



November 15, 2024

The Honorable Kevin Donahue
City Administrator of the District of Columbia
1350 Pennsylvania Avenue NW – The John A. Wilson Building
Washington, DC 20004

The Honorable Portia Wu
Secretary of the Maryland Department of Labor
100 North Eutaw Street
Baltimore, MD 21201

The Honorable Gary Pan
Commissioner of the Virginia Department of Labor and Industry
6606 West Broad Street
Richmond, VA 23230

By Electronic Mail

RE: PayrollOrg Comments on Cross State Pay Transparency Proposal for the District of Columbia, Southern Maryland and Northern Virginia (DMV/D.C. Region)

Dear City Administrator Donahue, Secretary Wu, and Commissioner Pan:

PayrollOrg (PAYO) supports joint pay transparency and pay equity laws across the District of Columbia, Maryland, and Virginia (DMW). To the extent the DMV's plans include collecting payroll data, PAYO requested a single reporting location with only necessary payroll information and standardized specifications. Payroll professionals and their employers will also need sufficient time to implement the measures and educate employees.

ABOUT PAYO

PAYO is a nonprofit association representing more than 20,000 payroll professionals throughout the United States. PAYO's Government Relations Task Force partners with government entities to help payroll professionals with compliance, while minimizing the administrative burden on government, employers, and individual workers. PAYO members are directly responsible for calculating wages and withholding for their employers across all industries and employer types.

BENEFITS OF PAY TRANSPARENCY

The DMW region is uniquely interconnected, with many individuals commuting across state lines for work. This shared labor market amplifies the need for consistent pay transparency policies. By



aligning our practices, we can create a more equitable environment for all workers in the region, ensuring that compensation is fair regardless of where employees reside or work.

The advantages of pay transparency and equity include:

1. **Combatting Wage Discrimination.** Pay transparency can help identify and reduce wage disparities based on gender, race, or other factors. When salary information is openly shared, it becomes more challenging for discriminatory practices to persist.
2. **Closing the Pay Gap.** Greater transparency can contribute to narrowing the gender and racial pay gaps. When employees know the pay ranges for their roles, they can better advocate for fair compensation.
3. **Empowering Employees.** Transparency empowers individuals to negotiate their salaries more effectively. When employees are informed about pay structures, they can make more confident and informed decisions about their careers.
4. **Enhancing Trust and Morale.** Organizations that practice pay transparency often experience higher levels of trust among employees. This can lead to increased job satisfaction and morale, fostering a more positive workplace culture.
5. **Attracting Talent.** In a competitive job market, companies that are transparent about pay can attract a wider pool of talent. Candidates are increasingly looking for employers who prioritize fairness and equity.
6. **Cost Savings.** For employers, a standardized approach to pay equity laws in the DMV would be a significant cost savings, especially for tracking different requirements and compliance.

POSSIBLE PAYROLL TAX FOR FUNDING OF WMATA

There has been discussion about implementing a payroll tax across the region to fund the Washington Metropolitan Area Transit Authority (WMATA). This payroll tax would cover areas that WMATA services through rail and bus services [District of Columbia, Southern Maryland (Montgomery County and Prince George's Country), as well as Northern Virginia (Arlington, Loudoun, Prince Williams, Fairfax Counties, and the independent cities of Alexandria, Falls Church, and Fairfax)]. PAYO does not take a position on proposed tax policy, however, PAYO does ask that if the states, counties, cities, and the District move forward with this proposal, they allow for a proper timeframe for implementation to allow payroll professionals to update their systems.

JOINT TASK FORCE

PAYO also suggests that the DMV appoint a joint task force to properly maintain oversight of these proposed cross jurisdiction initiatives. As stated earlier, the DMV is very interconnected with people living and working across the region; thus it would be easier for employers and employees to have a sole entity to issue guidance and address questions.

CONCLUSION

The DMV region can set a powerful example of cross border cooperation to create and maintain fairness in the workforce. PAYO urges you to consider these benefits while undertaking your proposed pay transparency plans.

PAYO would be pleased to provide additional insights about payroll management. We can be reached though Adam Prinzo at 516-761-2919 or aprinzo@payroll.org.

Sincerely,



Adam Prinzo
Assistant Manager, Government Relations

For: Government Relations Task Force State and Local Topics Subcommittee
Chairs Carlanna Livingstone, CPP; Bruce Phipps, CPP; and Alma Stewart, CPP

CC: The Honorable Anita Bonds, At-Large Member of the Council of the District of Columbia
Chair, Committee on Executive Administration and Labor
The Honorable Vanessa Atterbeary, Member of the Maryland General Assembly
Chair, House Committee on Ways and Means
The Honorable Guy Guzzone, Member of the Maryland State Senate
Chair, Senate Committee on Budget and Taxation
The Honorable Jeion Ward, Member of the Virginia House of Delegates
Chair, House Committee on Labor and Commerce
The Honorable R. Creigh Deeds, Member of the Virginia State Senate
Chair, Senate Committee on Labor and Commerce