

SB 906 -1, -2, -3 STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

Prepared By: Whitney Perez, LPRO Analyst

Meeting Dates: 3/13, 3/26

WHAT THE MEASURE DOES:

The measure modifies the existing requirement that employers provide an itemized statement to employees on regular pay days and at other times payment of wages, salary, or commission is made that includes the amount and purpose of each deduction by requiring that the amount and purpose of each deduction on the itemized statement be stated in plain language.

Fiscal impact: May have fiscal impact, but no statement yet issued

Revenue impact: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

- What types of pay or salary measure applies to
- Impetus for the measure
- How information is provided
- "Plain language" requirement
- Existing legal requirements for pay stubs

EFFECT OF AMENDMENT:

-1 Replaces the measure. The amendment requires that itemized statements provided to employees be written in plain language. The amendment describes how a statement may comply with the plain language requirement.

Fiscal impact: May have fiscal impact, but no statement yet issued

Revenue impact: May have revenue impact, but no statement yet issued

-2 Replaces the measure. The amendment specifies that an employer shall provide to an employee, at the time of hire and within 14 days after the date of an employee's request, a written explanation of earnings and deductions shown on required itemized statements provided to employees on regular paydays and at other times payment of wages, salary, or commission is made. The amendment specifies that this explanation must be written in plain language and what general information must be included. The amendment specifies that an employer shall provide an employee, within 14 days after receiving an employee's request or as soon as reasonably practicable, but not later than 30 calendar days, a written explanation that is in plain language and that provides a detailed description of the information provided in the written explanation of earnings and deductions regarding a specific itemized statement of the employee. The amendment specifies how a written explanation complies with plain language standards. The amendment permits the Commissioner of the Bureau of Labor and Industries to assess a civil penalty not to exceed a \$1,000 against any person who violates these written explanation requirements.

Fiscal impact: May have fiscal impact, but no statement yet issued

Revenue impact: No revenue impact

-3 Replaces the measure. The amendment specifies that an employer shall provide to an employee, at the time of hire and within 14 days after the date of an employee's request, a written explanation of earnings and deductions shown on a required itemized statement provided to employees on regular paydays and at other times payment of wages, salary, or commission is made. The amendment specifies that this explanation must be written in plain language and what general information must be included. The amendment specifies that an employer shall

provide an employee, within 14 days after receiving an employee's request or as soon as reasonably practicable, but not later than 30 calendar days, a written explanation that is in plain language and that provides a detailed description of the information provided in the written explanation of earnings and deductions regarding a specific itemized statement of the employee. The amendment permits an employer to provide these written explanations electronically. The amendment specifies how a written explanation complies with plain language standards. The amendment permits the Commissioner of the Bureau of Labor and Industries to assess a civil penalty not to exceed a \$1,000 against any person who violates these written explanation requirements. Makes technical amendment.

Fiscal impact: Has minimal fiscal impact

Revenue impact: No revenue impact

BACKGROUND:

In 2016, the Legislative Assembly enacted Senate Bill 1587. SB 1587, in part, required employers to maintain time and pay records for not less than the period required by the Fair Labor Standards Act and accompanying regulations, and it expanded what must be included on the itemized paystub of an employee. These changes to Oregon law were to address concerns that some employees were not always given access to payroll documents that reflected hours worked, piece-rate activity, wages paid, and withholdings.

Oregon law currently requires that employers provide employees on regular paydays with an itemized statement that includes: the date of payment; dates of work covered by the payment; the name of the employee; the name and business registry number or business identification number; the address and telephone number of the employer; rate or rates of pay; whether the employee is paid by the hour, shift, day, or week, or on a salary, piece, or commission basis; gross wages; net wages; the amount and purpose of each deduction made during the respective period of service that the payment covers; allowances claimed as part of minimum wage; if applicable, the number of regular hours worked and pay for those hours and the number of overtime hours worked and pay for those hours; and, if the employee is paid by piece rate, the applicable piece rate or rates of pay, the number of pieces completed at each piece rate, and the total pay for each rate.

Senate Bill 906 modifies the existing requirement that employers provide an itemized statement to employees on regular pay days that includes the amount and purpose of each deduction by requiring that the amount and purpose of each deduction on the itemized statement be stated in plain language.