



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

COUNCILMEMBER LAURIE-ANNE SAYLES

ECONOMIC DEVELOPMENT

AT LARGE

HEALTH AND HUMAN SERVICES

January 31, 2024

TO: Senator Pamela Beidle
Chair, Finance

FROM: Laurie-Anne Sayles
Montgomery County Council Member At-Large

RE: Senate Bill 38, *Wage Payment and Collection - Pay Stubs and Pay Statements - Required Information*

I am writing to express my support for **SB38 - Wage Payment and Collection - Pay Stubs and Pay Statements - Required Information**. While most businesses provide their employees with transparency regarding their hours worked, pay rate, and tax rate, Maryland's lack of state policy requiring this type of information allows bad-faith actors to deceive and mistreat employees. Employees such as single mothers or immigrants face an incredibly high risk of exploitation if they are economically or socially vulnerable, as they are more likely to be forced to accept subpar working standards.

Wage theft is most prevalent among low-income workers. A [2017 report from the Economic Policy Institute](#) found that, in the ten most populous U.S. states, approximately 2.4 million minimum wage workers were paid below their legal minimum wage, representing 17% of low-wage workers. This data shows that over \$8 billion is stolen every year from low-income folks' pockets in just those ten states. Workers experiencing wage theft in this study lost an average of \$3,300 annually. We have seen thousands of wage theft claims in Maryland in recent years. According to the [Maryland Department of Labor](#), as of March 31, 2023, there are a total of 8,290 wage-theft claims dating back to 2009 that totaled \$20,140,568.60 in owed wages, and 364 wage-theft claims in the past 14 years that were for more than \$10,000.

STELLA B. WERNER COUNCIL OFFICE BUILDING • ROCKVILLE, MARYLAND 20850

(240) 777-7964

COUNCILMEMBER.SAYLES@MONTGOMERYCOUNTYMD.GOV

SB38 is a small step the General Assembly can implement today to significantly cut down on the rates of wage theft in Maryland and protect workers. This simple reform, which codifies the widespread business practice of giving employees a detailed pay stub, would allow exploited workers to know if they are being underpaid. While more work is necessary to ensure that exploited workers have access to legal recourse, SB38 is the vital first step in this process.

For these reasons, I urge a favorable opinion on SB38. Thank you for your leadership and partnership.

CC: Members of the Finance Committee