



February 9, 2015

Testimony to House Business and Labor Committee  
Provided by: Paloma Sparks, Legislative Director  
Oregon Bureau of Labor and Industries

The Oregon Bureau of Labor and Industries (BOLI) appreciates the opportunity to testify in support of HB 2387, which would give the Commissioner the administrative authority to require employers who fail to pay employees timely or maintain a regular payday to post a bond for wage claims.

As you know the Bureau of Labor and Industries enforces anti-discrimination laws that apply to workplaces, housing and public accommodations; enforces wage and hour laws; educates employers to avoid unnecessary worker complaints; and partners with labor, business and other organizations to develop a highly-skilled, competitive workforce in Oregon.

We have introduced this legislation to help the agency to be more cost effective and timely in protecting workers and ensuring they are paid wages they have earned as the law requires.

Employers are required to establish a regular payday and pay employees all wages earned no less than 35 days from the time the work began or from the last payday under ORS 652.120. BOLI enforces that requirement and employees can make claims to the agency for payment of wages due and complaints for failure to maintain a payday. In the vast majority of workplaces this is never an issue, as no employer would simply fail to pay workers on the usual payday.

While most employers consider this obligation a standard business practice, a small minority do not meet their obligations to employees under the law. BOLI investigates claims from employees who have not been paid wages due. Where the agency finds a valid wage claim after investigation, we require employers to pay those wages. That often includes collection efforts that can be lengthy and cause workers to struggle financially trying to make ends meet without the paycheck they earned.

Where there is a pattern of not paying wages on time the agency needs additional enforcement tools. Simply asking those employers to do as the law requires is not enough. One tool is to direct employers who are failing to pay wages within five days of a regular payday to post a bond for wages. Where there is a bond and the agency has determined wages are, in fact, due we can collect against the bond.

The commissioner can currently require an employer to post a bond. This change would allow us to enforce that requirement within the agency's administrative process, helping wage collection to be more timely and cost effective. Thank you for the opportunity to testify in support of HB 2387. I would be happy to answer questions.

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