

Tuesday, April 1, 2025

Good morning Chair Taylor, Vice-chair Bonhman and members of the committee,

My name is Odalis Aguilar Aguilar with Oregon AFSCME. Our union represents over 39,000 workers across the state in both public and private sectors and we believe in economic and social justice for all Oregon workers and their families. We are here to share strong support for SB 1148.

State workers represented by Oregon AFSCME have raised a concern regarding order of use for short term disability benefits that are funded via voluntary employee deductions. The issue lies when a worker who is paying into this third party benefit provided by an insurance carrier is being told they have to apply and exhaust Paid Leave benefits before applying or obtaining benefits from a compensable claim through the third party insurer.

While the state does not administer the plan itself nor pays into it on behalf of the employee, it does contract with a third party insurer and both parties agree to the terms and conditions which our members are subject to. A determination was made that Paid Leave Oregon should be the primary Short Term Disability insurance and whatever third party insurer should be the secondary. Current statute does not allow for flexibility on the order of use which has caused a lot of frustration among workers who are spending money on a product they are not seeing any benefit from.

SB 1148 seeks to address this concern by allowing the worker to choose which benefit they decide to take. Prior to Paid Leave Oregon, workers were paying premium rates that were about ~\$40 a month for a benefit that, like Catie mentioned, came with no job protections and only covered about 60% of the workers wages. We believe that for workers who have access to their benefit, it's more meaningful to have a benefit that pays a more sizable portion of your wage even if that costs you more monthly— even if rates increased back up to their original rate, it would be much more beneficial for workers to have a product that they could actually use.

Medical emergencies are unpredictable and our members **want** to buy this insurance product, it gives them peace of mind knowing they are not restricted to a single program type. They prefer to have this as an option as they pay out of their own pocket and we believe it's fair to ensure that workers are actually getting the full product they are paying for without feeling like they're getting the short end of the stick.