

DRAFT

SUMMARY

Digest: The Act allows more employment taxes to be used by the Employment Department. The Act takes effect on the 91st day after session ends. (Flesch Readability Score: 67.7).

Increases the proportion of employer tax revenues paid into the Supplemental Employment Department Administration Fund.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to unemployment insurance taxes; creating new provisions; amend-
3 ing ORS 652.409, 657.462 and 657.783; repealing ORS 657.439 and 657.463;
4 and prescribing an effective date.

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

6 **SECTION 1.** ORS 657.462 is amended to read:

7 657.462. (1)(a) The Director of the Employment Department or the
8 director's authorized representative shall, for each calendar year, compute a
9 benefit ratio for each employer who meets the requirements of this section.

10 (b)(A) For an employer whose record has been chargeable with benefits
11 throughout the 12 preceding calendar quarters ending on the computation
12 date, the benefit ratio shall be a quotient obtained by dividing the total
13 benefit charges to the employer's record in the 12 calendar quarters by the
14 total of the employer's taxable payrolls for the same 12 calendar quarters.

15 (B) For an employer whose record has been chargeable with benefits for
16 at least four or more consecutive calendar quarters but less than 12 consec-
17 utive calendar quarters and ending on the computation date, the benefit ratio
18 shall be the quotient obtained by dividing the total benefits charged to the

1 employer's record for the consecutive calendar quarters by the total of the
2 employer's taxable payrolls for the same period.

3 (b) Benefit ratios shall be carried out to the sixth decimal place.

4 (2)(a) A [listing] **list** shall be prepared of all employers meeting the re-
5 quirements of this section [and whose account is] **whose accounts are** open
6 according to Employment Department records as of August 31 following the
7 computation date.

8 (b) [This listing shall start with] **Employers shall be listed in ascend-**
9 **ing order from** the employer having the lowest benefit ratio [and progress
10 through] **to** the employer having the highest benefit ratio.

11 (c) The [listing] **list** shall show for each employer:

12 [(a)] (A) The benefit ratio;

13 [(b)] (B) The **employer's** taxable payroll for the four calendar quarters
14 immediately preceding the computation date; and

15 [(c)] (C) A cumulative total consisting of the sum of the employer's tax-
16 able payroll and the taxable payroll of all other preceding employers on the
17 list.

18 (3)(a) The department shall group all employers in accordance with the
19 cumulative taxable payroll percentage limits for the schedule in effect under
20 Table A.

21 (b)(A) All employers who fall within the same group [will] **shall** be as-
22 signed the tax rate for that group.

23 (B) [However,] **Notwithstanding subparagraph (A) of this paragraph,**
24 if the grouping results in the taxable payroll of an employer falling in two
25 groups, the employer and any other employer with the same benefit ratio
26 shall be assigned the lower of the two applicable rates.

27 (c) Fractions of a cent [will] **shall** be dropped in computing taxable pay-
28 roll limits used in Table A.

29 (d) The schedule in effect shall be in accordance with the Fund Adequacy
30 Percentage Ratios set forth in Table A.

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TABLE A

(Taxable Payroll referred to is the total for all the eligible firms for the four calendar quarters preceding and ending on the computation date)

	Fund Adequacy Percentage Ratio I	
	190% and Over	
	Tax Rate	Cumulative Taxable Payroll Limits
		(Percentage of Total Taxable Payroll)
10	0.5%	0.00% but less than 10.00%
11	0.6%	10.00% but less than 15.00%
12	0.7%	15.00% but less than 20.00%
13	0.8%	20.00% but less than 25.00%
14	0.9%	25.00% but less than 30.00%
15	1.0%	30.00% but less than 35.00%
16	1.1%	35.00% but less than 40.00%
17	1.2%	40.00% but less than 45.00%
18	1.3%	45.00% but less than 50.00%
19	1.4%	50.00% but less than 55.00%
20	1.5%	55.00% but less than 60.00%
21	1.6%	60.00% but less than 65.00%
22	1.7%	65.00% but less than 69.00%
23	1.8%	69.00% but less than 73.00%
24	1.9%	73.00% but less than 77.00%
25	2.0%	77.00% but less than 80.00%
26	2.1%	80.00% but less than 83.00%
27	2.2%	83.00% but less than 86.00%
28	2.3%	86.00% but less than 89.00%
29	2.4%	89.00% but less than 91.00%
30	2.5%	91.00% but less than 93.00%
31	2.6%	93.00% but less than 95.00%

1	2.7%	95.00% but less than 96.00%
2	2.8%	96.00% but less than 96.90%
3	2.9%	96.90% but less than 97.70%
4	3.0%	97.70% but less than 98.40%
5	3.1%	98.40% but less than 98.90%
6	3.2%	98.90% but less than 99.30%
7	3.4%	99.30% but less than 99.54%
8	3.6%	99.54% but less than 99.63%
9	3.8%	99.63% but less than 99.71%
10	4.0%	99.71% but less than 99.78%
11	4.2%	99.78% but less than 99.84%
12	4.4%	99.84% but less than 99.89%
13	4.6%	99.89% but less than 99.93%
14	4.8%	99.93% but less than 99.96%
15	5.0%	99.96% but less than 99.98%
16	5.2%	99.98% but less than 99.99%
17	5.4%	99.99% to 100.00%

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20 Fund Adequacy Percentage Ratio II

21 170.00% but less than 190%

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

25	0.7%	0.00% but less than 10.00%
26	0.8%	10.00% but less than 15.00%
27	0.9%	15.00% but less than 20.00%
28	1.0%	20.00% but less than 25.00%
29	1.1%	25.00% but less than 30.00%
30	1.2%	30.00% but less than 35.00%
31	1.3%	35.00% but less than 40.00%

1	1.4%	40.00% but less than 44.00%
2	1.5%	44.00% but less than 48.00%
3	1.6%	48.00% but less than 52.00%
4	1.7%	52.00% but less than 56.00%
5	1.8%	56.00% but less than 60.00%
6	1.9%	60.00% but less than 64.00%
7	2.0%	64.00% but less than 68.00%
8	2.1%	68.00% but less than 72.00%
9	2.2%	72.00% but less than 76.00%
10	2.3%	76.00% but less than 79.00%
11	2.4%	79.00% but less than 82.00%
12	2.5%	82.00% but less than 85.00%
13	2.6%	85.00% but less than 88.00%
14	2.7%	88.00% but less than 90.00%
15	2.8%	90.00% but less than 92.00%
16	2.9%	92.00% but less than 93.50%
17	3.0%	93.50% but less than 94.90%
18	3.1%	94.90% but less than 96.20%
19	3.2%	96.20% but less than 97.40%
20	3.4%	97.40% but less than 98.54%
21	3.6%	98.54% but less than 99.54%
22	3.8%	99.54% but less than 99.63%
23	4.0%	99.63% but less than 99.71%
24	4.2%	99.71% but less than 99.78%
25	4.4%	99.78% but less than 99.84%
26	4.6%	99.84% but less than 99.89%
27	4.8%	99.89% but less than 99.93%
28	5.0%	99.93% but less than 99.96%
29	5.2%	99.96% but less than 99.98%
30	5.4%	99.98% to 100.00%

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	Fund Adequacy Percentage Ratio III
	145.00% but less than 170%
Tax Rate	Cumulative Taxable Payroll Limits
	(Percentage of Total Taxable Payroll)
0.9%	0.00% but less than 10.00%
1.0%	10.00% but less than 15.00%
1.1%	15.00% but less than 20.00%
1.2%	20.00% but less than 24.00%
1.3%	24.00% but less than 28.00%
1.4%	28.00% but less than 32.00%
1.5%	32.00% but less than 36.00%
1.6%	36.00% but less than 40.00%
1.7%	40.00% but less than 44.00%
1.8%	44.00% but less than 48.00%
1.9%	48.00% but less than 52.00%
2.0%	52.00% but less than 56.00%
2.1%	56.00% but less than 60.00%
2.2%	60.00% but less than 64.00%
2.3%	64.00% but less than 68.00%
2.4%	68.00% but less than 72.00%
2.5%	72.00% but less than 76.00%
2.6%	76.00% but less than 80.00%
2.7%	80.00% but less than 84.00%
2.8%	84.00% but less than 87.00%
2.9%	87.00% but less than 90.00%
3.0%	90.00% but less than 93.00%
3.1%	93.00% but less than 95.00%
3.2%	95.00% but less than 97.00%
3.4%	97.00% but less than 98.20%

1	3.6%	98.20% but less than 99.00%
2	3.8%	99.00% but less than 99.43%
3	4.0%	99.43% but less than 99.63%
4	4.2%	99.63% but less than 99.72%
5	4.4%	99.72% but less than 99.79%
6	4.6%	99.79% but less than 99.85%
7	4.8%	99.85% but less than 99.90%
8	5.0%	99.90% but less than 99.94%
9	5.2%	99.94% but less than 99.97%
10	5.4%	99.97% to 100.00%

13 Fund Adequacy Percentage Ratio IV

14 125.00% but less than 145%

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16 Tax Rate Cumulative Taxable Payroll Limits
 17 (Percentage of Total Taxable Payroll)

18	1.2%	0.00% but less than 10.00%
19	1.3%	10.00% but less than 15.00%
20	1.4%	15.00% but less than 20.00%
21	1.5%	20.00% but less than 24.00%
22	1.6%	24.00% but less than 28.00%
23	1.7%	28.00% but less than 32.00%
24	1.8%	32.00% but less than 36.00%
25	1.9%	36.00% but less than 40.00%
26	2.0%	40.00% but less than 44.00%
27	2.1%	44.00% but less than 48.00%
28	2.2%	48.00% but less than 52.00%
29	2.3%	52.00% but less than 56.00%
30	2.4%	56.00% but less than 60.00%
31	2.5%	60.00% but less than 64.00%

1	2.6%	64.00% but less than 68.00%
2	2.7%	68.00% but less than 72.00%
3	2.8%	72.00% but less than 76.00%
4	2.9%	76.00% but less than 80.00%
5	3.0%	80.00% but less than 84.00%
6	3.1%	84.00% but less than 88.00%
7	3.2%	88.00% but less than 92.00%
8	3.3%	92.00% but less than 95.00%
9	3.4%	95.00% but less than 97.00%
10	3.6%	97.00% but less than 98.20%
11	3.8%	98.20% but less than 99.00%
12	4.0%	99.00% but less than 99.40%
13	4.2%	99.40% but less than 99.60%
14	4.4%	99.60% but less than 99.70%
15	4.6%	99.70% but less than 99.78%
16	4.8%	99.78% but less than 99.85%
17	5.0%	99.85% but less than 99.91%
18	5.2%	99.91% but less than 99.96%
19	5.4%	99.96% to 100.00%

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22 Fund Adequacy Percentage Ratio V

23 110.00% but less than 125%

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

27	1.5%	0.00% but less than 10.00%
28	1.6%	10.00% but less than 15.00%
29	1.7%	15.00% but less than 20.00%
30	1.8%	20.00% but less than 24.00%
31	1.9%	24.00% but less than 28.00%

1	2.0%	28.00% but less than 32.00%
2	2.1%	32.00% but less than 36.00%
3	2.2%	36.00% but less than 40.00%
4	2.3%	40.00% but less than 44.00%
5	2.4%	44.00% but less than 48.00%
6	2.5%	48.00% but less than 52.00%
7	2.6%	52.00% but less than 56.00%
8	2.7%	56.00% but less than 60.00%
9	2.8%	60.00% but less than 64.00%
10	2.9%	64.00% but less than 68.00%
11	3.0%	68.00% but less than 72.00%
12	3.1%	72.00% but less than 76.00%
13	3.2%	76.00% but less than 80.00%
14	3.3%	80.00% but less than 84.00%
15	3.4%	84.00% but less than 88.00%
16	3.5%	88.00% but less than 92.00%
17	3.6%	92.00% but less than 95.00%
18	3.7%	95.00% but less than 97.00%
19	3.8%	97.00% but less than 98.20%
20	3.9%	98.20% but less than 99.00%
21	4.0%	99.00% but less than 99.40%
22	4.2%	99.40% but less than 99.60%
23	4.4%	99.60% but less than 99.70%
24	4.6%	99.70% but less than 99.78%
25	4.8%	99.78% but less than 99.85%
26	5.0%	99.85% but less than 99.91%
27	5.2%	99.91% but less than 99.96%
28	5.4%	99.96% to 100.00%

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Fund Adequacy Percentage Ratio VI

1		100.00% but less than 110%
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3	Tax Rate	Cumulative Taxable Payroll Limits
4		(Percentage of Total Taxable Payroll)
5	1.8%	0.00% but less than 10.00%
6	1.9%	10.00% but less than 15.00%
7	2.0%	15.00% but less than 20.00%
8	2.1%	20.00% but less than 25.00%
9	2.2%	25.00% but less than 30.00%
10	2.3%	30.00% but less than 35.00%
11	2.4%	35.00% but less than 40.00%
12	2.5%	40.00% but less than 44.00%
13	2.6%	44.00% but less than 48.00%
14	2.7%	48.00% but less than 52.00%
15	2.8%	52.00% but less than 56.00%
16	2.9%	56.00% but less than 60.00%
17	3.0%	60.00% but less than 64.00%
18	3.1%	64.00% but less than 68.00%
19	3.2%	68.00% but less than 72.00%
20	3.3%	72.00% but less than 76.00%
21	3.4%	76.00% but less than 80.00%
22	3.5%	80.00% but less than 84.00%
23	3.6%	84.00% but less than 88.00%
24	3.7%	88.00% but less than 92.00%
25	3.8%	92.00% but less than 95.00%
26	3.9%	95.00% but less than 97.00%
27	4.0%	97.00% but less than 98.20%
28	4.2%	98.20% but less than 99.00%
29	4.4%	99.00% but less than 99.50%
30	4.6%	99.50% but less than 99.70%
31	4.8%	99.70% but less than 99.79%

1	5.0%	99.79% but less than 99.87%
2	5.2%	99.87% but less than 99.94%
3	5.4%	99.94% to 100.00%

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6		Fund Adequacy Percentage Ratio VII
7		90.00% but less than 100%

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

11	2.0%	0.00% but less than 10.00%
12	2.1%	10.00% but less than 15.00%
13	2.2%	15.00% but less than 20.00%
14	2.3%	20.00% but less than 25.00%
15	2.4%	25.00% but less than 30.00%
16	2.5%	30.00% but less than 35.00%
17	2.6%	35.00% but less than 40.00%
18	2.7%	40.00% but less than 45.00%
19	2.8%	45.00% but less than 50.00%
20	2.9%	50.00% but less than 55.00%
21	3.0%	55.00% but less than 60.00%
22	3.1%	60.00% but less than 64.00%
23	3.2%	64.00% but less than 68.00%
24	3.3%	68.00% but less than 72.00%
25	3.4%	72.00% but less than 76.00%
26	3.5%	76.00% but less than 80.00%
27	3.6%	80.00% but less than 84.00%
28	3.7%	84.00% but less than 88.00%
29	3.8%	88.00% but less than 92.00%
30	3.9%	92.00% but less than 95.00%
31	4.0%	95.00% but less than 97.00%

1	4.2%	97.00% but less than 98.20%
2	4.4%	98.20% but less than 99.00%
3	4.6%	99.00% but less than 99.50%
4	4.8%	99.50% but less than 99.70%
5	5.0%	99.70% but less than 99.84%
6	5.2%	99.84% but less than 99.93%
7	5.4%	99.93% to 100.00%

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10 Fund Adequacy Percentage Ratio VIII

11 Under 90%

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

15	2.2%	0.00% but less than 10.00%
16	2.3%	10.00% but less than 15.00%
17	2.4%	15.00% but less than 20.00%
18	2.5%	20.00% but less than 25.00%
19	2.6%	25.00% but less than 30.00%
20	2.7%	30.00% but less than 35.00%
21	2.8%	35.00% but less than 40.00%
22	2.9%	40.00% but less than 45.00%
23	3.0%	45.00% but less than 50.00%
24	3.1%	50.00% but less than 55.00%
25	3.2%	55.00% but less than 60.00%
26	3.3%	60.00% but less than 65.00%
27	3.4%	65.00% but less than 70.00%
28	3.5%	70.00% but less than 75.00%
29	3.6%	75.00% but less than 80.00%
30	3.7%	80.00% but less than 84.00%
31	3.8%	84.00% but less than 88.00%

1	3.9%	88.00% but less than 92.00%
2	4.0%	92.00% but less than 95.00%
3	4.2%	95.00% but less than 97.00%
4	4.4%	97.00% but less than 98.20%
5	4.6%	98.20% but less than 99.00%
6	4.8%	99.00% but less than 99.50%
7	5.0%	99.50% but less than 99.80%
8	5.2%	99.80% but less than 99.92%
9	5.4%	99.92% to 100.00%

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(4) Except as provided in subsection (6)(c) of this section:

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(a) For each calendar quarter, of each rate determined under Table A, one hundred and nine one-thousandths of a percentage point of the rate shall be used to determine an amount of the wages subject to tax under this chapter for that calendar quarter to be disposed of in accordance with this subsection.

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(b) After withholding the actual shared costs of the department in collecting the amount of wages determined under paragraph (a) of this subsection, the director or the director's authorized representative shall pay the amount of wages into the Supplemental Employment Department Administration Fund established under ORS 657.783.

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(5) Except as provided in subsection (6)(c) of this section:

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(a) For the first calendar quarter of each odd-numbered year, in addition to the rate determined under subsection (4) of this section, of each rate determined under Table A, three one-hundredths of a percentage point of the rate shall be used to determine an amount of the wages subject to tax under this chapter for that calendar quarter to be disposed of in accordance with this subsection.

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(b) After withholding the actual shared costs of the department in collecting the amount of wages determined under paragraph (a) of this subsection, the director or the director's authorized representative

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1 shall pay the amount of wages into the Wage Security Fund estab-
2 lished under ORS 652.409.

3 (c) Except as provided in subsection (4) of this section, moneys due
4 pursuant to this section but not received by the department for pay-
5 ment to the Wage Security Fund by June 30 of each odd-numbered
6 year shall be paid into the Unemployment Compensation Trust Fund
7 created under ORS 657.805.

8 (6)(a) All amounts of wages determined for disposition under sub-
9 sections (4) and (5) of this section shall be paid and collected in the
10 same manner and at the same time as unemployment compensation
11 taxes under this chapter, unless the director prescribes otherwise.

12 (b) In no case shall the rates imposed on wages under subsections
13 (4) and (5) of this section cause the total rate imposed on the wages
14 under this section to exceed the rate determined under Table A for any
15 employer.

16 (c) Subsections (4) and (5) do not apply to the wages of employers
17 whose assigned tax rate is 5.4 percent.

18 **SECTION 2.** ORS 652.409 is amended to read:

19 652.409. (1) The Wage Security Fund is established separate and distinct
20 from the General Fund. After [*deduction of the amounts provided in ORS*
21 *657.439 (2)(a)*] **withholding the actual shared costs of the Employment**
22 **Department under ORS 657.462 (5)(b)**, all [*moneys*] **amounts** received by
23 the [*Employment Department*] **department** pursuant to ORS [*657.439 (2)(a)*]
24 **657.462 (5)(a)** shall be paid into the State Treasury and credited to the Wage
25 Security Fund. All income earned on moneys in the Wage Security Fund in-
26 vested by the State Treasurer shall accrue to the fund.

27 (2) All income earned on moneys in the Wage Security Fund, and all other
28 moneys in the fund, are appropriated continuously to the Commissioner of
29 the Bureau of Labor and Industries primarily to carry out the provisions of
30 ORS 652.414. Moneys in the fund may also be used, within the divisions of
31 the Bureau of Labor and Industries that enforce wage and hour laws and

1 state laws concerning civil rights, to investigate and enforce claims of
2 underpaid and unpaid wages under this chapter and ORS chapter 653 and to
3 investigate conduct that may constitute an unlawful practice under ORS
4 chapter 659A.

5 **SECTION 3.** ORS 657.783 is amended to read:

6 657.783. (1) There is established in the State Treasury, separate and dis-
7 tinct from the General Fund, the Supplemental Employment Department
8 Administration Fund. The Supplemental Employment Department Adminis-
9 tration Fund shall consist of moneys collected or received by the Employ-
10 ment Department pursuant to [*section 3, chapter 449, Oregon Laws 1987, and*
11 *ORS 657.439 and 657.463*] **ORS 657.462.**

12 (2) Except as provided in subsection (3) of this section, all income earned
13 on moneys in the Supplemental Employment Department Administration
14 Fund invested by the State Treasurer shall accrue to the fund. Any balance
15 in the fund shall not lapse at any time. All moneys in the fund are appro-
16 priated continuously to the department for the payment of expenses of ad-
17 ministration of this chapter for which federal funding has been reduced,
18 eliminated or otherwise is not available, and which has been authorized in
19 the legislatively approved budget of the department.

20 (3) As determined on June 30 of each odd-numbered year, moneys in the
21 Supplemental Employment Department Administration Fund that are in ex-
22 cess of 150 percent of the amount collected pursuant to ORS [*657.463 (2)*]
23 **657.462 (4)** for the first quarter of the previous even-numbered year shall be
24 transferred to the Unemployment Compensation Trust Fund. The transfer
25 required by this subsection shall be made by December 31 of the odd-
26 numbered year.

27 **SECTION 4.** ORS 657.439 and 657.463 are repealed.

28 **SECTION 5.** The amendments to ORS 652.409, 657.462 and 657.783 by
29 sections 1 to 3 of this 2024 Act and the repeal of ORS 657.439 and 657.463
30 by section 4 of this 2024 Act apply to calendar quarters beginning on
31 or after January 1, 2024.

1 **SECTION 6. This 2024 Act takes effect on the 91st day after the date**
2 **on which the 2024 regular session of the Eighty-second Legislative**
3 **Assembly adjourns sine die.**

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