HB 3043 -1 STAFF MEASURE SUMMARY

House Committee On Business and Labor

Prepared By: Jan Nordlund, LPRO Analyst
Meeting Dates: 2/8

WHAT THE MEASURE DOES:

Allows person who receives unemployment insurance benefits to earn in wages the greater of 23 times the minimum wage or one-third of individual's weekly benefit amount before their weekly unemployment benefit amount is reduced. Applies to benefits payable for weeks beginning on or after the effective date. Allows person to be deemed "unemployed" if person works part-time and earns less than their weekly benefit amount or 23 times the minimum wage, whichever is greater. Declares emergency, effective on passage

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Replaces original measure. Authorizes Department of Revenue to share tax return information with the Employment Department for specified purposes until 90 days following the expiration of any temporary federal program providing benefits based on self-employment or similar earnings, or December 31, 2022, whichever occurs first.

BACKGROUND:

Eligible unemployed Oregonian's receive a weekly benefit amount that is 1.25 percent of the worker's total wages paid in the worker's base year, subject to a minimum of $157 and a maximum of $673. The minimum benefit is 15% of the statewide average weekly wage (SAWW) for the preceding calendar year. The maximum weekly benefit amount is 64% of the statewide average weekly wage. Under current law, a worker is eligible to receive unemployment insurance (UI) benefits even if they work; however, the UI benefit they receive is reduced by the amount that their weekly earnings exceed the greater of ten times the minimum wage or one-third of their weekly UI benefit. The Employment Department, however, uses the highest minimum wage (Oregon has three regional minimum wages) when calculating benefits. As an example, a person who normally receives a weekly UI benefit of $350 would have their weekly UI benefit reduced to $257 if they had job earnings of $225. Senate Bill 1701 (2020 2nd Special Session) temporarily changed how UI benefits are calculated for a person who has weekly earnings. The UI benefit a person receives will be reduced by the amount that their weekly earnings exceed the greater of $300 or one-third of their weekly UI benefit. In the example above, the weekly UI benefit would not be reduced because the worker's earnings are less than $300. Except as otherwise specifically provided in administrative rule, the Department of Revenue (DOR) is prohibited from disclosing or sharing the amount of income, expense, deduction, exclusion, or credit disclosed in any tax report or tax return required in the administration of any local income or sales tax or that is required under the state's income tax laws.

House Bill 3043 replaces the $300 limit weekly earnings limit with an amount equal to 23 times the minimum wage. A worker receive full unemployment benefits as long as their weekly earnings did not exceed 23 times the minimum wage or one-third of their weekly benefit, whichever is greater. The measure also changes the meaning of being unemployed to include a person working part time if their earnings do not exceed 23 times the minimum wage or their weekly benefit amount, whichever is greater. All other benefit eligibility requirements remain unchanged.

Background for -1 amendment: Senate Bill 1703 (2020 2nd Special Session) authorized the DOR, during declared emergencies, to share information from an individuals' income tax returns with the Employment Department

(OED) to enable the administration of federal or state laws or programs that require such information to verify the identity and income of program applicants. One example is Pandemic Unemployment Assistance (PUA), a federal program administered by OED. The PUA program provides unemployment benefits to those who are not eligible for regular unemployment insurance, many of whom are self-employed. Access to tax returns filed with the DOR would enable the OED to process PUA claims more quickly. The authority for this data sharing ends on March 1, 2021.

House Bill 3043-1 authorizes DOR to share this data with OED until December 31, 2022, or 90 days following the expiration of any PUA-like federal program administered by OED, whichever occurs first.