

**HB 2818 A STAFF MEASURE SUMMARY**

**Carrier:** Rep. Fahey

**House Committee On Business and Labor**

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**Action Date:** 03/03/21

**Action:** Do pass with amendments. (Printed A-Eng.)

**Vote:** 11-0-0-0

**Yeas:** 11 - Bonham, Boshart Davis, Breese-Iverson, Bynum, Clem, Evans, Fahey, Grayber, Holvey, Post, Witt

**Fiscal:** Has minimal fiscal impact

**Revenue:** Has minimal revenue impact

**Prepared By:** Jan Nordlund, LPRO Analyst

**Meeting Dates:** 2/8, 3/3

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**WHAT THE MEASURE DOES:**

Directs Commissioner of the Bureau of Labor and Industries to access the Wage Security Fund to pay up to \$10,000 of wages owed to a claimant when the Commissioner obtains a judgment or issues a final order.

**ISSUES DISCUSSED:**

- Impact on balance of Wage Security Fund
- Length of time a wage claimant may wait for payment from employer
- Importance of BOLI's attempt to collect wages from employer to replenish the Fund

**EFFECT OF AMENDMENT:**

Changes effective date to January 1, 2022.

**BACKGROUND:**

The Oregon Legislative Assembly established the Wage Security Fund in 1985 to protect workers when their employer closes the business and does not have resources to pay wages owed to workers. Employees of a company that closes, and the employer does not have sufficient funds to pay their final wages, are eligible to file a wage claim with the Bureau of Labor and Industries. Workers can qualify for payments of the amount they earned during the 60 days preceding the closure date of the company or the amount of unpaid wages earned within 60 days of the last day of employment. A maximum of \$10,000 may be paid to an individual worker. Money in the Wage Security Fund comes from a diversion of 0.03 of one percent of the state's unemployment insurance taxes that occurs in one calendar quarter each biennium.

House Bill 2818 A directs the Commissioner to access the Wage Security Fund to pay up to \$10,000 of the wages due to a claimant when the Commissioner obtains a judgment or issues a final order.