SB 299-1 (LC 305) 4/7/17 (CMT/rh/ps)

Requested by Senator COURTNEY

PROPOSED AMENDMENTS TO SENATE BILL 299

In line 2 of the printed bill, after "leave" insert "; creating new provisions; amending ORS 653.601, 653.606, 653.611, 656.005 and 656.240; and declaring an emergency".

4 Delete lines 4 and 5 and insert:

5 **"SECTION 1.** ORS 653.601 is amended to read:

6 "653.601. As used in ORS 653.601 to 653.661:

"(1)(a) 'Employee' means an individual who renders personal services at
a fixed rate to an employer if the employer either pays or agrees to pay for
personal services or permits the individual to perform personal services.

10 "(b) 'Employee' includes, but is not limited to:

11 "(A) An individual who is paid on a piece-rate basis or the basis of the 12 number of operations accomplished or quantity produced or handled;

13 "(B) Individuals paid on an hourly, salary or commission basis;

"(C) Individuals for whom withholding is required under ORS 316.162 to
 316.221; and

¹⁶ "(D) Home care workers as defined in ORS 410.600.

17 "(c) 'Employee' does not include:

18 "(A) An employee who receives paid sick time under federal law;

19 "(B) An independent contractor;

"(C) A participant in a work training program administered under a state
or federal assistance program;

1 "(D) A participant in a work-study program that provides students in 2 secondary or post-secondary educational institutions with employment op-3 portunities for financial **assistance** or vocational training;

4 "(E) A railroad worker exempted under the federal Railroad Unemploy5 ment Insurance Act; and

6 "(F) An individual employed by that individual's parent, spouse or child.

"(2)(a) 'Employer' means any person that employs one or more employees working anywhere in this state, a political subdivision of the state and any county, city, district, authority, public corporation or entity, and any instrumentality of a county, city, district, authority, public corporation or entity, organized and existing under law or charter.

"(b) 'Employer' includes an employer located in a city with a population
 exceeding 500,000.

14 "(c) 'Employer' does not include the federal government.

"(3)(a) 'Employer located in a city with a population exceeding 500,000'
 includes, but is not limited to, an employer that maintains any office, store,
 restaurant or establishment in that city.

18 "(b) 'Employer located in a city with a population exceeding 19 500,000' does not include an employer that maintains only a seasonal 20 farm stand, special use trailer as defined in ORS 801.500 or other 21 temporary establishment in that city.

²² "(4) 'Family member' has the meaning given that term in ORS 659A.150.

"(5)(a) 'Front-load,' except as provided in paragraph (b) of this subsection, means to assign and make available a certain number of hours of sick time to an employee as soon as the employee becomes eligible to use sick time and on the first day of the immediately subsequent year without regard to an accrual rate.

(b) For employees employed by an employer for less than a full year, front-load' means to assign and make available to an employee as soon as the employee becomes eligible to use sick time a number of hours of sick time that is the pro rata percentage of the hours the employee would be entitled to for an entire year based on the number of hours the employee was actually employed by the employer for the year.

4 "(6) 'Paid sick time' means time off:

5 "(a) That is provided to an employee by an employer that employs 10 or 6 more employees;

7 "(b) That may be used for the purposes specified in ORS 653.616; and

8 "(c) That is compensated at the regular rate of pay and without re-9 ductions in benefits, including but not limited to health care benefits, that 10 the employee earns from the employer at the time the employee uses the paid 11 sick time.

"(7) 'Sick time' means time during which an employee is permitted to be absent from work for a reason authorized under ORS 653.616 without a reduction in benefits, including but not limited to health care benefits, that the employee earns from the employer.

"(8) 'Year' includes any consecutive 12-month period, such as a calendar year, a tax year, a fiscal year, a contract year or the 12-month period beginning on the anniversary of the date of employment of the employee.

¹⁹ "<u>SECTION 2.</u> ORS 653.606 is amended to read:

²⁰ "653.606. (1)(a) Employers that employ at least 10 employees working ²¹ anywhere in this state shall implement a sick time policy that allows an ²² employee to [earn and use up to 40 hours of paid sick time per year. Paid sick ²³ time shall] accrue [at the rate of] at least one hour of paid sick time for every ²⁴ 30 hours the employee works or 1-1/3 hours for every 40 hours the employee ²⁵ works. Employers may limit the number of hours of paid sick time that ²⁶ employees may accrue to 40 hours per year.

"(b) Employers that employ fewer than 10 employees working anywhere in this state shall implement a sick time policy that allows an employee to [earn and use up to 40 hours of unpaid sick time per year. Unpaid sick time shall] accrue [at the rate of] at least one hour of unpaid sick time for every 30 hours the employee works or 1-1/3 hours for every 40 hours the employee
works. Employers may limit the number of hours of unpaid sick time
that employees may accrue to 40 hours per year.

"(c) Employers that employ at least 10 employees working anywhere in this state and front-load for employees at least 40 hours of paid sick time or paid time off at the beginning of each year used to calculate the accrual and usage of sick time or time off need not comply with subsections (1)(a) and (3) of this section.

9 "(d) Employers that employ fewer than 10 employees working anywhere 10 in this state and front-load for employees at least 40 hours of unpaid sick 11 time or unpaid time off at the beginning of each year used to calculate the 12 accrual and usage of sick time or time off need not comply with subsections 13 (1)(b) and (3) of this section.

"(2)(a) The number of employees employed by an employer shall be ascertained by determining that the per-day average number of employees is 10 or greater for each of 20 workweeks in the calendar year or the fiscal year of the employer immediately preceding the year in which the leave is to be taken.

"(b) If the business of the employer was not in existence for the entire year preceding the determination made under paragraph (a) of this subsection, the number of employees shall be based on any 20 workweeks preceding the request for sick time, which may include workweeks in the current year, the preceding year or a combination of workweeks in the current year and the preceding year.

"(c) As used in this subsection, 'employee' does not include an in dividual or the parent, spouse or child of an individual who is:

"(A) A voting member of the board of directors for a corporation
 and has at least a 51 percent ownership interest in the corporation;

"(B) A member of a limited liability company and has at least a 51
 percent ownership interest in the limited liability company; or

"(C) A partner of a limited liability partnership and has at least a 51 percent ownership interest in the limited liability partnership.

"(3) An employee shall begin to earn and accrue sick time on the first day
of employment with an employer. The employee may carry over up to 40
hours of unused sick time from one year to a subsequent year. However, an
employer may adopt a policy that limits:

7 "(a) An employee to accruing no more than 80 hours of sick time; or

8 "(b) An employee to using no more than 40 hours of sick time in a year.

9 "(4)(a) An employer is not required to carry over unused sick time if, by 10 mutual consent, the employer and an employee agree that:

"(A) If the employer has 10 or more employees working anywhere in this state, the employee will be paid for all unused paid sick time at the end of the year in which the sick time is accrued and the employer will credit the employee with an amount of paid sick time that meets the requirements of this section on the first day of the immediately subsequent year; or

(B) If the employer has fewer than 10 employees working anywhere in this state, the employer will credit the employee with an amount of sick time that meets the requirements of this section on the first day of the immediately subsequent year.

"(b) The Commissioner of the Bureau of Labor and Industries shall adopt
 rules for the determination of the number of employees employed by an employer.

"(5)(a) An employee is eligible to use sick time beginning on the 91st
calendar day of employment with the employer and may use sick time as it
is accrued.

"(b) An employer may authorize an employee to use accrued sick time
prior to the 91st calendar day of employment.

"(c)(A) An employer that employs 10 or more employees working anywhere in this state shall pay an employee for accrued sick time used at the regular rate of pay of the employee. "(B) For an employee [employed] who is paid on a commission or piecerate basis by an employer that employs 10 or more employees working anywhere in this state, the employer shall pay the employee for accrued sick time used at [the employee's regular rate of pay. If the employee is paid on a commission or piece-rate basis and does not have a previously established regular rate of pay, the employer shall pay the employee at] a rate equal to at least the minimum wage specified in ORS 653.025.

6 "(C) For an employee who is paid an hourly, weekly or monthly 9 wage and is also paid on a piece-rate or commission basis by an em-10 ployer that employs 10 or more employees working anywhere in this 11 state, the employer shall pay the employee for accrued sick time used 12 at a rate equivalent to the employee's hourly, weekly or monthly 13 wage.

"(6) An employee who is exempt from overtime requirements under 29 U.S.C. 213(a)(1) of the federal Fair Labor Standards Act of 1938 is presumed to work 40 hours in each workweek for the purpose of accrual of sick time unless the actual workweek of the employee is less than 40 hours, in which case sick time accrues based on the actual workweek of the employee.

"(7) Nothing in ORS 653.601 to 653.661 requires an employer to compensate an employee for accrued unused sick time upon the employee's termination, resignation, retirement or other separation from employment.

22 "(8) An employer may not require an employee to:

"(a) Search for or find a replacement worker as a condition of the
employee's use of accrued sick time; or

²⁵ "(b) Work an alternate shift to make up for the use of sick time.

"(9) Upon mutual consent by the employee and the employer, an employee may work additional hours or shifts to compensate for hours or shifts during which the employee was absent from work without using accrued sick time for the hours or shifts missed. However, the employer may not require the employee to work additional hours or shifts authorized by this subsection.

SB 299-1 4/7/17 Proposed Amendments to SB 299 If the employee works additional hours or shifts, the employer must comply
 with any applicable federal, state or local laws regarding overtime pay.

"(10) An employee retains accrued sick time if the employer sells, transfers or otherwise assigns the business or an interest in the business to another employer.

6 "(11)(a) An employer shall restore previously accrued unused sick time to 7 an employee who is reemployed by that employer within 180 days of sepa-8 ration from employment with the employer.

9 "(b) If an employee leaves employment with an employer before the 91st 10 day of employment and subsequently is reemployed by that employer within 11 180 days of separation from employment, the employer shall restore the ac-12 crued sick time balance the employee had when the employee left the em-13 ployment of the employer and the employee may use accrued sick time after 14 the combined total of days of employment with the employer exceeds 90 cal-15 endar days.

"(12) If an employee is transferred to a separate division, entity or location of the employer but remains employed by that same employer, the employee is entitled to use all sick time accrued while working at the former division, entity or location of the employer and is entitled to retain or use all sick time as provided by ORS 653.601 to 653.661.

"(13) Employers located in a city with a population exceeding 500,000
shall comply with ORS 653.601 to 653.661, except that:

"(a) If an employer located in a city with a population exceeding 500,000 employs at least six employees working anywhere in this state, the employer shall implement a policy consistent with this section as it applies to employers with at least 10 employees working anywhere in this state.

"(b) If an employer located in a city with a population exceeding 500,000 employs fewer than six employees working anywhere in this state, the employer shall implement a policy consistent with this section as it applies to employers with fewer than 10 employees working anywhere in this state.

1 **"SECTION 3.** ORS 653.611 is amended to read:

² "653.611. (1) An employer with a sick leave policy, paid vacation policy, ³ paid personal time off policy or other paid time off program that is sub-⁴ stantially equivalent to or more generous to the employee than the minimum ⁵ requirements of ORS 653.601 to 653.661 [shall be deemed to be in compliance ⁶ with the requirements of ORS 653.601 to 653.661.]:

"(a) Must, at a minimum, comply with the requirements of ORS
653.601 to 653.661 for the first 40 hours that the employer's policy provides per year; and

"(b) Need not comply with the requirements of ORS 653.601 to
 653.661 beyond the first 40 hours that the employer's policy provides
 per year.

"(2) If an employee of an employer that has a policy for paid sick time, paid vacation leave, paid personal time off or other paid time off programs has exhausted all paid and unpaid leave available to the employee, the employer is not obligated to provide additional leave for paid or unpaid sick time as required by ORS 653.601 to 653.661. However, the employer may be obligated to provide paid or unpaid sick time by federal or state law that provides for paid or unpaid leave for similar purposes.

²⁰ **"SECTION 4.** ORS 656.005 is amended to read:

"656.005. (1) 'Average weekly wage' means the Oregon average weekly wage in covered employment, as determined by the Employment Department, for the last quarter of the calendar year preceding the fiscal year in which the injury occurred.

"(2) 'Beneficiary' means an injured worker, and the spouse in a marriage,
child or dependent of a worker, who is entitled to receive payments under
this chapter. 'Beneficiary' does not include:

(a) A spouse of an injured worker living in a state of abandonment for more than one year at the time of the injury or subsequently. A spouse who has lived separate and apart from the worker for a period of two years and who has not during that time received or attempted by process of law to
collect funds for support or maintenance is considered living in a state of
abandonment.

"(b) A person who intentionally causes the compensable injury to or death
of an injured worker.

6 "(3) 'Board' means the Workers' Compensation Board.

"(4) 'Carrier-insured employer' means an employer who provides workers'
compensation coverage with the State Accident Insurance Fund Corporation
or an insurer authorized under ORS chapter 731 to transact workers' compensation insurance in this state.

"(5) 'Child' includes a posthumous child, a child legally adopted prior to 11 the injury, a child toward whom the worker stands in loco parentis, a child 12born out of wedlock and a stepchild, if such stepchild was, at the time of the 13 injury, a member of the worker's family and substantially dependent upon 14 the worker for support. A dependent child who is an invalid is a child, for 15purposes of benefits, regardless of age, so long as the child was an invalid 16 at the time of the accident and thereafter remains an invalid substantially 17 dependent on the worker for support. For purposes of this chapter, a de-18 pendent child who is an invalid is considered to be a child under 18 years 19 of age. 20

"(6) 'Claim' means a written request for compensation from a subject worker or someone on the worker's behalf, or any compensable injury of which a subject employer has notice or knowledge.

"(7)(a) A 'compensable injury' is an accidental injury, or accidental injury to prosthetic appliances, arising out of and in the course of employment requiring medical services or resulting in disability or death; an injury is accidental if the result is an accident, whether or not due to accidental means, if it is established by medical evidence supported by objective findings, subject to the following limitations:

30 "(A) No injury or disease is compensable as a consequence of a

SB 299-1 4/7/17 Proposed Amendments to SB 299 compensable injury unless the compensable injury is the major contributing
cause of the consequential condition.

"(B) If an otherwise compensable injury combines at any time with a preexisting condition to cause or prolong disability or a need for treatment, the combined condition is compensable only if, so long as and to the extent that the otherwise compensable injury is the major contributing cause of the disability of the combined condition or the major contributing cause of the need for treatment of the combined condition.

9 "(b) 'Compensable injury' does not include:

"(A) Injury to any active participant in assaults or combats which are
 not connected to the job assignment and which amount to a deviation from
 customary duties;

"(B) Injury incurred while engaging in or performing, or as the result of
 engaging in or performing, any recreational or social activities primarily for
 the worker's personal pleasure; or

"(C) Injury the major contributing cause of which is demonstrated to be by a preponderance of the evidence the injured worker's consumption of alcoholic beverages or the unlawful consumption of any controlled substance, unless the employer permitted, encouraged or had actual knowledge of such consumption.

"(c) A 'disabling compensable injury' is an injury which entitles the worker to compensation for disability or death. An injury is not disabling if no temporary benefits are due and payable, unless there is a reasonable expectation that permanent disability will result from the injury.

"(d) A 'nondisabling compensable injury' is any injury which requires
 medical services only.

"(8) 'Compensation' includes all benefits, including medical services, provided for a compensable injury to a subject worker or the worker's beneficiaries by an insurer or self-insured employer pursuant to this chapter.

30 "(9) 'Department' means the Department of Consumer and Business Ser-

1 vices.

"(10) 'Dependent' means any of the following-named relatives of a worker $\mathbf{2}$ whose death results from any injury: Parent, grandparent, stepparent, 3 grandson, granddaughter, brother, sister, half sister, half brother, niece or 4 nephew, who at the time of the accident, are dependent in whole or in part $\mathbf{5}$ for their support upon the earnings of the worker. Unless otherwise provided 6 by treaty, aliens not residing within the United States at the time of the 7 accident other than parent, spouse in a marriage or children are not included 8 within the term 'dependent.' 9

"(11) 'Director' means the Director of the Department of Consumer and
 Business Services.

"(12)(a) 'Doctor' or 'physician' means a person duly licensed to practice one or more of the healing arts in any country or in any state, territory or possession of the United States within the limits of the license of the licentiate.

"(b) Except as otherwise provided for workers subject to a managed care contract, 'attending physician' means a doctor, physician or physician assistant who is primarily responsible for the treatment of a worker's compensable injury and who is:

"(A) A medical doctor or doctor of osteopathy licensed under ORS 677.100 to 677.228 by the Oregon Medical Board, or a podiatric physician and surgeon licensed under ORS 677.805 to 677.840 by the Oregon Medical Board, an oral and maxillofacial surgeon licensed by the Oregon Board of Dentistry or a similarly licensed doctor in any country or in any state, territory or possession of the United States; or

"(B) For a cumulative total of 60 days from the first visit on the initial
claim or for a cumulative total of 18 visits, whichever occurs first, to any
of the medical service providers listed in this subparagraph, a:

29 "(i) Doctor or physician licensed by the State Board of Chiropractic Ex-30 aminers for the State of Oregon under ORS chapter 684 or a similarly licensed doctor or physician in any country or in any state, territory or
 possession of the United States;

"(ii) Physician assistant licensed by the Oregon Medical Board in accordance with ORS 677.505 to 677.525 or a similarly licensed physician assistant in any country or in any state, territory or possession of the United
States; or

"(iii) Doctor of naturopathy or naturopathic physician licensed by the
Oregon Board of Naturopathic Medicine under ORS chapter 685 or a similarly licensed doctor or physician in any country or in any state, territory
or possession of the United States.

"(c) Except as otherwise provided for workers subject to a managed care contract, 'attending physician' does not include a physician who provides care in a hospital emergency room and refers the injured worker to a primary care physician for follow-up care and treatment.

"(d) 'Consulting physician' means a doctor or physician who examines a
 worker or the worker's medical record to advise the attending physician or
 nurse practitioner authorized to provide compensable medical services under
 ORS 656.245 regarding treatment of a worker's compensable injury.

"(13)(a) 'Employer' means any person, including receiver, administrator, executor or trustee, and the state, state agencies, counties, municipal corporations, school districts and other public corporations or political subdivisions, who contracts to pay a remuneration for and secures the right to direct and control the services of any person.

"(b) Notwithstanding paragraph (a) of this subsection, for purposes of this
chapter, the client of a temporary service provider is not the employer of
temporary workers provided by the temporary service provider.

"(c) As used in paragraph (b) of this subsection, 'temporary service provider' has the meaning for that term provided in ORS 656.850.

"(14) 'Insurer' means the State Accident Insurance Fund Corporation or an insurer authorized under ORS chapter 731 to transact workers' compensation insurance in this state or an assigned claims agent selected by the
 director under ORS 656.054.

"(15) 'Consumer and Business Services Fund' means the fund created by
ORS 705.145.

"(16) 'Invalid' means one who is physically or mentally incapacitated from
earning a livelihood.

"(17) 'Medically stationary' means that no further material improvement
would reasonably be expected from medical treatment, or the passage of time.
"(18) 'Noncomplying employer' means a subject employer who has failed
to comply with ORS 656.017.

"(19) 'Objective findings' in support of medical evidence are verifiable indications of injury or disease that may include, but are not limited to, range of motion, atrophy, muscle strength and palpable muscle spasm. 'Objective findings' does not include physical findings or subjective responses to physical examinations that are not reproducible, measurable or observable.

"(20) 'Palliative care' means medical service rendered to reduce or moderate temporarily the intensity of an otherwise stable medical condition, but does not include those medical services rendered to diagnose, heal or permanently alleviate or eliminate a medical condition.

"(21) 'Party' means a claimant for compensation, the employer of the in-21jured worker at the time of injury and the insurer, if any, of such employer. 22"(22) 'Payroll' means a record of wages payable to workers for their ser-23vices and includes commissions, value of exchange labor and the reasonable 24value of board, rent, housing, lodging or similar advantage received from the 25employer. However, 'payroll' does not include overtime pay, vacation pay, 26bonus pay, tips, amounts payable under profit-sharing agreements, sick time 27pay as provided in ORS 653.601 to 653.661 or bonus payments to reward 28workers for safe working practices. Bonus pay is limited to payments which 29 are not anticipated under the contract of employment and which are paid at 30

SB 299-1 4/7/17 Proposed Amendments to SB 299 the sole discretion of the employer. The exclusion from payroll of bonus payments to reward workers for safe working practices is only for the purpose of calculations based on payroll to determine premium for workers' compensation insurance, and does not affect any other calculation or determination based on payroll for the purposes of this chapter.

"(23) 'Person' includes partnership, joint venture, association, limited liability company and corporation.

8 "(24)(a) 'Preexisting condition' means, for all industrial injury claims, any 9 injury, disease, congenital abnormality, personality disorder or similar con-10 dition that contributes to disability or need for treatment, provided that:

"(A) Except for claims in which a preexisting condition is arthritis or an arthritic condition, the worker has been diagnosed with such condition, or has obtained medical services for the symptoms of the condition regardless of diagnosis; and

"(B)(i) In claims for an initial injury or omitted condition, the diagnosis
 or treatment precedes the initial injury;

"(ii) In claims for a new medical condition, the diagnosis or treatment precedes the onset of the new medical condition; or

"(iii) In claims for a worsening pursuant to ORS 656.273 or 656.278, the diagnosis or treatment precedes the onset of the worsened condition.

"(b) 'Preexisting condition' means, for all occupational disease claims, any injury, disease, congenital abnormality, personality disorder or similar condition that contributes to disability or need for treatment and that precedes the onset of the claimed occupational disease, or precedes a claim for worsening in such claims pursuant to ORS 656.273 or 656.278.

"(c) For the purposes of industrial injury claims, a condition does not
contribute to disability or need for treatment if the condition merely renders
the worker more susceptible to the injury.

"(25) 'Self-insured employer' means an employer or group of employers certified under ORS 656.430 as meeting the qualifications set out by ORS 1 656.407.

"(26) 'State Accident Insurance Fund Corporation' and 'corporation' mean
the State Accident Insurance Fund Corporation created under ORS 656.752.

"(27) 'Subject employer' means an employer who is subject to this chapter
as provided by ORS 656.023.

"(28) 'Subject worker' means a worker who is subject to this chapter as
provided by ORS 656.027.

"(29) 'Wages' means the money rate at which the service rendered is 8 recompensed under the contract of hiring in force at the time of the accident, 9 including reasonable value of board, rent, housing, lodging or similar ad-10 vantage received from the employer, and includes the amount of tips required 11 to be reported by the employer pursuant to section 6053 of the Internal 12 Revenue Code of 1954, as amended, and the regulations promulgated pursuant 13 thereto, or the amount of actual tips reported, whichever amount is greater. 14 The State Accident Insurance Fund Corporation may establish assumed 15 minimum and maximum wages, in conformity with recognized insurance 16 principles, at which any worker shall be carried upon the payroll of the 17 employer for the purpose of determining the premium of the employer. 18

"(30) 'Worker' means any person, including a minor whether lawfully or 19 unlawfully employed, who engages to furnish services for a remuneration, 20subject to the direction and control of an employer and includes salaried, 21elected and appointed officials of the state, state agencies, counties, cities, 22school districts and other public corporations, but does not include any per-23son whose services are performed as an inmate or ward of a state institution 24or as part of the eligibility requirements for a general or public assistance 25grant. For the purpose of determining entitlement to temporary disability 26benefits or permanent total disability benefits under this chapter, 'worker' 27does not include a person who has withdrawn from the workforce during the 28period for which such benefits are sought. 29

30 "(31) 'Independent contractor' has the meaning for that term provided in

1 ORS 670.600.

² "SECTION 5. ORS 656.240 is amended to read:

"656.240. (1) Notwithstanding any other law, an employer, with the consent of the worker, may deduct from any sick leave payments made to an individual amounts equal to benefits received by the individual under this chapter with respect to the same injury that gave rise to the sick leave.

"(2) [However,] The deduction of sick leave under subsection (1) of this
section:

"(a) [shall] May not exceed an amount determined by taking the worker's
daily wage for the period less daily time loss benefits received under this
chapter divided by the worker's daily wage; and

12 "(b) Does not violate the provisions of ORS 653.601 to 653.661.

"SECTION 6. The amendments to ORS 653.601, 653.606, 653.611,
656.005 and 656.240 by sections 1 to 5 of this 2017 Act apply to hours
worked and sick time accrued or used on or after January 1, 2018.

"SECTION 7. This 2017 Act being necessary for the immediate
 preservation of the public peace, health and safety, an emergency is
 declared to exist, and this 2017 Act takes effect July 1, 2017.".

19