

## **SB 906 A STAFF MEASURE SUMMARY**

### **House Committee On Labor and Workplace Standards**

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**Meeting Dates:** 5/5, 5/12

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

The measure requires an employer to provide all employees, at the time of hire, a written explanation of earnings and deductions shown on the required itemized statements provided to employees on regular paydays and at other times there are payment of wages, salary, or commission. Specifies what the written explanation must include and how an employer may provide this information to employees. The measure requires employers to review and update this information by January 1 of each year. It directs the Bureau of Labor and Industries (BOLI) to develop and make available to employers a model written guidance document that employers may use and customize to satisfy this requirement. The measure permits the BOLI Commissioner to assess a civil penalty not to exceed a \$500 against any person who violates this written explanation requirement.

Fiscal impact: Minimal fiscal impact

Revenue impact: No revenue impact

Senate vote: 20-7-3

#### **ISSUES DISCUSSED:**

- Challenges understanding the different earnings and deductions on pay statements
- Preventing BOLI claims by improving clarity of pay statements
- How an employer may provide information to employees
- Requirement that employer updates information
- Challenges of clarity and transparency of statements for health care professionals
- Enforcement and imposition of civil penalties

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

No amendment.

#### **BACKGROUND:**

In 2016, the Legislative Assembly enacted Senate Bill 1587, which in part, required employers to maintain time and pay records for not less than the period required by the Fair Labor Standards Act accompanying regulations. Further, the bill expanded what must be included on the itemized paystub of an employee. These changes to Oregon law were to address concerns that some employees were not always given access to payroll documents that reflected hours worked, piece-rate activity, wages paid, and withholdings.

Oregon law currently requires that employers provide employees on regular paydays and at other times there are payment of wages, salary, or commission with an itemized statement that includes

- the date of payment;
- dates of work covered by the payment;
- the name of the employee;
- the name and business registry number or business identification number;
- the address and telephone number of the employer;
- rate or rates of pay;

## SB 906 A STAFF MEASURE SUMMARY

- whether the employee is paid by the hour, shift, day, or week, or on a salary, piece, or commission basis;
- gross wages;
- net wages;
- the amount and purpose of each deduction made during the respective period of service that the payment covers;
- allowances claimed as part of minimum wage;
- if applicable, the number of regular hours worked and pay for those hours and the number of overtime hours worked and pay for those hours; and
- if the employee is paid by piece rate, the applicable piece rate or rates of pay, the number of pieces completed at each piece rate, and the total pay for each rate.

Senate Bill 906 A requires an employer to provide all employees, at the time of hire, a written explanation of earnings and deductions shown on the required itemized statements provided to employees on regular paydays and at other times there are payment of wages, salary, or commission.