
Senate Bill 119

Date: March 16, 2020
Committee: House Economic Matters
Bill Title: Senate Bill 119 - Wage Payment and Collection - Order to Pay Wages
Re: **Letter of Support**

Senate Bill 119 increases the threshold for which the Commissioner of Labor and Industry (Commissioner) may issue a final order to pay unpaid wages. Currently, the Commissioner may issue an order for unpaid wages up to \$3,000; Senate Bill 119 increases that threshold to \$5,000.

Maryland workers currently have two options to recover unpaid wages: a civil suit, or a complaint to the Commissioner's office for amounts up to \$3K. Upon receipt of a complaint for unpaid wages, the Commissioner's Employment Standards Service (ESS) unit conducts an investigation to determine whether work was performed without payment. Should ESS determine that work was performed without payment, the Commissioner may issue a final order to the employer to pay the earned wages.

Both the investigation and determination processes are conducted at **no cost** to the involved parties. All money collected as part of the Commissioner's order to pay wages are paid to the employee. No fees, deductions, or charges are taken by the Department. In FY2019, ESS expeditiously investigated 1,079 complaints and returned \$961,601 to unpaid workers.

The law that provides the Commissioner with authority to issue a final order to pay wages was enacted in 2010.¹ The Department is seeking to increase the threshold of the original law from \$3K to \$5K to account for inflation and increased wages. Moreover, a threshold change will provide more Marylanders with an expeditious option to recover unpaid wages.

For the aforementioned reasons, the Maryland Department of Labor respectfully requests a favorable report on Senate Bill 119.

For questions, please contact Andrew Fulginiti at andrew.fulginiti@maryland.gov or (443) 401-5129.

¹ MD Code, Labor and Employment, § 3-507.1(c)(1)