – Labor and Employment
13 Section 3–504
14 Annotated Code of Maryland
15 (2016 Replacement Volume and 2023 Supplement)

16 BY adding to
17 Article – Labor and Employment
18 Section 3–507.3
19 Annotated Code of Maryland
20 (2016 Replacement Volume and 2023 Supplement)

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

3 **Article – Labor and Employment**

4 3–504.

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

6 (1) at the time of hiring, **WRITTEN** notice of:

7 (i) the rate of pay of the employee;

8 (ii) the regular paydays that the employer sets; and

9 (iii) leave benefits;

10 (2) for each pay period, a **WRITTEN** statement [of the gross earnings of the
11 employee and deductions from those gross earnings; and] **ON THE PHYSICAL PAY STUB
12 OR THE ONLINE PAY STATEMENT THAT INCLUDES:**

13 (I) **THE EMPLOYER’S NAME REGISTERED WITH THE STATE,
14 ADDRESS, AND TELEPHONE NUMBER;**

15 (II) ~~THE DATES OF WORK COVERED BY~~ **DATE OF PAYMENT AND**
16 **THE BEGINNING AND ENDING DATES OF THE PAY PERIOD FOR WHICH THE PAYMENT**
17 **IS MADE;**

18 (III) **UNLESS THE EMPLOYEE IS EXEMPT FROM OVERTIME UNDER**
19 **FEDERAL AND STATE LAW, THE NUMBER OF HOURS WORKED DURING THE PAY**
20 **PERIOD;**

21 (IV) **THE RATES OF PAY;**

22 (V) **THE GROSS AND NET PAY EARNED DURING THE PAY PERIOD;**

23 (VI) **THE AMOUNT AND ~~PURPOSE~~ NAME OF ALL DEDUCTIONS;**

24 (VII) ~~A DESCRIPTION OF THE INFORMATION USED BY THE~~
25 ~~EMPLOYER TO CALCULATE THE EMPLOYEE’S GROSS AND NET PAY~~ **A LIST OF**
26 **ADDITIONAL BASES OF PAY, INCLUDING BONUSES, COMMISSIONS ON SALES, OR**
27 **OTHER BASES; AND**

1 (VIII) FOR EACH EMPLOYEE PAID AT A PIECE RATE, THE
2 APPLICABLE PIECE RATES OF PAY AND THE NUMBER OF PIECES COMPLETED AT
3 EACH PIECE RATE; AND

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

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

8 (C) THE COMMISSIONER SHALL CREATE AND MAKE AVAILABLE TO AN
9 EMPLOYER AT NO CHARGE A PAY STUB TEMPLATE THAT MAY BE USED BY THE
10 EMPLOYER TO COMPLY WITH THIS SECTION.

11 **3-507.3.**

12 (A) IF THE COMMISSIONER DETERMINES THAT AN EMPLOYER HAS
13 VIOLATED § 3-504(A)(2) OF THIS SUBTITLE, THE COMMISSIONER MAY ISSUE AN
14 ORDER THAT:

15 (1) DESCRIBES THE VIOLATION;

16 (2) DIRECTS THE EMPLOYER TO PROVIDE THE REQUIRED
17 INFORMATION; AND

18 (3) SUBJECT TO SUBSECTION (B) OF THIS SECTION, IMPOSES AN
19 ADMINISTRATIVE PENALTY OF UP TO \$500 FOR EACH EMPLOYEE WHO WAS NOT
20 PROVIDED A PAY STUB OR ONLINE PAY STATEMENT IN ACCORDANCE WITH §
21 3-504(A)(2) OF THIS SUBTITLE.

22 (B) THE COMMISSIONER SHALL SEND AN ORDER ISSUED UNDER
23 SUBSECTION (A) OF THIS SECTION TO THE EMPLOYER AT THE EMPLOYER'S LAST
24 KNOWN BUSINESS ADDRESS BY REGULAR MAIL AND CERTIFIED MAIL.

25 (C) THE AMOUNT OF A PENALTY IMPOSED UNDER THIS SUBSECTION SHALL
26 BE BASED ON:

27 (1) THE GRAVITY OF THE VIOLATION;

28 (2) THE SIZE OF THE EMPLOYER'S BUSINESS;

29 (3) THE EMPLOYER'S GOOD FAITH; AND

30 (4) THE EMPLOYER'S HISTORY OF VIOLATIONS OF THIS SUBTITLE.

1 **(D) THE ACTIONS TAKEN UNDER THIS SUBSECTION ARE SUBJECT TO THE**
2 **NOTICE AND HEARING REQUIREMENTS OF TITLE 10, SUBTITLE 2 OF THE STATE**
3 **GOVERNMENT ARTICLE.**

4 **(E) (1) WITHIN 15 DAYS AFTER RECEIVING AN ORDER ISSUED UNDER**
5 **SUBSECTION (A) OF THIS SECTION, AN EMPLOYER MAY REQUEST AN**
6 **ADMINISTRATIVE HEARING.**

7 **(2) IF THE EMPLOYER DOES NOT REQUEST A HEARING AS PROVIDED**
8 **UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE ORDER OF THE COMMISSIONER,**
9 **INCLUDING ANY ADMINISTRATIVE PENALTIES, IS FINAL.**

10 **(F) (1) WITHIN 30 DAYS AFTER THE COMMISSIONER ISSUES AN ORDER,**
11 **AN EMPLOYER SHALL COMPLY WITH THE ORDER.**

12 **(2) IF AN EMPLOYER DOES NOT COMPLY WITH AN ORDER IN THE TIME**
13 **PERIOD STATED IN PARAGRAPH (1) OF THIS SUBSECTION, THE COMMISSIONER MAY**
14 **BRING AN ACTION TO ENFORCE THE ORDER:**

15 **(I) IN THE COUNTY WHERE THE EMPLOYER IS LOCATED; OR**

16 **(II) IF THE ADDRESS OF THE EMPLOYER CANNOT BE**
17 **DETERMINED, IN THE COUNTY WHERE THE EMPLOYEE OR COMMISSIONER IS**
18 **LOCATED.**

19 ~~**(A) NOTWITHSTANDING ANY OTHER REMEDY AVAILABLE UNDER THIS**~~
20 ~~**SUBTITLE, IF AN EMPLOYER FAILS TO PROVIDE THE INFORMATION REQUIRED**~~
21 ~~**UNDER § 3-504(A)(2) OF THIS SUBTITLE, AN EMPLOYEE OF THE EMPLOYER OR THE**~~
22 ~~**ATTORNEY GENERAL MAY BRING AN ACTION AGAINST THE EMPLOYER.**~~

23 ~~**(B) IF, IN AN ACTION UNDER SUBSECTION (A) OF THIS SECTION, A COURT**~~
24 ~~**FINDS THAT THE EMPLOYEE IS UNABLE TO DETERMINE THE CORRECT AMOUNT OF**~~
25 ~~**PAY, IDENTIFY THE EMPLOYER'S LEGAL NAME, OR CONTACT THE EMPLOYER, THE**~~
26 ~~**COURT MAY ORDER:**~~

27 ~~**(1) INJUNCTIVE RELIEF;**~~

28 ~~**(2) UNLESS THE EMPLOYER SHOWS THAT IT ACTED IN GOOD FAITH**~~
29 ~~**AND REASONABLY BELIEVED THAT IT MET THE REQUIREMENTS OF § 3-504(A)(2) OF**~~
30 ~~**THIS SUBTITLE, LIQUIDATED DAMAGES OF \$100 FOR EACH WORKWEEK IN WHICH**~~
31 ~~**THE VIOLATION OCCURRED, NOT TO EXCEED \$5,000; AND**~~

32 ~~**(3) REASONABLE COUNSEL FEES AND COSTS.**~~

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2024.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.