

## OREGON PAID FAMILY LEAVE LAW

Oregon is the eighth state to pass a Paid Leave law. Beginning January 1, 2023, employers and employees can begin contributing, and filing can start in September 2023.



### ELIGIBILITY

Employees who earn more than \$1,000/year in wages and have contributed to the paid leave trust fund through deductions from their paycheck. They will receive job protection if they have worked for the employer 90 days or more and will not lose seniority or other benefits while on leave. Healthcare benefits, if provided, must continue while on leave.



### CONTRIBUTION

- The plan will be funded by both Employers and Employees (at a split of 60% contribution from Employees and 40% from employers). The contribution will not exceed 1% of an employee's wages up to a maximum of \$132,900 in wages, adjusted annually by CPI West Region.
- When an employment agency is acting as the employer then it is the responsibility of the employment agency to make the employer contribution.
- Employers may choose to pay the employee portion of the contribution and present the benefit as an employer offered benefit.
- Employers with fewer than 25 employees are exempt from paying the employer contribution. However, if a small business does decide to contribute the 40% then they will be eligible to receive assistance grants.



### COVERED EVENTS

- Bond with a new child after birth, adoption, or foster care placement
- Take care of yourself or a family member with a serious illness or injury. *Note: Oregon has a very broad definition of family: "any person who is related by blood or whose relationship with you is like family."*
- Seek assistance in situation of sexual assault, domestic violence, harassment, or stalking.



### BENEFIT AMOUNT

- Employees whose weekly wages are equal or less than 65% of the state income level will be eligible to receive 100% of their pay, capped at \$1,215.
- The minimum benefit will be 5% of the State Average Weekly Wages (SAWW) (currently approximately \$61.24) and the maximum weekly benefit cannot exceed 120% of SAWW (currently approximately \$1,469.78). The SAWW is to be adjusted annually on July 1<sup>st</sup>.
- Employees earning greater than 65% of the average weekly wage, their benefit would be: 65% of the SAWW plus 50% of the employee's average weekly wage that is greater than 65% of the SAWW.
- Employees can supplement the paid leave with their vacation or sick pay to earn up to 100% of their average weekly wage (AWW) while out on leave – they cannot exceed 100% of their AWW.
- Employees receiving a workers comp or unemployment benefits would not be eligible for paid leave.



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### BENEFIT DURATION

- Employees are entitled to up to 12 weeks of paid leave per year plus an additional two weeks for limitations related to pregnancy. Employees can use the paid leave one day at a time or consecutively.
- Paid leave runs concurrently with OFLA and FMLA. When applicable.



### CLAIMS PROCESS

- The individual files a claim to the Director of Employment Department in a manner to be determined.
- The Director will allow or deny the claim under section 13 of the Act.
  - If the claim is approved the state will make a reasonable effort to issue the first payment within two weeks of receiving the claim.
  - Benefit amounts must be prorated to increments that are equivalent to one work day and must be paid in increments are equivalent to one work week.
- Benefits may be claimed in increments of one work day or work week.
- If an individual takes leave in increments that are equivalent to one work day, benefits may be claimed for leave that occurs in nonconsecutive periods of leave that when combined provide the minimum benefit amount (this is meant to address intermittent leave and will most likely be the most challenging aspect of the law for employers to administer and track).



### PENALTIES

- On or before June 30<sup>th</sup> of each year, the Director will notify employers who have failed to file all required reports or failed to pay all contributions due.
- If, prior to September 1st of each year, an employer has failed to file all required reports and pay all contributions due then the employer shall pay a penalty equal to 1% of the wages of the employer's employees for the preceding calendar year.
- If an employer defaults with respect to any amount due, the unpaid amount along with interest and penalties will be collected by the Director in a civil action.

For the latest information on Oregon's upcoming Paid Family Leave Program, please visit [here](#).

### About Aldrich Benefits LP

[aldrichadvisors.com/benefits](https://aldrichadvisors.com/benefits)

We assist employers with benefits consulting including strategic planning, medical, dental, ancillary, and voluntary benefits for their employees. We have decades of experience partnering with nonprofits to design, implement, and manage comprehensive employee benefits programs.