

Enrolled House Bill 2674

Sponsored by Representative WITT; Representatives BARKER, BARNHART, BONAMICI, BUCKLEY, CANNON, CLEM, DALLUM, DINGFELDER, D EDWARDS, GALIZIO, GELSER, GREENLICK, HOLVEY, NATHANSON, READ, RILEY, ROBLAN, ROSENBAUM, SCHAUFLER, SHIELDS, TOMEI (at the request of Bureau of Labor and Industries)

CHAPTER

AN ACT

Relating to deductions from wages; creating new provisions; and amending ORS 292.043, 652.610 and 652.900.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 652.610 is amended to read:

652.610. (1) All persons, firms, partnerships, associations, cooperative associations, corporations, municipal corporations, the state and its political subdivisions, except the federal government and its agencies, employing, in this state, during any calendar month one or more persons, and withholding for any purpose[,] any sum of money from the wages, salary or commission earned by an employee, shall provide [*such*] **the** employee on regular paydays with a statement sufficiently itemized to show the amount and purpose of [*such*] **the** deductions made during the respective period of service [*which said*] **that the** payment covers.

(2) The itemized statement shall be furnished to the employee at the time payment of wages, salary or commission is made, and may be attached to or be a part of the check, draft, voucher or other instrument by which payment is made, or may be delivered separately from [*such*] **the** instrument.

(3) [*No*] **An** employer may **not** withhold, deduct or divert any portion of an employee's wages unless:

(a) The employer is required to do so by law;

(b) The deductions are authorized in writing by the employee, are for the employee's benefit[,] and are recorded in the employer's books;

(c) The employee has voluntarily signed an authorization for a deduction for any other item, provided that the ultimate recipient of the money withheld is not the employer[,] and that [*such*] **the** deduction is recorded in the employer's books;

(d) The deduction is authorized by a collective bargaining agreement to which the employer is a party;

(e) The deduction is authorized under ORS 18.736; or

(f) The deduction is made from the payment of wages upon termination of employment and is authorized pursuant to a written agreement between the employee and employer for the repayment of a loan made to the employee by the employer, if all of the following conditions are met:

(A) The employee has voluntarily signed the agreement;

(B) The loan was paid to the employee in cash or other medium permitted by ORS 652.110;

(C) The loan was made solely for the employee's benefit and was not used, either directly or indirectly, for any purpose required by the employer or connected with the employee's employment with the employer;

(D) The amount of the deduction at termination of employment does not exceed the amount permitted to be garnished under ORS 18.385; and

(E) The deduction is recorded in the employer's books.

(4) When an employer deducts an amount from an employee's wages as required or authorized by law or agreement, the employer shall pay the amount deducted to the appropriate recipient as required by the law or agreement. The employer shall pay the amount deducted within the time required by the law or the agreement or, if the time for payment is not specified by the law or agreement, within seven days after the date the wages from which the deductions are made are due. Failure to pay the amount as required constitutes an unlawful deduction.

[(4)] (5) [Nothing in this section shall be construed as prohibiting] **This section does not:**

(a) Prohibit the withholding of amounts authorized in writing by the employee to be contributed by the employee to charitable organizations, including contributions made pursuant to ORS 243.666 and 663.110; *[nor shall this section]*

(b) Prohibit deductions by check-off dues to labor organizations or service fees, *where such is] when the deductions are* not otherwise prohibited by law; **or** *[nor shall this section]*

(c) Diminish or enlarge the right of any person to assert and enforce a lawful setoff or counterclaim or to attach, take, reach or apply an employee's compensation on due legal process.

SECTION 2. ORS 652.900 is amended to read:

652.900. (1) In addition to any other penalty provided by law, the Commissioner of the Bureau of Labor and Industries may assess a civil penalty not to exceed \$1,000 against any person who violates ORS 652.020, 652.140, *[or] 652.145* **or 652.610 (4)** or any rule adopted pursuant thereto.

(2) Civil penalties under this section shall be imposed as provided in ORS 183.745.

(3) *[All penalties recovered]* **All sums collected as penalties under this section shall be first applied toward reimbursement of costs incurred in determining the violations, conducting hearings under this section and addressing and collecting the penalties. The remainder, if any, of the sums collected as penalties** under this section shall be paid into the State Treasury and credited to the General Fund and *[are]* is available for general governmental expenses.

SECTION 3. The amendments to ORS 652.610 and 652.900 by sections 1 and 2 of this 2007 Act apply only to deductions made on or after the effective date of this 2007 Act.

SECTION 4. ORS 292.043 is amended to read:

292.043. (1) As used in this section:[,]

(a) "Foundation" means:

(A) A tax exempt organization designated by a rule adopted by a state agency; or

(B) A tax exempt organization designated by the State Board of Higher Education to solicit contributions for the support of an institution of higher education under the jurisdiction of the board.

(b) "Salary and wages" has the meaning given that term in ORS 292.014.

(2) Any state official authorized to disburse funds in payment of salaries or wages, *as defined in ORS 292.014,* **of the officers and employees of a state agency, or** of the officers, teachers, instructors and other employees of the Department of Higher Education, is authorized, upon written request of the individual, to deduct each month from the salary or wages of the individual the amount of money designated by the individual for payment to a foundation.

(3) The individual may withdraw the authorization at any time if the individual so notifies such officer in writing.

(4) The moneys so deducted shall be paid over promptly to the foundation designated by the individual. Subject to any rules prescribed by **a state agency or** the State Board of Higher Education, the state official authorized to disburse the funds in payment of salaries and wages may prescribe any procedures necessary to carry out this section.

Passed by House June 8, 2007

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Chief Clerk of House

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Speaker of House

Passed by Senate June 14, 2007

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President of Senate

Received by Governor:

.....M,....., 2007

Approved:

.....M,....., 2007

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Governor

Filed in Office of Secretary of State:

.....M,....., 2007

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Secretary of State