

## **SB 1518 -1 STAFF MEASURE SUMMARY**

### **Senate Committee On Labor and Business**

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**Meeting Dates:** 2/2, 2/4

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#### **WHAT THE MEASURE DOES:**

The measure directs the Bureau of Labor and Industries to study issues relating to worker protections and submit a report to the interim committees of the Legislative Assembly related to labor and business by September 15, 2027. Sunsets January 2, 2028.

Fiscal impact: May have fiscal impact, but no statement yet issued

Revenue impact: May have revenue impact, but no statement yet issued

#### **ISSUES DISCUSSED:**

#### **EFFECT OF AMENDMENT:**

-1 Replaces the measure. The amendment modifies the exclusion of "companionship services" employees from minimum wage and minimum employment conditions by specifying that the exclusion applies when a person is providing companionship services as defined in 29 C.F.R. 552.6, as in effect on January 1, 2016, unless the person is employed, singly or jointly, by a third party in the business of providing home care or companionship services.

Fiscal impact: Has minimal fiscal impact

Revenue impact: No revenue impact

#### **BACKGROUND:**

The Fair Labor Standards Act (FLSA) was enacted in 1938. FLSA provides that most employees in the United States must be paid at least the federal minimum wage for all hours worked and overtime pay for hours in excess of 40 hours in a work week. In 1974, Congress applied FLSA to domestic service employees, but exempted employees who worked in companionship services. The Wage and Hour Division of the U.S. Department of Labor administers FLSA with respect to domestic service employees in private homes (department). In 2013, the definition of companionship services was modified to mean the provision of fellowship and protection of an elderly person or a person with an illness, injury, or disability who requires assistance in caring for themselves. It also includes the provision of care if the care is provided to and in conjunction with the provision of fellowship and protection and if it does not exceed 20 percent of the total hours the person works each week. In 2013, the regulation also specified that third party employers may not claim the companionship services exemption. In July, 2025 the department issued Notice of Proposed Rulemaking, proposing to return to pre-2013 companionship services exemption regulations.

Oregon law sets forth minimum wage and minimum employment conditions. ORS 653.020 provides a list of employees excluded from these minimum employment wage and condition laws. Currently, a person employed in domestic service in a family home to provide companionship services for a person unable to care for themselves because of age or infirmity is excluded. ORS 653.547 also specifies overtime pay and minimum employment conditions for domestic workers. This law excludes individuals performing companionship services exempt from the provisions of the Fair Labor Standards Act of 1938 from the definition of domestic worker.