

Date: March 6th, 2025

To: Senate Committee of Labor and Business

From: Nick Keough, Political and Legislative Organizer, AFT-Oregon

Re: Support for SB 705

Chair Taylor, Vice-Chair Bonham, and Members of the Committee,

AFT-Oregon is a federation of 27 local unions representing 18,000 education workers across early learning, K-12 classified, community colleges, and public universities. Today, our labor federation is writing to express our **enthusiastic support of SB 705 with the proposed -2 amendment, which would ensure fairer workers' compensation benefits by increasing the wage replacement rate to 80% for earnings below the state's average weekly wage while keeping the current 66.66% rate for wages above that threshold. The total benefit cap would remain at 133% of the state's average weekly wage.**

Oregon's current workers' compensation system fails to provide fair benefits to low-income workers. Under the existing formula, workers receive time loss benefits equal to 66 and $\frac{2}{3}$ percent of their average weekly wage or the state's average weekly wage, whichever is less. However, this calculation does not account for the fact that lower-income workers' pay a lower percentage of their wages in taxes. As a result, they receive even less than what they would earn if they were working, often making it impossible to make ends meet while recovering from a workplace injury.

This legislation would help correct this inequity, ensuring that all workers – especially those earning less than the state's average weekly wage – receive fair compensation. With 56% of accepted compensable claims coming from individuals making under \$50,000 per year, this reform is essential. Additionally, rising costs of living mean that injured workers simply cannot afford to take time off to heal properly. Many return to work too soon, risking re-injury and long-term consequences. By ensuring a more just benefit structure, SB 705 will allow workers to focus on their recovery without the added financial stress.

We urge the committee to pass SB 705 with the proposed -2 amendment, and help Oregon become a leader in supporting injured workers. Thank you for your time.

Signed,

AFT-Oregon – <https://www.aft-oregon.org/about-aft-oregon>