

**Enrolled**  
**Senate Bill 968**

Sponsored by Senator TAYLOR; Senators JAMA, MANNING JR, MEEK, NERON, WOODS

CHAPTER .....

AN ACT

Relating to deductions from employee wages; creating new provisions; and repealing ORS 292.063.

**Be It Enacted by the People of the State of Oregon:**

**SECTION 1. (1) As used in this section, “public employee” and “public employer” have the meanings given those terms under ORS 243.650.**

**(2) When a public employee receives an erroneous overpayment of wages in an amount greater than the employee’s entitlement, the public employer may deduct the amount of the overpayment from wages earned by the public employee provided that:**

**(a) The deduction is for an overpayment that occurred during the 364-day period immediately preceding the date on which the public employer provides to the public employee the written statements described under paragraph (b) of this subsection; and**

**(b) The public employer provides the following to the public employee at least 10 calendar days before making the deduction:**

**(A) A written statement itemizing the overpayment amount and purpose of each deduction;**

**(B) A written statement that provides that in no event may the total amount of a deduction exceed five percent of the public employee’s gross pay each pay period, unless the public employee otherwise requests and specifies that a greater percentage or amount be deducted; and**

**(C) A written statement informing the public employee that, if the public employee is terminated or otherwise separates from employment, the public employer can recoup the balance owed from the public employee’s final paycheck.**

**SECTION 2. ORS 292.063 is repealed.**

**SECTION 3. Notwithstanding any other provision of law, the General Fund appropriation made to the Bureau of Labor and Industries by section 1, chapter \_\_\_\_\_, Oregon Laws 2025 (Enrolled House Bill 5015), for the biennium beginning July 1, 2025, is increased by \$114,461 for paycheck overpayment wage claims made by public employees.**

**Passed by Senate June 18, 2025**

.....  
Obadiah Rutledge, Secretary of Senate

.....  
Rob Wagner, President of Senate

**Passed by House June 24, 2025**

.....  
Julie Fahey, Speaker of House

**Received by Governor:**

.....M,....., 2025

**Approved:**

.....M,....., 2025

.....  
Tina Kotek, Governor

**Filed in Office of Secretary of State:**

.....M,....., 2025

.....  
Tobias Read, Secretary of State