

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	6 - 0 - 1
Yeas:	Berger, Buckley, Esquivel, Hunt, Roblan, Rosenbaum
Nays:	0
Exc.:	Thatcher
Prepared By:	Theresa Van Winkle, Administrator
Meeting Dates:	5/25

WHAT THE MEASURE DOES: Requires employers to pay amounts deducted from employee wages, in accordance with law or agreement requiring or authorizing wage deductions, within the time required by the law or agreement or within seven days after the deduction is made if a timeframe is not established. Allows state agency employees to authorize voluntary payroll deductions for contributions to a tax exempt organization designated by agency rule. Authorizes an assessment of civil penalty up to \$1000 for violations.

ISSUES DISCUSSED:

- Examples of payroll deductions
- Number of complaints the Bureau of Labor and Industries receive regarding payroll deductions
- Background of the Oregon State Capitol Foundation, i.e. current projects and membership benefits
- Process for agencies to develop rules relating to voluntary wage deductions

EFFECT OF COMMITTEE AMENDMENT: Requires the employer to pay the required or authorized deduction to the appropriate recipient within the time required by the law or agreement, or within seven days after the deduction is made if a timeframe is not established. Allows state agency employees to authorize voluntary payroll deductions for contributions to a tax-exempt organization designated by agency rule.

BACKGROUND: Many employees choose to pay for items such as organizational dues, charitable donations, and child support payments through automatic wage deductions. ORS 652.610 outlines the guidelines employers must follow in regards to deducting employee wages, such as providing an itemized statement to the employee at the time a paycheck is issued and outlining what can and cannot be withheld, deducted, or diverted from an employee's wage. However, there is nothing established in statute regarding the employer's responsibility to transfer deductions to the proper recipient in a timely fashion.

HB 2674 B requires employers to pay the amount withheld from an employee's wages to the appropriate recipient within the established timeframe outlined in law or the agreement or within seven days after the deduction is made if a timeframe is not established. If an employer fails to properly dispense the deduction, it constitutes an unlawful deduction and the Bureau of Labor and Industries can assess a civil penalty to the employer for up to \$1000. Moneys collected as penalties shall first be applied toward reimbursement of costs incurred in determining the violations, such as conducting hearings. Remaining funds shall be credited to the General Fund and are available for general governmental expenses.

The measure also allows state agencies with an affiliated non-profit organization, such as the Oregon State Capitol Foundation, to establish rules for state employees to make contributions via payroll deduction.

6/8/2007 3:26:00 PM

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