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# A STRONG VOICE FOR OREGON'S WORKERS

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March 14, 2025

Chair Taylor, Vice-Chair Bonham and members of the Senate Labor and Business Committee,

The Oregon AFL-CIO represents over 300,000 workers across the state in every sector and is a voice for all workers in the legislative process. Thank you for the opportunity to testify today in support of SB 968 -1 to align Oregon with existing Washington law in establishing restrictions around certain paycheck deductions.

Currently in state statute, there is no lookback period that prevents an employer from clawing back wages paid in excess of the workers earnings. Unfortunately, accidental overpayments often occur across many industries in Oregon. In some cases, employees are suddenly handed a \$20,000 or greater tab due to an employer not tracking what was being paid. The employee then has their wage reduced significantly to pay the employer back which can have catastrophic impacts on workers livelihoods and their ability to pay bills. Under current statute, employers are able to administer these clawbacks even if the overpayment happened years in the past.

SB 968 with -1 amendment to the bill will ensure that an employer cannot deduct for overpayments made more than 90 days before when they notify an employee of an overpayment. Employers may not deduct more than 5% of an employee's paycheck for overpayment and must provide employees with a written statement itemizing the overpayment amount and purpose of deductions and give an employee 10 days to provide written acknowledgement of the receipt of said statement.

Ultimately, SB 968 will institute more fairness for workers by helping make sure they are not stuck with a massive deduction from their wages due to overpayments made by employers. We encourage your support