

HB 4094 -2, -4, -5 STAFF MEASURE SUMMARY

House Committee On Labor and Workforce Development

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Meeting Dates: 2/4, 2/16

WHAT THE MEASURE DOES:

The measure requires employers who provide paid vacation time to compensate employees at one hundred percent of the employee's rate of pay, for all earned or accrued, but unused paid vacation time when employment ends. The payment of vacation time must be done in accordance with existing timelines for payment of wages on termination of employment. It does not prevent an employer from adopting a written policy regarding accrual, use, or forfeiture of unused paid vacation time. The measure takes effect on the 91st day following adjournment sine die.

Fiscal impact: May have fiscal impact, but statement not yet issued

Revenue impact: May have revenue impact, but statement not yet issued

ISSUES DISCUSSED:

- Employer policies related to unused vacation time
- Types of leave benefits an employer may provide
- Application of requirement to collective bargaining agreements
- Other states with policies related to unused vacation time
- Reasons employees "bank" vacation time

EFFECT OF AMENDMENT:

-2 The amendment requires employers, pursuant to an employment contract or an employer's policy, to provide for the payment of earned or accrued, but unused paid vacation time, upon termination of employment. The payment of vacation time must be done in accordance with existing timelines for payment of wages on termination of employment.

-4 The amendment requires employers who provide paid personal business time to compensate employees at one hundred percent of the employee's rate of pay, for all earned or accrued, but unused paid vacation time when employment ends.

Fiscal impact: May have fiscal impact, but statement not yet issued

Revenue impact: May have revenue impact, but statement not yet issued

-5 The amendment requires employers who provide paid vacation time to compensate employees at one hundred percent of the employee's rate of pay, for earned or accrued, but unused paid vacation time when employment ends.

Detailed Summary:

- Defines "consolidated leave account," "paid time off," and "public employer"
- Requires employers, with at least 10 employees working anywhere in the state, who provide paid vacation time to compensate employees at one hundred percent of the employee's rate of pay, for up to 300 hours earned or accrued, but unused paid vacation time when employment ends
- Specifies how employee count is determined
- Permits an employer to exceed the 300 hours

- Does not permit a collective bargaining agreement to diminish an employee's entitlement to compensation for earned or accrued but unused vacation time over 300 hours
- Exempts Oregon Health and Science University

Fiscal impact: *May have fiscal impact, but statement not yet issued*

Revenue impact: *Revenue statement issued*

BACKGROUND:

Oregon law provides employees with paid and unpaid protected leave for a variety of reasons. The Paid Leave Oregon program is contained in ORS chapter 657B and was enacted by the Legislative Assembly in 2019. This program allows eligible Oregon employees to take paid leave for specified family, medical, or safety-related reasons and requires employers with 25 or more employees to contribute to the program's fund. The Oregon Family Leave Act (OFLA) applies to employers with 25 or more employees. OFLA permits employees to take protected, unpaid leave for several qualifying reasons, including sick child leave, pregnancy disability leave, and bereavement leave. Oregon law also provides employees with leave for other reasons, such as military family leave, sick time, and leave to attend a criminal proceeding. Employers in Oregon with at least 10 employees are required to have a sick time policy that permits an employee to accrue at least one hour of paid sick time for every 30 hours that the employee works, or 1-1/3 hours for every 40 hours that the employee works.

There is no legal requirement for an employer to offer vacation pay, holiday pay, bonuses, and severance pay to workers. These are examples of agreements which may be made between employers and employees as a part of the employee's total compensation agreement. However, an employer is required to honor any established policy or agreement relating to the payment of benefits such as accrued vacation or severance pay upon termination.