



March 13, 2025

TO: Members of the Senate Committee on Labor and Business

FR: Paloma Sparks, Oregon Business & Industry

RE: Opposition to SB 968 – Deductions for Overpayments

Chair Taylor, members of the Senate Committee on Labor and Business. For the record, I am Paloma Sparks, Executive Vice President & General Counsel for Oregon Business & Industry (OBI).

OBI is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. Our 1,600 member companies, over 75% of which are small businesses, employ more than 250,000 Oregonians. Oregon's private sector businesses help drive a healthy, prosperous economy for the benefit of everyone.

Thank you for the opportunity to testify on SB 968. While employers always strive to process payroll efficiently and accurately, we acknowledge that mistakes happen. Sometimes, there are new laws enacted that require new deductions that HR staff or payroll providers may not be aware of at the time of running payroll. Other times, human error may occur, and calculations may be off. Payroll and HR staff in small businesses are often trying to manage a heavy workload with many competing demands. Sometimes employees accidentally over report hours or fail to record time off. We're all human and fallible.

SB 968 unfairly punishes employers for those human errors.

Oregon law already contains many requirements for deductions and how employers communicate with employees about each pay rate they are entitled to and deductions. ORS 652.610 contains very lengthy and detailed requirements.

Proponents state this is a model taken from Washington – but that law is specific to state and local government employers, not private employers. We are aware that this approach is the one that the State agreed to after negotiations with union. The State is the largest employer in Oregon with over 45,000 employees and likely the largest payroll offices as well. They have the resources – both in staff and budget – to absorb requirements. Asking private employers to meet those same standards is unreasonable and unfair. If this bill were to pass, employers would be forced to sue their own employees to collect overpayments. That result benefits no one.