
By: **Delegates Murray, Branch, Carter, Franchot, Gutierrez, Haynes,
Hixson, Hubbard, King, Kirk, Lawton, Madaleno, Mandel, Marriott,
Oaks, and F. Turner**

Introduced and read first time: February 6, 2006

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Labor and Employment - Vacation Leave - Compensation**

3 FOR the purpose of requiring certain employers to provide certain compensation for
4 unused or accumulated vacation leave or paid time off under certain
5 circumstances; requiring certain employers to carry over a certain employee's
6 unused or accumulated vacation leave or paid time off in a certain manner or
7 transfer unused sick leave to apply as unused vacation leave or paid time off
8 under certain circumstances; providing for the application of this Act; defining a
9 certain term; making certain conforming and stylistic changes; and generally
10 relating to vacation leave.

11 BY repealing and reenacting, with amendments,
12 Article - Labor and Employment
13 Section 3-801
14 Annotated Code of Maryland
15 (1999 Replacement Volume and 2005 Supplement)

16 BY repealing
17 Article - Labor and Employment
18 Section 3-802
19 Annotated Code of Maryland
20 (1999 Replacement Volume and 2005 Supplement)

21 BY adding to
22 Article - Labor and Employment
23 Section 3-802
24 Annotated Code of Maryland
25 (1999 Replacement Volume and 2005 Supplement)

26 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
27 MARYLAND, That the Laws of Maryland read as follows:

1

Article - Labor and Employment

2 3-801.

3 (a) (1) In this [subtitle] SECTION, "employer" means a person engaged in a
4 business, industry, profession, trade, or other enterprise in the State.

5 [(b)] (2) "Employer" includes:

6 [(1)] (I) a unit of State or local government that employs individuals
7 who are not subject to the provisions of Title 9, Subtitle 5 of the State Personnel and
8 Pensions Article; and

9 [(2)] (II) a person who acts directly or indirectly in the interest of
10 another employer with an employee.

11 (B) THIS SECTION APPLIES TO AN EMPLOYER THAT PROVIDES LEAVE WITH
12 PAY TO AN EMPLOYEE FOLLOWING THE BIRTH OF THE EMPLOYEE'S CHILD.

13 (C) AN EMPLOYER THAT PROVIDES LEAVE WITH PAY TO AN EMPLOYEE
14 FOLLOWING THE BIRTH OF THE EMPLOYEE'S CHILD SHALL PROVIDE THE SAME
15 LEAVE WITH PAY TO AN EMPLOYEE WHEN A CHILD IS PLACED WITH THE EMPLOYEE
16 FOR ADOPTION.

17 [3-802.

18 (a) This subtitle applies to an employer who provides leave with pay to an
19 employee following the birth of the employee's child.

20 (b) An employer who provides leave with pay to an employee following the
21 birth of the employee's child shall provide the same leave with pay to an employee
22 when a child is placed with the employee for adoption.]

23 3-802.

24 (A) (1) IN THIS SECTION, "EMPLOYER" MEANS A PERSON ENGAGED IN A
25 BUSINESS, INDUSTRY, PROFESSION, TRADE, OR OTHER ENTERPRISE IN THE STATE.

26 (2) "EMPLOYER" DOES NOT INCLUDE A UNIT OF STATE OR LOCAL
27 GOVERNMENT.

28 (B) (1) THIS SECTION APPLIES TO AN EMPLOYER THAT:

29 (I) PROVIDES VACATION LEAVE OR PAID TIME OFF TO AN
30 EMPLOYEE; AND

31 (II) REQUIRES THAT THE EMPLOYEE REQUEST VACATION LEAVE
32 OR PAID TIME OFF WITHIN AN AGREED-ON TIME FRAME.

33 (2) THIS SECTION DOES NOT APPLY TO AN EMPLOYEE WHO IS
34 TERMINATED FOR CAUSE.

1 (C) SUBJECT TO SUBSECTION (D) OF THIS SECTION, AN EMPLOYER SHALL
2 PROVIDE COMPENSATION, AT THE EMPLOYEE'S REGULAR RATE OF PAY, FOR ANY
3 UNUSED OR ACCUMULATED VACATION LEAVE ON ITS EXPIRATION.

4 (D) (1) IF, DURING THE COURSE OF A CALENDAR YEAR, AN EMPLOYEE IS
5 UNABLE TO USE THE EMPLOYEE'S VACATION LEAVE OR PAID TIME OFF BECAUSE
6 THE EMPLOYEE'S REQUEST FOR THE LEAVE WAS DENIED, THE EMPLOYER SHALL:

7 (I) PROVIDE COMPENSATION, AT THE EMPLOYEE'S REGULAR RATE
8 OF PAY, FOR ANY UNUSED OR ACCUMULATED VACATION LEAVE OR PAID TIME OFF
9 ON OR BEFORE DECEMBER 31 OF THE CALENDAR YEAR IN WHICH THE LEAVE WAS
10 DENIED;

11 (II) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, CARRY
12 OVER THE EMPLOYEE'S UNUSED OR ACCUMULATED VACATION LEAVE OR PAID TIME
13 OFF TO THE FOLLOWING CALENDAR YEAR; OR

14 (III) APPLY ANY UNUSED SICK LEAVE TO AN EMPLOYEE AS
15 TRANSFERRED VACATION LEAVE OR PAID TIME OFF ON OR BEFORE DECEMBER 31 OF
16 THE CALENDAR YEAR IN WHICH THE LEAVE WAS DENIED IF THE EMPLOYER AND
17 EMPLOYEE ENTER INTO AN AGREEMENT APPROVING THE TRANSFER.

18 (2) (I) IF AN EMPLOYER CARRIES OVER AN EMPLOYEE'S UNUSED OR
19 ACCUMULATED VACATION LEAVE IN ACCORDANCE WITH PARAGRAPH (1)(II) OF THIS
20 SUBSECTION, THE EMPLOYER SHALL:

21 1. PROVIDE COMPENSATION, AT THE EMPLOYEE'S REGULAR
22 RATE OF PAY, FOR THE EMPLOYEE'S UNUSED OR ACCUMULATED VACATION LEAVE
23 ON OR BEFORE DECEMBER 31 OF:

24 A. THE CALENDAR YEAR IN WHICH THE LEAVE IS CARRIED
25 OVER; OR

26 B. THE CALENDAR YEAR FOLLOWING THE CALENDAR YEAR
27 IN WHICH THE LEAVE IS CARRIED OVER;

28 2. DESIGNATE A SPECIFIC TIME PERIOD IN WHICH THE
29 EMPLOYEE MAY USE THE VACATION LEAVE OR PAID TIME OFF; OR

30 3. APPLY ANY UNUSED SICK LEAVE TO AN EMPLOYEE AS
31 TRANSFERRED VACATION LEAVE OR PAID TIME OFF.

32 (II) AN EMPLOYER SHALL COMPENSATE AN EMPLOYEE FOR ANY
33 UNUSED OR ACCUMULATED LEAVE CARRIED OVER UNDER THIS SUBSECTION ON
34 THE TERMINATION OF THE EMPLOYEE'S EMPLOYMENT WITH THE EMPLOYER.

35 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
36 October 1, 2006.