

HB 4094-5
(LC 240)
2/11/26 (JAS/ps)

Requested by Representative NELSON

**PROPOSED AMENDMENTS TO
HOUSE BILL 4094**

1 On page 1 of the printed bill, line 3, after “provisions;” delete the rest
2 of the line and insert “and amending ORS 652.140.”.

3 Delete lines 5 through 28 and delete pages 2 and 3 and insert:

4 **“SECTION 1. (1) As used in this section:**

5 **“(a) ‘Consolidated leave account’ means an employer-provided ben-**
6 **efit that combines into a single accrual or pool:**

7 **“(A) Multiple leave types; or**

8 **“(B) A single leave bank that may be used for multiple purposes.**

9 **“(b)(A) ‘Paid time off’ means an earned or accrued employment**
10 **benefit allowing employees to take time off from work for vacation or**
11 **personal reasons without loss of pay.**

12 **“(B) ‘Paid time off’ does not mean an employment benefit allowing**
13 **employees to take time off from work without loss of pay for:**

14 **“(i) Leave exclusively used for:**

15 **“(I) Illness or other health-related purposes, including sick time**
16 **governed by ORS 653.601 to 653.661 or leave treated as sick time under**
17 **a substantially equivalent policy authorized under ORS 653.611.**

18 **“(II) Holidays and floating holidays.**

19 **“(III) Preretirement counseling.**

20 **“(ii) Up to 24 hours of personal business leave provided to employees**
21 **of a public employer.**

1 “(iii) Any portion of leave in a consolidated leave account equal to
2 the minimum hours of sick time required under ORS 653.601 to 653.661
3 for the applicable year, including leave provided through a substan-
4 tially equivalent policy authorized under ORS 653.611.

5 “(c) ‘Public employer’ has the meaning given that term in ORS
6 243.650, except that ‘public employer’ includes a public university listed
7 in ORS 352.002.

8 “(2) If an employer provides employees with paid time off pursuant
9 to an employer policy or otherwise, the employer shall, upon the ter-
10 mination of the employment relationship, compensate the employee,
11 at one hundred percent of the employee’s regular rate of pay at the
12 time of termination for all earned or accrued but unused paid time off,
13 not to exceed 300 hours, in accordance with the manner and timeframe
14 set forth under ORS 652.140 for the payment of final wages.

15 “(3) Except as otherwise provided in subsection (4) of this section,
16 this section applies to employers that employ at least 10 employees
17 working anywhere in this state. The number of employees employed
18 by an employer shall be ascertained by determining that the per-day
19 average number of permanent, part-time and temporary employees of
20 the employer is 10 or greater for each of 20 nonconsecutive workweeks
21 in the calendar year, measured according to a lookback period that
22 begins with the week immediately preceding the date of termination
23 of the employment relationship.

24 “(4) This section does not apply to Oregon Health and Science Uni-
25 versity.

26 “(5) Nothing in this section prohibits an employer from adopting a
27 written policy or entering into an employment contract that:

28 “(a) Establishes the method or rate of earning or accrual of paid
29 time off;

30 “(b) Establishes requirements for requesting and scheduling paid

1 time off;

2 “(c) Provides for the compensation of earned or accrued but unused
3 paid time off in excess of the maximum hour limitation under sub-
4 section (2) of this section; or

5 “(d) Requires employees to use earned or accrued paid time off by
6 a specific date or provides for the forfeiture of unused paid time off
7 not used by that date, provided that:

8 “(A) The employer provides employees with written notice of such
9 requirement at the time of hire and not less than 90 days before the
10 date on which any unused paid time off would be forfeited under the
11 policy;

12 “(B) Employees are given a reasonable opportunity to schedule use
13 of the paid time off before any forfeiture occurs; and

14 “(C) Nothing in the policy or contract permits the forfeiture of paid
15 time off that is earned or accrued and has not been forfeited prior to
16 the termination of employment, except to the extent that compen-
17 sation is limited under subsection (2) of this section.

18 “(6) Nothing in this section permits a collective bargaining agree-
19 ment to diminish an employee’s entitlement to compensation for
20 earned or accrued but unused paid time off as required by subsection
21 (2) of this section.

22 “**SECTION 2.** ORS 652.140 is amended to read:

23 “652.140. (1) When an employer discharges an employee or when employ-
24 ment is terminated by mutual agreement, all wages earned and unpaid at the
25 time of the discharge or termination become due and payable not later than
26 the end of the first business day after the discharge or termination.

27 “(2)(a) When an employee who does not have a contract for a definite
28 period quits employment, all wages earned and unpaid at the time of quitting
29 become due and payable immediately if the employee has given to the em-
30 ployer not less than 48 hours’ notice, excluding Saturdays, Sundays and

1 holidays, of intention to quit employment.

2 “(b) Except as provided in paragraph (c) of this subsection, if the em-
3 ployee has not given to the employer the notice described in paragraph (a)
4 of this subsection, the wages become due and payable within five days, ex-
5 cluding Saturdays, Sundays and holidays, after the employee has quit, or at
6 the next regularly scheduled payday after the employee has quit, whichever
7 event first occurs.

8 “(c) If the employee has not given to the employer the notice described
9 in paragraph (a) of this subsection and if the employee is regularly required
10 to submit time records to the employer to enable the employer to determine
11 the wages due the employee, within five days after the employee has quit the
12 employer shall pay the employee the wages the employer estimates are due
13 and payable. Within five days after the employee has submitted the time re-
14 cords, all wages earned and unpaid become due and payable.

15 “(3) For the purpose of this section, if employment termination occurs on
16 a Saturday, Sunday or holiday, all wages earned and unpaid shall be paid
17 no later than the end of the first business day after the employment termi-
18 nation, except that if the employment is related to activities authorized un-
19 der ORS chapter 565, all wages earned and unpaid shall be paid no later than
20 the end of the second business day after the employment termination.

21 “(4) The employer shall forward such wages by mail to any address des-
22 ignated by the employee if the employee requests the employer so to do. An
23 employer may deposit such wages without discount in the employee’s account
24 in a financial institution, as defined in ORS 706.008, in this state, provided
25 the employee and the employer have agreed to such deposit.

26 “(5) This section does not apply to employment for which a collective
27 bargaining agreement otherwise provides for the payment of wages upon
28 termination of employment.

29 “(6) When a termination of employment results from the sale of a business
30 or business property and the purchaser employs or continues the employment

1 of an individual employed at the business, this section does not apply to the
2 payment to such an individual of wages for earned but unused accrued holi-
3 day leave, sick leave, vacation leave or other leave benefits payable upon
4 termination of employment pursuant to a collective bargaining or other em-
5 ployment agreement or employer policy, if the following conditions are met:

6 “(a) On the first day of such an individual’s continued employment the
7 purchaser of the business credits the individual with all such earned but
8 unused accrued leave; and

9 “(b) The leave, when used, is paid at a rate not less than the rate at
10 which the leave was earned or, if paid at a lesser rate, the number of hours
11 credited is increased to compensate the individual for any difference.

12 **“(7) Except as provided in subsection (6) of this section, all wages**
13 **earned and unpaid, as described in this section, include compensation**
14 **for earned or accrued but unused paid time off, as defined in section**
15 **1 of this 2026 Act.**

16 **“SECTION 3. Section 1 of this 2026 Act applies to:**

17 **“(1) Paid time off, as defined in section 1 of this 2026 Act, earned**
18 **or accrued on or after the effective date of this 2026 Act.**

19 **“(2) Contracts entered into, renewed or extended on or after the**
20 **effective date of this 2026 Act.”.**

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