

Senate Bill 828

Sponsored by Senator GEORGE

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Changes name of JOBS Plus Program to Wage Option Program.

Changes name of Oregon JOBS Plus Unemployment Wage Fund to Wage Option Unemployment Wage Fund.

Changes name of JOBS Plus Advisory Board to Wage Option Program Advisory Board.

Changes name of JOBS Plus Implementation Council to Wage Option Program Implementation Council.

Changes name of Oregon JOBS Individual Education Account to Wage Option Program Individual Education Account.

Funds Wage Option Program by diverting portion of unemployment insurance taxes each calendar quarter to Wage Option Unemployment Wage Fund. Limits eligibility for program. Modifies administration of Wage Option Program Individual Education Account.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to unemployment insurance; amending ORS 316.680, 411.877, 411.878, 411.880, 411.882,
3 411.886, 411.888, 411.890, 411.892, 411.894, 411.896, 657.190, 657.439, 657.463 and 657.925; appro-
4 priating money; and declaring an emergency.

5 Whereas early return to work strategies increase income, training and experience for unem-
6 ployment claimants, tax revenue for the state, productive output for the state economy and funding
7 for unemployment insurance; and

8 Whereas exhaustees of unemployment insurance claims are more likely to cost the state public
9 assistance dollars; and

10 Whereas the longer a person is unemployed, the more difficult it is to find a job; and

11 Whereas on-the-job training is a highly effective means of training the workforce; now, therefore,

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

13 **SECTION 1.** ORS 657.190 is amended to read:

14 657.190. (1) In determining whether any work is suitable for an individual, the Director of the
15 Employment Department shall consider, among other factors, the degree of risk involved to the
16 health, safety and morals of the individual, the physical fitness and prior training, experience and
17 prior earnings of the individual, the length of unemployment and prospects for securing local work
18 in the customary occupation of the individual and the distance of the available work from the resi-
19 dence of the individual.

20 (2) Notwithstanding subsection (1) of this section, the director may refer claimants to [*JOBS*
21 *Plus*] **Wage Option** Program jobs for which the claimant does not have adequate skills or experi-
22 ence when the [*JOBS Plus*] **Wage Option** Program job is likely to result in an upgrade in the
23 claimant's skills and experience.

24 **SECTION 2.** ORS 657.439 is amended to read:

25 657.439. (1) Notwithstanding the tax rate imposed by ORS 657.462 and notwithstanding ORS

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 657.463, for wages paid during the first calendar quarter of each odd-numbered year, the tax rate
 2 paid by each employer subject to those provisions of law shall be determined in accordance with
 3 schedule I C, II C, III C, IV C, V C, VI C, VII C or VIII C, whichever schedule is determined pur-
 4 suant to ORS 657.459 and 657.462 to be in effect for the year. The schedules are adopted as follows:

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7 Fund Adequacy Percentage Ratio I C

8 200% and Over

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10 Tax Rate	Cumulative Taxable Payroll Limits (Percentage of Total Taxable Payroll)
12 0.38%	0.00% but less than 10.00%
13 0.48%	10.00% but less than 15.00%
14 0.58%	15.00% but less than 20.00%
15 0.68%	20.00% but less than 25.00%
16 0.78%	25.00% but less than 30.00%
17 0.88%	30.00% but less than 35.00%
18 0.98%	35.00% but less than 40.00%
19 1.08%	40.00% but less than 45.00%
20 1.18%	45.00% but less than 50.00%
21 1.28%	50.00% but less than 55.00%
22 1.38%	55.00% but less than 60.00%
23 1.48%	60.00% but less than 65.00%
24 1.58%	65.00% but less than 69.00%
25 1.68%	69.00% but less than 73.00%
26 1.78%	73.00% but less than 77.00%
27 1.88%	77.00% but less than 80.00%
28 1.98%	80.00% but less than 83.00%
29 2.08%	83.00% but less than 86.00%
30 2.18%	86.00% but less than 89.00%
31 2.28%	89.00% but less than 91.00%
32 2.38%	91.00% but less than 93.00%
33 2.48%	93.00% but less than 95.00%
34 2.58%	95.00% but less than 96.00%
35 2.68%	96.00% but less than 96.90%
36 2.78%	96.90% but less than 97.70%
37 2.88%	97.70% but less than 98.40%
38 2.98%	98.40% but less than 98.90%
39 3.08%	98.90% but less than 99.30%
40 3.28%	99.30% but less than 99.54%
41 3.48%	99.54% but less than 99.63%
42 3.68%	99.63% but less than 99.71%
43 3.88%	99.71% but less than 99.78%
44 4.08%	99.78% but less than 99.84%
45 4.28%	99.84% but less than 99.89%

1	4.48%	99.89% but less than 99.93%
2	4.68%	99.93% but less than 99.96%
3	4.88%	99.96% but less than 99.98%
4	5.08%	99.98% but less than 99.99%
5	5.40%	99.99% to 100%

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10 Fund Adequacy Percentage Ratio II C

11 190.00% but less than 200%

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13 Tax Rate Cumulative Taxable Payroll Limits
 14 (Percentage of Total Taxable Payroll)

15	0.58%	0.00% but less than 10.00%
16	0.68%	10.00% but less than 15.00%
17	0.78%	15.00% but less than 20.00%
18	0.88%	20.00% but less than 25.00%
19	0.98%	25.00% but less than 30.00%
20	1.08%	30.00% but less than 35.00%
21	1.18%	35.00% but less than 40.00%
22	1.28%	40.00% but less than 44.00%
23	1.38%	44.00% but less than 48.00%
24	1.48%	48.00% but less than 52.00%
25	1.58%	52.00% but less than 56.00%
26	1.68%	56.00% but less than 60.00%
27	1.78%	60.00% but less than 64.00%
28	1.88%	64.00% but less than 68.00%
29	1.98%	68.00% but less than 72.00%
30	2.08%	72.00% but less than 76.00%
31	2.18%	76.00% but less than 79.00%
32	2.28%	79.00% but less than 82.00%
33	2.38%	82.00% but less than 85.00%
34	2.48%	85.00% but less than 88.00%
35	2.58%	88.00% but less than 90.00%
36	2.68%	90.00% but less than 92.00%
37	2.78%	92.00% but less than 93.50%
38	2.88%	93.50% but less than 94.90%
39	2.98%	94.90% but less than 96.20%
40	3.08%	96.20% but less than 97.40%
41	3.28%	97.40% but less than 98.54%
42	3.48%	98.54% but less than 99.54%
43	3.68%	99.54% but less than 99.63%
44	3.88%	99.63% but less than 99.71%
45	4.08%	99.71% but less than 99.78%

1	4.28%	99.78% but less than 99.84%
2	4.48%	99.84% but less than 99.89%
3	4.68%	99.89% but less than 99.93%
4	4.88%	99.93% but less than 99.96%
5	5.08%	99.96% but less than 99.98%
6	5.40%	99.98% to 100%

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11 Fund Adequacy Percentage Ratio III C
12 170.00% but less than 190%

14	Tax Rate	Cumulative Taxable Payroll Limits
15		(Percentage of Total Taxable Payroll)
16	0.78%	0.00% but less than 10.00%
17	0.88%	10.00% but less than 15.00%
18	0.98%	15.00% but less than 20.00%
19	1.08%	20.00% but less than 24.00%
20	1.18%	24.00% but less than 28.00%
21	1.28%	28.00% but less than 32.00%
22	1.38%	32.00% but less than 36.00%
23	1.48%	36.00% but less than 40.00%
24	1.58%	40.00% but less than 44.00%
25	1.68%	44.00% but less than 48.00%
26	1.78%	48.00% but less than 52.00%
27	1.88%	52.00% but less than 56.00%
28	1.98%	56.00% but less than 60.00%
29	2.08%	60.00% but less than 64.00%
30	2.18%	64.00% but less than 68.00%
31	2.28%	68.00% but less than 72.00%
32	2.38%	72.00% but less than 76.00%
33	2.48%	76.00% but less than 80.00%
34	2.58%	80.00% but less than 84.00%
35	2.68%	84.00% but less than 87.00%
36	2.78%	87.00% but less than 90.00%
37	2.88%	90.00% but less than 93.00%
38	2.98%	93.00% but less than 95.00%
39	3.08%	95.00% but less than 97.00%
40	3.28%	97.00% but less than 98.20%
41	3.48%	98.20% but less than 99.00%
42	3.68%	99.00% but less than 99.43%
43	3.88%	99.43% but less than 99.63%
44	4.08%	99.63% but less than 99.72%
45	4.28%	99.72% but less than 99.79%

1	4.48%	99.79% but less than 99.85%
2	4.68%	99.85% but less than 99.90%
3	4.88%	99.90% but less than 99.94%
4	5.08%	99.94% but less than 99.97%
5	5.40%	99.97% to 100%

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10 Fund Adequacy Percentage Ratio IV C
11 145.00% but less than 170%

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13 Tax Rate Cumulative Taxable Payroll Limits
14 (Percentage of Total Taxable Payroll)

15	1.08%	0.00% but less than 10.00%
16	1.18%	10.00% but less than 15.00%
17	1.28%	15.00% but less than 20.00%
18	1.38%	20.00% but less than 24.00%
19	1.48%	24.00% but less than 28.00%
20	1.58%	28.00% but less than 32.00%
21	1.68%	32.00% but less than 36.00%
22	1.78%	36.00% but less than 40.00%
23	1.88%	40.00% but less than 44.00%
24	1.98%	44.00% but less than 48.00%
25	2.08%	48.00% but less than 52.00%
26	2.18%	52.00% but less than 56.00%
27	2.28%	56.00% but less than 60.00%
28	2.38%	60.00% but less than 64.00%
29	2.48%	64.00% but less than 68.00%
30	2.58%	68.00% but less than 72.00%
31	2.68%	72.00% but less than 76.00%
32	2.78%	76.00% but less than 80.00%
33	2.88%	80.00% but less than 84.00%
34	2.98%	84.00% but less than 88.00%
35	3.08%	88.00% but less than 92.00%
36	3.18%	92.00% but less than 95.00%
37	3.28%	95.00% but less than 97.00%
38	3.48%	97.00% but less than 98.20%
39	3.68%	98.20% but less than 99.00%
40	3.88%	99.00% but less than 99.40%
41	4.08%	99.40% but less than 99.60%
42	4.28%	99.60% but less than 99.70%
43	4.48%	99.70% but less than 99.78%
44	4.68%	99.78% but less than 99.85%
45	4.88%	99.85% but less than 99.91%

1	5.08%	99.91% but less than 99.96%
2	5.40%	99.96% to 100.00%
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7		Fund Adequacy Percentage Ratio V C
8		125.00% but less than 145%
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10	Tax Rate	Cumulative Taxable Payroll Limits
11		(Percentage of Total Taxable Payroll)
12	1.38%	0.00% but less than 10.00%
13	1.48%	10.00% but less than 15.00%
14	1.58%	15.00% but less than 20.00%
15	1.68%	20.00% but less than 24.00%
16	1.78%	24.00% but less than 28.00%
17	1.88%	28.00% but less than 32.00%
18	1.98%	32.00% but less than 36.00%
19	2.08%	36.00% but less than 40.00%
20	2.18%	40.00% but less than 44.00%
21	2.28%	44.00% but less than 48.00%
22	2.38%	48.00% but less than 52.00%
23	2.48%	52.00% but less than 56.00%
24	2.58%	56.00% but less than 60.00%
25	2.68%	60.00% but less than 64.00%
26	2.78%	64.00% but less than 68.00%
27	2.88%	68.00% but less than 72.00%
28	2.98%	72.00% but less than 76.00%
29	3.08%	76.00% but less than 80.00%
30	3.18%	80.00% but less than 84.00%
31	3.28%	84.00% but less than 88.00%
32	3.38%	88.00% but less than 92.00%
33	3.48%	92.00% but less than 95.00%
34	3.58%	95.00% but less than 97.00%
35	3.68%	97.00% but less than 98.20%
36	3.78%	98.20% but less than 99.00%
37	3.88%	99.00% but less than 99.40%
38	4.08%	99.40% but less than 99.60%
39	4.28%	99.60% but less than 99.70%
40	4.48%	99.70% but less than 99.78%
41	4.68%	99.78% but less than 99.85%
42	4.88%	99.85% but less than 99.91%
43	5.08%	99.91% but less than 99.96%
44	5.40%	99.96% to 100.00%
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Fund Adequacy Percentage Ratio VI C
110.00% but less than 125%

Tax Rate	Cumulative Taxable Payroll Limits (Percentage of Total Taxable Payroll)
1.68%	0.00% but less than 10.00%
1.78%	10.00% but less than 15.00%
1.88%	15.00% but less than 20.00%
1.98%	20.00% but less than 25.00%
2.08%	25.00% but less than 30.00%
2.18%	30.00% but less than 35.00%
2.28%	35.00% but less than 40.00%
2.38%	40.00% but less than 44.00%
2.48%	44.00% but less than 48.00%
2.58%	48.00% but less than 52.00%
2.68%	52.00% but less than 56.00%
2.78%	56.00% but less than 60.00%
2.88%	60.00% but less than 64.00%
2.98%	64.00% but less than 68.00%
3.08%	68.00% but less than 72.00%
3.18%	72.00% but less than 76.00%
3.28%	76.00% but less than 80.00%
3.38%	80.00% but less than 84.00%
3.48%	84.00% but less than 88.00%
3.58%	88.00% but less than 92.00%
3.68%	92.00% but less than 95.00%
3.78%	95.00% but less than 97.00%
3.88%	97.00% but less than 98.20%
4.08%	98.20% but less than 99.00%
4.28%	99.00% but less than 99.50%
4.48%	99.50% but less than 99.70%
4.68%	99.70% but less than 99.79%
4.88%	99.79% but less than 99.87%
5.08%	99.87% but less than 99.94%
5.40%	99.94% to 100.00%

Fund Adequacy Percentage Ratio VII C
100.00% but less than 110%

1	Tax Rate	Cumulative Taxable Payroll Limits
2		(Percentage of Total Taxable Payroll)
3	1.88%	0.00% but less than 10.00%
4	1.98%	10.00% but less than 15.00%
5	2.08%	15.00% but less than 20.00%
6	2.18%	20.00% but less than 25.00%
7	2.28%	25.00% but less than 30.00%
8	2.38%	30.00% but less than 35.00%
9	2.48%	35.00% but less than 40.00%
10	2.58%	40.00% but less than 45.00%
11	2.68%	45.00% but less than 50.00%
12	2.78%	50.00% but less than 55.00%
13	2.88%	55.00% but less than 60.00%
14	2.98%	60.00% but less than 64.00%
15	3.08%	64.00% but less than 68.00%
16	3.18%	68.00% but less than 72.00%
17	3.28%	72.00% but less than 76.00%
18	3.38%	76.00% but less than 80.00%
19	3.48%	80.00% but less than 84.00%
20	3.58%	84.00% but less than 88.00%
21	3.68%	88.00% but less than 92.00%
22	3.78%	92.00% but less than 95.00%
23	3.88%	95.00% but less than 97.00%
24	4.08%	97.00% but less than 98.20%
25	4.28%	98.20% but less than 99.00%
26	4.48%	99.00% but less than 99.50%
27	4.68%	99.50% but less than 99.70%
28	4.88%	99.70% but less than 99.84%
29	5.08%	99.84% but less than 99.93%
30	5.40%	99.93% to 100.00%

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Fund Adequacy Percentage Ratio VIII C

Under 100%

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38	Tax Rate	Cumulative Taxable Payroll Limits
39		(Percentage of Total Taxable Payroll)
40	2.08%	0.00% but less than 10.00%
41	2.18%	10.00% but less than 15.00%
42	2.28%	15.00% but less than 20.00%
43	2.38%	20.00% but less than 25.00%
44	2.48%	25.00% but less than 30.00%
45	2.58%	30.00% but less than 35.00%

1	2.68%	35.00% but less than 40.00%
2	2.78%	40.00% but less than 45.00%
3	2.88%	45.00% but less than 50.00%
4	2.98%	50.00% but less than 55.00%
5	3.08%	55.00% but less than 60.00%
6	3.18%	60.00% but less than 65.00%
7	3.28%	65.00% but less than 70.00%
8	3.38%	70.00% but less than 75.00%
9	3.48%	75.00% but less than 80.00%
10	3.58%	80.00% but less than 84.00%
11	3.68%	84.00% but less than 88.00%
12	3.78%	88.00% but less than 92.00%
13	3.88%	92.00% but less than 95.00%
14	4.08%	95.00% but less than 97.00%
15	4.28%	97.00% but less than 98.20%
16	4.48%	98.20% but less than 99.00%
17	4.68%	99.00% but less than 99.50%
18	4.88%	99.50% but less than 99.80%
19	5.08%	99.80% but less than 99.92%
20	5.40%	99.92% to 100.00%

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(2) Notwithstanding the tax rate imposed by ORS 657.462, each employer subject to this chapter, other than employers whose assigned tax rate is 5.4 percent, shall pay to the Employment Department, for the first calendar quarter of each odd-numbered year, an amount equal to:

(a) Three one-hundredths of a percent of wages subject to tax under this chapter for that calendar quarter. All such moneys shall be paid and collected in the same manner and at the same time as unemployment compensation taxes under this chapter, unless the Director of the Employment Department prescribes otherwise. After deduction of the actual shared costs of the department in collecting the amounts under this paragraph, all such moneys shall be paid into the Wage Security Fund. Except as provided in [paragraph (b)] **paragraphs (b) and (c)** of this subsection, moneys due pursuant to this section but not received by the department for payment to the Wage Security Fund by June 30 of each odd-numbered year shall be paid into the Unemployment Compensation Trust Fund; [and]

(b) Nine one-hundredths of a percent of wages subject to tax under this chapter for that calendar quarter. All such moneys shall be paid and collected in the same manner and at the same time as unemployment compensation taxes under this chapter, unless the director prescribes otherwise. After deduction of the actual shared costs of the department in collecting the amounts under this paragraph, all such moneys shall be paid into the Supplemental Employment Department Administration Fund[.]; **and**

(c) **Six one-hundredths of a percent of wages subject to tax under this chapter for that calendar quarter. All such moneys shall be paid and collected in the same manner and at the same time as unemployment compensation taxes under this chapter, unless the director prescribes otherwise. After deduction of the actual shared costs of the department in collecting the amounts under this paragraph, all such moneys shall be paid into the Wage Op-**

tion Unemployment Wage Fund.

SECTION 3. ORS 657.463 is amended to read:

657.463. (1) Notwithstanding the tax rate imposed by ORS 657.462 and subject to the tax rate imposed by ORS 657.439, for wages paid during a calendar quarter, the tax rate paid by each employer subject to ORS 657.435 and 657.462 shall be determined in accordance with schedule I B, II B, III B, IV B, V B, VI B, VII B or VIII B, whichever schedule is determined pursuant to ORS 657.459 and 657.462 to be in effect for the year. The schedules are adopted as follows:

Fund Adequacy Percentage Ratio I B
200% and Over

Tax Rate	Cumulative Taxable Payroll Limits (Percentage of Total Taxable Payroll)
0.41%	0.00% but less than 10.00%
0.51%	10.00% but less than 15.00%
0.61%	15.00% but less than 20.00%
0.71%	20.00% but less than 25.00%
0.81%	25.00% but less than 30.00%
0.91%	30.00% but less than 35.00%
1.01%	35.00% but less than 40.00%
1.11%	40.00% but less than 45.00%
1.21%	45.00% but less than 50.00%
1.31%	50.00% but less than 55.00%
1.41%	55.00% but less than 60.00%
1.51%	60.00% but less than 65.00%
1.61%	65.00% but less than 69.00%
1.71%	69.00% but less than 73.00%
1.81%	73.00% but less than 77.00%
1.91%	77.00% but less than 80.00%
2.01%	80.00% but less than 83.00%
2.11%	83.00% but less than 86.00%
2.21%	86.00% but less than 89.00%
2.31%	89.00% but less than 91.00%
2.41%	91.00% but less than 93.00%
2.51%	93.00% but less than 95.00%
2.61%	95.00% but less than 96.00%
2.71%	96.00% but less than 96.90%
2.81%	96.90% but less than 97.70%
2.91%	97.70% but less than 98.40%
3.01%	98.40% but less than 98.90%
3.11%	98.90% but less than 99.30%
3.31%	99.30% but less than 99.54%
3.51%	99.54% but less than 99.63%
3.71%	99.63% but less than 99.71%

1	3.91%	99.71% but less than 99.78%
2	4.11%	99.78% but less than 99.84%
3	4.31%	99.84% but less than 99.89%
4	4.51%	99.89% but less than 99.93%
5	4.71%	99.93% but less than 99.96%
6	4.91%	99.96% but less than 99.98%
7	5.11%	99.98% but less than 99.99%
8	5.40%	99.99% to 100%

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Fund Adequacy Percentage Ratio II B

190.00% but less than 200%

16	Tax Rate	Cumulative Taxable Payroll Limits (Percentage of Total Taxable Payroll)
18	0.61%	0.00% but less than 10.00%
19	0.71%	10.00% but less than 15.00%
20	0.81%	15.00% but less than 20.00%
21	0.91%	20.00% but less than 25.00%
22	1.01%	25.00% but less than 30.00%
23	1.11%	30.00% but less than 35.00%
24	1.21%	35.00% but less than 40.00%
25	1.31%	40.00% but less than 44.00%
26	1.41%	44.00% but less than 48.00%
27	1.51%	48.00% but less than 52.00%
28	1.61%	52.00% but less than 56.00%
29	1.71%	56.00% but less than 60.00%
30	1.81%	60.00% but less than 64.00%
31	1.91%	64.00% but less than 68.00%
32	2.01%	68.00% but less than 72.00%
33	2.11%	72.00% but less than 76.00%
34	2.21%	76.00% but less than 79.00%
35	2.31%	79.00% but less than 82.00%
36	2.41%	82.00% but less than 85.00%
37	2.51%	85.00% but less than 88.00%
38	2.61%	88.00% but less than 90.00%
39	2.71%	90.00% but less than 92.00%
40	2.81%	92.00% but less than 93.50%
41	2.91%	93.50% but less than 94.90%
42	3.01%	94.90% but less than 96.20%
43	3.11%	96.20% but less than 97.40%
44	3.31%	97.40% but less than 98.54%
45	3.51%	98.54% but less than 99.54%

1	3.71%	99.54% but less than 99.63%
2	3.91%	99.63% but less than 99.71%
3	4.11%	99.71% but less than 99.78%
4	4.31%	99.78% but less than 99.84%
5	4.51%	99.84% but less than 99.89%
6	4.71%	99.89% but less than 99.93%
7	4.91%	99.93% but less than 99.96%
8	5.11%	99.96% but less than 99.98%
9	5.40%	99.98% to 100%

10

11

12

13

Fund Adequacy Percentage Ratio III B

170.00% but less than 190%

16

17 Tax Rate

Cumulative Taxable Payroll Limits
(Percentage of Total Taxable Payroll)

19	0.81%	0.00% but less than 10.00%
20	0.91%	10.00% but less than 15.00%
21	1.01%	15.00% but less than 20.00%
22	1.11%	20.00% but less than 24.00%
23	1.21%	24.00% but less than 28.00%
24	1.31%	28.00% but less than 32.00%
25	1.41%	32.00% but less than 36.00%
26	1.51%	36.00% but less than 40.00%
27	1.61%	40.00% but less than 44.00%
28	1.71%	44.00% but less than 48.00%
29	1.81%	48.00% but less than 52.00%
30	1.91%	52.00% but less than 56.00%
31	2.01%	56.00% but less than 60.00%
32	2.11%	60.00% but less than 64.00%
33	2.21%	64.00% but less than 68.00%
34	2.31%	68.00% but less than 72.00%
35	2.41%	72.00% but less than 76.00%
36	2.51%	76.00% but less than 80.00%
37	2.61%	80.00% but less than 84.00%
38	2.71%	84.00% but less than 87.00%
39	2.81%	87.00% but less than 90.00%
40	2.91%	90.00% but less than 93.00%
41	3.01%	93.00% but less than 95.00%
42	3.11%	95.00% but less than 97.00%
43	3.31%	97.00% but less than 98.20%
44	3.51%	98.20% but less than 99.00%
45	3.71%	99.00% but less than 99.43%

1	3.91%	99.43% but less than 99.63%
2	4.11%	99.63% but less than 99.72%
3	4.31%	99.72% but less than 99.79%
4	4.51%	99.79% but less than 99.85%
5	4.71%	99.85% but less than 99.90%
6	4.91%	99.90% but less than 99.94%
7	5.11%	99.94% but less than 99.97%
8	5.40%	99.97% to 100%

9

10

11

Fund Adequacy Percentage Ratio IV B

145.00% but less than 170%

16	Tax Rate	Cumulative Taxable Payroll Limits (Percentage of Total Taxable Payroll)
18	1.11%	0.00% but less than 10.00%
19	1.21%	10.00% but less than 15.00%
20	1.31%	15.00% but less than 20.00%
21	1.41%	20.00% but less than 24.00%
22	1.51%	24.00% but less than 28.00%
23	1.61%	28.00% but less than 32.00%
24	1.71%	32.00% but less than 36.00%
25	1.81%	36.00% but less than 40.00%
26	1.91%	40.00% but less than 44.00%
27	2.01%	44.00% but less than 48.00%
28	2.11%	48.00% but less than 52.00%
29	2.21%	52.00% but less than 56.00%
30	2.31%	56.00% but less than 60.00%
31	2.41%	60.00% but less than 64.00%
32	2.51%	64.00% but less than 68.00%
33	2.61%	68.00% but less than 72.00%
34	2.71%	72.00% but less than 76.00%
35	2.81%	76.00% but less than 80.00%
36	2.91%	80.00% but less than 84.00%
37	3.01%	84.00% but less than 88.00%
38	3.11%	88.00% but less than 92.00%
39	3.21%	92.00% but less than 95.00%
40	3.31%	95.00% but less than 97.00%
41	3.51%	97.00% but less than 98.20%
42	3.71%	98.20% but less than 99.00%
43	3.91%	99.00% but less than 99.40%
44	4.11%	99.40% but less than 99.60%
45	4.31%	99.60% but less than 99.70%

1	4.51%	99.70% but less than 99.78%
2	4.71%	99.78% but less than 99.85%
3	4.91%	99.85% but less than 99.91%
4	5.11%	99.91% but less than 99.96%
5	5.40%	99.96% to 100.00%

6

7
8

9		
10		Fund Adequacy Percentage Ratio V B
11		125.00% but less than 145%

12		
13	Tax Rate	Cumulative Taxable Payroll Limits
14		(Percentage of Total Taxable Payroll)
15	1.41%	0.00% but less than 10.00%
16	1.51%	10.00% but less than 15.00%
17	1.61%	15.00% but less than 20.00%
18	1.71%	20.00% but less than 24.00%
19	1.81%	24.00% but less than 28.00%
20	1.91%	28.00% but less than 32.00%
21	2.01%	32.00% but less than 36.00%
22	2.11%	36.00% but less than 40.00%
23	2.21%	40.00% but less than 44.00%
24	2.31%	44.00% but less than 48.00%
25	2.41%	48.00% but less than 52.00%
26	2.51%	52.00% but less than 56.00%
27	2.61%	56.00% but less than 60.00%
28	2.71%	60.00% but less than 64.00%
29	2.81%	64.00% but less than 68.00%
30	2.91%	68.00% but less than 72.00%
31	3.01%	72.00% but less than 76.00%
32	3.11%	76.00% but less than 80.00%
33	3.21%	80.00% but less than 84.00%
34	3.31%	84.00% but less than 88.00%
35	3.41%	88.00% but less than 92.00%
36	3.51%	92.00% but less than 95.00%
37	3.61%	95.00% but less than 97.00%
38	3.71%	97.00% but less than 98.20%
39	3.81%	98.20% but less than 99.00%
40	3.91%	99.00% but less than 99.40%
41	4.11%	99.40% but less than 99.60%
42	4.31%	99.60% but less than 99.70%
43	4.51%	99.70% but less than 99.78%
44	4.71%	99.78% but less than 99.85%
45	4.91%	99.85% but less than 99.91%

1 5.11% 99.91% but less than 99.96%
 2 5.40% 99.96% to 100.00%

3

 4

 5

6
 7 Fund Adequacy Percentage Ratio VI B
 8 110.00% but less than 125%

9
 10 Tax Rate Cumulative Taxable Payroll Limits
 11 (Percentage of Total Taxable Payroll)

12 1.71% 0.00% but less than 10.00%
 13 1.81% 10.00% but less than 15.00%
 14 1.91% 15.00% but less than 20.00%
 15 2.01% 20.00% but less than 25.00%
 16 2.11% 25.00% but less than 30.00%
 17 2.21% 30.00% but less than 35.00%
 18 2.31% 35.00% but less than 40.00%
 19 2.41% 40.00% but less than 44.00%
 20 2.51% 44.00% but less than 48.00%
 21 2.61% 48.00% but less than 52.00%
 22 2.71% 52.00% but less than 56.00%
 23 2.81% 56.00% but less than 60.00%
 24 2.91% 60.00% but less than 64.00%
 25 3.01% 64.00% but less than 68.00%
 26 3.11% 68.00% but less than 72.00%
 27 3.21% 72.00% but less than 76.00%
 28 3.31% 76.00% but less than 80.00%
 29 3.41% 80.00% but less than 84.00%
 30 3.51% 84.00% but less than 88.00%
 31 3.61% 88.00% but less than 92.00%
 32 3.71% 92.00% but less than 95.00%
 33 3.81% 95.00% but less than 97.00%
 34 3.91% 97.00% but less than 98.20%
 35 4.11% 98.20% but less than 99.00%
 36 4.31% 99.00% but less than 99.50%
 37 4.51% 99.50% but less than 99.70%
 38 4.71% 99.70% but less than 99.79%
 39 4.91% 99.79% but less than 99.87%
 40 5.11% 99.87% but less than 99.94%
 41 5.40% 99.94% to 100.00%

42

 43

 44

45

1		Fund Adequacy Percentage Ratio VII B
2		100.00% but less than 110%
3		
4	Tax Rate	Cumulative Taxable Payroll Limits
5		(Percentage of Total Taxable Payroll)
6	1.91%	0.00% but less than 10.00%
7	2.01%	10.00% but less than 15.00%
8	2.11%	15.00% but less than 20.00%
9	2.21%	20.00% but less than 25.00%
10	2.31%	25.00% but less than 30.00%
11	2.41%	30.00% but less than 35.00%
12	2.51%	35.00% but less than 40.00%
13	2.61%	40.00% but less than 45.00%
14	2.71%	45.00% but less than 50.00%
15	2.81%	50.00% but less than 55.00%
16	2.91%	55.00% but less than 60.00%
17	3.01%	60.00% but less than 64.00%
18	3.11%	64.00% but less than 68.00%
19	3.21%	68.00% but less than 72.00%
20	3.31%	72.00% but less than 76.00%
21	3.41%	76.00% but less than 80.00%
22	3.51%	80.00% but less than 84.00%
23	3.61%	84.00% but less than 88.00%
24	3.71%	88.00% but less than 92.00%
25	3.81%	92.00% but less than 95.00%
26	3.91%	95.00% but less than 97.00%
27	4.11%	97.00% but less than 98.20%
28	4.31%	98.20% but less than 99.00%
29	4.51%	99.00% but less than 99.50%
30	4.71%	99.50% but less than 99.70%
31	4.91%	99.70% but less than 99.84%
32	5.11%	99.84% but less than 99.93%
33	5.40%	99.93% to 100.00%

34

35

36

37		
38		Fund Adequacy Percentage Ratio VIII B
39		Under 100%
40		
41	Tax Rate	Cumulative Taxable Payroll Limits
42		(Percentage of Total Taxable Payroll)
43	2.11%	0.00% but less than 10.00%
44	2.21%	10.00% but less than 15.00%
45	2.31%	15.00% but less than 20.00%

1	2.41%	20.00% but less than 25.00%
2	2.51%	25.00% but less than 30.00%
3	2.61%	30.00% but less than 35.00%
4	2.71%	35.00% but less than 40.00%
5	2.81%	40.00% but less than 45.00%
6	2.91%	45.00% but less than 50.00%
7	3.01%	50.00% but less than 55.00%
8	3.11%	55.00% but less than 60.00%
9	3.21%	60.00% but less than 65.00%
10	3.31%	65.00% but less than 70.00%
11	3.41%	70.00% but less than 75.00%
12	3.51%	75.00% but less than 80.00%
13	3.61%	80.00% but less than 84.00%
14	3.71%	84.00% but less than 88.00%
15	3.81%	88.00% but less than 92.00%
16	3.91%	92.00% but less than 95.00%
17	4.11%	95.00% but less than 97.00%
18	4.31%	97.00% but less than 98.20%
19	4.51%	98.20% but less than 99.00%
20	4.71%	99.00% but less than 99.50%
21	4.91%	99.50% but less than 99.80%
22	5.11%	99.80% but less than 99.92%
23	5.40%	99.92% to 100.00%

24
25

26 (2) Notwithstanding the tax rate imposed by ORS 657.462, each employer subject to this chapter,
 27 other than employers whose assigned tax rate is 5.4 percent, shall pay to the Employment Depart-
 28 ment for each calendar quarter an amount equal to nine one-hundredths of a percent of wages sub-
 29 ject to tax under this chapter for that calendar quarter. All such moneys shall be paid and collected
 30 in the same manner and at the same time as unemployment compensation taxes under this chapter,
 31 unless the Director of the Employment Department prescribes otherwise. After deduction of the ac-
 32 tual shared costs of the Employment Department in collecting the amounts under this subsection,
 33 all such moneys shall be paid into the Supplemental Employment Department Administration Fund.

34 (3) **Notwithstanding the tax rate imposed by ORS 657.462, each employer subject to this**
 35 **chapter, other than employers whose assigned tax rate is 5.4 percent, shall pay to the de-**
 36 **partment for each calendar quarter an amount equal to six one-hundredths of a percent of**
 37 **wages subject to tax under this chapter for that calendar quarter. All such moneys shall be**
 38 **paid and collected in the same manner and at the same time as unemployment compensation**
 39 **taxes under this chapter, unless the director prescribes otherwise. After deduction of the**
 40 **actual shared costs of the department in collecting the amounts under this subsection, all**
 41 **such moneys shall be paid into the Wage Option Unemployment Wage Fund.**

42 **SECTION 4.** ORS 657.925 is amended to read:

43 657.925. (1) There is established in the State Treasury, separate and distinct from the General
 44 Fund, the [*Oregon JOBS Plus*] **Wage Option** Unemployment Wage Fund. The [*Oregon JOBS Plus*]
 45 **Wage Option** Unemployment Wage Fund shall consist of moneys collected or received by the Em-

1 ployment Department [pursuant to subsections (3) and (4) of this section] **under ORS 411.894 (4),**
 2 **657.439 (2)(c) and 657.463 (3).**

3 (2) All income earned on moneys in the [*Oregon JOBS Plus*] **Wage Option** Unemployment Wage
 4 Fund invested by the State Treasurer shall accrue to the fund. Any balance in the fund shall not
 5 lapse at any time. All moneys in the fund are appropriated continuously to the Employment De-
 6 partment for the payment of wages and wage-related and administrative expenses of participants in
 7 the [*JOBS Plus*] **Wage Option** Program who are otherwise eligible to receive unemployment insur-
 8 ance benefits. Such payments shall be made in accordance with ORS 411.892 (12).

9 (3)(a) **By May 31 of each year, the Director of the Employment Department shall deter-**
 10 **mine, for the previous calendar year, the number of claimants who exhausted their regular**
 11 **unemployment insurance benefits, who were not attached to an employer or a union and who**
 12 **had an average hourly wage of \$12 or less.**

13 (b) **Based on the number of claimants determined under paragraph (a) of this subsection,**
 14 **the director shall determine the amount of moneys necessary to allow 20 percent of that**
 15 **number of claimants to participate in the Wage Option Program.**

16 (c) **By June 30 of each year, the director shall transfer to the Unemployment Compens-**
 17 **ation Trust Fund any moneys in the Wage Option Unemployment Wage Fund that are in**
 18 **excess of the amount of moneys determined under paragraph (b) of this subsection.**

19 [(3)(a) *Notwithstanding the tax schedules in Table A of ORS 657.462, for wages paid during the*
 20 *first and second calendar quarters of 2002 and the second calendar quarter of 2003, the tax rate as-*
 21 *signed each employer subject to ORS 657.459 and 657.462 shall be determined in accordance with*
 22 *schedule I-I, II-I, III-I, IV-I, V-I, VI-I, VII-I or VIII-I, whichever schedule is applicable pursuant to*
 23 *provisions of law in effect for calendar years 2002 and 2003, respectively. The schedules are adopted*
 24 *as follows:]*

25 [_____]

26
 27 *Fund Adequacy Percentage Ratio I-I*
 28 *200% and Over*

29

<i>Tax Rate</i>	<i>Cumulative Taxable Payroll Limits</i>
	<i>(Percentage of Total Taxable Payroll)</i>
32 0.43%	0.00% but less than 10.00%
33 0.53%	10.00% but less than 15.00%
34 0.63%	15.00% but less than 20.00%
35 0.73%	20.00% but less than 25.00%
36 0.83%	25.00% but less than 30.00%
37 0.93%	30.00% but less than 35.00%
38 1.03%	35.00% but less than 40.00%
39 1.13%	40.00% but less than 45.00%
40 1.23%	45.00% but less than 50.00%
41 1.33%	50.00% but less than 55.00%
42 1.43%	55.00% but less than 60.00%
43 1.53%	60.00% but less than 65.00%
44 1.63%	65.00% but less than 69.00%
45 1.73%	69.00% but less than 73.00%

1	1.83%	73.00% but less than 77.00%
2	1.93%	77.00% but less than 80.00%
3	2.03%	80.00% but less than 83.00%
4	2.13%	83.00% but less than 86.00%
5	2.23%	86.00% but less than 89.00%
6	2.33%	89.00% but less than 91.00%
7	2.43%	91.00% but less than 93.00%
8	2.53%	93.00% but less than 95.00%
9	2.63%	95.00% but less than 96.00%
10	2.73%	96.00% but less than 96.90%
11	2.83%	96.90% but less than 97.70%
12	2.93%	97.70% but less than 98.40%
13	3.03%	98.40% but less than 98.90%
14	3.13%	98.90% but less than 99.30%
15	3.33%	99.30% but less than 99.54%
16	3.53%	99.54% but less than 99.63%
17	3.73%	99.63% but less than 99.71%
18	3.93%	99.71% but less than 99.78%
19	4.13%	99.78% but less than 99.84%
20	4.33%	99.84% but less than 99.89%
21	4.53%	99.89% but less than 99.93%
22	4.73%	99.93% but less than 99.96%
23	4.93%	99.96% but less than 99.98%
24	5.13%	99.98% but less than 99.99%
25	5.40%	99.99% to 100.00%

26 [_____]
 27
 28 [_____]

Fund Adequacy Percentage Ratio II-I

190.00% but less than 200%

33	<i>Tax Rate</i>	<i>Cumulative Taxable Payroll Limits</i>
34	<i>(Percentage of Total Taxable Payroll)</i>	
35	0.63%	0.00% but less than 10.00%
36	0.73%	10.00% but less than 15.00%
37	0.83%	15.00% but less than 20.00%
38	0.93%	20.00% but less than 25.00%
39	1.03%	25.00% but less than 30.00%
40	1.13%	30.00% but less than 35.00%
41	1.23%	35.00% but less than 40.00%
42	1.33%	40.00% but less than 44.00%
43	1.43%	44.00% but less than 48.00%
44	1.53%	48.00% but less than 52.00%
45	1.63%	52.00% but less than 56.00%

1	1.73%	56.00% but less than 60.00%
2	1.83%	60.00% but less than 64.00%
3	1.93%	64.00% but less than 68.00%
4	2.03%	68.00% but less than 72.00%
5	2.13%	72.00% but less than 76.00%
6	2.23%	76.00% but less than 79.00%
7	2.33%	79.00% but less than 82.00%
8	2.43%	82.00% but less than 85.00%
9	2.53%	85.00% but less than 88.00%
10	2.63%	88.00% but less than 90.00%
11	2.73%	90.00% but less than 92.00%
12	2.83%	92.00% but less than 93.50%
13	2.93%	93.50% but less than 94.90%
14	3.03%	94.90% but less than 96.20%
15	3.13%	96.20% but less than 97.40%
16	3.33%	97.40% but less than 98.54%
17	3.53%	98.54% but less than 99.54%
18	3.73%	99.54% but less than 99.63%
19	3.93%	99.63% but less than 99.71%
20	4.13%	99.71% but less than 99.78%
21	4.33%	99.78% but less than 99.84%
22	4.53%	99.84% but less than 99.89%
23	4.73%	99.89% but less than 99.93%
24	4.93%	99.93% but less than 99.96%
25	5.13%	99.96% but less than 99.98%
26	5.40%	99.98% to 100.00%

27 [_____]

28
29 [_____]

30

Fund Adequacy Percentage Ratio III-I

170.00% but less than 190%

33

Tax Rate Cumulative Taxable Payroll Limits

(Percentage of Total Taxable Payroll)

36	0.83%	0.00% but less than 10.00%
37	0.93%	10.00% but less than 15.00%
38	1.03%	15.00% but less than 20.00%
39	1.13%	20.00% but less than 24.00%
40	1.23%	24.00% but less than 28.00%
41	1.33%	28.00% but less than 32.00%
42	1.43%	32.00% but less than 36.00%
43	1.53%	36.00% but less than 40.00%
44	1.63%	40.00% but less than 44.00%
45	1.73%	44.00% but less than 48.00%

1	1.83%	48.00% but less than 52.00%
2	1.93%	52.00% but less than 56.00%
3	2.03%	56.00% but less than 60.00%
4	2.13%	60.00% but less than 64.00%
5	2.23%	64.00% but less than 68.00%
6	2.33%	68.00% but less than 72.00%
7	2.43%	72.00% but less than 76.00%
8	2.53%	76.00% but less than 80.00%
9	2.63%	80.00% but less than 84.00%
10	2.73%	84.00% but less than 87.00%
11	2.83%	87.00% but less than 90.00%
12	2.93%	90.00% but less than 93.00%
13	3.03%	93.00% but less than 95.00%
14	3.13%	95.00% but less than 97.00%
15	3.33%	97.00% but less than 98.20%
16	3.53%	98.20% but less than 99.00%
17	3.73%	99.00% but less than 99.43%
18	3.93%	99.43% but less than 99.63%
19	4.13%	99.63% but less than 99.72%
20	4.33%	99.72% but less than 99.79%
21	4.53%	99.79% but less than 99.85%
22	4.73%	99.85% but less than 99.90%
23	4.93%	99.90% but less than 99.94%
24	5.13%	99.94% but less than 99.97%
25	5.40%	99.97% to 100.00%

26 [_____]
 27
 28 [_____]

Fund Adequacy Percentage Ratio IV-I

145.00% but less than 170%

33	<i>Tax Rate</i>	<i>Cumulative Taxable Payroll Limits</i>
34		<i>(Percentage of Total Taxable Payroll)</i>
35	1.13%	0.00% but less than 10.00%
36	1.23%	10.00% but less than 15.00%
37	1.33%	15.00% but less than 20.00%
38	1.43%	20.00% but less than 24.00%
39	1.53%	24.00% but less than 28.00%
40	1.63%	28.00% but less than 32.00%
41	1.73%	32.00% but less than 36.00%
42	1.83%	36.00% but less than 40.00%
43	1.93%	40.00% but less than 44.00%
44	2.03%	44.00% but less than 48.00%
45	2.13%	48.00% but less than 52.00%

1	2.23%	52.00% but less than 56.00%
2	2.33%	56.00% but less than 60.00%
3	2.43%	60.00% but less than 64.00%
4	2.53%	64.00% but less than 68.00%
5	2.63%	68.00% but less than 72.00%
6	2.73%	72.00% but less than 76.00%
7	2.83%	76.00% but less than 80.00%
8	2.93%	80.00% but less than 84.00%
9	3.03%	84.00% but less than 88.00%
10	3.13%	88.00% but less than 92.00%
11	3.23%	92.00% but less than 95.00%
12	3.33%	95.00% but less than 97.00%
13	3.53%	97.00% but less than 98.20%
14	3.73%	98.20% but less than 99.00%
15	3.93%	99.00% but less than 99.40%
16	4.13%	99.40% but less than 99.60%
17	4.33%	99.60% but less than 99.70%
18	4.53%	99.70% but less than 99.78%
19	4.73%	99.78% but less than 99.85%
20	4.93%	99.85% but less than 99.91%
21	5.13%	99.91% but less than 99.96%
22	5.40%	99.96% to 100.00%

23 [_____]

24

25 [_____]

26

27

Fund Adequacy Percentage Ratio V-I

28

125.00% but less than 145%

29

Tax Rate Cumulative Taxable Payroll Limits

(Percentage of Total Taxable Payroll)

32	1.43%	0.00% but less than 10.00%
33	1.53%	10.00% but less than 15.00%
34	1.63%	15.00% but less than 20.00%
35	1.73%	20.00% but less than 25.00%
36	1.83%	25.00% but less than 29.00%
37	1.93%	29.00% but less than 33.00%
38	2.03%	33.00% but less than 37.00%
39	2.13%	37.00% but less than 41.00%
40	2.23%	41.00% but less than 45.00%
41	2.33%	45.00% but less than 49.00%
42	2.43%	49.00% but less than 53.00%
43	2.53%	53.00% but less than 57.00%
44	2.63%	57.00% but less than 61.00%
45	2.73%	61.00% but less than 65.00%

1	2.83%	65.00% but less than 69.00%
2	2.93%	69.00% but less than 73.00%
3	3.03%	73.00% but less than 77.00%
4	3.13%	77.00% but less than 81.00%
5	3.23%	81.00% but less than 85.00%
6	3.33%	85.00% but less than 89.00%
7	3.43%	89.00% but less than 92.00%
8	3.53%	92.00% but less than 95.00%
9	3.63%	95.00% but less than 97.00%
10	3.73%	97.00% but less than 98.20%
11	3.83%	98.20% but less than 99.00%
12	3.93%	99.00% but less than 99.50%
13	4.13%	99.50% but less than 99.65%
14	4.33%	99.65% but less than 99.74%
15	4.53%	99.74% but less than 99.82%
16	4.73%	99.82% but less than 99.89%
17	4.93%	99.89% but less than 99.95%
18	5.40%	99.95% to 100.00%

19 [_____]

21 [_____]

22
 23 *Fund Adequacy Percentage Ratio VI-I*
 24 *110.00% but less than 125%*

25
 26 *Tax Rate Cumulative Taxable Payroll Limits*
 27 *(Percentage of Total Taxable Payroll)*

28	1.73%	0.00% but less than 10.00%
29	1.83%	10.00% but less than 15.00%
30	1.93%	15.00% but less than 20.00%
31	2.03%	20.00% but less than 25.00%
32	2.13%	25.00% but less than 30.00%
33	2.23%	30.00% but less than 35.00%
34	2.33%	35.00% but less than 40.00%
35	2.43%	40.00% but less than 44.00%
36	2.53%	44.00% but less than 48.00%
37	2.63%	48.00% but less than 52.00%
38	2.73%	52.00% but less than 56.00%
39	2.83%	56.00% but less than 60.00%
40	2.93%	60.00% but less than 64.00%
41	3.03%	64.00% but less than 68.00%
42	3.13%	68.00% but less than 72.00%
43	3.23%	72.00% but less than 76.00%
44	3.33%	76.00% but less than 80.00%
45	3.43%	80.00% but less than 84.00%

1	3.53%	84.00% but less than 88.00%
2	3.63%	88.00% but less than 92.00%
3	3.73%	92.00% but less than 95.00%
4	3.83%	95.00% but less than 97.00%
5	3.93%	97.00% but less than 98.20%
6	4.13%	98.20% but less than 99.00%
7	4.33%	99.00% but less than 99.50%
8	4.53%	99.50% but less than 99.70%
9	4.73%	99.70% but less than 99.79%
10	4.93%	99.79% but less than 99.87%
11	5.13%	99.87% but less than 99.94%
12	5.40%	99.94% to 100.00%

13 [_____]

14

15 [_____]

16

Fund Adequacy Percentage Ratio VII-I

100.00% but less than 110%

19

20 *Tax Rate Cumulative Taxable Payroll Limits*

21 *(Percentage of Total Taxable Payroll)*

22	1.93%	0.00% but less than 10.00%
23	2.03%	10.00% but less than 15.00%
24	2.13%	15.00% but less than 20.00%
25	2.23%	20.00% but less than 25.00%
26	2.33%	25.00% but less than 30.00%
27	2.43%	30.00% but less than 35.00%
28	2.53%	35.00% but less than 40.00%
29	2.63%	40.00% but less than 45.00%
30	2.73%	45.00% but less than 50.00%
31	2.83%	50.00% but less than 55.00%
32	2.93%	55.00% but less than 60.00%
33	3.03%	60.00% but less than 64.00%
34	3.13%	64.00% but less than 68.00%
35	3.23%	68.00% but less than 72.00%
36	3.33%	72.00% but less than 76.00%
37	3.43%	76.00% but less than 80.00%
38	3.53%	80.00% but less than 84.00%
39	3.63%	84.00% but less than 88.00%
40	3.73%	88.00% but less than 92.00%
41	3.83%	92.00% but less than 95.00%
42	3.93%	95.00% but less than 97.00%
43	4.13%	97.00% but less than 98.20%
44	4.33%	98.20% but less than 99.00%
45	4.53%	99.00% but less than 99.50%

1	4.73%	99.50% but less than 99.70%	
2	4.93%	99.70% but less than 99.84%	
3	5.13%	99.84% but less than 99.93%	
4	5.40%	99.93% to 100.00%	
5	[_____]		
6			
7	[_____]		

Fund Adequacy Percentage Ratio VIII-I

Under 100%

12	<i>Tax Rate</i>	<i>Cumulative Taxable Payroll Limits</i>	
13		<i>(Percentage of Total Taxable Payroll)</i>	
14	2.13%	0.00% but less than 10.00%	
15	2.23%	10.00% but less than 15.00%	
16	2.33%	15.00% but less than 20.00%	
17	2.43%	20.00% but less than 25.00%	
18	2.53%	25.00% but less than 30.00%	
19	2.63%	30.00% but less than 35.00%	
20	2.73%	35.00% but less than 40.00%	
21	2.83%	40.00% but less than 45.00%	
22	2.93%	45.00% but less than 50.00%	
23	3.03%	50.00% but less than 55.00%	
24	3.13%	55.00% but less than 60.00%	
25	3.23%	60.00% but less than 65.00%	
26	3.33%	65.00% but less than 70.00%	
27	3.43%	70.00% but less than 75.00%	
28	3.53%	75.00% but less than 80.00%	
29	3.63%	80.00% but less than 84.00%	
30	3.73%	84.00% but less than 88.00%	
31	3.83%	88.00% but less than 92.00%	
32	3.93%	92.00% but less than 95.00%	
33	4.13%	95.00% but less than 97.00%	
34	4.33%	97.00% but less than 98.20%	
35	4.53%	98.20% but less than 99.00%	
36	4.73%	99.00% but less than 99.50%	
37	4.93%	99.50% but less than 99.80%	
38	5.13%	99.80% but less than 99.92%	
39	5.40%	99.92% to 100.00%	
40	[_____]		

41

42 *[(b) Notwithstanding any other provision of law except for subsection (4) of this section, each*

43 *taxpaying employer subject to this chapter, other than employers whose assigned tax rate is 5.4 percent,*

44 *shall pay to the Employment Department, for the first and second calendar quarters of 2002 and the*

45 *second calendar quarter of 2003, an amount equal to seven one-hundredths of one percent of wages*

1 subject to taxation under this chapter for that calendar quarter. All such moneys shall be paid and
 2 collected in the same manner and at the same time as unemployment compensation taxes under this
 3 chapter, unless the Director of the Employment Department prescribes otherwise. After deduction of the
 4 actual shared costs of the Employment Department in collecting the amounts under this subsection, all
 5 such moneys shall be paid into the Oregon JOBS Plus Unemployment Wage Fund. Moneys due pur-
 6 suant to this paragraph but not received by the Employment Department for payment to the Oregon
 7 JOBS Plus Unemployment Wage Fund by September 30, 2002, or September 30, 2003, respectively,
 8 shall be paid into the Unemployment Compensation Trust Fund.]

9 [(4)(a) Notwithstanding ORS 657.435, 657.439 and 657.462 and subsection (3) of this section, for
 10 wages paid during the first calendar quarter of 2003, the tax rate paid by each employer subject to
 11 those provisions of law shall be determined in accordance with schedule I-J, II-J, III-J, IV-J, V-J,
 12 VI-J, VII-J or VIII-J, whichever schedule is determined pursuant to ORS 657.459 and 657.462 to be
 13 in effect for calendar year 2003. The schedules are adopted as follows:]

14 [_____]

15
 16 *Fund Adequacy Percentage Ratio I-J*
 17 *200% and Over*

18

19 Tax Rate	Cumulative Taxable Payroll Limits
20 (Percentage of Total Taxable Payroll)	
21 0.40%	0.00% but less than 10.00%
22 0.50%	10.00% but less than 15.00%
23 0.60%	15.00% but less than 20.00%
24 0.70%	20.00% but less than 25.00%
25 0.80%	25.00% but less than 30.00%
26 0.90%	30.00% but less than 35.00%
27 1.00%	35.00% but less than 40.00%
28 1.10%	40.00% but less than 45.00%
29 1.20%	45.00% but less than 50.00%
30 1.30%	50.00% but less than 55.00%
31 1.40%	55.00% but less than 60.00%
32 1.50%	60.00% but less than 65.00%
33 1.60%	65.00% but less than 69.00%
34 1.70%	69.00% but less than 73.00%
35 1.80%	73.00% but less than 77.00%
36 1.90%	77.00% but less than 80.00%
37 2.00%	80.00% but less than 83.00%
38 2.10%	83.00% but less than 86.00%
39 2.20%	86.00% but less than 89.00%
40 2.30%	89.00% but less than 91.00%
41 2.40%	91.00% but less than 93.00%
42 2.50%	93.00% but less than 95.00%
43 2.60%	95.00% but less than 96.00%
44 2.70%	96.00% but less than 96.90%
45 2.80%	96.90% but less than 97.70%

1	2.90%	97.70% but less than 98.40%
2	3.00%	98.40% but less than 98.90%
3	3.10%	98.90% but less than 99.30%
4	3.30%	99.30% but less than 99.54%
5	3.50%	99.54% but less than 99.63%
6	3.70%	99.63% but less than 99.71%
7	3.90%	99.71% but less than 99.78%
8	4.10%	99.78% but less than 99.84%
9	4.30%	99.84% but less than 99.89%
10	4.50%	99.89% but less than 99.93%
11	4.70%	99.93% but less than 99.96%
12	4.90%	99.96% but less than 99.98%
13	5.10%	99.98% but less than 99.99%
14	5.40%	99.99% to 100.00%

15 [_____]
 16
 17 [_____]

18
 19 *Fund Adequacy Percentage Ratio II-J*
 20 *190.00% but less than 200%*

21		
22	<i>Tax Rate</i>	<i>Cumulative Taxable Payroll Limits</i>
23		<i>(Percentage of Total Taxable Payroll)</i>
24	0.60%	0.00% but less than 10.00%
25	0.70%	10.00% but less than 15.00%
26	0.80%	15.00% but less than 20.00%
27	0.90%	20.00% but less than 25.00%
28	1.00%	25.00% but less than 30.00%
29	1.10%	30.00% but less than 35.00%
30	1.20%	35.00% but less than 40.00%
31	1.30%	40.00% but less than 44.00%
32	1.40%	44.00% but less than 48.00%
33	1.50%	48.00% but less than 52.00%
34	1.60%	52.00% but less than 56.00%
35	1.70%	56.00% but less than 60.00%
36	1.80%	60.00% but less than 64.00%
37	1.90%	64.00% but less than 68.00%
38	2.00%	68.00% but less than 72.00%
39	2.10%	72.00% but less than 76.00%
40	2.20%	76.00% but less than 79.00%
41	2.30%	79.00% but less than 82.00%
42	2.40%	82.00% but less than 85.00%
43	2.50%	85.00% but less than 88.00%
44	2.60%	88.00% but less than 90.00%
45	2.70%	90.00% but less than 92.00%

1	2.80%	92.00% but less than 93.50%
2	2.90%	93.50% but less than 94.90%
3	3.00%	94.90% but less than 96.20%
4	3.10%	96.20% but less than 97.40%
5	3.30%	97.40% but less than 98.54%
6	3.50%	98.54% but less than 99.54%
7	3.70%	99.54% but less than 99.63%
8	3.90%	99.63% but less than 99.71%
9	4.10%	99.71% but less than 99.78%
10	4.30%	99.78% but less than 99.84%
11	4.50%	99.84% but less than 99.89%
12	4.70%	99.89% but less than 99.93%
13	4.90%	99.93% but less than 99.96%
14	5.10%	99.96% but less than 99.98%
15	5.40%	99.98% to 100.00%

16 [_____]

17

18 [_____]

19

Fund Adequacy Percentage Ratio III-J

170.00% but less than 190%

22

23 *Tax Rate Cumulative Taxable Payroll Limits*
 24 *(Percentage of Total Taxable Payroll)*

25	0.80%	0.00% but less than 10.00%
26	0.90%	10.00% but less than 15.00%
27	1.00%	15.00% but less than 20.00%
28	1.10%	20.00% but less than 24.00%
29	1.20%	24.00% but less than 28.00%
30	1.30%	28.00% but less than 32.00%
31	1.40%	32.00% but less than 36.00%
32	1.50%	36.00% but less than 40.00%
33	1.60%	40.00% but less than 44.00%
34	1.70%	44.00% but less than 48.00%
35	1.80%	48.00% but less than 52.00%
36	1.90%	52.00% but less than 56.00%
37	2.00%	56.00% but less than 60.00%
38	2.10%	60.00% but less than 64.00%
39	2.20%	64.00% but less than 68.00%
40	2.30%	68.00% but less than 72.00%
41	2.40%	72.00% but less than 76.00%
42	2.50%	76.00% but less than 80.00%
43	2.60%	80.00% but less than 84.00%
44	2.70%	84.00% but less than 87.00%
45	2.80%	87.00% but less than 90.00%

1	2.90%	90.00% but less than 93.00%
2	3.00%	93.00% but less than 95.00%
3	3.10%	95.00% but less than 97.00%
4	3.30%	97.00% but less than 98.20%
5	3.50%	98.20% but less than 99.00%
6	3.70%	99.00% but less than 99.43%
7	3.90%	99.43% but less than 99.63%
8	4.10%	99.63% but less than 99.72%
9	4.30%	99.72% but less than 99.79%
10	4.50%	99.79% but less than 99.85%
11	4.70%	99.85% but less than 99.90%
12	4.90%	99.90% but less than 99.94%
13	5.10%	99.94% but less than 99.97%
14	5.40%	99.97% to 100.00%

15 [_____]

16

17 [_____]

18

Fund Adequacy Percentage Ratio IV-J

145.00% but less than 170%

21

Tax Rate Cumulative Taxable Payroll Limits

(Percentage of Total Taxable Payroll)

24	1.10%	0.00% but less than 10.00%
25	1.20%	10.00% but less than 15.00%
26	1.30%	15.00% but less than 20.00%
27	1.40%	20.00% but less than 24.00%
28	1.50%	24.00% but less than 28.00%
29	1.60%	28.00% but less than 32.00%
30	1.70%	32.00% but less than 36.00%
31	1.80%	36.00% but less than 40.00%
32	1.90%	40.00% but less than 44.00%
33	2.00%	44.00% but less than 48.00%
34	2.10%	48.00% but less than 52.00%
35	2.20%	52.00% but less than 56.00%
36	2.30%	56.00% but less than 60.00%
37	2.40%	60.00% but less than 64.00%
38	2.50%	64.00% but less than 68.00%
39	2.60%	68.00% but less than 72.00%
40	2.70%	72.00% but less than 76.00%
41	2.80%	76.00% but less than 80.00%
42	2.90%	80.00% but less than 84.00%
43	3.00%	84.00% but less than 88.00%
44	3.10%	88.00% but less than 92.00%
45	3.20%	92.00% but less than 95.00%

1	3.30%	95.00% but less than 97.00%
2	3.50%	97.00% but less than 98.20%
3	3.70%	98.20% but less than 99.00%
4	3.90%	99.00% but less than 99.40%
5	4.10%	99.40% but less than 99.60%
6	4.30%	99.60% but less than 99.70%
7	4.50%	99.70% but less than 99.78%
8	4.70%	99.78% but less than 99.85%
9	4.90%	99.85% but less than 99.91%
10	5.10%	99.91% but less than 99.96%
11	5.40%	99.96% to 100.00%

12 [_____]

13

14 [_____]

15

Fund Adequacy Percentage Ratio V-J

125.00% but less than 145%

18

19 *Tax Rate Cumulative Taxable Payroll Limits*

20 *(Percentage of Total Taxable Payroll)*

21	1.40%	0.00% but less than 10.00%
22	1.50%	10.00% but less than 15.00%
23	1.60%	15.00% but less than 20.00%
24	1.70%	20.00% but less than 25.00%
25	1.80%	25.00% but less than 29.00%
26	1.90%	29.00% but less than 33.00%
27	2.00%	33.00% but less than 37.00%
28	2.10%	37.00% but less than 41.00%
29	2.20%	41.00% but less than 45.00%
30	2.30%	45.00% but less than 49.00%
31	2.40%	49.00% but less than 53.00%
32	2.50%	53.00% but less than 57.00%
33	2.60%	57.00% but less than 61.00%
34	2.70%	61.00% but less than 65.00%
35	2.80%	65.00% but less than 69.00%
36	2.90%	69.00% but less than 73.00%
37	3.00%	73.00% but less than 77.00%
38	3.10%	77.00% but less than 81.00%
39	3.20%	81.00% but less than 85.00%
40	3.30%	85.00% but less than 89.00%
41	3.40%	89.00% but less than 92.00%
42	3.50%	92.00% but less than 95.00%
43	3.60%	95.00% but less than 97.00%
44	3.70%	97.00% but less than 98.20%
45	3.80%	98.20% but less than 99.00%

1	3.90%	99.00% but less than 99.50%
2	4.10%	99.50% but less than 99.65%
3	4.30%	99.65% but less than 99.74%
4	4.50%	99.74% but less than 99.82%
5	4.70%	99.82% but less than 99.89%
6	4.90%	99.89% but less than 99.95%
7	5.40%	99.95% to 100.00%
8	[_____]
9		
10	[_____]

Fund Adequacy Percentage Ratio VI-J

110.00% but less than 125%

15	<i>Tax Rate</i>	<i>Cumulative Taxable Payroll Limits</i>
16	<i>(Percentage of Total Taxable Payroll)</i>	
17	1.70%	0.00% but less than 10.00%
18	1.80%	10.00% but less than 15.00%
19	1.90%	15.00% but less than 20.00%
20	2.00%	20.00% but less than 25.00%
21	2.10%	25.00% but less than 30.00%
22	2.20%	30.00% but less than 35.00%
23	2.30%	35.00% but less than 40.00%
24	2.40%	40.00% but less than 44.00%
25	2.50%	44.00% but less than 48.00%
26	2.60%	48.00% but less than 52.00%
27	2.70%	52.00% but less than 56.00%
28	2.80%	56.00% but less than 60.00%
29	2.90%	60.00% but less than 64.00%
30	3.00%	64.00% but less than 68.00%
31	3.10%	68.00% but less than 72.00%
32	3.20%	72.00% but less than 76.00%
33	3.30%	76.00% but less than 80.00%
34	3.40%	80.00% but less than 84.00%
35	3.50%	84.00% but less than 88.00%
36	3.60%	88.00% but less than 92.00%
37	3.70%	92.00% but less than 95.00%
38	3.80%	95.00% but less than 97.00%
39	3.90%	97.00% but less than 98.20%
40	4.10%	98.20% but less than 99.00%
41	4.30%	99.00% but less than 99.50%
42	4.50%	99.50% but less than 99.70%
43	4.70%	99.70% but less than 99.79%
44	4.90%	99.79% but less than 99.87%
45	5.10%	99.87% but less than 99.94%

1 5.40% 99.94% to 100.00%
 2 [_____]
 3
 4 [_____]

5
 6 *Fund Adequacy Percentage Ratio VII-J*
 7 *100.00% but less than 110%*
 8

9 *Tax Rate Cumulative Taxable Payroll Limits*
 10 *(Percentage of Total Taxable Payroll)*

11	1.90%	0.00% but less than 10.00%
12	2.00%	10.00% but less than 15.00%
13	2.10%	15.00% but less than 20.00%
14	2.20%	20.00% but less than 25.00%
15	2.30%	25.00% but less than 30.00%
16	2.40%	30.00% but less than 35.00%
17	2.50%	35.00% but less than 40.00%
18	2.60%	40.00% but less than 45.00%
19	2.70%	45.00% but less than 50.00%
20	2.80%	50.00% but less than 55.00%
21	2.90%	55.00% but less than 60.00%
22	3.00%	60.00% but less than 64.00%
23	3.10%	64.00% but less than 68.00%
24	3.20%	68.00% but less than 72.00%
25	3.30%	72.00% but less than 76.00%
26	3.40%	76.00% but less than 80.00%
27	3.50%	80.00% but less than 84.00%
28	3.60%	84.00% but less than 88.00%
29	3.70%	88.00% but less than 92.00%
30	3.80%	92.00% but less than 95.00%
31	3.90%	95.00% but less than 97.00%
32	4.10%	97.00% but less than 98.20%
33	4.30%	98.20% but less than 99.00%
34	4.50%	99.00% but less than 99.50%
35	4.70%	99.50% but less than 99.70%
36	4.90%	99.70% but less than 99.84%
37	5.10%	99.84% but less than 99.93%
38	5.40%	99.93% to 100.00%

39 [_____]
 40
 41 [_____]

42
 43 *Fund Adequacy Percentage Ratio VIII-J*
 44 *Under 100%*
 45

<i>Tax Rate</i>	<i>Cumulative Taxable Payroll Limits</i>
<i>(Percentage of Total Taxable Payroll)</i>	
1	
2	
3	2.10% 0.00% but less than 10.00%
4	2.20% 10.00% but less than 15.00%
5	2.30% 15.00% but less than 20.00%
6	2.40% 20.00% but less than 25.00%
7	2.50% 25.00% but less than 30.00%
8	2.60% 30.00% but less than 35.00%
9	2.70% 35.00% but less than 40.00%
10	2.80% 40.00% but less than 45.00%
11	2.90% 45.00% but less than 50.00%
12	3.00% 50.00% but less than 55.00%
13	3.10% 55.00% but less than 60.00%
14	3.20% 60.00% but less than 65.00%
15	3.30% 65.00% but less than 70.00%
16	3.40% 70.00% but less than 75.00%
17	3.50% 75.00% but less than 80.00%
18	3.60% 80.00% but less than 84.00%
19	3.70% 84.00% but less than 88.00%
20	3.80% 88.00% but less than 92.00%
21	3.90% 92.00% but less than 95.00%
22	4.10% 95.00% but less than 97.00%
23	4.30% 97.00% but less than 98.20%
24	4.50% 98.20% but less than 99.00%
25	4.70% 99.00% but less than 99.50%
26	4.90% 99.50% but less than 99.80%
27	5.10% 99.80% but less than 99.92%
28	5.40% 99.92% to 100.00%

29 [_____]

30
 31 *[(b) Notwithstanding any other provision of law, each taxpaying employer subject to this chapter,*
 32 *other than employers whose assigned tax rate is 5.4 percent, shall pay to the Employment Department,*
 33 *for the first calendar quarter of 2003:]*

34 *[(A) An amount equal to three one-hundredths of one percent of wages subject to taxation under*
 35 *this chapter for that calendar quarter. All such moneys shall be paid and collected in the same manner*
 36 *and at the same time as unemployment compensation taxes under this chapter, unless the director pre-*
 37 *scribes otherwise. After deduction of the actual shared costs of the Employment Department in col-*
 38 *lecting the amounts under this subparagraph, all such moneys shall be paid into the Wage Security*
 39 *Fund. Moneys due pursuant to this subparagraph but not received by the Employment Department for*
 40 *payment to the Wage Security Fund by June 30, 2003, shall be paid into the Unemployment Compen-*
 41 *sation Trust Fund; and]*

42 *[(B) An amount equal to seven one-hundredths of one percent of wages subject to taxation under*
 43 *this chapter for that calendar quarter. All such moneys shall be paid and collected in the same manner*
 44 *and at the same time as unemployment compensation taxes under this chapter, unless the director pre-*
 45 *scribes otherwise. After deduction of the actual shared costs of the Employment Department in col-*

lecting the amounts under this subparagraph, all such moneys shall be paid into the Oregon JOBS Plus Unemployment Wage Fund. Moneys due pursuant to this subparagraph but not received by the Employment Department for payment to the Oregon JOBS Plus Unemployment Wage Fund by June 30, 2003, shall be paid into the Unemployment Compensation Trust Fund.]

[(5)] (4) Unemployment insurance recipients shall be referred to available work through the [JOBS Plus] **Wage Option** Program in accordance with the job referral process used to refer applicants to available work. In addition, job referral services shall be provided by the Employment Department or the Department of Human Services, as appropriate. When a program job is offered to an unemployment insurance recipient and the job is refused, the Employment Department shall investigate the refusal and identify and decide all issues arising therefrom, including suspension of benefits, in accordance with the provisions of this chapter.

[(6)(a)] (5)(a) An unemployment insurance recipient shall be referred to the [JOBS Plus] **Wage Option** Program **only** if the recipient:

(A) Is eligible for benefits under ORS 657.155;

(B) **Has received benefits for no more than eight weeks under the current claim for benefits; and**

(C) **Earned \$12 or less per hour from the recipient's last employer before filing the claim for benefits.**

(b) **Notwithstanding paragraph (a) of this subsection, the Employment Department may by rule allow:**

(A) **Up to 10 percent of the recipients placed in the Wage Option Program to be recipients who have received more than eight weeks of benefits under the current claim for benefits or who earned more than \$12 per hour from the recipient's last employer before filing the claim for benefits; and**

(B) **Up to 30 percent of the recipients placed in the Wage Option Program to be recipients who earned more than \$12 per hour from the recipient's last employer before filing the claim for benefits.**

[(b)] (c) The Employment Department shall provide applicants for unemployment insurance benefits with a [JOBS Plus] **Wage Option** Program brochure at the time of application. The brochure must clearly describe the [JOBS Plus] **Wage Option** Program and explain how an applicant can effectively use the program.

[(c)] (d) The Employment Department shall refer unemployment insurance recipients as follows:

(A) If the Employment Department determines that the recipient is likely to exhaust the recipient's unemployment insurance claim without finding an unsubsidized job, the Employment Department shall begin reviewing the recipient for referral to available unsubsidized and subsidized jobs as soon as possible but in no case later than the fourth week after the week in which the recipient applied for unemployment insurance benefits.

(B) If the recipient is not referred to the [JOBS Plus] **Wage Option** Program in accordance with subparagraph (A) of this paragraph and has not obtained unsubsidized employment within eight weeks of the week after the recipient applied for unemployment insurance benefits, the Employment Department shall reassess the recipient's reemployability and refer the recipient to the [JOBS Plus] **Wage Option** Program if appropriate.

[(d)] (e) [Notwithstanding ORS 411.892 (4)(d)(A) and (B),] Unemployment insurance recipients may participate in the [JOBS Plus] **Wage Option** Program for no more than [13 weeks, unless the department determines that an additional period of participation in the program of up to 13 weeks is

1 *appropriate*] **26 weeks.**

2 [(e)] (f) Employers participating in the [*JOBS Plus*] **Wage Option** Program by providing subsi-
3 dized employment to [*JOBS Plus*] **Wage Option** Program recipients through the Employment De-
4 partment shall be reimbursed in accordance with ORS 411.892 (12).

5 [(7)] (6) To the extent that additional moneys may be obtained for the program from sources
6 other than state tax revenues, the additional moneys shall be appropriated to the [*Oregon JOBS*
7 *Plus*] **Wage Option** Unemployment Wage Fund.

8 (7) **The Employment Department shall encourage and maintain a high level of employer**
9 **participation and economic development by keeping paper work requirements to a minimum.**
10 **The Employment Department shall create and use a one-page employer agreement form for**
11 **each recipient participating in the Wage Option Program.**

12 (8) **The Employment Department shall solicit proposals from and, as appropriate, enter**
13 **into contracts with one-stop operators, community colleges and other service providers to**
14 **administer the Wage Option Program in local areas. The contracts may be for program**
15 **placement services or case management services, or both. Under each contract, the Em-**
16 **ployment Department shall pay the contractor an administrative allowance not to exceed**
17 **\$500 per recipient placed with an employer. However, the Employment Department may,**
18 **upon the recommendation of the Wage Option Program Advisory Board, adjust the admin-**
19 **istrative allowance periodically to cover increased costs of administrative services.**

20 **SECTION 5.** ORS 411.877 is amended to read:

21 411.877. As used in ORS 316.680, 411.877 to 411.896 and 657.925:

22 (1) “Board” means the [*JOBS Plus*] **Wage Option Program** Advisory Board established in ORS
23 411.886.

24 (2) “Department” means the Department of Human Services.

25 (3) [*“JOBS Plus” or*] “Program” means the [*JOBS Plus*] **Wage Option** Program established in
26 ORS 411.878.

27 **SECTION 6.** ORS 411.878 is amended to read:

28 411.878. (1) In establishing and implementing a program to be known as the [*JOBS Plus*] **Wage**
29 **Option** Program, the Legislative Assembly recognizes that early attachment to work and develop-
30 ment of knowledge and skills are the most effective means of helping people make the transition
31 from dependence on public assistance and subsidizing in poverty to regular employment and self-
32 reliance. It is the intent of the Legislative Assembly to promote greater economic self-sufficiency
33 among Oregon families and workers by:

34 (a) Increasing the employability of unemployed and underemployed Oregonians through on-the-
35 job training;

36 (b) Invigorating the public-private workforce partnership through development of jobs with both
37 private for-profit and public employers;

38 (c) Ensuring that program participants through their employment development plans have op-
39 portunities to improve work skills, education and employability and to establish recent work histo-
40 ries with work site training, mentoring, individual education accounts and provision of necessary
41 support service benefits that include child care, workers’ compensation, job placement and a guar-
42 antee that participation in the [*JOBS Plus*] **Wage Option** Program does not result in a reduction
43 in net income to a participant when compared with the participant’s combined income from the
44 temporary assistance for needy families program, the food stamp program and the unemployment
45 insurance program; and

1 (d) Expeditiously placing program participants in subsidized and unsubsidized employment.

2 (2) The [*JOBS Plus*] **Wage Option** Program is created as a program in which residents of the
3 State of Oregon shall, in lieu of receiving food stamp benefits and payments from the temporary
4 assistance for needy families program, be provided jobs and paid in a way that promotes self-
5 sufficiency and encourages unemployed Oregonians to improve their positions in the workforce. Re-
6 cipients of unemployment insurance also shall be offered employment under the program. The [*JOBS*
7 *Plus*] **Wage Option** Program shall be a public assistance to work strategy for the State of Oregon
8 and operate under the job opportunities and basic skills program and rules adopted thereunder to
9 the extent such rules are not inconsistent with ORS 316.680, 411.877 to 411.896 and 657.925. These
10 rules include but are not limited to rules regarding participation requirements, exemptions and
11 support services.

12 **SECTION 7.** ORS 411.880 is amended to read:

13 411.880. The Governor and the Department of Human Services shall work diligently to obtain
14 all exemptions and waivers from and amendments to federal statutes, rules and regulations neces-
15 sary to implement the [*JOBS Plus*] **Wage Option** Program at the earliest possible date, including
16 but not limited to exemptions under section 1115 (42 U.S.C. 1315) of the Social Security Act and
17 section 17 (7 U.S.C. 2026) of the Food Stamp Act.

18 **SECTION 8.** ORS 411.882 is amended to read:

19 411.882. In administering the [*JOBS Plus*] **Wage Option** Program and to the extent permitted
20 by federal law, the Department of Human Services shall maximize the use of federal grants and ap-
21 portionments of the temporary assistance for needy families program, the food stamp program and
22 employment related child care.

23 **SECTION 9.** ORS 411.886 is amended to read:

24 411.886. (1) The [*JOBS Plus*] **Wage Option Program** Advisory Board is established. The board
25 shall advise the Department of Human Services and the Employment Department in the direction
26 and administration of the [*JOBS Plus*] **Wage Option** Program established under ORS 316.680,
27 411.877 to 411.896 and 657.925. The board shall have seven members, consisting of six represen-
28 tatives of the business community and one employed former recipient of temporary assistance for
29 needy families, the food stamp program or the unemployment insurance program.

30 (2) The Governor shall appoint new members from nominees recommended by the board.

31 (3) Members appointed to the board shall serve terms of three years.

32 **SECTION 10.** ORS 411.888 is amended to read:

33 411.888. (1) Nominations for persons to fill scheduled vacancies must be made to the Governor
34 not less than 30 days prior to the effective date of the vacancy. Nominations for persons to fill an
35 unscheduled vacancy shall be made to the Governor not more than 30 days after the position be-
36 comes vacant.

37 (2) The [*JOBS Plus*] **Wage Option Program** Advisory Board shall select one of its members to
38 serve as a chairperson for such terms and with duties and powers necessary for the performance
39 of the functions of such office as the board determines. A majority of the members of the board
40 constitutes a quorum for the transaction of business.

41 (3) The board shall meet at least once each quarter with the Director of Human Services and
42 the Director of the Employment Department.

43 (4) The board shall report at least annually to the Governor and the Legislative Assembly on
44 the status and progress of the [*JOBS Plus*] **Wage Option** Program. The chairperson of the board
45 shall have the additional duty to work with and coordinate the local councils created in ORS

1 411.890.

2 **SECTION 11.** ORS 411.890 is amended to read:

3 411.890. A [*JOBS Plus*] **Wage Option Program** Implementation Council shall be established in
 4 service areas to be determined by the Director of Human Services to assist the [*JOBS Plus*] **Wage**
 5 **Option Program** Advisory Board, the Department of Human Services and the Employment Depart-
 6 ment in the administration of the [*JOBS Plus*] **Wage Option Program** and to allow local flexibility
 7 in dealing with the particular needs of each county. Each council shall be primarily responsible for
 8 recruiting and encouraging participation of employment providers in the county. Each council shall
 9 be composed of seven members who shall be appointed by the county commissioners in each county
 10 in the district. Council members shall be residents of the district in which they are appointed and
 11 shall serve four-year terms. Six members of the council shall be from the local business community.
 12 At least one member shall be a current or former recipient of the temporary assistance for needy
 13 families program, the food stamp program or the unemployment insurance program.

14 **SECTION 12.** ORS 411.892 is amended to read:

15 411.892. (1)(a) All employers, including public and private sector employers within the State of
 16 Oregon, are eligible to participate in the [*JOBS Plus*] **Wage Option Program**. The Department of
 17 Human Services or Employment Department, as appropriate, shall adopt by rule a method to dis-
 18 qualify employers from participating in the program. No employer is required to participate in the
 19 [*JOBS Plus*] **Wage Option Program**. In the event that there are unassigned participants whom no
 20 employer desires to utilize, the participants may be assigned to work for a public agency.

21 (b) The maximum number of program participants that any employer is authorized to receive at
 22 any one time may not exceed 10 percent of the total number of the employer’s employees. However,
 23 each employer may receive one participant. The Director of Human Services or Director of the
 24 Employment Department, as appropriate, may waive the limit in special circumstances.

25 (c) The Department of Human Services or Employment Department, as appropriate, by rule shall
 26 establish criteria for excluding employers from participation for failure to abide by program re-
 27 quirements, showing a pattern of terminating participants prior to the completion of training or
 28 other demonstrated unwillingness to comply with the stated intent of the program.

29 (2) The Department of Human Services or Employment Department, as appropriate, shall ensure
 30 that jobs made available to program participants:

- 31 (a) Do not require work in excess of 40 hours per week;
- 32 (b) Are in conformity with section 3304(a)(5) of the Federal Unemployment Tax Act;
- 33 (c) Are not used to displace regular employees or to fill unfilled positions previously established;
- 34 and
- 35 (d) Do not pay a wage that is substantially less than the wage paid for similar jobs in the local
 36 economy with appropriate adjustments for experience and training.

37 (3)(a) Eligibility for the program shall be limited to residents who are:

- 38 (A) Adults and caretaker relatives who are receiving temporary assistance for needy families
 39 benefits;
- 40 (B) Adult food stamp program recipients except as described in subsection (5)(b) of this section;
- 41 (C) Unemployment compensation recipients; and
- 42 (D) Unemployed noncaretaker parents of children who are receiving temporary assistance for
 43 needy families benefits.

44 (b) In addition to those residents eligible for the program under paragraph (a) of this subsection,
 45 additional residents who are seeking employment may be eligible for the program if there are

1 legislatively allocated funds available from the savings attributable to the program in the Unem-
 2 ployment Compensation Trust Fund or in the temporary assistance for needy families budget of the
 3 Department of Human Services.

4 (4)(a) Individuals desiring work through the program shall contact the nearest Department of
 5 Human Services office serving the county in which they reside if they are temporary assistance for
 6 needy families program or food stamp program applicants or recipients or noncustodial parents of
 7 individuals receiving temporary assistance for needy families. Unemployment insurance applicants
 8 or recipients or others seeking employment may gain access to the program through their local
 9 Employment Department office **or the local one-stop operator or other provider under contract**
 10 **with the Employment Department to provide program services.**

11 (b) With the assistance of the local [*JOBS Plus*] **Wage Option Program** Implementation
 12 Councils and the [*JOBS Plus*] **Wage Option Program** Advisory Board, the Department of Human
 13 Services shall develop a job inventory of sufficient size to accommodate all of the participants who
 14 desire to work in the program. In consultation with the participant, the department shall try to
 15 match the profile of each participant with the needs of an employer when assigning a participant
 16 to work with the employer.

17 (c) Either the employer or the participant may terminate the assignment by contacting the ap-
 18 propriate Department of Human Services or Employment Department office **or the appropriate**
 19 **one-stop operator or program services provider.** In such event, the Department of Human Ser-
 20 vices, [*or*] Employment Department, **one-stop operator or program services provider** shall reas-
 21 sess the needs of the participant and assign the participant to another [*JOBS Plus*] **Wage Option**
 22 Program placement or another job opportunity and basic skills program component and, at the em-
 23 ployer's request, provide the employer with another participant.

24 (d)(A) Subject to ORS 657.925 [(6)(d)] (5)(e), if after four months in a placement, a participant
 25 has not been hired for an unsubsidized position, the employer shall allow the worker to undertake
 26 eight hours of job search per week. Participating employers shall consider such time as hours
 27 worked for the purposes of paying wages.

28 (B) Subject to ORS 657.925 [(6)(d)] (5)(e), if after six months in a placement, a participant has
 29 not been hired for an unsubsidized position, the placement shall be terminated, and the caseworker
 30 shall reassess the participant's employment development plan.

31 (e) The Department of Human Services may pay placement and barrier removal payments to
 32 temporary assistance for needy families and food stamp program participants as necessary to enable
 33 participation in the [*JOBS Plus*] **Wage Option** Program.

34 (f) The Department of Human Services shall accept eligible volunteers into the program prior
 35 to mandating program participation by eligible persons.

36 (5)(a) Assignment of participants to available jobs shall be based on a preference schedule de-
 37 veloped by the Department of Human Services and the Employment Department. Any temporary
 38 assistance for needy families recipient or food stamp recipient may volunteer for the program.

39 (b) The following individuals may not be required to participate in the program:

40 (A) Temporary assistance for needy families and food stamp recipients who are eligible for
 41 Supplemental Security Income benefits or other ongoing state or federal maintenance benefits based
 42 on age or disability.

43 (B) Food stamp applicants or recipients who are employed full-time or are college students eli-
 44 gible for food stamps and enrolled full-time in a community college or an institution of higher edu-
 45 cation, or enrolled half-time in a community college or an institution of higher education and

1 working at least 20 hours per week.

2 (C) Teenage parents who remain in high school if progressing toward a diploma. Teenage par-
3 ents not in school are eligible for the [*JOBS Plus*] **Wage Option** Program.

4 (c) The Department of Human Services shall provide life skills classes and opportunities to
5 achieve General Educational Development (GED) certificates to appropriate participants in con-
6 junction with working in the [*JOBS Plus*] **Wage Option** Program.

7 (d) Temporary assistance for needy families and food stamp benefits shall be suspended at the
8 end of the calendar month in which an employer makes the first wage payment to a participant who
9 is a custodial parent in a family that receives temporary assistance for needy families or to any
10 adult member of a household receiving food stamp benefits. Failure of the participant to cooperate
11 with the requirements of the [*JOBS Plus*] **Wage Option** Program may result in the participant's
12 removal, in accordance with rules adopted by the Department of Human Services, from the [*JOBS*
13 *Plus*] **Wage Option** Program and suspension of the participant's temporary assistance for needy
14 families grant and food stamp benefits. A temporary assistance for needy families and food stamp
15 benefits recipient who has been removed from the program for failing to cooperate shall be eligible
16 to reapply to participate in the program and shall have eligibility for program services determined
17 without regard to the length of time the person was not participating following removal.

18 (6)(a) Employers shall pay all participating individuals at least the hourly rate of the Oregon
19 minimum wage.

20 (b) Sick leave, holiday and vacation absences shall conform to the individual employer's rules
21 for temporary employees.

22 (c) Group health insurance benefits shall be provided by the employer to program participants
23 if, and to the extent that, state or federal law requires the employer to provide such benefits.

24 (d) All persons participating in the [*JOBS Plus*] **Wage Option** Program shall be considered to
25 be temporary employees of the individual employer providing the work and shall be entitled only to
26 benefits required by state or federal law.

27 (e) Employers shall provide workers' compensation coverage for each [*JOBS Plus*] **Wage Option**
28 Program participant.

29 (7) In the event that the net monthly full-time wage paid to a participant would be less than the
30 level of income from the temporary assistance for needy families program and the food stamp benefit
31 amount equivalent that the participant would otherwise receive, the Department of Human Services
32 shall determine and pay a supplemental payment as necessary to provide the participant with that
33 level of net income. The department shall determine and pay in advance supplemental payments to
34 participants on a monthly basis as necessary to ensure equivalent net program wages. Participants
35 shall be compensated only for time worked.

36 (8) In addition to and not in lieu of the payments provided for under subsections (6) and (7) of
37 this section, participants shall be entitled to retain the full child support payments collected by the
38 Department of Justice.

39 (9) Program participants who are eligible for federally and state funded medical assistance at
40 the time they enter the program shall remain eligible as long as they continue to participate in the
41 program. In conformity with existing state day care program regulations, child day care shall be
42 provided for all program participants who require it.

43 (10) [*JOBS Plus*] **Wage Option** Program employers shall:

44 (a) Endeavor to make [*JOBS Plus*] **Wage Option** Program placements positive learning and
45 training experiences;

1 (b) Maintain health, safety and working conditions at or above levels generally acceptable in the
2 industry and no less than that of comparable jobs of the employer;

3 (c) Provide on-the-job training to the degree necessary for the participants to perform their du-
4 ties;

5 (d) Recruit volunteer mentors from among their regular employees to assist the participants in
6 becoming oriented to work and the workplace; and

7 (e) Sign an agreement to abide by all requirements of the program, including the requirement
8 that the program not supplant existing jobs. All agreements shall include provisions noting the em-
9 ployer's responsibility to repay reimbursements in the event the employer violates program rules.
10 When a professional placement service, professional employment organization or temporary employ-
11 ment agency is acting as an employer pursuant to subsection (14) of this section, agreements under
12 this paragraph shall require a three-party agreement between the professional placement service,
13 professional employment organization or temporary employment agency, the organization where the
14 participant has been placed to perform services and the State of Oregon. The three-party agreement
15 shall include provisions requiring that all [*JOBS Plus*] **Wage Option Program** reimbursements re-
16 ceived by the professional placement service, professional employment organization or temporary
17 employment agency be credited to the organization where the participant has been placed to perform
18 services.

19 (11) Program participant wages shall be subject to federal and state income taxes, Social Secu-
20 rity taxes and unemployment insurance tax or reimbursement as applicable under ORS chapter 657,
21 which shall be withheld and paid in accordance with state and federal law. Supplemental payments
22 made pursuant to subsection (7) of this section shall not be subject to state income taxes under ORS
23 chapter 316 and, to the extent allowed by federal law, shall not be subject to federal income taxes
24 and Social Security taxes.

25 (12)(a)(A) The Department of Human Services shall reimburse employers for the employers'
26 share of Social Security, unemployment insurance and workers' compensation premiums paid on be-
27 half of program participants, other than those who are unemployment insurance claimants, referred
28 to the employer by the Department of Human Services, as well as the minimum wage earnings paid
29 by the employer to program participants referred to the employer by the Department of Human
30 Services.

31 (B) The Employment Department shall reimburse employers [*\$5*] **between \$4 and \$8** per hour
32 paid by the employer as earnings to [*JOBS Plus*] **Wage Option** Program participants, who are un-
33 employment insurance claimants and are referred to the employer by **a local program services**
34 **provider under contract with** the Employment Department. **However, the reimbursement**
35 **amount may not exceed 75 percent of the hourly wage paid by the employer to the claimant.**
36 **The local program services provider shall determine the reimbursement amount and the**
37 **duration of the reimbursement, from eight to 26 weeks, based on the claimant's training**
38 **needs and the employer's needs.**

39 (b) **Contracts for placement services or placement services provided directly by the Em-**
40 **ployment Department must restrict placement reimbursements to the following average**
41 **amounts:**

42 (A) **The average reimbursement amount must be \$6 per hour over each calendar year.**

43 (B) **The average duration of reimbursement must be 13 weeks over each calendar year.**

44 [(b)] (c) If the Department of Human Services or Employment Department finds that an employer
45 has violated any of the rules of the [*JOBS Plus*] **Wage Option** Program, the appropriate department:

1 (A) Shall withhold any amounts due to employers under paragraph (a) of this subsection.

2 (B) May seek repayment of any amounts paid to employers under paragraph (a) of this sub-
3 section.

4 (13) Subject to ORS 657.925 [(6)(d)] **(5)(e)**, for unemployment insurance claimants participating
5 in the [JOBS Plus] **Wage Option** Program[:],

6 [(a) *If after nine weeks in a placement, a participant has not been hired for an unsubsidized posi-*
7 *tion, the employer shall allow the worker to undertake up to five hours of job search per week.*] **if the**
8 **participant has not been hired for an unsubsidized position when three weeks of a placement**
9 **remain, the employer shall allow the worker to undertake up to four hours of job search per**
10 **week.** Participating employers shall consider this time as hours worked for the purposes of paying
11 wages.

12 [(b) *If after 13 weeks in a placement, a participant has not been hired for an unsubsidized position,*
13 *the employer shall terminate the placement and the Employment Department shall assess the partic-*
14 *ipant's employment development plan.*]

15 (14) For purposes of this section, "employer" shall include professional placement services, pro-
16 fessional employment organizations and temporary employment agencies.

17 **SECTION 13.** ORS 411.894 is amended to read:

18 411.894. (1) The [Oregon JOBS] **Wage Option Program** Individual Education Account is estab-
19 lished to improve the position of [JOBS Plus] **Wage Option Program** participants in the workforce
20 by increasing their access to continuing education. **The Oregon Student Assistance Commission**
21 **shall administer the account for the purposes described in this section.** [Employer] Contribu-
22 tions to the account under this section shall be used to pay for education expenses for the [indi-
23 vidual] **participant** as provided in subsection (2) of this section.

24 (2)(a) After the participant has participated in the [JOBS Plus] **Wage Option** Program for 30
25 days, [the employer shall pay, in addition to the participant wage,] **the Department of Human Ser-**
26 **VICES or Employment Department as appropriate shall reduce the reimbursement amount**
27 **paid to the employer under ORS 411.892 (12)(a) by one dollar for each participant hour worked**
28 **and shall contribute** one dollar for each participant hour worked into the participant's individual
29 education account. Contributions to such an account shall be tax deferred or tax-exempt to the ex-
30 tent permitted by federal and state law.

31 (b) Any participant for whom [an Oregon JOBS] **a Wage Option Program** Individual Education
32 Account contribution is made shall be eligible for access to education benefits from that partic-
33 ipant's individual education account for up to five years after the participant has left the [JOBS
34 Plus] **Wage Option** Program and has held a full-time, unsubsidized job for at least 30 days.

35 (c) [When any participant has qualified for use of that participant's individual education account,
36 an amount equal to that participant's individual education account balance shall be transferred to the
37 Oregon Student Assistance Commission for that participant's use.] Only one individual education ac-
38 count shall be created for any participant. Each account shall be administered by the commission
39 and shall be used for continuing education and training for the participant and the participant's
40 immediate family.

41 [(3)(a)] **(3) Interest earned on the Wage Option Program Individual Education Account**
42 **shall be credited to the account.** The commission may use any interest earned by [an individual
43 education account transferred to the commission under this section] **the account** for payment of ex-
44 penses, **including administrative and marketing expenses**, incurred by the commission in carry-
45 ing out its duties under this section.

1 *[(b) The Department of Human Services shall transfer any interest earned by the Oregon JOBS*
 2 *Individual Education Account to the General Fund for general governmental purposes. The department*
 3 *shall transfer the interest no later than the close of each fiscal year in which the interest is earned.]*

4 (4) **The commission shall transfer** any unexpended or unobligated moneys remaining in an
 5 individual education account five years after the participant has left the [*JOBS Plus*] **Wage Option**
 6 Program [*are appropriated and transferred to the commission for the Oregon Opportunity Grant pro-*
 7 *gram on that date*] **to the Employment Department for deposit in the Wage Option Unem-**
 8 **ployment Wage Fund or to the Department of Human Services, as appropriate, depending**
 9 **on which department contributed the moneys. The moneys transferred under this subsection**
 10 **are continuously appropriated to the Employment Department for the purpose described in**
 11 **ORS 657.925 and to the Department of Human Services for the purpose of operating the Wage**
 12 **Option Program.**

13 **SECTION 14.** ORS 411.896 is amended to read:

14 411.896. The Department of Human Services shall submit an annual written report to the Leg-
 15 islative Assembly and the Governor containing a full and complete analysis of the [*JOBS Plus*]
 16 **Wage Option** Program. The report shall include recommendations from the department and the
 17 [*JOBS Plus*] **Wage Option Program** Advisory Board regarding appropriate revisions to the pro-
 18 gram.

19 **SECTION 15.** ORS 316.680 is amended to read:

20 316.680. (1) There shall be subtracted from federal taxable income:

21 (a) The interest or dividends on obligations of the United States and its territories and pos-
 22 sessions or of any authority, commission or instrumentality of the United States to the extent
 23 includable in gross income for federal income tax purposes but exempt from state income taxes un-
 24 der the laws of the United States. However, the amount subtracted under this paragraph shall be
 25 reduced by any interest on indebtedness incurred to carry the obligations or securities described in
 26 this paragraph, and by any expenses incurred in the production of interest or dividend income de-
 27 scribed in this paragraph to the extent that such expenses, including amortizable bond premiums,
 28 are deductible in determining federal taxable income.

29 (b) The amount of any federal income taxes accrued by the taxpayer during the taxable year as
 30 described in ORS 316.685, less the amount of any refunds of federal taxes previously accrued for
 31 which a tax benefit was received.

32 (c)(A) If the taxpayer does not qualify for the subtraction under subparagraph (B) of this para-
 33 graph, compensation (other than pension or retirement pay) received for active service performed
 34 by a member of the Armed Forces of the United States in an amount not to exceed \$6,000 per an-
 35 num.

36 (B) For the tax year of initial draft or enlistment into the Armed Forces of the United States
 37 or for the tax year of discharge from or termination of full-time active duty for the Armed Forces
 38 of the United States, compensation (other than pension or retirement pay or pay for service when
 39 on military reserve duty) paid by the Armed Forces of the United States for services performed
 40 outside this state, if the taxpayer is on active duty as a full-time officer, enlistee or draftee, with the
 41 Armed Forces of the United States.

42 (d) Amounts allowable under sections 2621(a)(2) and 2622(b) of the Internal Revenue Code to the
 43 extent that the taxpayer does not elect under section 642(g) of the Internal Revenue Code to reduce
 44 federal taxable income by those amounts.

45 (e) Any supplemental payments made to [*JOBS Plus*] **Wage Option** Program participants under

1 ORS 411.892.

2 (f)(A) Federal pension income that is attributable to federal employment occurring before Octo-
3 ber 1, 1991. Federal pension income that is attributable to federal employment occurring before
4 October 1, 1991, shall be determined by multiplying the total amount of federal pension income for
5 the tax year by the ratio of the number of months of federal creditable service occurring before
6 October 1, 1991, over the total number of months of federal creditable service.

7 (B) The subtraction allowed under this paragraph applies only to federal pension income re-
8 ceived at a time when:

9 (i) Benefit increases provided under chapter 569, Oregon Laws 1995, are in effect; or

10 (ii) Public Employees Retirement System benefits received for service prior to October 1, 1991,
11 are exempt from state income tax.

12 (C) As used in this paragraph:

13 (i) "Federal creditable service" means those periods of time for which a federal employee earned
14 a federal pension.

15 (ii) "Federal pension" means any form of retirement allowance provided by the federal govern-
16 ment, its agencies or its instrumentalities to retirees of the federal government or their benefici-
17 aries.

18 (g) Any amount included in federal taxable income for the tax year that is attributable to the
19 conversion of a regular individual retirement account into a Roth individual retirement account
20 described in section 408A of the Internal Revenue Code, to the extent that:

21 (A) The amount was subject to the income tax of another state or the District of Columbia in
22 a prior tax year; and

23 (B) The taxpayer was a resident of the other state or the District of Columbia for that prior tax
24 year.

25 (h) Any amounts awarded to the taxpayer by the Public Safety Memorial Fund Board under ORS
26 243.954 to 243.974 to the extent that the taxpayer has not taken the amount as a deduction in de-
27 termining the taxpayer's federal taxable income for the tax year.

28 (i) If included in taxable income for federal tax purposes, the amount withdrawn during the tax
29 year in qualified withdrawals from a college savings network account established under ORS 348.841
30 to 348.873.

31 (j) Any amount paid by the TRICARE military health care system to a health care provider
32 during the first two years that the health care provider participates in the TRICARE system.

33 (k) Any amounts included in the federal taxable income that are attributable to income earned
34 by an employee of the Oregon Military Department for performing duties for the Oregon National
35 Guard Youth Challenge Program in an amount not to exceed \$6,000 per annum.

36 (2) There shall be added to federal taxable income:

37 (a) Interest or dividends, exempt from federal income tax, on obligations or securities of any
38 foreign state or of a political subdivision or authority of any foreign state. However, the amount
39 added under this paragraph shall be reduced by any interest on indebtedness incurred to carry the
40 obligations or securities described in this paragraph and by any expenses incurred in the production
41 of interest or dividend income described in this paragraph.

42 (b) Interest or dividends on obligations of any authority, commission, instrumentality and terri-
43 torial possession of the United States that by the laws of the United States are exempt from federal
44 income tax but not from state income taxes. However, the amount added under this paragraph shall
45 be reduced by any interest on indebtedness incurred to carry the obligations or securities described

1 in this paragraph and by any expenses incurred in the production of interest or dividend income
2 described in this paragraph.

3 (c) The amount of any federal estate taxes allocable to income in respect of a decedent not
4 taxable by Oregon.

5 (d) The amount of any allowance for depletion in excess of the taxpayer's adjusted basis in the
6 property depleted, deducted on the taxpayer's federal income tax return for the taxable year, pur-
7 suant to sections 613, 613A, 614, 616 and 617 of the Internal Revenue Code.

8 (e) For taxable years beginning on or after January 1, 1985, the dollar amount deducted under
9 section 151 of the Internal Revenue Code for personal exemptions for the taxable year.

10 (f) The amount taken as a deduction on the taxpayer's federal return for unused qualified busi-
11 ness credits under section 196 of the Internal Revenue Code.

12 (g) The amount of any increased benefits paid to a taxpayer under chapter 569, Oregon Laws
13 1995, under the provisions of chapter 796, Oregon Laws 1991, and under section 26, chapter 815,
14 Oregon Laws 1991, that is not includable in the taxpayer's federal taxable income under the Internal
15 Revenue Code.

16 (h) The amount of any long term care insurance premiums paid or incurred by the taxpayer
17 during the tax year if:

18 (A) The amount is taken into account as a deduction on the taxpayer's federal return for the
19 tax year; and

20 (B) The taxpayer claims the credit allowed under ORS 315.610 for the tax year.

21 (i) Any amount taken as a deduction under section 1341 of the Internal Revenue Code in com-
22 puting federal taxable income for the tax year, if the taxpayer has claimed a credit for claim of right
23 income repayment adjustment under ORS 315.068.

24 (j) If the taxpayer makes a nonqualified withdrawal, as defined in ORS 348.841, from a college
25 savings network account established under ORS 348.841 to 348.873, the amount of the withdrawal
26 that is attributable to contributions that were subtracted from federal taxable income under ORS
27 316.699.

28 (3) Discount and gain or loss on retirement or disposition of obligations described under sub-
29 section (2)(a) of this section issued on or after January 1, 1985, shall be treated for purposes of this
30 chapter in the same manner as under sections 1271 to 1283 and other pertinent sections of the
31 Internal Revenue Code as if the obligations, although issued by a foreign state or a political subdivi-
32 sion of a foreign state, were not tax exempt under the Internal Revenue Code.

33 **SECTION 16.** ORS 316.680, as amended by section 2a, chapter 843, Oregon Laws 2007, is
34 amended to read:

35 316.680. (1) There shall be subtracted from federal taxable income:

36 (a) The interest or dividends on obligations of the United States and its territories and pos-
37 sessions or of any authority, commission or instrumentality of the United States to the extent
38 includable in gross income for federal income tax purposes but exempt from state income taxes un-
39 der the laws of the United States. However, the amount subtracted under this paragraph shall be
40 reduced by any interest on indebtedness incurred to carry the obligations or securities described in
41 this paragraph, and by any expenses incurred in the production of interest or dividend income de-
42 scribed in this paragraph to the extent that such expenses, including amortizable bond premiums,
43 are deductible in determining federal taxable income.

44 (b) The amount of any federal income taxes accrued by the taxpayer during the taxable year as
45 described in ORS 316.685, less the amount of any refunds of federal taxes previously accrued for

1 which a tax benefit was received.

2 (c)(A) If the taxpayer does not qualify for the subtraction under subparagraph (B) of this para-
3 graph, compensation (other than pension or retirement pay) received for active service performed
4 by a member of the Armed Forces of the United States in an amount not to exceed \$6,000 per an-
5 num.

6 (B) For the tax year of initial draft or enlistment into the Armed Forces of the United States
7 or for the tax year of discharge from or termination of full-time active duty for the Armed Forces
8 of the United States, compensation (other than pension or retirement pay or pay for service when
9 on military reserve duty) paid by the Armed Forces of the United States for services performed
10 outside this state, if the taxpayer is on active duty as a full-time officer, enlistee or draftee, with the
11 Armed Forces of the United States.

12 (d) Amounts allowable under sections 2621(a)(2) and 2622(b) of the Internal Revenue Code to the
13 extent that the taxpayer does not elect under section 642(g) of the Internal Revenue Code to reduce
14 federal taxable income by those amounts.

15 (e) Any supplemental payments made to [*JOBS Plus*] **Wage Option** Program participants under
16 ORS 411.892.

17 (f)(A) Federal pension income that is attributable to federal employment occurring before Octo-
18 ber 1, 1991. Federal pension income that is attributable to federal employment occurring before
19 October 1, 1991, shall be determined by multiplying the total amount of federal pension income for
20 the tax year by the ratio of the number of months of federal creditable service occurring before
21 October 1, 1991, over the total number of months of federal creditable service.

22 (B) The subtraction allowed under this paragraph applies only to federal pension income re-
23 ceived at a time when:

24 (i) Benefit increases provided under chapter 569, Oregon Laws 1995, are in effect; or

25 (ii) Public Employees Retirement System benefits received for service prior to October 1, 1991,
26 are exempt from state income tax.

27 (C) As used in this paragraph:

28 (i) "Federal creditable service" means those periods of time for which a federal employee earned
29 a federal pension.

30 (ii) "Federal pension" means any form of retirement allowance provided by the federal govern-
31 ment, its agencies or its instrumentalities to retirees of the federal government or their benefici-
32 aries.

33 (g) Any amount included in federal taxable income for the tax year that is attributable to the
34 conversion of a regular individual retirement account into a Roth individual retirement account
35 described in section 408A of the Internal Revenue Code, to the extent that:

36 (A) The amount was subject to the income tax of another state or the District of Columbia in
37 a prior tax year; and

38 (B) The taxpayer was a resident of the other state or the District of Columbia for that prior tax
39 year.

40 (h) Any amounts awarded to the taxpayer by the Public Safety Memorial Fund Board under ORS
41 243.954 to 243.974 to the extent that the taxpayer has not taken the amount as a deduction in de-
42 termining the taxpayer's federal taxable income for the tax year.

43 (i) If included in taxable income for federal tax purposes, the amount withdrawn during the tax
44 year in qualified withdrawals from a college savings network account established under ORS 348.841
45 to 348.873.

1 (2) There shall be added to federal taxable income:

2 (a) Interest or dividends, exempt from federal income tax, on obligations or securities of any
3 foreign state or of a political subdivision or authority of any foreign state. However, the amount
4 added under this paragraph shall be reduced by any interest on indebtedness incurred to carry the
5 obligations or securities described in this paragraph and by any expenses incurred in the production
6 of interest or dividend income described in this paragraph.

7 (b) Interest or dividends on obligations of any authority, commission, instrumentality and terri-
8 torial possession of the United States that by the laws of the United States are exempt from federal
9 income tax but not from state income taxes. However, the amount added under this paragraph shall
10 be reduced by any interest on indebtedness incurred to carry the obligations or securities described
11 in this paragraph and by any expenses incurred in the production of interest or dividend income
12 described in this paragraph.

13 (c) The amount of any federal estate taxes allocable to income in respect of a decedent not
14 taxable by Oregon.

15 (d) The amount of any allowance for depletion in excess of the taxpayer's adjusted basis in the
16 property depleted, deducted on the taxpayer's federal income tax return for the taxable year, pur-
17 suant to sections 613, 613A, 614, 616 and 617 of the Internal Revenue Code.

18 (e) For taxable years beginning on or after January 1, 1985, the dollar amount deducted under
19 section 151 of the Internal Revenue Code for personal exemptions for the taxable year.

20 (f) The amount taken as a deduction on the taxpayer's federal return for unused qualified busi-
21 ness credits under section 196 of the Internal Revenue Code.

22 (g) The amount of any increased benefits paid to a taxpayer under chapter 569, Oregon Laws
23 1995, under the provisions of chapter 796, Oregon Laws 1991, and under section 26, chapter 815,
24 Oregon Laws 1991, that is not includable in the taxpayer's federal taxable income under the Internal
25 Revenue Code.

26 (h) The amount of any long term care insurance premiums paid or incurred by the taxpayer
27 during the tax year if:

28 (A) The amount is taken into account as a deduction on the taxpayer's federal return for the
29 tax year; and

30 (B) The taxpayer claims the credit allowed under ORS 315.610 for the tax year.

31 (i) Any amount taken as a deduction under section 1341 of the Internal Revenue Code in com-
32 puting federal taxable income for the tax year, if the taxpayer has claimed a credit for claim of right
33 income repayment adjustment under ORS 315.068.

34 (j) If the taxpayer makes a nonqualified withdrawal, as defined in ORS 348.841, from a college
35 savings network account established under ORS 348.841 to 348.873, the amount of the withdrawal
36 that is attributable to contributions that were subtracted from federal taxable income under ORS
37 316.699.

38 (3) Discount and gain or loss on retirement or disposition of obligations described under sub-
39 section (2)(a) of this section issued on or after January 1, 1985, shall be treated for purposes of this
40 chapter in the same manner as under sections 1271 to 1283 and other pertinent sections of the
41 Internal Revenue Code as if the obligations, although issued by a foreign state or a political subdi-
42 vision of a foreign state, were not tax exempt under the Internal Revenue Code.

43 **SECTION 17. This 2009 Act being necessary for the immediate preservation of the public**
44 **peace, health and safety, an emergency is declared to exist, and this 2009 Act takes effect**
45 **on its passage.**

