

## **SB 881 -1 STAFF MEASURE SUMMARY**

### **Senate Committee On Labor and Business**

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**Meeting Dates:** 3/21, 3/28

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

Specifies that employer who is a client company that is furnished workers by worker leasing company is responsible for employer duties under paid family and medical leave insurance program (Paid Leave Oregon) with respect to the leased workers. Requires Director of Employment Department to reimburse leasing company for cost of complying with employer contribution requirements when costs incurred from worker leasing company paying contributions for a client company under specified criteria. Makes conforming amendments. Takes effect on 91st day following adjournment sine die.

#### **ISSUES DISCUSSED:**

- Retroactivity portion of measure
- Reason for implementation date
- Programing and operations of Frances Online
- Effect of existing Paid Leave Oregon requirements on professional employer organizations

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

-1 Replaces the measure. Permits worker leasing company to amend any quarterly reports detailing Paid Leave Oregon contribution amounts paid by worker leasing company on behalf of client employer on or after January 1, 2023. Directs Department of Revenue to issue refund to worker leasing company if amended combined quarterly report reflects that refund is due. Limits refund to worker leasing company to three years from date that worker leasing company paid Paid Leave Oregon contributions on behalf of client employer. Defines "worker leasing company" and "client employer." Specifies that worker leasing company is not responsible for Paid Leave Oregon contributions on behalf of client employer with fewer than 25 employees. Applicable to employer contribution amounts paid by worker leasing company on behalf of client employer on or after January 1, 2023. Operative July 1, 2024.

#### **BACKGROUND:**

The family and medical leave insurance program, known as Paid Leave Oregon, is contained in ORS chapter 657B and was enacted by the Legislative Assembly in 2019. Paid Leave Oregon allows Oregon employees to take paid time off for specified family, medical, or safety-related leave, such as family leave to care of a family member with a serious illness or family leave to care for a child following birth. Paid Leave Oregon required employees and employers with 25 or more employees to begin making contributions into the program on January 1, 2023. ORS 657B.010 defines terms for the Paid Leave Oregon, including "employee" and "employer." Employees can begin applying for benefits under Paid Leave Oregon on September 3, 2023. Employers can opt to offer employees their own equivalent plan to Paid Leave Oregon, which must be approved by the Employment Department. Self-employed persons and independent contractors can also elect to participate in Paid Leave Oregon.

Workers' Compensation laws, contained in ORS chapter 656, define "worker leasing company" and contain requirements for working leasing companies to satisfy regarding workers' compensation laws.

Senate Bill 881 provides that a client company that is furnished workers by a worker leasing company is responsible for employer contributions under Paid Leave Oregon with respect to workers leased to the client company. The measure also requires the Director of the Employment Department to reimburse worker leasing

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companies for any employer contribution payments made by them for workers leased to a client company under specified criteria.

PRELIMINARY