

HB 3031 STAFF MEASURE SUMMARY

House Committee On Business and Labor

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Sub-Referral To: House Committee On Revenue

Meeting Dates: 3/25, 4/8

WHAT THE MEASURE DOES:

Creates insurance program to provide employee with portion of wages while on family and medical leave or military family leave. Applies to all employers regardless of size. Allows self-employed individuals and tribal government employers to opt into program starting in 2023. Directs Department of Consumer and Business Services to administer the program, which includes setting contribution and benefit rates and collecting payroll contributions. Caps employee contribution at 0.5 percent of employee's wages. Caps weekly benefit amount at 130 percent of statewide average weekly wage. Requires employee and employer to make equal contributions to the insurance fund. Allows up to 12 weeks of family and medical leave per year with additional 14 weeks for parental leave and additional 6 weeks for leave related to pregnancy or childbirth. Establishes employee eligibility criteria. Provides that benefits are portable if employee changes jobs as long as employer is within Oregon. Provides job protection to employee returning from family and medical leave as long as employee has worked at least 90 days. Defines family member in broader terms than used in Oregon Family Leave Act (OFLA). Establishes civil penalties for employer who fails to make contributions. Provides employee with private right of action or ability to file complaint with Bureau of Labor and Industries. Extends Oregon family leave law (OFLA) protections to employee who worked for employer at least 90 days, a reduction from current 180 days. Requires contributions to begin January 1, 2021, and eligibility for benefit payments to begin January 1, 2023.

ISSUES DISCUSSED:

- Whether contributions should be shared between employer and employee
- Benefits of bonding with new child
- Potential challenge by local government that program establishes unfunded mandate
- Whether a ballot initiative would be successful
- Cost analysis of various benefit levels
- Number of employees who work for small employers
- Whether employee would take leave without job protection
- Administrative costs and timeline to stand up new program
- Potential role of third-party administrator

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The federal Family Medical Leave Act (FMLA), the Oregon Family Leave Act (OFLA), and the Oregon Military Family Leave Act (OMFLA) allow eligible employees to take leave from their jobs for certain purposes, but these laws do not require employers to provide paid leave to their employees. They also do not provide leave protections to workers in smaller businesses. Some employees may not be able to afford to take leave time without pay. The Oregon legislature adopted paid sick leave legislation in 2015, allowing workers in all but the smallest businesses to accrue and use up to 40 hours of paid sick leave per year.

Currently, six states (California, Massachusetts, New Jersey, New York, Rhode Island, and Washington) have adopted some form of paid family leave laws. The Oregon legislature considered proposals in 2007 and 2017 that

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would have required all employers to provide more comprehensive paid family leave, but no legislation was enacted.

PRELIMINARY