



GBS COMPLIANCE

Oregon Paid Leave and Medical Leave

In 2019, Oregon passed [legislation](#) establishing a statewide paid family and medical leave program, funded through a mandatory payroll tax on employees and employers with more than 25 workers, beginning in 2023.

The program allows eligible employees to take up to 12 weeks of protected paid leave per year for certain family and medical reasons, also starting in 2023. Employees who experience a pregnancy-related serious health condition that results in incapacity are eligible for up to 18 weeks of paid family and medical leave.

Beginning Jan. 1, 2023, employers must provide written notice to employees of their right to benefits under the law. This deadline was initially set for an earlier date, along with other program implementation dates. The rollout of the program was [delayed](#) as a result of the COVID-19 pandemic.

Covered Employers

In Oregon, all private employers with one or more employees must comply with the paid family and medical leave requirements. In addition, state and local government employees are covered.

Self-employed individuals and tribal governments may opt in to the program.

Eligible Employees

Virtually all employees working in Oregon will be covered individuals who are eligible for paid family and medical leave benefits, provided they have:

- › Earned at least \$1,000 in wages during the base year; or
- › Earned at least \$1,000 in wages during the alternate base year.

For this purpose, the “base year” means the first four of the last five completed calendar quarters preceding the benefit year. The “alternate base year” means the last four completed calendar quarters preceding the benefit year. In most cases, the “benefit year”

is the 52-week period beginning on the Sunday immediately preceding the date on which leave begins.

Qualifying Reasons for Paid Family and Medical Leave

Under the amended timeline for the program, beginning Sept. 3, 2023, Oregon employees will be able to use paid family and medical leave for the following reasons:

1. To care for and bond with a child during the first year after the child’s birth, or during the first year after the child’s placement through foster care or adoption;
2. To care for a family member with a serious health condition;
3. Due to the employee’s serious health condition; or
4. To seek assistance, medical treatment, counseling or victim services, or to relocate, due to domestic violence, harassment, sexual assault or stalking (safe leave).

For purposes of paid family and medical leave, an employee's family member includes the employee's:

- › Spouse or domestic partner;
- › Child or the child's spouse or domestic partner (including a biological child, adopted child, stepchild, foster child or legal ward of the covered individual or of the covered individual's spouse or domestic partner);
- › Parent or the parent's spouse or domestic partner (including a biological parent, adoptive parent, stepparent, foster parent, former foster parent, or legal guardian of the covered individual or of the covered individual's spouse or domestic partner);

- › Sibling or stepsibling (or the sibling's or stepsibling's spouse or domestic partner);
- › Grandparent (or the grandparent's spouse or domestic partner);
- › Grandchild (or the grandchild's spouse or domestic partner); or
- › Any individual related by blood or affinity whose close association with a covered individual is the equivalent of a family relationship.

A person standing in loco parentis (in place of a parent) to the eligible employee (or who stood in loco parentis to the eligible employee when the employee was a child) is also included in the definition of family member.

Serious Health Condition

Serious Health Condition: For purposes of Oregon's paid family and medical leave program, a serious health condition is defined similarly to that under the federal Family and Medical Leave Act (FMLA). In general, it refers to:

- › An illness, injury, impairment, or physical or mental condition that requires inpatient care in a hospital, hospice, nursing home or residential medical care facility;
- › An illness, disease or condition that, in the medical judgment of the treating health care provider, poses an imminent danger of death, is terminal in prognosis with a reasonable possibility of death in the near future, or requires constant care; or
- › Any period of disability due to pregnancy or period of absence for prenatal care.

Duration of Paid Family and Medical Leave

The paid family and medical leave program provides the following leave amounts per benefit year:

Paid Family and Medical Leave	Up to 12 weeks
Paid and Unpaid Family and Medical Leave Combined	Up to 16 weeks
Pregnancy Disability Leave	Two additional weeks (for a total of up to 18 weeks)

Employer Notification Requirements

Employers must provide written notice to employees of their right to benefits under the law by the amended effective date of **Jan. 1, 2023**. The Director of the Oregon Employment Department is expected to adopt regulations that will provide further information on this notification requirement, as well as make a model notice available for employer use.

Amount of Family and Medical Leave Benefits

While on family and medical leave, employees will be paid as follows:

- › If the employee's average weekly wage is equal to or less than 65% of the state average weekly wage, the employee's weekly benefit amount is 100% of their average weekly wage.
- › If the employee's average weekly wage is greater than 65% of the state average weekly wage, the employee's weekly benefit amount is the sum of: (1) 65% of the state average weekly wage; and (2) 50% of the part of their average weekly wage that is greater than 65% of the state average weekly wage.

An employee's weekly benefit amount will be set at a minimum of 5% of the state average weekly wage and capped at 120% of the state average weekly wage.

Benefits will be available beginning Sept. 3, 2023 (delayed from an initial availability date of Jan. 1, 2023).

Paid Leave Funding

The paid family and medical leave program is funded by a **mandatory payroll tax on employees and employers with at least 25 workers**, beginning **Jan. 1, 2023**. The Oregon Employment Department sets the contribution rate annually, up to a cap of 1% of employee wages. **The rate will start at 1% in**

2023. Employers are required to contribute 40% of the rate, but they may deduct the remaining 60% from each employee's wages. Employers may also pay the employee's portion as an employer-offered benefit.

Employers with fewer than 25 employees are exempt from paying the employer portion of the contribution. However, small employers who elect to pay into the program will be eligible for grants to help cover the cost of replacement workers. Regardless of whether small employers elect to contribute, their eligible employees will still be assessed the employee contribution and will be eligible for paid family leave benefits.

Equivalent Plans

Employers may apply to the Oregon Employment Department for approval to meet their obligations under the law through an equivalent employer-offered benefit plan, which can be employer-administered or fully insured. An employer's equivalent plan must provide all of the same rights, protections and benefits as provided under the paid family and medical leave law. This means, among other things, that equivalent plans must cover all employees who have been continuously employed by the employer for at least 30 days, and the plans must not require employee contributions greater than those required by the state plan.

Employers can submit applications for equivalent plans starting in September 2022. The application fee is \$250, and the review process is expected to take at least 30 days. Employers must reapply for approval for their equivalent plans annually, but only for the first three years. After that, the equivalent plans will remain in place until withdrawn or terminated.

Regulations issued by the Oregon Employment Department establish procedures for employers to obtain approval; the department has issued a fact sheet providing general information on the topic.

More Information

The Oregon Employment Department has published [fact sheets](#) and [FAQs](#) about the program. Contact your GBS Consultant for more information about the Oregon paid family and medical leave law.

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