

SB 916 A STAFF MEASURE SUMMARY**Carrier:** Sen. Taylor**Senate Committee On Labor and Business****Action Date:** 03/06/25**Action:** Do pass with amendments. (Printed A-Eng.)**Vote:** 3-2-0-0**Yeas:** 3 - Pham, Taylor, Woods**Nays:** 2 - Bonham, Hayden**Fiscal:** Fiscal impact issued**Revenue:** Revenue impact issued**Prepared By:** Whitney Perez, LPRO Analyst**Meeting Dates:** 2/6, 2/11, 2/18, 2/27, 3/4, 3/6**WHAT THE MEASURE DOES:**

The measure provides that an individual who is otherwise eligible for unemployment insurance (UI) benefits from the Oregon Employment Department (OED) is not disqualified for UI benefits or waiting week credit for any week that the individual is unemployed because of a lockout. It specifies that an individual is disqualified for UI benefits for the first week that OED finds that unemployment of the individual is due to a strike. A process is established to allow an otherwise eligible individual to not be disqualified for UI benefits or waiting week credit for any week following the first week that OED finds the individual is unemployed because of a strike.

Detailed Summary:**Section 1**

- Amends existing law to specify that an individual who is otherwise eligible for unemployment insurance (UI) benefits is not disqualified for UI benefits or waiting week credit for any week that the Director of the Oregon Employment Department (OED) finds that the individual is unemployed because of a lockout at the factory, establishment, or other premises at which the individual is or was last employed or at which the individual claims employment rights by union agreement regardless of UI laws relating to availability to work, actively seeking work, or refusal to accept suitable work.
- Specifies that an individual is disqualified for UI benefits for the first week that OED finds that unemployment of the individual is due to a strike.
- Specifies that an individual who is otherwise eligible for unemployment insurance (UI) benefits is not disqualified for UI benefits or waiting week credit for any week following the first week that OED finds the individual is unemployed because of a strike at the factory, establishment, or other premises at which the individual is or was last employed or at which the individual claims employment rights by union agreement regardless of UI laws relating to availability to work, actively seeking work, or refusal to accept suitable work.
- Makes conforming amendments.

Section 2

Redefines "contribution" to mean taxes. Defines "labor dispute," "lockout," and "strike."

Section 3

Provides an exception to the prohibition that back pay paid by an employer to an individual may not be reduced by the amount of UI benefits the individual received when the back pay was paid to resolve a strike to an employee who received UI benefits while on strike.

Section 4

SB 916 A STAFF MEASURE SUMMARY

- Provides a process for the repayment or deduction of future UI benefits because an individual received UI benefits that the individual was not entitled to receive because the individual received back pay from an employer to resolve a strike.
- Makes conforming and technical amendments.

Section 5

Prohibits the Director of OED from waiving recovery of overpaid benefits subject to repayment or deduction as a result of the individual receiving back pay from an employer to resolve a strike.

Section 6

Specifies that Section 7 of this amendment is added to ORS chapter 657.

Section 7

- Specifies that UI benefits received by an employee of a school district or an education service district during a labor dispute will count toward the employee's total compensation in an applicable collective bargaining agreement.
- Specifies that the school district shall deduct from the employee's future wages the amount of UI benefits received.

Sections 8 through 10

Makes conforming amendments.

ISSUES DISCUSSED:

- Potential impact on employers who pay unemployment insurance (UI) taxes
- Potential impact on reimbursing employers
- Meaning of "reimbursing employer"
- Mechanics of UI Tax Rate Schedules
- Potential impact on UI Trust Fund
- Mechanics of "experience rating" on an employer's UI tax rate
- Other states that allow striking workers to collect UI benefits
- Federal regulation of UI benefits
- Other state's prohibition on public employees striking
- Oregon's unfunded mandate law
- Tax implications of strike funds

EFFECT OF AMENDMENT:

Replaces the measure.

BACKGROUND:

Generally, unemployment insurance (UI) provides money to people who have lost their job or have had their hours reduced as they look for employment. Unemployment insurance is supported through contributions from Oregon employers into the Unemployment Insurance Trust Fund. The Oregon Employment Department (OED) administers the UI program in Oregon; collects the contributions that support the program; determines eligibility for UI benefits and pay benefits; and works to prevent fraud.

Currently, a person is disqualified for UI benefits for any week that the OED Director determines that the unemployment of the person is due to a labor dispute that is in active progress at the person's place of employment. There are exceptions to this law, such as when the unemployment is due to a lockout.

Senate Bill 916 A specifies that an individual who is otherwise eligible for UI benefits from OED is not disqualified for UI benefits or waiting week credit for any week that the individual is unemployed because of a lockout. The measure specifies that an individual is disqualified for UI benefits for the first week that OED finds that

SB 916 A STAFF MEASURE SUMMARY

unemployment of the individual is due to a strike and provides a process for an individual who is otherwise eligible for UI benefits from OED to not be disqualified for UI benefits or waiting week credit for any week following the first week that OED finds the individual is unemployed because of a strike.