



MARYLAND STATE & D.C. AFL-CIO

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SB 641 – Maryland Wage and Hour Law and Maryland Wage Payment and Collection Law – Revisions (Maryland Wage Protection Act)
Senate Finance Committee
February 27, 2020

SUPPORT

Donna S. Edwards
President
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Madam Chair and members of the Committee, thank you for the opportunity to submit testimony supporting SB 641 – Maryland Wage and Hour Law and Maryland Wage Payment and Collection Law – Revisions (Maryland Wage Protection Act). My name is Donna S. Edwards and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of the 340,000 union members I offer the following comments.

Whether you are a plumber in Western Maryland, a poultry worker on the Eastern Shore, or a server in a local restaurant, you deserve to know everything that goes in and out of your paycheck. Full transparency in pay should be a right for every Maryland worker. Under current law, employers only need to report gross pay and deductions. Employers are not even required to provide their contact information, should the need arise for an employee to contact them regarding pay and benefits. SB 641 rectifies this, providing the full transparency that workers deserve in their paycheck. It allows workers to be aware of any changes, discrepancies, or deficiencies, and make corrections with the employer, if need be.

SB 641 is not a hindrance on employers. Those who are following the law – Unemployment Insurance, Workers' Compensation, and Wage and Hour Laws – are already collecting and calculating all the information that would be used to display on a worker's paystub. This bill simply requires employers to share that information with the very people who make their businesses thrive. Workers create the wealth enjoyed by businesses and deserve to know the details of how their gross pay, deductions, and benefits are calculated in writing on a pay stub.

SB 641 protects workers – who report incidents of wage theft – from retaliation by their employers, and it is broad reaching. It is imperative that we hold harmless workers who are doing the right thing and following the rules. For far too long, workers have been afraid to speak up in the workplace to defend themselves and their co-workers against wage theft.

Finally, SB 641 clearly delineates the difference between an employee and a contractor. A contractor is, at the heart of it, a small business owner. They set their own hours, determine their own pay rates and benefits, do not report to a boss, and have the freedom to pick and choose clients that they determine are correct for their business. Workers, on the other hand, do not have this level of flexibility, and are dependent on the employer for wages, benefits, and hours. By well-defining the concept of an “independent contractor” into Maryland Wage Law, we can protect the rights of contractors to do business as they please while also ensuring that unscrupulous employers do not misclassify workers with the intent to deny them good wages and benefits, denying the State of thousands of dollars through lost Workers’ Compensation and Unemployment Contributions.

We ask for a favorable report on SB 641.