

**REVENUE:** May have revenue impact, statement not yet issued

**FISCAL:** May have fiscal impact, statement not yet issued

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<b>Action:</b>	Do Pass as Amended, Be Printed Engrossed, Rescind the Subsequent Referral to the Committee on Revenue, and Be Referred to the Committee on Ways and Means
<b>Vote:</b>	4 - 3 - 0
<b>Yeas:</b>	Cowan, Gelser, Kotek, Tomei
<b>Nays:</b>	Gilliam, Maurer, Olson
<b>Exc.:</b>	0
<b>Prepared By:</b>	Andy Smith, Administrator
<b>Meeting Dates:</b>	3/19, 4/23

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**WHAT THE MEASURE DOES:** Creates Family Leave Benefits Insurance program to provide benefits to employees taking family leave. Requires employees to pay premiums withheld from earnings into a Family Leave Benefits Insurance Account. Continuously appropriates moneys in account to Bureau of Labor and Industries (BOLI) and requires BOLI to administer claims for benefits. Applies to employers with 25 or more employees. Establishes qualifications for benefits. Creates violation of unlawful employment practice. Links the Paid Family Leave Benefits Insurance Program to the "Combined Payroll Tax Reporting System" used by state agencies. Allows employees to start filing claims beginning July 1, 2009. Implements a voluntary employer opt-in in July 2010. Includes civil penalty provision. Requires BOLI to notify the employer of a claim within five business days. Allows BOLI to issue successor claim within one year. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Impacts on small businesses
- History of Oregon Family Leave Act and state's role as a national leader
- Similar California and Washington legislation
- State agency roles in premium collection
- Situations faced by working families
- Demographic changes and care needs of aging parents
- Voluntary participation

**EFFECT OF COMMITTEE AMENDMENT:** Adds the Paid Family Leave Benefits Insurance Program to the "Combined Payroll Tax Reporting System" used by state agencies. Delays the start-up of paid family leave by one year; employers will start withholding premiums on January 1, 2009 and employees will be able to start filing claims on July 1, 2009. Delays the implementation of the voluntary employer opt-in to July 2010. Adds a section on civil penalties. Extends the time within which BOLI must notify the employer of a claim from two business days to five business days. Removes the cap 40 hours per week for purposes of premium withholding. Extends from 180 days to one year the time within which BOLI can issue an assessment against a successor employer.

**BACKGROUND:** Under House Bill 2575-A, paid family leave would include the following circumstances: caring for an infant or newly adopted child under 18 years of age, or for a newly placed foster child under 18 years of age, or for an adopted or foster child older than 18 years of age if the child is incapable of self-care because of a mental or physical disability; caring for a family member with a serious health condition; recovering or seeking treatment for a serious health condition that renders the employee unable to perform at least one of the essential functions of the employee's regular position; caring for a child of the employee who is suffering from an illness, injury or condition that is not a serious health condition but that requires home care.

House Bill 2575-A requires that each employer withhold from the earnings of each employee a premium of one cent per hour worked, up to a maximum of 40 hours per week. Family leave benefits are payable under this section only to the extent that moneys are available in the Family Leave Benefits Insurance Account for that purpose. Neither the state nor BOLI is liable for any amount in excess of this limit.

4/26/2007 4:11:00 PM

*This summary has not been adopted or officially endorsed by action of the committee.*