



Work and Wages

Testimony on HB 187 before the House Commerce and Labor Committee

Michael Shields

Good morning, Chair Stein, Vice-chair Johnson, Ranking Member Lepore-Hagan and members of the committee. My name is Michael Shields and I am a researcher at Policy Matters Ohio, a nonprofit, nonpartisan research organization working to create a more prosperous, equitable, sustainable and inclusive Ohio. Thank you for the opportunity to testify.

All working people should rest assured that they will be fully and fairly paid for all the hours they put in. House Bill 187 would help workers to make sure their paychecks comprise the full wages that they earn in each pay period, and account for all the hours they work. Keeping an accurate record of hours and pay, shared with employees, ensures that any errors can be spotted and corrected. More than half of U.S. workers have found an error in their paystub at some time in their careers. Providing a pay stub is a good faith way of tracking and sharing information on pay so that both workers and employers operate with a shared understanding of the relationship and the same information.

Yet not all employers act in good faith where workers' pay is concerned. Today, too many employers steal from working people by refusing to pay them what they are owed. For people employed by such companies, a paystub is even more important. The Economic Policy Institute estimated that every year employers steal an average of \$2,800 from each of 217,000 Ohio workers through minimum wage violations alone. This is just one form of wage theft. Others include paying less than the agreed wage; failing to pay overtime as required; not paying for all hours worked; and misclassifying people as salaried staff or independent contractors to evade paying overtime or payroll taxes. All of these practices become more difficult for workers or investigators to catch when the worker is not given a pay stub.

I have reported on this in the attached policy brief, "Pay Statements a Vital Protection for Workers." It is also available at <https://www.policymattersohio.org/research-policy/fair-economy/work-wages/pay-statements-a-vital-protection-for-workers>. I ask that you enter that report into the record.

Ohio policymakers have under-funded protecting working people against theft by their employers. Today just five wage and hour investigators and a supervisor oversee employment relationships for more than 5.5 million working Ohioans. That's one staffer for every 932,367 workers. Too often it falls to workers themselves to know and assert their rights at work, but without a paystub, employees are deprived of critical

information that they need. When a paycheck is smaller than expected, the worker may not understand why, or may believe that the balance will come in the next check. A paystub puts everyone on the same page, every earnings cycle.

Most Ohio businesses owners abide by the law and want to cultivate strong partnerships with their workforce. Providing an accurate and regular pay record establishes good faith between the company and workers, and may boost workplace morale and productivity.

Without a paycheck, people face more uncertainty in verifying whether they have been paid all they are due, and already overextended investigators face more difficulty in investigating claims. Requiring a pay stub is a simple, common-sense way to put everyone on the same page.

The Ohio House of Representatives passed a pay statement guarantee last session in HB 137. I urge you to advance HB 187 out of committee and to once more pass it in a full vote of the legislature. I will be pleased to take any questions. Thank you.