

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session
STAFF MEASURE SUMMARY
Senate Committee On Workforce

MEASURE: SB 242

Fiscal: Fiscal impact issued
Revenue: Revenue impact issued

Action Date: 02/18/15
Action: Do Pass And Requesting Referral To Ways And Means.
Meeting Dates: 02/04, 02/18
Senate
Yeas: 5 - Dembrow, Gelser, Thatcher, Rosenbaum, Knopp

Prepared By: Matthew Germer, Committee Administrator

WHAT THE MEASURE DOES:

Expands reasons for which Employment Department may request from federal government an offset against liquidated state debt to include debtor's failure to report earning accurately or failure to repay debt for which they are liable. Deletes provision disqualifying individual in work share program from receiving benefits for any week in which hours worked exceed hours set forth in approved plan. Requires employer in work share program to be charged for shared work benefits in same manner employers are charged for regular or extended benefits. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Definition of conformity with federal law
- History of the Treasury Offset Program
- Magnitude of financial impact
- Overview of Work Share Program

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

The federal Bipartisan Budget Act of 2013 requires state unemployment insurance (UI) programs to implement the Treasury Offset Program (TOP) to recover all eligible UI debt. The TOP allows state agencies to intercept individuals' federal income tax refunds in order to recoup fraudulent or overpaid UI benefits. Currently, under Oregon law, the Oregon Employment Department (OED) may only intercept federal tax refunds to recoup fraudulent UI payments. In alignment with federal law, Senate Bill 242 allows OED to enter into an intergovernmental agreement with the federal government to intercept tax payments for individuals who were overpaid UI benefits due to the misreporting of earnings or who failed to pay outstanding UI debts.

The Oregon work share program provides an alternative for employers faced with the prospect of laying off employees. In accordance with an approved work plan, employers can reduce the hours for a group of employees, and the employees receive UI benefits to supplement their wages. Currently, by Oregon statute, employees who experience a reduction in hours are not eligible for work share benefits if they work more hours than specified in the work share agreement. Additionally, employers who use the program extensively could be required to directly reimburse OED for benefits paid to employees. The U.S. Department of Labor recently notified OED that in order to comply with federal regulation, employees must not lose work share eligibility for exceeding the number of hours specified in the work share agreement and work share benefits must impact employers the same as regular UI benefits. Senate Bill 242 brings the Oregon work share program into conformity with federal regulation.