

HB 3331 STAFF MEASURE SUMMARY

House Committee On Business and Labor

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Meeting Dates: 3/6, 3/13

WHAT THE MEASURE DOES:

Amends eligibility requirements for employee to qualify for Work Share benefits. Removes requirement that “affected employee” must have been “continuously employed” and have worked for employer “for six months on a full-time basis or for one year on a part-time basis.” Expands percentage reduction in hours employee may work to qualify for benefits to at least 10 percent and to not more than 50 percent. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Increase in utilization of Work Share program during pandemic
- Benefit of Work Share program to employers and employees
- Adding flexibility to eligibility requirements to expand opportunity for participation by employers and employees
- Solvency of Unemployment Insurance (UI) Trust Fund
- Impact of changes to UI tax rate

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

In 1983, Work Share was created in Oregon in an effort for businesses to avoid layoffs, retain talent during a temporary decline in business, and continually provide reduced wages plus unemployment benefits to subsidize the reduction in wages. With an approved Work Share plan, the employer reduces the hours of work for a group of workers rather than reducing the number of workers it employs, and partial unemployment insurance (UI) benefits supplement the workers' reduced wages.

To be eligible to participate in the Work Share program an employer must have three or more employees and employees eligible for UI benefits and employees must have their hours reduced at least 20 percent *and* not more than 40 percent, fully available for work, worked continuously for six months full-time, *or one-year* part-time basis, and not a seasonal worker.

The current requirements limit the number of workers and employers who may benefit from access to the Work Share program. The program does not currently permit employers to include employees who were hired within the last year. As a result, newer employees are not eligible to benefit from the Work Share program and receive benefits. Further, only employees whose hours were reduced by at least 20 percent, but not more than 40 percent, qualify for Work Share benefits. This means that full-time employees (40-hour workweek) whose hours are reduced by less than eight hours or by more than 16 hours are not able to participate in the program.

House Bill 3331 amends eligibility requirements to qualify for Work Share benefits. First, the measure removes the requirement that an “affected employee” must have been “continuously employed” and have worked for the employer “for six months on a full-time basis or for one year on a part-time basis” to qualify for Work Share benefits. Second, the measure expands percentage reduction in hours employee may work to qualify for Work Share benefits to at least 10 percent and to not more than 50 percent.