

SB 1518 A STAFF MEASURE SUMMARY

House Committee On Labor and Workforce Development

Prepared By: Erin Seiler, LPRO Analyst

Meeting Dates: 2/18

WHAT THE MEASURE DOES:

The measure modifies the exclusion of “companionship services” employees from minimum wage, overtime, and minimum employment conditions by specifying that the exclusion applies when a person is providing companionship services as defined in federal regulations, specifically 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: Minimal fiscal impact

Revenue impact: No revenue impact

SENATE VOTE: Ayes, 26; Nays, 3; Excused, 1

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The federal 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 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. 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. This modified definition also included care provided to and in conjunction with the provision of fellowship and protection if such care does not exceed 20 percent of the total hours a person works per week. In 2013, the regulation specified that third-party employers may not claim the companionship services exemption.

In July 2025, the department proposed to return to pre-2013 companionship services exemption regulations. Oregon law sets forth minimum wage and minimum employment conditions. ORS 653.020 lists employees excluded from these minimum employment wage and condition laws. Currently, a person employed in domestic services 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 from the definition of a domestic worker an individual who performs companionship services exempt from the provisions of the FLSA.