

# House Bill 2556

Sponsored by Representative NOSSE (Presession filed.)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires that itemized statements provided to employees explain, in plain language, amount and purpose of each deduction.

Provides requirements for employer deductions for erroneous overpayments of wages.

## A BILL FOR AN ACT

1  
2 Relating to deductions from employee wages; creating new provisions; and amending ORS 292.063  
3 and 652.610.

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

5 **SECTION 1.** ORS 652.610 is amended to read:

6 652.610. (1)(a) All persons, firms, partnerships, associations, cooperative associations, corpo-  
7 rations, municipal corporations, the state and its political subdivisions, except the federal govern-  
8 ment and its agencies, employing, in this state, during any calendar month one or more persons,  
9 shall provide the employee on regular paydays and at other times payment of wages, salary or  
10 commission is made, with an itemized statement as described in paragraph (b) of this subsection.

11 (b) The statement required under this subsection must be a written statement, sufficiently  
12 itemized to show:

13 (A) The date of the payment;

14 (B) The dates of work covered by the payment;

15 (C) The name of the employee;

16 (D) The name and business registry number or business identification number;

17 (E) The address and telephone number of the employer;

18 (F) The rate or rates of pay;

19 (G) Whether the employee is paid by the hour, shift, day or week or on a salary, piece or com-  
20 mission basis;

21 (H) Gross wages;

22 (I) Net wages;

23 (J) **An explanation, stated in plain language, of** the amount and purpose of each deduction  
24 made during the respective period of service that the payment covers;

25 (K) Allowances, if any, claimed as part of minimum wage;

26 (L) Unless the employee is paid on a salary basis and is exempt from overtime compensation as  
27 established by local, state or federal law, the regular hourly rate or rates of pay, the overtime rate  
28 or rates of pay, the number of regular hours worked and pay for those hours, and the number of  
29 overtime hours worked and pay for those hours; and

30 (M) If the employee is paid a piece rate, the applicable piece rate or rates of pay, the number  
31 of pieces completed at each piece rate and the total pay for each rate.

**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 (c) Notwithstanding paragraph (b) of this subsection, the employer may provide the statement  
 2 required under this subsection to the employee in electronic form pursuant to ORS 84.001 to 84.061  
 3 if:

4 (A) The statement contains the information described in paragraph (b) of this section;

5 (B) The employee expressly agrees to receive the statement in electronic form; and

6 (C) The employee has the ability to print or store the statement at the time of receipt.

7 (2)(a) The statement may be attached to or be a part of the check, draft, voucher or other in-  
 8 strument by which payment is made, or may be delivered separately from the instrument.

9 (b) The statement shall be provided electronically at the time payment is made to all state offi-  
 10 cers and employees paid electronically under the state payroll system as provided by ORS 292.026.

11 (c) State agencies shall provide access to electronic statements to employees who do not have  
 12 regular access to computers in their workplace.

13 (d) Notwithstanding paragraph (b) of this subsection, if an officer or employee paid under the  
 14 state payroll system as provided by ORS 292.026 wants to receive payment of net salary and wages  
 15 by check or to receive a paper statement of itemized payroll deductions, the officer or employee  
 16 shall request paper statements or payment by check in accordance with the procedures adopted by  
 17 rule by the Oregon Department of Administrative Services.

18 (3) An employer may not withhold, deduct or divert any portion of an employee's wages unless:

19 (a) The employer is required to do so by law;

20 (b) The deductions are voluntarily authorized in writing by the employee, are for the employee's  
 21 benefit and are recorded in the employer's books;

22 (c) The employee has voluntarily signed an authorization for a deduction for any other item,  
 23 provided that the ultimate recipient of the money withheld is not the employer and that the de-  
 24 duction is recorded in the employer's books;

25 (d) The deduction is authorized by a collective bargaining agreement to which the employer is  
 26 a party;

27 (e) The deduction is authorized under ORS 18.736; or

28 (f) The deduction is made from the payment of wages upon termination of employment and is  
 29 authorized pursuant to a written agreement between the employee and employer for the repayment  
 30 of a loan made to the employee by the employer, if all of the following conditions are met:

31 (A) The employee has voluntarily signed the agreement;

32 (B) The loan was paid to the employee in cash or other medium permitted by ORS 652.110;

33 (C) The loan was made solely for the employee's benefit and was not used, either directly or  
 34 indirectly, for any purpose required by the employer or connected with the employee's employment  
 35 with the employer;

36 (D) The amount of the deduction at termination of employment does not exceed the amount  
 37 permitted to be garnished under ORS 18.385; and

38 (E) The deduction is recorded in the employer's books.

39 (4) When an employer deducts an amount from an employee's wages as required or authorized  
 40 by law or agreement, the employer shall pay the amount deducted to the appropriate recipient as  
 41 required by the law or agreement. The employer shall pay the amount deducted within the time re-  
 42 quired by the law or the agreement or, if the time for payment is not specified by the law or  
 43 agreement, within seven days after the date the wages from which the deductions are made are due.  
 44 Failure to pay the amount as required constitutes an unlawful deduction.

45 (5) This section does not:

1 (a) Prohibit the withholding of amounts authorized in writing by the employee to be contributed  
2 by the employee to charitable organizations, including contributions made pursuant to ORS 663.110;

3 (b) Prohibit deductions by checkoff dues to labor organizations or service fees when the de-  
4 ductions are not otherwise prohibited by law; [or]

5 (c) Diminish or enlarge the right of any person to assert and enforce a lawful setoff or  
6 counterclaim or to attach, take, reach or apply an employee's compensation on due legal  
7 process[.]; or

8 **(d) Prohibit deductions made by an employer for an erroneous overpayment of wages in  
9 an amount greater than the employee's entitlement provided that:**

10 **(A) The deduction is made within six months from the date on which the employee re-  
11 ceived the overpayment;**

12 **(B) The employee has voluntarily signed an authorization for such a deduction; and**

13 **(C) If an employer is subject to a collective bargaining agreement that includes provisions  
14 concerning employer deductions for erroneous overpayments that are more restrictive than  
15 the provisions provided under this paragraph, the more restrictive provisions apply.**

16 **SECTION 2.** ORS 292.063 is amended to read:

17 292.063. (1) **Subject to the requirements under ORS 652.610 (5)(d)**, when a state employee  
18 receives payment of salary or wages in an amount greater than the employee's entitlement, the  
19 amount of overpayment may be deducted from salary or wages earned by the employee.

20 (2) The deduction may be in such form and manner as the Oregon Department of Administrative  
21 Services, by rule, may prescribe.

22 **SECTION 3. The amendments to ORS 292.063 and 652.610 by sections 1 and 2 of this 2023  
23 Act apply to collective bargaining agreements entered into, renewed or extended on or after  
24 the effective date of this 2023 Act.**