

## SB 1514 A STAFF MEASURE SUMMARY

### House Committee On Business and Labor

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**Prepared By:** Tyler Larson, LPRO Analyst

**Meeting Dates:** 2/21, 2/23

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#### **WHAT THE MEASURE DOES:**

Excludes from the definition of "compensation" for purposes of the Equal Pay Act hiring bonuses offered to prospective employees and retention bonuses offered to employees. Specifies that the amended language applies to complaints filed with the Bureau of Labor and Industries and to claims filed in a circuit court on or after March 1, 2022, until 180 days following the expiration of the declared state of emergency by the Governor on March 8, 2020, and any extension of that declaration. Declares emergency, effective upon passage.

*Senate Vote: Ayes, 25; Nays, 0; Absent, 1--Heard; Excused, 4--Boquist, Robinson, Thatcher, Thomsen*

*Minimal fiscal impact; no revenue impact*

#### **ISSUES DISCUSSED:**

- Impact of worker shortage on both public and private employers
- Necessity of hiring and retention bonuses to compete for workers
- Benefits of extending the hiring and retention bonus exemption through and beyond the Governor's COVID 19 state of emergency

#### **EFFECT OF AMENDMENT:**

No amendment.

#### **BACKGROUND:**

Oregon's pay equity law makes it an unlawful employment practice for an employer to pay wages or other compensation to any employee at a rate greater than other employees of a protected class for work of a comparable character. Employers may not reduce compensation to comply, and are liable for unpaid wages if they violate the pay equity law.

In 2021, the Legislative Assembly passed House Bill 2818, to remove hiring and retention bonuses from the definition of "compensation" for purposes of the pay equity law. The change applied only to complaints filed with the Bureau of Labor and Industries and to claims filed in circuit court on or after May 25, 2021, until March 1, 2022.

Senate Bill 1514 A removes hiring and retention bonuses from the definition of "compensation" for purposes of the pay equity law, and applies the change to complaints filed with the Bureau of Labor and Industries and to claims filed in a circuit court during the period beginning on or after March 1, 2022, until 180 days following the expiration of the state of emergency that was first declared by the Governor on March 8, 2020.