House Bill 3403

Sponsored by Representative BARTON (at the request of Cathy Cole)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced.**

Requires employer to pay final wages to an employee who has been discharged or terminated within five working days of date of cessation of employment.

1 **A BILL FOR AN ACT**

2 Relating to payment of wages upon cessation of employment; amending ORS 652.140.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 652.140 is amended to read:

5 652.140. (1) When an employer discharges an employee or when employment is terminated by

6 mutual agreement, all wages earned and unpaid at the time of the discharge or termination become

7 due and payable not later than the end of the [*first*] **fifth** business day after the discharge or ter-

8 mination.

9 (2)(a) When an employee who does not have a contract for a definite period quits employment,

10 all wages earned and unpaid at the time of quitting become due and payable immediately if the

11 employee has given to the employer not less than 48 hours' notice, excluding Saturdays, Sundays

12 and holidays, of intention to quit employment.

13 (b) Except as provided in paragraph (c) of this subsection, if the employee has not given to the

14 employer the notice described in paragraph (a) of this subsection, the wages become due and payable

15 within five days, excluding Saturdays, Sundays and holidays, after the employee has quit, or at the

16 next regularly scheduled payday after the employee has quit, whichever event first occurs.

17 (c) If the employee has not given to the employer the notice described in paragraph (a) of this

18 subsection and if the employee is regularly required to submit time records to the employer to en-

19 able the employer to determine the wages due the employee, within five days after the employee has

20 quit the employer shall pay the employee the wages the employer estimates are due and payable.

21 Within five days after the employee has submitted the time records, all wages earned and unpaid

22 become due and payable.

23 (3) For the purpose of this section, if employment termination occurs on a Saturday, Sunday or

24 holiday, all wages earned and unpaid shall be paid no later than the end of the [*first*] **fifth** business

25 day after the employment termination, except that if the employment is related to activities au-

26 thorized under ORS chapter 565, all wages earned and unpaid shall be paid no later than the end

27 of the second business day after the employment termination.

28 (4) The employer shall forward such wages by mail to any address designated by the employee

29 if the employee requests the employer so to do. An employer may deposit such wages without dis-

30 count in the employee's account in a financial institution, as defined in ORS 706.008, in this state,

31 provided the employee and the employer have agreed to such deposit.

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1   (5) This section does not apply to employment for which a collective bargaining agreement oth-
2 erwise provides for the payment of wages upon termination of employment.
3   (6) When a termination of employment results from the sale of a business or business property
4 and the purchaser employs or continues the employment of an individual employed at the business,
5 this section does not apply to the payment to such an individual of wages for earned but unused
6 accrued holiday leave, sick leave, vacation leave or other leave benefits payable upon termination
7 of employment pursuant to a collective bargaining or other employment agreement or employer
8 policy, if the following conditions are met:
9   (a) On the first day of such an individual's continued employment the purchaser of the business
10 credits the individual with all such earned but unused accrued leave; and
11   (b) The leave, when used, is paid at a rate not less than the rate at which the leave was earned
12 or, if paid at a lesser rate, the number of hours credited is increased to compensate the individual
13 for any difference.
14   ————————