

HB 4094-1  
(LC 240)  
2/2/26 (JAS/ps)

Requested by Representative NELSON

**PROPOSED AMENDMENTS TO  
HOUSE BILL 4094**

On page 1 of the printed bill, delete lines 5 through 28 and delete pages 2 and 3 and insert:

**“SECTION 1. (1) As used in this section:**

**“(a) ‘Paid vacation time’ means an employer-provided benefit allowing employees to take time off from work without loss of pay for vacation leave.**

**“(b) ‘Paid vacation time’ does not mean an employer-provided benefit allowing employees to take time off from work without loss of pay for:**

**“(A) Sick time governed by ORS 653.601 to 653.661, or any other leave that is designated for, may be used for or is taken for illness or other health-related purposes, including any portion of an employer-provided benefit designated to meet the minimum requirements of ORS 653.601 to 653.661.**

**“(B) Personal business leave.**

**“(C) Holidays and floating holidays.**

**“(2) If an employer provides employees with paid vacation time pursuant to an employer policy or otherwise, the employer shall, upon the termination of the employment relationship, compensate the employee, at one hundred percent of the employee’s regular rate of pay for all earned or accrued but unused paid vacation time, not to exceed**

1 300 hours, in accordance with the manner and timeframe set forth  
2 under ORS 652.140 for the payment of final wages.

3 “(3) Nothing in this section prohibits an employer from adopting a  
4 written policy or entering into an employment contract that:

5 “(a) Establishes the method or rate of earning or accrual of paid  
6 vacation time;

7 “(b) Establishes requirements for requesting and scheduling paid  
8 vacation time;

9 “(c) Provides for the compensation of earned or accrued but unused  
10 paid vacation time in excess of the maximum hour limitation under  
11 subsection (2) of this section; or

12 “(d) Requires employees to use earned or accrued paid vacation  
13 time by a specific date or that provides for the forfeiture of unused  
14 paid vacation time not used by that date, provided that:

15 “(A) The employer provides employees with written notice of such  
16 requirement at the time of hire and not less than 90 days before the  
17 date on which any unused paid vacation time would be forfeited under  
18 the policy;

19 “(B) Employees are given a reasonable opportunity to schedule use  
20 of the paid vacation time before any forfeiture occurs; and

21 “(C) Nothing in the policy or contract permits the forfeiture of paid  
22 vacation time that is earned or accrued and has not been forfeited  
23 prior to the termination of employment, except to the extent that  
24 compensation is limited under subsection (2) of this section.

25 “(4) Nothing in this section permits a collective bargaining agree-  
26 ment to diminish an employee’s entitlement to compensation for  
27 earned or accrued but unused paid vacation time as required by sub-  
28 section (2) of this section.

29 **“SECTION 2.** ORS 652.140 is amended to read:

30 “652.140. (1) When an employer discharges an employee or when employ-

1 ment is terminated by mutual agreement, all wages earned and unpaid at the  
2 time of the discharge or termination become due and payable not later than  
3 the end of the first business day after the discharge or termination.

4 “(2)(a) When an employee who does not have a contract for a definite  
5 period quits employment, all wages earned and unpaid at the time of quitting  
6 become due and payable immediately if the employee has given to the em-  
7 ployer not less than 48 hours’ notice, excluding Saturdays, Sundays and  
8 holidays, of intention to quit employment.

9 “(b) Except as provided in paragraph (c) of this subsection, if the em-  
10 ployee has not given to the employer the notice described in paragraph (a)  
11 of this subsection, the wages become due and payable within five days, ex-  
12 cluding Saturdays, Sundays and holidays, after the employee has quit, or at  
13 the next regularly scheduled payday after the employee has quit, whichever  
14 event first occurs.

15 “(c) If the employee has not given to the employer the notice described  
16 in paragraph (a) of this subsection and if the employee is regularly required  
17 to submit time records to the employer to enable the employer to determine  
18 the wages due the employee, within five days after the employee has quit the  
19 employer shall pay the employee the wages the employer estimates are due  
20 and payable. Within five days after the employee has submitted the time re-  
21 cords, all wages earned and unpaid become due and payable.

22 “(3) For the purpose of this section, if employment termination occurs on  
23 a Saturday, Sunday or holiday, all wages earned and unpaid shall be paid  
24 no later than the end of the first business day after the employment termi-  
25 nation, except that if the employment is related to activities authorized un-  
26 der ORS chapter 565, all wages earned and unpaid shall be paid no later than  
27 the end of the second business day after the employment termination.

28 “(4) The employer shall forward such wages by mail to any address des-  
29 ignated by the employee if the employee requests the employer so to do. An  
30 employer may deposit such wages without discount in the employee’s account

1 in a financial institution, as defined in ORS 706.008, in this state, provided  
2 the employee and the employer have agreed to such deposit.

3 “(5) This section does not apply to employment for which a collective  
4 bargaining agreement otherwise provides for the payment of wages upon  
5 termination of employment.

6 “(6) When a termination of employment results from the sale of a business  
7 or business property and the purchaser employs or continues the employment  
8 of an individual employed at the business, this section does not apply to the  
9 payment to such an individual of wages for earned but unused accrued holi-  
10 day leave, sick leave, vacation leave or other leave benefits payable upon  
11 termination of employment pursuant to a collective bargaining or other em-  
12 ployment agreement or employer policy, if the following conditions are met:

13 “(a) On the first day of such an individual’s continued employment the  
14 purchaser of the business credits the individual with all such earned but  
15 unused accrued leave; and

16 “(b) The leave, when used, is paid at a rate not less than the rate at  
17 which the leave was earned or, if paid at a lesser rate, the number of hours  
18 credited is increased to compensate the individual for any difference.

19 **“(7) Except as provided in subsection (6) of this section, all wages**  
20 **earned and unpaid, as described in this section, include compensation**  
21 **for earned or accrued but unused paid vacation time, as defined in**  
22 **section 1 of this 2026 Act.**

23 **“SECTION 3. Section 1 of this 2026 Act applies to:**

24 **“(1) Paid vacation time, as defined in section 1 of this 2026 Act,**  
25 **earned or accrued on or after the effective date of this 2026 Act.**

26 **“(2) Contracts entered into, renewed or extended on or after the**  
27 **effective date of this 2026 Act.**

28 **“SECTION 4. This 2026 Act takes effect on the 91st day after the**  
29 **date on which the 2026 regular session of the Eighty-third Legislative**  
30 **Assembly adjourns sine die.”.**

