

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	6 - 0 - 1
Yeas:	Berger, Edwards C., Esquivel, Holvey, Rosenbaum, Schaufler
Nays:	0
Exc.:	Smith P.
Prepared By:	Theresa Van Winkle, Administrator
Meeting Dates:	2/7, 3/5

WHAT THE MEASURE DOES: Requires employers who have made payroll errors or underpayment to pay the employee within a certain timeframe after a notice is issued. Establishes that if the error or underpayment is less than five percent of the employee's gross pay due, it must be corrected no later than the next regularly scheduled pay date; and if the error or underpayment is five percent or greater of the employee's gross pay due, it must be resolved with the employee within three days after the employer is given notice of the unpaid amount, excluding weekends and holidays.

ISSUES DISCUSSED:

- "Business day" versus "calendar day" in regards to response time
- Effect of measure on small businesses and contractors (i.e. prevailing wage calculations)
- Difference between errors and disputes on a paycheck
- Examples of employees who had ongoing paycheck errors
- Adequate amount of time for employer to respond

EFFECT OF COMMITTEE AMENDMENT: Establishes timeframes for the employer to respond to notice of the error or underpayment.

BACKGROUND: Although employers are statutorily required to establish and maintain a payday schedule, there are no provisions on what employers are required to do if they make an error on an employee's paycheck or underpay the employee when a standard paycheck is issued. The Bureau of Labor and Industries (BOLI) does accept either wage claims or complaints regarding underpayments of wages, but since there are no penalties for violations, employees would not be entitled to penalty wages unless and until they terminate their employment and are not timely paid all the wages they are due.

ORS 652.125 does give BOLI the authority to require employers to post a bond when it is determined that an employer is failing to pay wages within five days of paydays scheduled by the employer, but the statute generally has been used in situations in which employers are missing paydays rather than making errors.