



March 30, 2025

RE: Written Testimony in Support for House Bill 2236 and the -2 amendment

Dear Chair Grayber, Vice Chairs Muñoz and Elmer, and Members of the Committee:

Thank you for the opportunity to provide written testimony in support of House Bill 2236. HB 2236 does not change existing law but rather maintains the status quo established by HB 2282, which was passed in 1993 and has been in place for over 30 years.

I work for Cardinal Services, which is licensed in Oregon as a worker leasing company—more commonly known as a Professional Employer Organization (PEO). Cardinal Services serves as the employer of record for thousands of employees, providing small businesses with essential services such as payroll processing, benefits management, leave law compliance, retirement plans, and HR best practices. PEOs play a crucial role in helping small business employers and their employees navigate the complexities of HR laws and rules like the Paid Leave Oregon and the Oregon Family Leave Act which have changed many times in the past couple of years. For example, the mandated requirement of stacking of leave entitlements under PLO, OFLA, FMLA, and Paid Sick Leave for a single instance of protected leave made compliance increasingly difficult—even for experts. PEOs not only ensure legal compliance but also implement best practices to support businesses and employees alike.

As the employer of record, a PEO enables businesses to access better benefits, such as lower-cost health insurance and more affordable 401(k) plans, benefiting both employees and employers. For example, an employer group with 1,000 employees can secure better pricing and broader coverage for health insurance. Additionally, PEOs create efficiencies by consolidating employee data for government reporting. Rather than submitting 500 individual 941 tax forms to the IRS, a PEO can file a single electronic submission. Similarly, PEOs streamline reporting to the Oregon Employment Department by electronically filing consolidated OQ and 132 forms, reducing the burden on both employers and state agencies. This process has been the standard practice for over 30 years, in line with the intent of HB 2282.

HB 2236 would codify these long-standing practices, ensuring that thousands of employers and employees continue to benefit from timely payroll, cost savings, risk reduction, and access to essential benefits. The vast majority of businesses served by Cardinal Services are small employers that rely on these efficiencies. As one of the first licensed worker leasing companies in Oregon, Cardinal Services depends on this model to provide critical services to its clients.

As a PEO operating in Oregon, I respectfully request your support for the -2 amendment to HB 2236.

Thank you,
Arin J. Carmack
CEO, Cardinal Services, Inc.

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