

## **Maryland Worker Income Protection Act HB72**

In recent years, Maryland has made some advancements – like raising the minimum wage – to ensure that workers can earn an honest day’s pay for an honest day’s work. But we must ensure that these bedrock rights are a reality for every worker in our state. And for far too many workers, loopholes in the law mean that when wage theft occurs, they have no protection. Three loopholes that undermine the protections of Maryland’s Wage and Hour Law and Wage Payment and Collection Law include:

- Insufficient protections from retaliation. **Employees afraid of retaliation often stay silent, even if it means losing wages and risking their ability to pay for basic expenses.**
- Unscrupulous employers are able to mask wage violations with paystubs that have little information. **Employees who receive paystubs that state only a lump sum have no way of knowing whether they have been paid properly or if taxes were withheld, and oftentimes suffer wage theft without knowing it.**
- Independent contractors are people in business for themselves, not covered by the protections and rights of employees. Most employees are entitled to minimum wage, overtime, unemployment insurance and payroll contributions. **Businesses that misclassify employees as independent contractors deny those employees of their earnings, the state of its tax revenues, and put good employers at a competitive disadvantage.**

The Maryland Worker Income Protection Act gets back to basics by closing three loopholes. It will:

- ✓ **Protect employees from retaliation** so that victims of wage theft can enforce their right to be paid without fear of being fired, losing hours, being threatened, et cetera;
- ✓ **Promote transparency by requiring that paystubs contain information showing how pay was calculated**, such as hours worked, pay rate, and overtime.
- ✓ **Clarify that employees are broadly protected by wage laws** while independent contractors (people who are in business for themselves) are not.

Finally, the bill will also fix a loophole in the Wage Payment and Collection Law (WPCL). Our wage laws are designed to ensure that low-wage workers with smaller claims can find an attorney by allowing the attorney to request an award of fees paid by the employer if they show a violation. However, the WPCL adds an additional hurdle that makes it harder for low-wage workers to find attorneys. The WPCL says the worker must not only show the law was violated, but *also* show that the employer also did not have a good faith reason for the violation. This additional hurdle is inconsistent with the policy of promoting access to counsel for smaller claims.

Together, these protections ensure that Maryland’s wage laws are properly followed, and that Marylanders can work with dignity, not just in theory but in practice.

### **If you have any questions please contact:**

Senator William Smith: [will.smith@senate.state.md.us](mailto:will.smith@senate.state.md.us) ; 410-841-3634

Delegate Lorig Charkoudian: [lorig.charkoudian@house.state.md.us](mailto:lorig.charkoudian@house.state.md.us) ; 410-841-3423