
BILL NO.: Senate Bill 641
TITLE: Maryland Wage and Hour Law and Maryland Wage Payment and Collection Law
– Revisions (Maryland Wage Protection Act)
COMMITTEE: Finance
DATE: February 27, 2020
POSITION: SUPPORT

Senate Bill 641 seeks to resolve three challenges workers face when attempt to address wage theft. Because approximately 33% of Maryland workers are low wage workers and 60% of those workers are women, wage theft and wage loss is a women's issue that has a demonstrable negative effect on women and their families in Maryland. In fact, women are significantly more likely to experience wage theft than men¹. As such, the Women's Law Center of Maryland supports SB 641.

Essentially, three loop holes exist in the law which make it nearly impossible for many people to obtain the wages they earned through their hard work and SB 641 addresses those loopholes in the following ways:

- 1) **It protects employees from retaliation for seeking to obtain their own earned wages.** Currently, if an employee complains about lost wages, an employer can take any adverse employment action against them, including termination or reducing their hours, and the sole remedy under the Wage and Hour Law is a criminal misdemeanor. This infrequently prosecuted crime does nothing to help a low-wage worker who cannot afford job loss or reduced pay. **Women already face a heightened risk of retaliation in the workplace, and are therefore less likely to speak out against violations unless there are assurances that repercussions won't take place.**
- 2) **It promotes transparency** by requiring employers to include basic information on paystubs, such as the rate of pay, hours worked, overtime, and calculations. This has **a direct correlation to the gender pay gap** and inability for women to identify disparities in their pay as compared to their male counterparts.
- 3) **It clarifies that independent contractors are not, and should not, be protected by wage and hour laws,** but that employees should be afforded broad protections under the laws. Most of the laws currently in place to address misclassification focus on male-dominated industries such as construction and landscaping, ignoring the fact that **misclassification of employees as independent contractors is particularly common in sectors dominated by women workers, such as home health care services and domestic workers.**

¹ NELP, Broken Laws, Unprotected Workers: Violations of Employment and Labor Laws in America's Cities at *8 (2009), <https://www.nelp.org/wp-content/uploads/2015/03/BrokenLawsReport2009.pdf>.

Women account for less than half of the U.S. working population, yet nearly 6 in 10 low wage workers are women. Many are working full time and yet they are still living below the poverty line. In Maryland, two-thirds of families now have women as sole, co, or primary breadwinners. That leaves many women financially insecure or dependent upon others in order to provide for themselves and their families. Economic security is the key to physical safety and self-sufficiency. But it cannot be gained if employees are unable to determine if they're being paid fairly or if they're unable to secure the wages they are entitled to without fear of retaliation.

For the above reasons, the Women's Law Center of Maryland urges a favorable report for SB 641.

The Women's Law Center of Maryland is a private, non-profit, membership organization that serves as a leading voice for justice and fairness for women. It advocates for the rights of women through legal assistance to individuals and strategic initiatives to achieve systemic change.