

# DRAFT

## SUMMARY

Digest: The Act would require the Director of OED to conduct periodic assessments of the Paid Family and Medical Leave Insurance Fund. The Act would allow the director to take actions if the director found the fund to be insolvent. The Act would take effect when the Governor signs it. (Flesch Readability Score: 60.7).

Requires the Director of the Employment Department to conduct periodic assessments to determine the solvency of the Paid Family and Medical Leave Insurance Fund. Specifies the actions that the director may take to restore solvency if the director determines that the fund is, or may be, insolvent.

Requires the Director of the Employment Department to include in the department's biennial reports to the Legislative Assembly, a summary of the periodic assessments conducted by the director and a summary of any actions taken by the director to restore solvency.

Declares an emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to family and medical leave insurance; creating new provisions;  
3 amending section 51, chapter 700, Oregon Laws 2019; and declaring an  
4 emergency.

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

6 **SECTION 1. Section 2 of this 2024 Act is added to and made a part**  
7 **of ORS chapter 657B.**

8 **SECTION 2. (1) As used this section:**

9 (a) **“Family leave for parental bonding” means the family leave de-**  
10 **scribed under ORS 657B.010 (18)(a)(A).**

11 (b) **“Grant” means a grant described under ORS 657B.200.**

12 (c) **“Projected expenses” means benefits anticipated to be claimed**  
13 **by covered individuals under ORS 657B.090, anticipated grant awards,**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 any anticipated costs and expenses associated with processing pay-  
2 ments of the benefits and grant awards and any other expenses antic-  
3 ipated to be incurred by the Employment Department in carrying out  
4 the provisions of this chapter.

5 (d) "Solvency of the fund" and "solvent" means that the cumulative  
6 amount of contributions collected under the provisions of this chapter  
7 and any other moneys deposited in the fund are sufficient to pay, in  
8 full and in a timely manner, not less than six months of projected  
9 expenses.

10 (2) The Director of the Employment Department shall periodically  
11 assess the Paid Family and Medical Leave Insurance Fund established  
12 under ORS 657B.430 to make determinations regarding the solvency  
13 of the fund. The director shall use actuarial calculations in making  
14 such determinations and may consider any relevant information in-  
15 cluding, but not limited to:

16 (a) The total cost of administrative expenses incurred by the de-  
17 partment during the six-month period immediately preceding a peri-  
18 odic assessment of the fund.

19 (b) The number of grant applications received by the department in  
20 the calendar year immediately preceding a periodic assessment of the  
21 fund.

22 (c) The total grants awarded in the calendar year immediately pre-  
23 ceding a periodic assessment of the fund.

24 (d) The average amount of weekly benefits paid in the calendar year  
25 immediately preceding a periodic assessment of the fund.

26 (e) Annual predictable birth rate data.

27 (3) Notwithstanding any other provision under this chapter, if,  
28 pursuant to subsection (2) of this section, the director determines that  
29 the fund is or may be insolvent, the director may take any of the fol-  
30 lowing actions to maintain or restore the solvency of the fund:

31 (a) Adjust the maximum weekly benefit amount provided under

1 **ORS 657B.050 (2)(a) so that the maximum weekly benefit amount is less**  
2 **than 120 percent but not less than 100 percent of the average weekly**  
3 **wage.**

4 **(b) Adjust the weekly benefit amount available to eligible employees**  
5 **under ORS 657B.050 (1)(b) such that the employee's weekly benefit**  
6 **amount is the sum of:**

7 **(A) 65 percent of the average weekly wage; and**

8 **(B) Not less than 40 percent of the employee's average weekly wage**  
9 **that is greater than 65 percent of the average weekly wage.**

10 **(4) Notwithstanding any other provision under this chapter:**

11 **(a) Except as provided in paragraph (b) of this subsection, if, after**  
12 **taking both of the actions authorized under subsection (3)(a) and (b)**  
13 **of this section, it is apparent to the director that the fund is or may**  
14 **be insolvent, the director may reduce the number of weeks that would**  
15 **otherwise be available to a covered individual under ORS 657B.020 (1)**  
16 **to reflect that a covered individual may qualify for 10 weeks of family**  
17 **and medical leave insurance benefits per benefit year for family leave,**  
18 **medical leave and safe leave taken individually or in any combination.**

19 **(b) Nothing in this subsection authorizes the director to reduce the**  
20 **number of weeks that would otherwise be available to a covered indi-**  
21 **vidual under ORS 657B.020 (1) for family leave for parental bonding**  
22 **taken individually or in combination with:**

23 **(A) Other family leave, medical leave or safe leave; and**

24 **(B) The leave for which a covered individual may qualify under ORS**  
25 **657B.020 (3).**

26 **(5)(a) Whenever an adjustment to benefits occurs as a result of any**  
27 **action taken by the director pursuant to subsections (3) and (4) of this**  
28 **section, the adjustment shall remain effective for not more than five**  
29 **calendar years from the date on which the action was taken.**

30 **(b) The director shall discontinue the use of this section to deter-**  
31 **mine appropriate benefits and shall resume determining benefits in**

1 **accordance with ORS 657B.020 and 657B.050 not later than whichever**  
2 **of the following first occurs:**

3 **(A) Upon the director's determination that resuming determi-**  
4 **nations in accordance with the provisions of those sections will not**  
5 **cause volatility in the fund or with respect to the administration of**  
6 **the family and medical leave insurance program.**

7 **(B) The date described under paragraph (a) of this subsection.**

8 **(6) Any action taken by the director under this section shall apply**  
9 **to benefits to be claimed in benefit years beginning on or after the**  
10 **first day of the first calendar quarter following the date on which the**  
11 **action was taken.**

12 **(7) The director shall provide at least 30 days' advance notice to the**  
13 **public of any changes to benefits resulting from any action taken by**  
14 **the director under this section, including the effective date of such**  
15 **changes. The director shall give notice to the public by posting the**  
16 **information on the website maintained by the department.**

17 **SECTION 3.** Section 51, chapter 700, Oregon Laws 2019, is amended to  
18 read:

19 **Sec. 51.** (1)(a) The Director of the Employment Department shall submit  
20 to the interim committees of the Legislative Assembly related to workforce  
21 or business and labor, in the manner provided in ORS 192.245, reports sum-  
22 marizing the Employment Department's progress toward implementing the  
23 family and medical leave insurance program described in ORS chapter 657B.

24 (b) The director shall submit the first report not later than February 15,  
25 2020, and a second report not later than September 1, 2022.

26 (2) Beginning on July 1, 2024, and once during each of the following  
27 [*three*] **five** consecutive biennia, the director shall, to the extent that the  
28 director has acquired the information, submit to the interim committees of  
29 the Legislative Assembly related to workforce or business and labor, in the  
30 manner provided in ORS 192.245, a report that includes:

31 (a) The total number of claims submitted under ORS 657B.090.

1 (b) The number of claims allowed under ORS 657B.100 and the number  
2 of claims denied under ORS 657B.100.

3 (c) The total amount of benefits paid out of the Paid Family and Medical  
4 Leave Insurance Fund established under ORS 657B.430.

5 (d) Data regarding the use of moneys in the fund, the solvency of the fund  
6 and the balance of the fund.

7 (e) The amount of contributions collected under ORS 657B.150.

8 (f) The number of applications for plan approval submitted under ORS  
9 657B.210, including the number of plans approved and the costs the depart-  
10 ment incurred in reviewing such applications.

11 (g) The number of applications received by the department for employer  
12 assistance and the total amounts awarded in grants under ORS 657B.200.

13 **(h) A summary of any periodic assessments conducted by the di-**  
14 **rector pursuant to section 2 of this 2024 Act to determine the solvency**  
15 **of the Paid Family and Medical Leave Insurance Fund, including a**  
16 **summary of the information upon which the solvency determination**  
17 **was based.**

18 **(i) A summary of any action that was taken by the director under**  
19 **section 2 of this 2024 Act to restore the solvency of the fund and the**  
20 **resulting outcomes of such action.**

21 [(h)] **(3)** The director shall include in the reports described in this sub-  
22 section any recommendations made by the advisory committee under ORS  
23 657B.380.

24 **SECTION 4. This 2024 Act being necessary for the immediate pres-**  
25 **ervation of the public peace, health and safety, an emergency is de-**  
26 **clared to exist, and this 2024 Act takes effect on its passage.**

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