

Ways And Means Joint Committee on Transportation and Economic Development

Paid Leave Oregon Update

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A new program that allows employees in Oregon to take paid time off for some of **life's most important moments** that impact our families, health and safety.

Our Mission

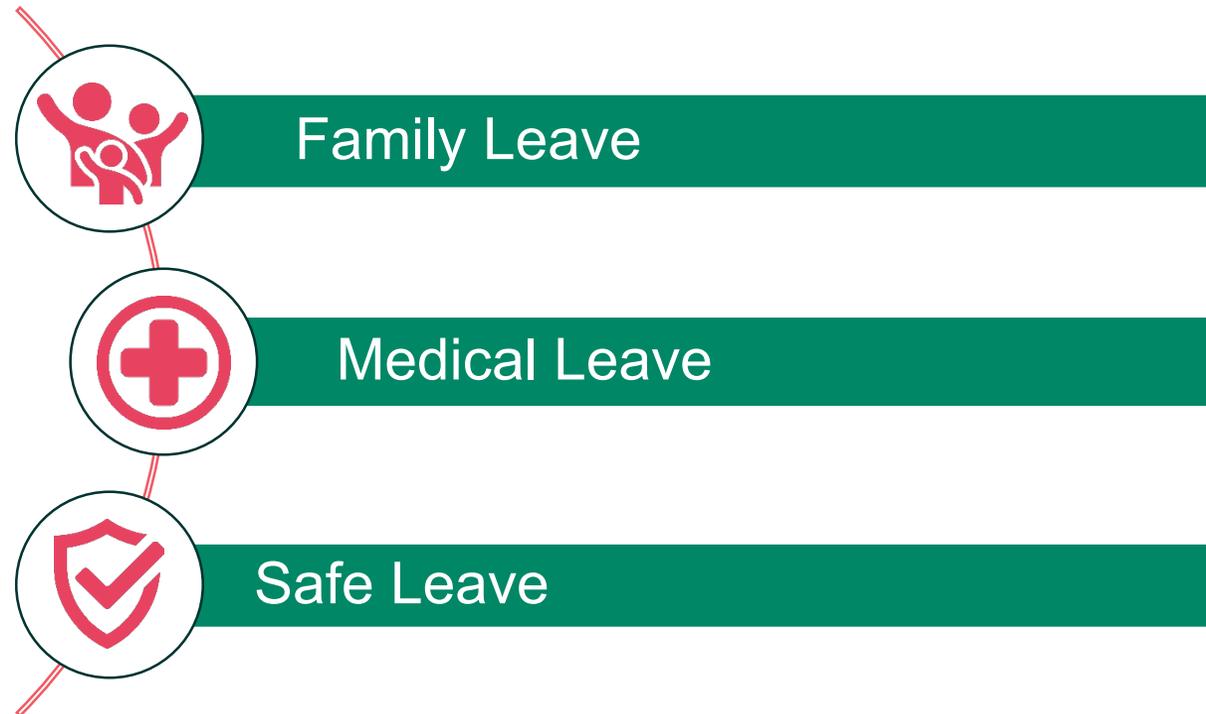
To provide people who work, own businesses or run organizations in Oregon easy access to paid leave benefits so they have the support, resources, and peace of mind when it matters most

Our Vision

A future Oregon where individuals, employers and families - ***of every kind*** – have the time and support they need to care for themselves and their loved ones during life's most important moments



What is Paid Leave Oregon?



When does Oregon's paid leave start?





Who is covered by Paid Leave Oregon?

Employers

- All employers with at least one employee working in Oregon

Employees

- All employees working in Oregon

Elective Coverage

- Self-employed individuals and independent contractors
- Tribal governments





Contributing together

Contribution Rate:

- Set annually for calendar year (per ORS 657B.150)
- Same rate for all employers (and employees)
- Maximum rate is 1% of employee wages, up to \$132,900

Employees	Large Employer
60% of contribution rate	40% of contribution rate

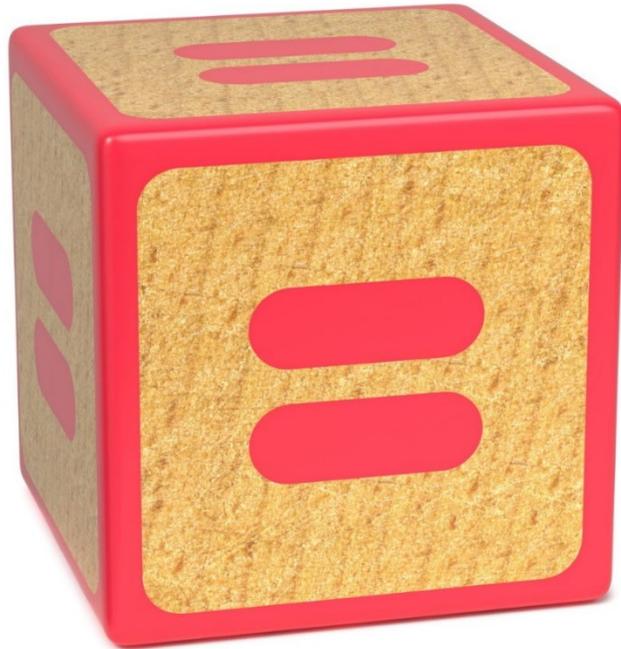


Contribution rate

- Set annually
- Unique 2023 considerations
- Uncertainty in projections
- General Fund repayment
- Statutory change in program implementation timeline
- Closely watching economic variables



Equivalent plans



- Employers may provide benefits to their employees through an equivalent plan
- Equivalent plan applications through Frances Online
- Provide equal to or greater benefits to employees as the state program



Employer equivalent plans

- Applications: 211; declarations of intent: 2,686
 - Large employers: 2,081
 - Small employers: 816
- Anticipated employees to be covered: 394,579
 - Large employer employees: 387,029
 - Small employer employees: 7,550

*As of 12/29/2022



Equivalent plan timelines

Declaration of Intent	
App Due	11/30/2022
EP App Due	5/31/2023
Equivalent Plan	
App Due	Stop Remitting Contributions
11/30/2022	1/1/2023
2/28/2023	4/1/2023
5/31/2023	7/1/2023
7/1/2023	10/1/2023
After this - EP's can stop submitting contributions first day of calendar quarter immediately following the date of approval of the EP application	



Frances Online

State of Oregon
Employment
Department

Español

Can I Help?

Username

Password

Log in

Forgot username or password?

What are you looking for?

Sign Up for Employer Access
Sign up for online access to manage your Unemployment Insurance and Paid Leave Oregon Contributions account(s).
> [Sign Up for Online Access](#)

Register as Self-Employed
Register as a self-employed individual to elect and manage Paid Leave Oregon coverage.
> [Register for Self-Employed Contributions](#)

Third Party Administrator
Register for online access to view yours and your clients' Unemployment Insurance Tax and Paid Leave Oregon contributions account information and bulk file reports.

- Now Live!
- Supports both Unemployment Insurance and Paid Leave Oregon
- Learn more about Frances at francesinfo.oregon.gov



Frances Online timeline



Outreach & Engagement



- Community conversations
- New approaches to reaching communities
- Multiple languages
- Staff across state
- Ways to engage
- Statewide campaign



Other leave types

Paid Leave Program	FMLA/OFLA
The leave is paid	The leave is unpaid
Covers Family, Medical, and Safe Leave	Covers Parental, Serious Health Condition, Pregnancy Disability and Military Family Leave. OFLA also covers Sick Child and Bereavement Leave
Leave is provided from all employers	Leave is provided from employers based on how many employees they have (25 for OFLA; 50 for FMLA)

A more comprehensive comparison of similarities and differences can be found at PaidLeave.Oregon.gov under the “Resources” tab



Paid Leave Oregon trust

- Multiple data points used in forecast, which is updated quarterly

Assumptions

- Repay General Fund loan by end of June 2023
- Contributions received evenly over quarters
- Benefit claim rate
- Small versus large employers
- Opt-in for self-employed
- Interest, penalties, fees



General Fund Limitations and Expenditures

Category	2019-21	2021-23	Life-to-Date
Limitation	\$8,794,448	\$47,107,449	\$55,901,897
Expenditures	<i>actual</i>	<i>Actual + projected</i>	
Personal Services	\$ 4,213,519	\$22,424,990	\$26,638,509
Services & Supplies	\$ 839,982	\$12,433,316	\$13,273,298
Capital Outlays	\$ 3,173,535	\$ 7,186,830	\$10,360,365
Total to be Repaid	\$8,227,036	\$42,045,136	\$50,272,172
% Limitation Spent	94%	89%	90%



Paid Leave Oregon Trust Fund Forecast

Biennium	2021-23	2023-25
(A) Beginning Fund Balance		169,144,299
Revenue		
(B) General Fund Loan to PFML Insurance fund		
(C) Contributions (begin 1/1/23)	228,055,454	1,848,065,117
(D) Fees (Employer Equivalent Plans)	724,250	1,448,500
(E) Interest and Penalties	586,103	8,374,661
(F) Interest on Fund	1,503	83,167,139
(G) Subtotal (B+C+D+E+F)	229,367,310	1,941,055,417
Expenditures		
(H) General Fund Loan Repayment	50,272,172	
(I) Benefit Payments (begin 9/3/2023)		1,463,195,690
(J) Grant Payments		1,748,481
(K) Administrative Costs*	9,950,839	88,736,105
(L) Subtotal (H+I+J+K)	60,223,011	1,553,680,276
(M) Ending Fund Balance (A+G-L)	169,144,299	556,519,440

*Administrative Costs projected to be paid by Paid Leave Oregon Trust Fund



Trust Fund (Quarterly) Forecast

as of 12/29/2022	2023 Q1	2023 Q2	2023 Q3	2023 Q4
(A) Beginning Fund Balance		52,750	169,144,299	316,511,454
Revenue				
(B) General Fund Loan to Paid Leave Oregon Fund				
(C) Contributions (begin 1/1/23)		228,055,454	218,933,236	218,573,864
(D) Fees (Employer Equivalent Plans)	52,750	671,500		
(E) Interest and Penalties (Employer)		586,103	562,658	561,735
(F) Interest on Fund		1,503	4,820,613	9,020,576
(G) Subtotal (B+C+D+E+F)	52,750	229,314,560	224,316,507	228,156,175
Expenditures				
(H) General Fund Loan Repayment		50,272,172		
(I) Benefit Payments (begin 9/3/2023)			59,966,114	179,898,343
(J) Grant Payments				233,404
(K) Administrative Costs		9,950,839	16,983,237	16,983,237
(L) Subtotal (H+I+J+K)		60,223,011	76,949,351	197,114,984
(M) Ending Fund Balance (A+G-L)	52,750	169,144,299	316,511,454	347,552,644



Trust Fund Solvency Requirement

- Contribution rate is set so that at the end of the period for which the rate is effective, the balance in the Paid Leave trust fund is not less than six months' projected expenditures and to minimize the volatility of contribution rates (ORS 657B.150)



Paid Leave 2023-25 ARB (admin cost only)

2023 - 25	FTEs	Budget
Agency Request Budget	273	\$66,392,417
Policy Packages*	110	\$22,343,688
TOTALS	383	\$88,736,105

* Net of policy packages 103, 106, and 109



Summary



- 2023 Contribution rate: 1% of gross wages
- On track for all deliverables, including benefits in September 2023
- Repay General Fund loan by end of June 2023
- Forecast updated quarterly
- Language access and equity focus
- Continuing hiring customer care positions
- Outreach and engagement efforts continue





- Website: PaidLeave.Oregon.gov
- Email: paidleave@oregon.gov
- Phone: 833-854-0166

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