

SB 859 STAFF MEASURE SUMMARY**Carrier:** Rep. Fragala**House Committee On Labor and Workplace Standards****Action Date:** 04/28/25**Action:** Do Pass.**Vote:** 5-0-2-0**Yeas:** 5 - Elmer, Fragala, Grayber, Munoz, Scharf**Exc:** 2 - Boshart Davis, Nelson**Fiscal:** Has minimal fiscal impact**Revenue:** Revenue impact issued**Prepared By:** Erin Seiler, LPRO Analyst**Meeting Dates:** 4/21, 4/28**WHAT THE MEASURE DOES:**

The measure permits the Director of the Oregon Employment Department to compromise, adjust, or write off specified debts and overpayments related to the Paid Leave Oregon program.

Detailed Summary:

Permits Director of the Oregon Employment Department (OED) to waive, reduce, or compromise any balance of \$10 or less from a grant repayment. Defines "grant repayment." Permits Director of OED to retain certain specified overpayments of \$10 or less. Authorizes the Director of OED to waive, reduce, or compromise any part or all of the interest and penalties permitted under Paid Leave Oregon for contributions, grant repayments, employer-offered benefit plans, and employer violations. Allows the Director of OED to determine that contribution, grant repayment, interest, or penalty due and unpaid by an employer on a delinquent account is uncollectible and to write off that amount. Specifies process for director to determine that debt is not collectable and may be written off. Requires a record be maintained for seven years for any accounts or amounts written off. Takes effect on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Authority of Employment Department to write off, compromise, or adjust debts
- Alignment between authority to waive debts for Unemployment Insurance (UI) and Paid Leave Oregon
- Impact of waiving debts on Paid Leave Oregon Trust
- Provides ways for the Paid Leave Oregon to address clerical errors by employers
- Ability to waive penalties across an entire industry

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The family and medical leave insurance program, known as Paid Leave Oregon, is contained in ORS chapter 657B and was enacted by the Legislative Assembly in 2019. Paid Leave Oregon allows Oregon employees to take paid time off for specified family, medical, and safety-related leave, such as family leave to care for a family member with a serious illness or family leave to care for a child following birth. Paid Leave Oregon requires employees and employers with 25 or more employees to make contributions into the program. Paid Leave Oregon does provide employer assistance grants for employers with fewer than 25 employees who opt to pay employer contribution to Paid Leave Oregon. Employers can opt to offer employees their own equivalent plan to Paid Leave Oregon, which must be approved by the Oregon Employment Department (OED).

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In 2023, the Legislative Assembly enacted Senate Bill 912, which made several changes to Paid Leave Oregon laws relating to overpayment of benefits, collection of overpaid benefits, and penalties for employers who offer, but fail to meet requirements for employer equivalent benefit plans. Included in Senate Bill 912 was the enactment of ORS 657B.339, which currently authorizes the Director of OED to waive, reduce, or compromise contribution balances of \$10 or less, or to retain overpayment of contributions of \$10 or less.