

B-Engrossed
Senate Bill 968

Ordered by the Senate June 16
Including Senate Amendments dated April 17 and June 16

Sponsored by Senator TAYLOR; Senators JAMA, MANNING JR, MEEK, WOODS

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. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act would make new laws for deductions from public employees' wages to recoup amounts that were paid in error. (Flesch Readability Score: 63.8).

Provides conditions and procedures under which a public employer may deduct amounts of erroneous overpayments from a public employee's wages.

A BILL FOR AN ACT

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

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

4 **SECTION 1. (1) As used in this section, "public employee" and "public employer" have**
5 **the meanings given those terms under ORS 243.650.**

6 **(2) When a public employee receives an erroneous overpayment of wages in an amount**
7 **greater than the employee's entitlement, the public employer may deduct the amount of the**
8 **overpayment from wages earned by the public employee provided that:**

9 **(a) The deduction is for an overpayment that occurred during the 364-day period imme-**
10 **diately preceding the date on which the public employer provides to the public employee the**
11 **written statements described under paragraph (b) of this subsection; and**

12 **(b) The public employer provides the following to the public employee at least 10 calendar**
13 **days before making the deduction:**

14 **(A) A written statement itemizing the overpayment amount and purpose of each de-**
15 **duction;**

16 **(B) A written statement that provides that in no event may the total amount of a de-**
17 **duction exceed five percent of the public employee's gross pay each pay period, unless the**
18 **public employee otherwise requests and specifies that a greater percentage or amount be**
19 **deducted; and**

20 **(C) A written statement informing the public employee that, if the public employee is**
21 **terminated or otherwise separates from employment, the public employer can recoup the**
22 **balance owed from the public employee's final paycheck.**

23 **SECTION 2. ORS 292.063 is repealed.**

24 **SECTION 3. Notwithstanding any other provision of law, the General Fund appropriation**
25 **made to the Bureau of Labor and Industries by section 1, chapter _____, Oregon Laws 2025**
26 **(Enrolled House Bill 5015), for the biennium beginning July 1, 2025, is increased by \$114,461**
27 **for paycheck overpayment wage claims made by public employees.**

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.

