

STATE OF MARYLAND
DEPARTMENT OF LABOR, LICENSING AND REGULATION
DIVISION OF LABOR AND INDUSTRY
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WAGE PAYMENT AND COLLECTION
Labor and Employment Article
Title 3, Subtitle 5
Annotated Code of Maryland

SUBTITLE 5. WAGE PAYMENT AND COLLECTION.

§ 3-501. Definitions.

(a) *In General.* - In this subtitle the following words have the meanings indicated.

(b) *Employer.* - "Employer" includes any person who employs an individual in the State or a successor of the person.

(c) *Wage.* -

(1) "Wage" means all compensation that is due to an employee for employment.

(2) "Wage" includes:

- (i) a bonus;
- (ii) a commission;
- (iii) a fringe benefit; or
- (iv) any other remuneration promised for service.

§ 3-502. Payment of Wage.

(a) *Pay Periods.* -

(1) Each employer:

- (i) shall set regular pay periods; and
- (ii) except as provided in paragraph (2) of this subsection, shall pay each employee at least once in every 2 weeks or twice in each month.

(2) An employer may pay an administrative, executive, or professional employee less frequently than required under paragraph (1)(ii) of this subsection.

(b) *Paydays.* - If the regular payday of an employee is a nonwork day, an employer shall pay the employee on the preceding workday.

(c) *Form of Payment.* - Each employer shall pay a wage:

- (1) in United States currency; or
- (2) by a check that, on demand, is convertible at face value into United States currency.

(d) *Effect of Section.* - This section does not prohibit the direct deposit of the wage of an employee into a personal bank account of the employee in accordance with an authorization of the employee.

§ 3-503. Deductions.

An employer may not make a deduction from the wage of an employee unless the deduction is:

- (1) ordered by a court of competent jurisdiction;
- (2) authorized expressly in writing by the employee;
- (3) allowed by the Commissioner because the employee has received full consideration for the deduction; or
- (4) otherwise made in accordance with any law or any rule or regulation issued by a governmental unit.

§ 3-504. Notice of Wages and Paydays.

(a) *Responsibility of Employer.* - An employer shall give to each employee:

- (1) at the time of hiring, notice of:
 - (i) the rate of pay of the employee; and
 - (ii) the regular paydays that the employer sets;
- (2) for each pay period, a statement of the gross earnings of the employee and deductions from those gross earnings; and
- (3) at least 1 pay period in advance, notice of any change in a payday or wage.

(b) *Wage Increase.* - This section does not prohibit an employer from increasing a wage without advance notice.

§ 3-505. Payment on Termination of Employment.

Each employer shall pay an employee or the authorized representative of an employee all wages due for work that the employee performed before the termination of employment, on or before the day on which the employee would have been paid the wages if the employment had not been terminated.

§ 3-506. Reciprocal Agreements.

To collect wages that employers unlawfully withhold, the Commissioner may enter into a reciprocal agreement with a labor department or other similar unit that has jurisdiction in another state over wage collection.

§ 3-507. Enforcement.

(a) *In General.* - Whenever the Commissioner determines that this subtitle has been violated, the Commissioner:

(1) may try to resolve any issue involved in the violation informally by mediation;

(2) with the written consent of the employee, may ask the Attorney General to bring an action in accordance with this section on behalf of the employee; and

(3) may bring an action on behalf of an employee in the county where the violation allegedly occurred.

(b) *Award.* - (1) If, in an action under subsection (a) of this section, a court finds that an employer withheld the wage of an employee in violation of this subtitle and not as a result of a bona fide dispute, the court may award the employee an amount not exceeding 3 times the wage, and reasonable counsel fees and other costs.

(2) If wages of an employee are recovered under this section, they shall be paid to the employee without cost to the employee.

§ 3-507.1. Action to recover unpaid wages.

(a) *In general.* - Notwithstanding any remedy available under § 3-507 of this subtitle, if an employer fails to pay an employee in accordance with § 3-502 or § 3-505 of this subtitle, after 2 weeks have elapsed from the date on which the employer is required to have paid the wages, the employee may bring an action against the employer to recover the unpaid wages.

(b) *Award and costs.* - If, in an action under subsection (a) of this section, a court finds that an employer withheld the wages of an employee in violation of this subtitle and not as a result of a bona fide dispute, the court may award the employee an amount not exceeding 3 times the wage, and reasonable counsel fees and other costs.

§ 3-508. Prohibited Acts; Penalties.

(a) *Prohibited Acts of Employer.* - An employer may not willfully violate this subtitle.

(b) *Prohibited Acts of Employee.* - An employee may not knowingly make to a governmental unit or official of a governmental unit a false statement with respect to any investigation or proceeding under this subtitle, with the intent that the governmental unit or official consider or otherwise act in connection with the statement.

(c) *Penalties.* -

(1) An employer who violates subsection (a) of this section is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$1,000.

(2) An employee who violates subsection (b) of this section is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$500.

§ 3-509. Short title.

This subtitle may be cited as the Maryland Wage Payment and Collection Law.