



## Support Senate Bill 968-1

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### Problem

Errors occur in paychecks, and too often those errors are not recognized in a timely manner by an employer, and the employee is harmed by the error. In certain cases, employees have abruptly been handed a \$20,000 or greater “tab” due to an employer not tracking what was being paid, and an employee not thinking they should have a reason to question their employer’s ability to provide an accurate paycheck.

It is true that many good employers quickly identify an issue and work in good faith to remedy the issue in concert with their employee.

It is inexcusable that other employers take advantage of employees upon recognizing their own error. At times deducting wages without notice to an employee, and in large portions of their wages. Some employers believe a sticky note on a worker’s locker suffices as notice, or funds deducted from their bank account passes as respectful and appropriate communication.

The lack of predictability of deductions appropriate notice due to an employer’s error can have catastrophic impacts on workers’ livelihoods and their ability to pay bills.

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### Need

Employees need proper communication and appropriate protection when an employer makes an error so they can comply with returned wages in a way that does not disrupt their lives. Workers deserve to have confidence in the accuracy of their income without needing to spot check their paystubs. Oregon workers deserve a fair plan for correcting their employer’s error that does not unduly disrupt their budget, and they should have the opportunity to work with their employer to help right the wrong.

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### Solution

**Senate Bill 968-1 is a necessary protection for workers.** The bill will moves towards alignment with Washington to establish protections around certain paycheck deductions. It will create a pathway for workers to work together with their employer in an honest effort to be sure the error is remedied fairly and hopefully does not occur again. Senate Bill 968-1 defines 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.
- Employers 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.

Senate Bill 968-1 does not remove other remedies for employers to recoup wages such as issuing a writ of garnishment or private right of action from an employer.

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**The OFNHP urges your support for Senate Bill 968  
with the -1 amendment.**

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