



Legislative Fiscal Office
83rd Oregon Legislative Assembly
2025 Regular Session

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Bill Title: Relating to deductions from employee wages.

Government Unit(s) Affected: Counties, Statewide - Executive Branch, Statewide - Judicial Branch, Department of Human Services, Statewide - Legislative Branch, Bureau of Labor and Industries, Special Districts, Cities

Summary of Fiscal Impact

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Bureau of Labor and Industries	\$ 114,461	\$ -	\$ -	\$ -	\$ 114,461	1	0.50
Total Fiscal Impact	\$ 114,461	\$ -	\$ -	\$ -	\$ 114,461	1	0.50

2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Bureau of Labor and Industries	\$ 114,461	\$ -	\$ -	\$ -	\$ 114,461	1	0.50
Total Fiscal Impact	\$ 114,461	\$ -	\$ -	\$ -	\$ 114,461	1	0.50

Measure Description

The measure allows public employers to deduct overpayments from public employees' wages. Overpayments must have occurred within the 364-day period preceding the date the employer provides notice of the deduction to the employee. Notice to the public employee must be provided 10 days prior to the deduction and include the following statements: itemized overpayment amount and purpose of the deduction; notice that absent the employee's request, the total amount of a deduction may not exceed 5% of the employee's gross pay each pay period; and notice that upon termination or separation, a public employer may recoup the balance owed from the employee's final paycheck.

Fiscal Analysis

The total estimated fiscal impact of the measure is \$114,461 General Fund and one position (0.50 FTE) for the 2025-27 and 2027-29 biennia.

Bureau of Labor and Industries

Currently, a deduction from a paycheck for overpayment of wages is unlawful, except when required by law or a collective bargaining agreement. ORS 292.063 currently allows state agencies to deduct overpayments from wages. Allowing all public employers to deduct overpayments is anticipated to increase covered employees from 45,000 state employees to 211,000 public employees. Since 2022, BOLI has received 230 wage claims against a state agency, of which approximately 20% were related to deductions for overpayments. BOLI anticipates that expanding the law to all public employees will result in an additional 54 wage claims per year. One permanent half-time Compliance Specialist 2 (0.50 FTE) is estimated to be needed in the Wage and Hour Division to cover the increased workload related to wage investigations and correspondence at a cost of \$114,461 General Fund per biennium.

Other Entities

The measure is estimated to have minimal impact to all other state agencies and local governments.

Relevant Dates

The measure takes effect on January 1, 2026.