



March 13, 2025

TO: Members of the Senate Committee on Labor and Business

FR: Paloma Sparks, Oregon Business & Industry

RE: Opposition to SB 906 – Expanding Pay Stub Requirements

Chair Taylor, Vice Chair Bonham, members of the Senate Committee on Labor and Business. For the record, I am Paloma Sparks, Executive Vice President & General Counsel for Oregon Business & Industry (OBI).

OBI is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. Our 1,600 member companies, over 75% of which are small businesses, employ more than 250,000 Oregonians. Oregon's private sector businesses help drive a healthy, prosperous economy for the benefit of everyone.

Thank you for the opportunity to testify on SB 906 as introduced and with the proposed amendment. As introduced, SB 906 would have required employers to drastically change the information on pay stubs and how it is formatted. This poses a significant burden, particularly for small employers who may use national payroll service providers. The amendment would require employers to provide documentation of various information regarding pay rates and deductions at hire and within 14 days of an employee's request.

While the amendment is an improvement from the introduced version of the bill, we remain concerned about several aspects of the language. First, requiring employers to use full sentences to explain information contained on a pay stub requires additional work without providing meaningful information to employees. The "plain language" requirement is an entirely new concept in employment law. When used in current law, plain language is simply a goal for state agencies about how they communicate with the public. Under ORS 183.750 states: "every state agency shall prepare its public writings in language that is as clear and simple as possible." It does not require full sentences.

Additionally, more and more employers provide payroll information to employees through a website or other electronic means. As currently drafted, it isn't clear that the information

required by SB 906 can be provided that way. For small businesses, this is particularly important for work with payroll service providers.

Information about deductions is readily available and for deductions that are not required by law or are the employee's own debts, employees must agree to the deductions. Typically, deductions not already required by federal, state or local laws are deductions to pay for benefits such as healthcare, health savings plans, and retirement. Deductions that are required by law are readily available through a minimal online search.

Oregon law already determines information that must be contained on pay stubs. The list of requirements is quite lengthy. Specifically relevant to this bill, ORS 652.610 requires that employers provide itemized statements that contain: the rate or rates of pay; whether the employee is paid by the hour, shift, day or week or on a salary, piece or commission basis; gross and net wages; the amount and purpose of each deduction made in the pay period; allowances, if any, claimed as part of minimum wage; and for non-exempt employees – the regular hourly rate or rates of pay, the overtime rate or rates of pay, the number of regular hours worked and pay for those hours, and the number of overtime hours worked and pay for those hours. This is not an exhaustive list of what is required, but it is illustrative for the purposes of this bill.

Employers remain confused about why this bill is needed. Employers generally provide information about pay rates when employees become eligible for them. For employees represented by a union, this information is generally clearly defined in the collective bargaining agreement, which is also usually quite easy to find. We have requested additional information from the proponents to identify what is unclear and are open to further discussions.