



## **The Northwest Grocery Retail Association opposes SB 916, granting unemployment insurance benefits to workers choosing to strike.**

### **SB 916 Undermines the Purposes of Strikes**

Strikes are intended as a tool for workers to express dissatisfaction and apply pressure for better conditions or pay. If striking workers can receive unemployment benefits, it is likely to reduce the pressure that motivates both sides to reach a resolution.

### **SB 916 Will Prolong Strikes and Lead to More Frequent Strikes**

If workers can rely on unemployment benefits while striking, it will likely lead to more frequent strikes, even in cases where negotiations could lead to a resolution without a walkout. While lessening pressure on workers, it also disadvantages employers, already under pressure during a strike, leading to even more strained labor relations and fewer resources for negotiation.

What could this mean for Oregon's grocery stores?

- Store closures
- Fuel station closures
- Pharmacy closures
- Interruption to in-home delivery for those who can't leave their home
- Increase in grocery and goods prices to cover increased cost and loss of sales
- Customer confidence

### **SB 916 Puts Oregon's Unemployment Insurance Trust at Risk**

In Oregon, employers pay an unemployment insurance payroll tax up to a certain income level per employee. These payroll taxes go into the state's unemployment trust, and are only paid by employers, not employees. That rate in 2025 for new employers is 2.4% with a maximum rate of 5.4% (or about \$2,932 per employee up to the max taxable wage base). The rate for each employer is set by the State and determined based on the previous year's demand for the fund.

The trust is used to pay weekly benefits to Oregonians who lose their jobs through no fault of their own. Oregon's self-balancing unemployment insurance trust fund is one of the healthiest in the country. And we were one of the ONLU states in the Country who didn't have to raise taxes or borrow money to stabilize the unemployment insurance trust fund when COVID-19 closures led to unprecedented layoffs.

SB 916 puts all of that at risk and threatens to raise Oregon employers UI payroll taxes to cover workers who choose to stop working, frustrating the program's goals.

### **SB 916 Contradicts Oregon's Unemployment Insurance Program**

In Oregon, to be eligible to receive benefits from the Unemployment Insurance Program, workers are required to look for work and to document their search. They must be able to work, available to work and to actively seek work and accept offers of full-time, part-time and temporary work. If they refuse, their UI benefits may be denied. How will this new system handle this class of workers who didn't lose their job – rather choose not to work. Are all these requirements placed on unemployed workers not placed on workers choosing not to work? Oregon also only allows one claim per benefit year – what happens when a striking worker needs access to this fund for actual unemployment? Does this new bargained class of workers get greater access to this employer paid benefit?

### **SB 916 Will Raise Unemployment Insurance Payroll Taxes on Oregon Employers**

SB 916 also promises to increase costs on employers by raising UI payroll taxes. In the current system, each time a former employee collects unemployment insurance benefits, the employers account is "charged" and the employer's experience rating increased the following year. In essence, this means the employer would bear the financial burden of the workers' choice to strike long-term, as reflected in higher future payroll taxes.

The current UI system also allows an employer to be relieved of "charges" if the employee voluntarily left work without good cause or for reasons not attributable to the employer. Does striking now qualify as good cause? Or is an employer denying an unreasonable wage increase demand now serve as a reason attributable to the employer?

Contact:           Amanda Dalton  
                          Shawn Miller  
                          Mia Noren