

## **SB 912 -1 STAFF MEASURE SUMMARY**

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

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**Prepared By:** Whitney Perez, LPRO Analyst

**Meeting Dates:** 3/9, 3/16

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

Permits Director of Employment Department (Department) to deduct amount from future family and medical leave insurance benefits (benefits) otherwise payable to covered individual for overpayments. Allows Director to bring civil action to recover overpayments. Specifies when Director may waive recovery of overpaid benefits. Prohibits person convicted of fraud from obtaining benefits except for benefits after conviction when person has reimbursed Paid Family and Medical Leave Insurance Fund for benefit payments made as result of fraud. Specifies when Director may cancel specified unrecoverable overpaid benefits. Permits Director to waive, reduce, or compromise certain interest or penalty amounts due when in best interest of Department. Specifies when Director may request offset against liquidated state debt for certain benefit overpayments. Allows Director to impose monetary penalty against employer who offers benefits through employer-offered equivalent benefit plan when employer violates requirements for employer-offered equivalent benefit plans. Permits Director to waive monetary penalties when violation of requirements is inadvertent error by employer. Permits Director to compromise or adjust certain overpayments or debts. Permits lien on real or personal property of person liable for amounts due under benefit program, self-employed person or tribal government that fails to remit any contributions due, or employer liable to repay grant moneys that was not eligible. Authorizes Director to collect employer assistance grant repayments. Makes conforming amendments. Takes effect 91st day following adjournment sine die.

#### **ISSUES DISCUSSED:**

- Paid Leave Oregon Advisory Committee position on measure
- When waivers are permitted for overpaid benefits
- Process for imposing penalties for employers offering equivalent benefit plan
- Notice requirement from employee to employer

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

-1 Replaces measure. Permits Director of Employment Department (Department) to deduct amount from future family and medical leave insurance benefits (Paid Leave Oregon) otherwise payable to covered individual for overpayments. Allows Director to bring civil action to recover overpayments. Specifies when Director may waive recovery of overpaid benefits. Prohibits person convicted of fraud to obtain Paid Leave Oregon benefits from obtaining benefits except for benefits after conviction when person has reimbursed Paid Family and Medical Leave Insurance Fund for benefit payments made as result of fraud. Specifies when Director may cancel specified unrecoverable overpaid benefits. Permits Director to waive, reduce, or compromise certain interest or penalty amounts due when in best interest of Department. Allows Director to pay fee charged by Department of Revenue for processing request to offset against liquidated state a state tax refund owed by debtor. Permits Director to impose monetary penalty against employer who offers benefits through employer-offered equivalent benefit plan when employer violates requirements for employer-offered equivalent benefit plans. Specifies when Director may waive monetary penalty for violation of requirements for employer-offered equivalent benefit plans. Permits Director to compromise, waive, reduce, or retain certain overpayments or debts. Permits lien on real or personal property of person or employer liable for any amounts due under Paid Leave Oregon, self-employed person or tribal government that fails to remit any contributions due, or employer liable to repay grant moneys that

employer was not eligible. Authorizes Director to bring civil action to collect employer assistance grant repayments owed because employer was not eligible and employer defaults on repayment. Makes conforming and technical amendments. Specifies applicability dates. Takes effect 91st day following adjournment sine die.

**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 for 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.

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 elect to participate in Paid Leave Oregon.

Existing law contains provisions related to overpayment of Paid Leave Oregon benefits. Senate Bill 912 creates requirements relating to overpayment of Paid Leave Oregon benefits, collection of overpaid benefits, and penalties for employers who offer, but fail to meet requirements for employer equivalent benefit plans.