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TESTIMONY ON HB#0385 - FAVORABLE

Workplace Fraud and Prevailing Wage - Violations - Penalties and Referrals

TO: Chair Wilson, Vice Chair Crosby, and members of Economic Matters Committee

FROM: Richard Keith Kaplowitz

My name is Richard Keith Kaplowitz. I am a resident of District 3. I am submitting this testimony in support of HB#0465, Workplace Fraud and Prevailing Wage - Violations - Penalties and Referrals

The United States Department of Labor has discussed the problems this bill would work to solve in Maryland in concert with new regulations from the USDOL.

A worker is entitled to minimum wage and overtime pay protections ... Employers are responsible for determining whether a worker is an employee under the FLSA. Misclassification occurs when an employer treats a worker who is an employee under the FLSA as an independent contractor. Misclassifying employees as independent contractors is a serious problem because misclassified employees may not receive the minimum wage and overtime pay to which they are entitled under the FLSA or other benefits and protections to which they are entitled under the law.

While I would hope the situation described is not taking place in Maryland there have been documented cases in which this is and has occurred. There are lawyers in Annapolis who specialty in the law is representation of employees harmed by this conduct. This bill is an attempt to give the government power to enforce the laws governing this misconduct and provide appropriate relief and penalties.

The essence of the proposed bill is to create an environment in which employer conduct towards employees includes giving them a more complete picture of the work they are doing and how they are compensated for it. During my time working in food service as a tipped employee I had an employer where I had to calculate how my credit tips were being applied to the tip credit being claimed by my employer to ensure that the totals earning were minimum wage.

HB0385 is a common-sense application of regulations on how we treat the imbalance created when an employer does not fully inform their employee in a pay stub of all the earnings and deductions and how they were applied. It enforces the ability of the employee to ensure they are being compensated fairly and correctly. **I respectfully urge this committee to return a favorable report on HB0465.**