

LC 220
2026 Regular Session
1/9/26 (JAS/ps)

D R A F T

SUMMARY

Digest: This Act directs OED to adopt rules for administering the funds in the Paid Family and Medical Leave Insurance Fund. The Act becomes law 91 days after sine die. (Flesch Readability Score: 63.7).

Authorizes the Director of the Employment Department to adopt rules establishing an accounting system for handling moneys in the Paid Family and Medical Leave Insurance Fund.

Takes effect on the 91st day following adjournment sine die.

1 A BILL FOR AN ACT

2 Relating to the administration of moneys within the Paid Family and Med-
3 ical Leave Insurance Fund; amending ORS 657B.430; and prescribing an
4 effective date.

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

6 **SECTION 1.** ORS 657B.430 is amended to read:

7 657B.430. (1) The Paid Family and Medical Leave Insurance Fund is es-
8 tablished in the State Treasury, separate and distinct from the General Fund.
9 The Paid Family and Medical Leave Insurance Fund is declared to be a trust
10 fund.

11 (2) The fund consists of moneys deposited in the fund from contributions
12 made under ORS 657B.150 and from penalties, fees, revenues and all other
13 amounts deposited in or credited to the fund. Interest earned by the fund
14 shall be credited to the fund.

15 (3) Moneys in the fund are continuously appropriated to the Director of
16 the Employment Department and may be used solely to:

17 (a) Carry out the purposes set forth in this chapter, including the pay-
18 ment of administrative costs and expenses that the director incurs in carry-

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 ing out the provisions of this chapter; and

2 (b) Pay the compensation of the Director of the Employment Department
3 in accordance with ORS 657.608.

4 **(4)(a) To ensure compliance with tax reporting and withholding re-**
5 **quirements, the director may adopt rules establishing an accounting**
6 **system for contributions made to and benefits paid from the fund. The**
7 **accounting system may include a method for:**

8 **(A) Allocating moneys from the fund for the payment of benefits**
9 **by type of qualifying leave available under this chapter; and**

10 **(B) Restricting the use of moneys for the payment of benefits for**
11 **a specific type of leave to moneys received solely from employee con-**
12 **tributions, solely from employer contributions or a combination of**
13 **employee and employer contributions in a manner determined by the**
14 **director.**

15 **(b) Nothing in this subsection shall be construed as authorizing the**
16 **director to change the percentage of the total rate of contributions**
17 **required to be paid by employers and employees under ORS 657B.150**
18 **beyond the authority granted to the director under ORS 657B.150 (1).**

19 **SECTION 2. This 2026 Act takes effect on the 91st day after the date**
20 **on which the 2026 regular session of the Eighty-third Legislative As-**
21 **sembly adjourns sine die.**

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