

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action: Do Pass the A-Engrossed Measure
Vote: 4 - 0 - 1
Yeas: Avakian, Beyer, Gordly, Monroe
Nays: 0
Exc.: Prozanski
Prepared By: Anna Braun, Administrator
Meeting Dates: 5/23

WHAT THE MEASURE DOES: Requires employer, upon notice of wage payment error, to pay employee by the next payday if the amount is less than 5 percent of wage. If amount is more than 5 percent of wages, employer must pay within three business days.

ISSUES DISCUSSED:

- Extent of problem
- No current remedy

EFFECT OF COMMITTEE AMENDMENT: No amendment.

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.