

# PAID LEAVE OREGON: BENEFITS BEGIN 9/3/2023

CONSIDERATIONS FOR SMALL EMPLOYERS (FEWER THAN 25 EMPLOYEES)



Beginning January 1, 2023, employers with workers based in Oregon will be assessed a payroll tax called Paid Leave Oregon (formerly known as PFMLI) so the state can provide a family and medical leave benefit to all eligible workers. For most Oregon employers, participation is mandatory.

## CONSIDERATIONS

Small employers are not required to pay the 40% employer portion of the Paid Leave Oregon premium. A small employer is defined as having fewer than 25 employees, counting those in and outside of Oregon, regardless of health and welfare benefit eligibility. The Employment Department will notify employers of their size each year.

## THINGS TO NOTE

- Employees of small employers qualify for Paid Leave benefits (if they have earned \$1,000 in covered wages during the qualifying period). Therefore, employees must pay the 60% employee portion of the premium.
- The Partners Group (TPG) is not recommending that an employer that is considered a small employer pursue an option that is anything other than the state option.
- Small employers that choose to voluntarily pay the 40% employer portion of the premium may qualify for a small employer assistance grant. Please see the Paid Leave Oregon website.

**If you have questions, reach out to your TPG consultant.**

## IMPORTANT DATE(S)

- **Decision Deadline:** November 2022
- **Contributions Begin:** January 1, 2023
- **Benefits Begin:** September 3, 2023

## COVERED EMPLOYERS

All public and private employers with at least one EE in the state of Oregon. Self-employed, federal government, and tribal government employers are not covered, but can opt in.

## COVERED EMPLOYEES

Those who contributed to the Paid Leave Oregon fund and earned at least \$1,000 in wages in the qualifying period.

## PLAN ADMINISTRATION OPTIONS

- State plan (Paid Leave Oregon)
- A state-approved private plan that fully meets or exceeds the state plan and is approved by the director of the employment department.



THE  
**PARTNERS  
GROUP**

## FUNDING

- **Employee:** 1% of wages capped at annual Social Security maximum. Max contribution will be 60% of total rate.
- **Employer:** Employers with fewer than 25 employees are not required to pay the employer contribution. For employers with greater than 25 employees, they are required to make contributions of at least 40% of the final rate.

## LEAVE REASONS

- **PML:** Employee serious health condition, safe leave, or pregnancy.
- **PFL:** Serious health condition of family member, bond with newborn or newly adopted or foster child, or safe leave (minor child, or dependent needs leave for reasons covered under Oregon's domestic violence law).
  - » Covered Relationships: spouse, domestic partner, child, parent, parent-in-law, sibling, grandparent, grandchild, any individual related to the employee by blood, any individual who is the equivalent of a family member.

## BENEFIT SUPPLEMENTATION RULES

An employee may be permitted to use paid sick time, vacation, or any other paid leave earned by the employee in addition to receiving family and medical leave insurance benefits to replace wages up to 100% of the employee's average weekly wage (AWW).

## EMPLOYER NOTIFICATION REQUIREMENTS

To be determined.

## HOW TO REGISTER WITH THE STATE

To be determined.

## WAITING PERIOD

None.

## BENEFIT PERCENTAGE

Up to 100% of AWW on a sliding scale. Employees with an AWW up to 65% of the state's AWW will receive a 100% benefit. Employees with an AWW exceeding 65% of the state's AWW will receive 100% of their wages up to 65% of the state's AWW, plus 50% of wages that exceed this threshold.

## WEEKLY MAXIMUM BENEFIT

Capped at 120% of the AWW, amount undetermined.

## BENEFIT DURATION(S)

12 weeks of paid benefits, with an additional two weeks for pregnancy or childbirth complications; total paid and unpaid leave (combined Paid Leave Oregon and OFLA) capped at 18 weeks.

## JOB PROTECTION

Yes, if employed by employer for 90 or more days.

## RESOURCES

- [Paid Leave Oregon](#)



The information services provided by The Partners Group is for consultative and/or informational purposes only; they do not constitute and should not be construed as legal advice, since TPG is not a law firm and does not serve as your legal counsel. The services provided by TPG are not a substitute for the advice of legal counsel. TPG clients should contact an experienced employment and/or benefits attorney to obtain legal advice with respect to any particular issue or problem.