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FACSIMILE NO.   WRITER'S DIRECT DIAL NO.

February 18, 2021

TO: The Honorable Shane E. Pendergrass
             Chair, Health and Government Operations Committee

FROM: The Office of the Attorney General

RE: House Bill 652 – Health Facilities – Residential Service Agencies – Compliance with
            State Labor Laws – **SUPPORT**

The Office of the Attorney General urges the favorable report of House Bill 652, which would require the Maryland Department of Health, Maryland Department of Labor, and the Office of the Attorney General to produce a guidance document concerning the application of Maryland Wage and Hour Laws to the employment of "personal care aides" by residential service agencies (hereinafter, RSAs).

There are about 1,351 RSAs in Maryland, and collectively they employ tens of thousands of workers at or near minimum wage. However, many of the employees at RSAs, notably, personal care aides, are misclassified as independent contractors. As independent contractors, these individuals do not have the protections of Maryland wage and employment laws – which means the loss of minimum wage and overtime benefits, unemployment benefits, workers' compensation benefits, protections against illegal employment discrimination, and lack of protections against wage theft for RSA workers.[1]

House Bill 652 would develop guidelines to properly classify personal care aides as employees, rather than independent contractors. In so doing, personal care aides would be afforded the protections of Maryland wage and employment law.

For these reasons, the Attorney General urges the Committee to favorably report House Bill 652.

cc: Members of the Health and Government Operations Committee

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[1] Md. Dep't of Lab., *Employee or Independent Contractor? – The Maryland Guide to Wage Payment and Employment Standards,* https://www.dllr.state.md.us/labor/wagepay/wpempindcont.shtml (last visited Feb. 9, 2021).