

SB 858 -1, -2 STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

Prepared By: Whitney Perez, LPRO Analyst

Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 1/21, 1/28, 1/30

WHAT THE MEASURE DOES:

The measure specifies actions the Director of the Oregon Employment Department (OED) may take if the director determines that the Paid Family and Medical Leave Insurance Fund is at risk of insolvency such that moneys in the fund are not sufficient to pay at least one month of projected expenditures. Specifies actions the director shall recommence taking within Paid Leave Oregon once solvency of the fund is sufficient to pay at least two months of projected expenditures. Specifies actions an authorized agent may take on behalf of a deceased or incapacitated person within Paid Leave Oregon if the person was a covered individual who became deceased or incapacitated before submitting a claim for Paid Leave Oregon benefits or before the director of OED made a final decision regarding a pending or existing claim for benefits. It also specifies actions an authorized agent may take on behalf of a deceased or incapacitated person within Paid Leave Oregon if the person was a covered individual who became deceased or incapacitated before submitting a claim for Paid Leave Oregon benefits or before the director of OED made a final decision regarding a pending or existing claim for benefits. The measure makes technical changes to administrative provisions of Paid Leave Oregon. Takes effect on the 91st day following adjournment sine die.

Detailed Summary:

Section 1

Defines "insolvency." Redefines "projected expenses" to "projected expenditures" and adds administrative or operational expenses, including for staffing, within this definition. Modifies definition of "solvency of the fund" by replacing current meaning of solvency being sufficient funds to pay not less than six months of projected expenses with sufficient funds to pay projected expenditures for a specified period of time. Specifies actions the Director of the Oregon Employment Department (OED) may take if the director determines that the Paid Family and Medical Leave Insurance Fund is at risk of insolvency such that moneys in the fund are not sufficient to pay at least one month of projected expenditures. Specifies actions the director shall recommence taking within Paid Leave Oregon once solvency of the fund is sufficient to pay at least two months of projected expenditures.

Section 2

Specifies that an employee is not eligible for Paid Leave Oregon benefits if the employee is receiving wage replacement benefits under a state or federal unemployment benefits program.

Section 3

Removes provision specifying that Paid Leave Oregon benefits are payable only to the extent that moneys are available in the Paid Family and Medical Leave Insurance Fund for that purpose.

Section 4

Specifies actions an authorized agent may take on behalf of a deceased or incapacitated person within Paid Leave Oregon if the person was a covered individual who became deceased or incapacitated before submitting a claim for Paid Leave Oregon benefits or before the director of OED made a final decision regarding a pending or existing

SB 858 -1, -2 STAFF MEASURE SUMMARY

claim for benefits. Directs the director of OED to adopt rules to implement this provision and specifies what those rules must include at a minimum. Defines "authorized agent" and incapacitated."

Section 5

Clarifies that employers and employees do not have to make contributions into Paid Leave Oregon when the employer has an approved equivalent plan for any quarter beginning on or after the effective date of the approved plan, and for the duration of the approved plan.

Section 6

Allows OED to disclose Paid Leave Oregon information to an authorized agent of a covered individual.

Section 7

Makes technical amendments.

Section 8

Specifies that Section 2 becomes operative on January 1, 2026.

Section 9

Takes effect on the 91st day following adjournment sine die.

May have fiscal impact, but no statement yet issued

May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

- Actions an authorized agent may take on behalf of a deceased or incapacitated person within Paid Leave Oregon
- Fiscal impact of the measure
- Current status of the Paid Family and Medical Leave Insurance Fund
- Efficiency of Paid Leave Oregon

EFFECT OF AMENDMENT:

-1 Replaces the measure. The measure specifies actions an authorized agent may take on behalf of a deceased or incapacitated person within Paid Leave Oregon if the person was a covered individual who became deceased or incapacitated before submitting a claim for Paid Leave Oregon benefits or before the director of OED made a final decision regarding a pending or existing claim for benefits. The measure makes technical changes to administrative provisions of Paid Leave Oregon. Takes effect on the 91st day following adjournment sine die.

Detailed Summary:

Section 1

Specifies that an employee is not eligible for Paid Leave Oregon benefits if the employee is receiving wage replacement benefits under a state or federal unemployment benefits program.

Section 2

Specifies actions an authorized agent may take on behalf of a deceased or incapacitated person within Paid Leave Oregon if the person was a covered individual who became deceased or incapacitated before submitting a claim for Paid Leave Oregon benefits or before the director of OED made a final decision regarding a pending or existing claim for benefits. Directs the director of OED to adopt rules to implement this provision and specifies what those rules must include at a minimum. Defines "authorized agent" and "incapacitated."

Section 3

Clarifies that employers and employees do not have to make contributions into Paid Leave Oregon when the employer has an approved equivalent plan for any quarter beginning on or after the effective date of the approved plan, and for the duration of the approved plan.

Section 4

Allows OED to disclose Paid Leave Oregon information to an authorized agent of a covered individual.

Section 5

Makes technical amendments.

Section 6

Specifies that Section 1 becomes operative on January 1, 2026.

Section 7

Takes effect on the 91st day following adjournment sine die.

May have fiscal impact, but no statement yet issued

May have revenue impact, but no statement yet issued

-2 Replaces the measure. The measure specifies actions an authorized agent may take on behalf of a deceased or incapacitated person within Paid Leave Oregon if the person was a covered individual who became deceased or incapacitated before submitting a claim for Paid Leave Oregon benefits or before the director of OED made a final decision regarding a pending or existing claim for benefits. The measure makes technical changes to administrative provisions of Paid Leave Oregon. Takes effect on the 91st day following adjournment sine die.

Detailed Summary:

Section 1

Specifies that an employee is not eligible for Paid Leave Oregon benefits if the employee is receiving wage replacement benefits under a state or federal unemployment benefits program.

Section 2

Specifies actions an authorized agent may take on behalf of a deceased or incapacitated person within Paid Leave Oregon if the person was a covered individual who became deceased or incapacitated before submitting a claim for Paid Leave Oregon benefits or before the director of OED made a final decision regarding a pending or existing claim for benefits. Directs the director of OED to adopt rules to implement this provision and specifies what those rules must include at a minimum. Defines "authorized agent" and "incapacitated."

Section 3

Clarifies that employers and employees do not have to make contributions into Paid Leave Oregon when the employer has an approved equivalent plan for any quarter beginning on or after the effective date of the approved plan, and for the duration of the approved plan.

Section 4

Allows OED to disclose Paid Leave Oregon information to an authorized agent of a covered individual.

Section 5

SB 858 -1, -2 STAFF MEASURE SUMMARY

Makes technical and conforming amendments.

Section 6

Specifies that Section 1 becomes operative on January 1, 2026.

Section 7

Takes effect on the 91st day following adjournment sine die.

May have fiscal impact, but no statement yet issued

May have revenue impact, but no statement yet issued

BACKGROUND:

Paid Leave Oregon is contained in ORS Chapter 657B and was enacted by the Legislative Assembly in 2019. Paid Leave Oregon allows eligible Oregon employees to take paid, protected leave for specified family, medical, or safety-related reasons. The program requires employers with 25 or more employees to contribute to the program's fund, Paid Family and Medical Leave Insurance Fund (fund). The fund maintains the Paid Leave Oregon Program and consists of contributions made to the program by employers and employees and from penalties, fees, revenues, and any other money deposited or credited to the account. Employers and employees began making contributions to the fund in January 2023. The Paid Leave Oregon program began providing benefits to employees and assistance grants to employers in September 2023. As of May 1, 2024, Paid Leave Oregon had received a total of 79,651 ID verified applications, paid 56,000 claimants, and paid a total of \$410.6 million in benefits.

Senate Bill 858 makes technical changes to the administration of the Paid Leave Oregon program and specifies actions an authorized agent may take on behalf of a deceased or incapacitated person within Paid Leave Oregon if the person becomes deceased or incapacitated before submitting a claim for benefits or before a final decision has been made on the person's pending claim.