

**A-Engrossed**  
**Senate Bill 906**

Ordered by the Senate April 7  
Including Senate Amendments dated April 7

Sponsored by Senators TAYLOR, MANNING JR (at the request of OFNHP)

**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 makes new laws that require employers to explain certain details about employee pay stubs. The Act tells BOLI to make a sample document for employers to use to explain those details. (Flesch Readability Score: 61.9).**

*[Digest: The Act makes new requirements for employee pay stubs. (Flesch Readability Score: 66.1).]*

*[Requires that itemized statements provided to employees show, in plain language, the amount and purpose of each deduction.]*

**Requires employers to provide to all employees, at the time of hire, a written explanation of earnings and deductions shown on itemized statements. Describes the ways in which an employer may satisfy the requirement. Establishes specifications for the contents of the written explanation. Requires employers to review and update the information provided in the written explanation by January 1 of each year. Authorizes the Commissioner of the Bureau of Labor and Industries to impose civil penalties for violations of the requirements.**

**Directs the Bureau of Labor and Industries to develop and make available to employers a model written guidance document in English and in Spanish and, if requested, in other languages, to the extent practicable.**

**A BILL FOR AN ACT**

1  
2 Relating to transparency concerning employer deductions from wages; amending ORS 652.610 and  
3 652.900.

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;

**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 (H) Gross wages;
- 2 (I) Net wages;
- 3 (J) The amount and purpose of each deduction made during the respective period of service that
- 4 the payment covers;
- 5 (K) Allowances, if any, claimed as part of minimum wage;
- 6 (L) Unless the employee is paid on a salary basis and is exempt from overtime compensation as
- 7 established by local, state or federal law, the regular hourly rate or rates of pay, the overtime rate
- 8 or rates of pay, the number of regular hours worked and pay for those hours, and the number of
- 9 overtime hours worked and pay for those hours; and
- 10 (M) If the employee is paid a piece rate, the applicable piece rate or rates of pay, the number
- 11 of pieces completed at each piece rate and the total pay for each rate.
- 12 (c) Notwithstanding paragraph (b) of this subsection, the employer may provide the statement
- 13 required under this subsection to the employee in electronic form pursuant to ORS 84.001 to 84.061
- 14 if:
- 15 (A) The statement contains the information described in paragraph (b) of this [section] **sub-**
- 16 **section**;
- 17 (B) The employee expressly agrees to receive the statement in electronic form; and
- 18 (C) The employee has the ability to print or store the statement at the time of receipt.
- 19 (2)(a) The statement may be attached to or be a part of the check, draft, voucher or other in-
- 20 strument by which payment is made, or may be delivered separately from the instrument.
- 21 (b) The statement shall be provided electronically at the time payment is made to all state offi-
- 22 cers and employees paid electronically under the state payroll system as provided by ORS 292.026.
- 23 (c) State agencies shall provide access to electronic statements to employees who do not have
- 24 regular access to computers in their workplace.
- 25 (d) Notwithstanding paragraph (b) of this subsection, if an officer or employee paid under the
- 26 state payroll system as provided by ORS 292.026 wants to receive payment of net salary and wages
- 27 by check or to receive a paper statement of itemized payroll deductions, the officer or employee
- 28 shall request paper statements or payment by check in accordance with the procedures adopted by
- 29 rule by the Oregon Department of Administrative Services.
- 30 (3) An employer may not withhold, deduct or divert any portion of an employee's wages unless:
- 31 (a) The employer is required to do so by law;
- 32 (b) The deductions are voluntarily authorized in writing by the employee, are for the employee's
- 33 benefit and are recorded in the employer's books;
- 34 (c) The employee has voluntarily signed an authorization for a deduction for any other item,
- 35 provided that the ultimate recipient of the money withheld is not the employer and that the de-
- 36 duction is recorded in the employer's books;
- 37 (d) The deduction is authorized by a collective bargaining agreement to which the employer is
- 38 a party;
- 39 (e) The deduction is authorized under ORS 18.736; or
- 40 (f) The deduction is made from the payment of wages upon termination of employment and is
- 41 authorized pursuant to a written agreement between the employee and employer for the repayment
- 42 of a loan made to the employee by the employer, if all of the following conditions are met:
- 43 (A) The employee has voluntarily signed the agreement;
- 44 (B) The loan was paid to the employee in cash or other medium permitted by ORS 652.110;
- 45 (C) The loan was made solely for the employee's benefit and was not used, either directly or

1 indirectly, for any purpose required by the employer or connected with the employee's employment  
2 with the employer;

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

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

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

12 **(5)(a) An employer shall provide to all employees, at the time of hire, a written explana-**  
13 **tion of earnings and deductions shown on the itemized statements required under subsection**  
14 **(1) of this section. The explanation must include general information on:**

15 **(A) The employer's established regular pay period.**

16 **(B) A comprehensive list of:**

17 **(i) All types of pay rates that employees may be eligible for, including hourly pay, salary**  
18 **pay, shift differentials, piece-rate pay and commission-based pay.**

19 **(ii) All benefit deductions and contributions.**

20 **(iii) Every type of deduction that may apply.**

21 **(C) The purpose of deductions that may be made during a regular pay period.**

22 **(D) Allowances, if any, claimed as part of minimum wage.**

23 **(E) Employer-provided benefits that may appear on the itemized statements as contri-**  
24 **butions and deductions.**

25 **(F) All payroll codes used for pay rates and deductions, along with a detailed description**  
26 **or definition of each code.**

27 **(b) An employer may satisfy the requirements of this subsection by making the infor-**  
28 **mation available to employees in a location easily accessible to them, such as a link to a**  
29 **website, a physical document posted in a central location, a shared electronic file or delivery**  
30 **by electronic mail.**

31 **(c) The information required under this subsection must be sufficiently detailed to ex-**  
32 **plain pay rates and deduction codes, but need not be written in complete sentences.**

33 **(d) An employer shall review and update the information required under this subsection**  
34 **by January 1 of each year.**

35 **(6) The Bureau of Labor and Industries shall:**

36 **(a) Develop and make available to employers a model written guidance document that**  
37 **includes commonly used statewide deductions and that employers may use and customize to**  
38 **satisfy the requirements under subsection (5) of this section;**

39 **(b) Provide the model written guidance document in English and in Spanish; and**

40 **(c) To the extent practicable, translate the model written guidance document in other**  
41 **languages, if so requested.**

42 ~~[(5)]~~ **(7) This section does not:**

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

45 **(b) Prohibit deductions by checkoff dues to labor organizations or service fees when the de-**

1   ductions are not otherwise prohibited by law; or

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

4       **SECTION 2.** ORS 652.900 is amended to read:

5       652.900. (1) In addition to any other penalty provided by law, the Commissioner of the Bureau  
6   of Labor and Industries may assess a civil penalty not to exceed:

7       **(a)** \$1,000 against any person who violates ORS 652.020, 652.110, 652.140, 652.145, 652.260,  
8   652.610 (4) or 652.750 or any rule adopted under those statutes.

9       **(b) \$500 against any person who violates ORS 652.610 (5) or any rule adopted under that**  
10   **statute.**

11       (2) Civil penalties under this section shall be imposed as provided in ORS 183.745.

12       (3) All sums collected as penalties under this section shall be first applied toward reimbursement  
13   of costs incurred in determining the violations, conducting hearings under this section and ad-  
14   dressing and collecting the penalties. The remainder, if any, of the sums collected as penalties under  
15   this section shall be paid into the State Treasury and credited to the General Fund and is available  
16   for general governmental expenses.

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