



Marion County

OREGON

FINANCE DEPARTMENT
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Chair Taylor and members of the Senate Committee on Business and Labor

RE: HB 2283

I am pleased to see that PERS is working to modernize the system as they have indicated in HB 2283 and I think many of the changes outlined are appropriate and needed at this time. However, I would like to express my concerns about the -7 amendment language as it has been drafted, that has now been included in the A-Engrossed version.

In Sections 21-24 Treatment of Certain Benefits, the language proposed identifies monies paid to a member under the Family and Medical Leave Program (also called Paid Leave Oregon) (ORS 657B) as subject salary for PERS contributions. This would have a financial impact on public employers, without providing any guidance on how to implement.

Areas that the bill is not addressing which factor into an employer's ability to comply:

- The Employment Department has stated that information regarding the amounts paid to beneficiaries of this program will not be provided to the employer, thus making it impossible for the employer to calculate the contributions due and report this information to PERS.
 - Is the Employment Department/Paid Leave Oregon program to pay PERS the required contributions and report the subject salary as the entity issuing the benefit, and bill the employer?
 - If the Employment Department agrees to provide benefit payment information to PERS to then bill employers, employers have no way to confirm that the billed amounts are correct.
- Some employers require their employees to pay the 6% contribution to the Individual Account Program (IAP). If the employee had no earnings for the period through their employer, and was responsible for paying the IAP on their Paid Leave Oregon payments, there would be no employer wages from which to deduct this amount to then report to PERS.
 - Are employers expected to cover this amount for the employee until they return from leave? If so, how do employers recoup that cost if the employee does not return to work after a leave paid through the PLO program?

Additionally, private sector employers are not being required by the state to continue contributions into employer sponsored 401k or other similar retirement accounts on payments made under the Paid Leave Oregon program. This amendment creates disparity between the treatment of these payments based upon employer type, and their effect on retirement accounts and benefit calculations. This does not seem to align with the overall spirit of trying to provide solutions for the equitable treatment of benefits for all Oregonians.

This bill leaves many questions unanswered but there is the expectation that employers will need to have a way to manage these changes, and it would be helpful for public employers to know that these could be addressed in a fair and administratively efficient manner, under clear guidelines.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cheryl Carder', with a long horizontal flourish extending to the right.

Cheryl Carder
Payroll Manager
Marion County Oregon