



FAQs

Find answers to frequently asked questions about Oregon Paid Leave

[Paid Leave Oregon Website](#)

Note: Questions taken from Budget Engagement Sessions held April-May 2022, Community Conversations held June and July 2022, and from questions received from the public to the Paid Leave email.

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General Questions

Question: What is this program?

Answer: Paid leave is a new program that allows employees in Oregon to take paid time off for some of life's most important moments.

Family Leave: to care for a family member with a serious illness or injury, or to bond with a new child after birth, adoption, or foster care placement.

Medical Leave: during one's own serious health condition.

Safe Leave: for survivors of sexual assault, domestic violence, harassment, or stalking.

Question: Is Paid Leave Oregon optional?

Answer: Any employee who has earned at least \$1,000 during the year before claiming paid leave may be eligible. Most employees working in Oregon will be covered. Tribal governments, self-employed business owners, and independent contractors may choose to participate by notifying the Paid Leave program. Employers with 25 or more employees are responsible for paying employer contributions to the program, withholding employee

contributions, and for protecting the jobs of qualified employees who take leave. Employers with fewer than 25 employees are not required to pay contributions, but must still withhold employee contributions and provide job protections.

Self-employed people can elect coverage, while tribal governments may choose coverage for their employees. When a self-employed person or tribal government chooses coverage, they become responsible for paying contributions.

Question: How is the program funded?

Answer: The Paid Leave program is funded by a trust fund. Employees and employers contribute to the trust fund through payroll taxes. By Nov. 2022, the Employment Department will set the contribution rate, which may be up to 1% of an employee’s gross wages. Oregon employers will begin contributing to the Paid Leave trust fund on Jan. 1, 2023. Once the rate is set, large employers will contribute 40%, and employees will contribute 60% of the total contribution for each individual. Small employers, those with fewer than 25 employees, are not required to contribute. Assistance grants are available for small employers.

Question: When does the program start?

Answer: Employer and employee contributions begin Jan. 1, 2023, and employees can begin applying for Paid Leave benefits starting Sept. 3, 2023.

Question: Why was this passed in Oregon?

Answer: Businesses, workers, advocates and others have discussed paid leave since at least 2016. The Oregon State Legislature passed it into law in 2019 to increase access to paid leave in Oregon. The law explains that: “Employees experience a variety of caregiving obligations that interfere with work time. It is in the public interest to create a family and medical leave insurance program to provide to employees and certain other individuals compensated time off from work to care for and bond with a child during the first year after the child’s birth or arrival through adoption or foster care, to provide care for a family member who has a serious health condition, or to recover from an employee’s or an individual’s own serious health condition.”

Question: What happens if an employer doesn’t pay because they don’t agree with the program?

Answer: If you are an employer, then you are responsible for withholding and paying contributions to the program. If you do not make contributions when due, then you may also be responsible for paying penalties and interest on overdue amounts.

Question: My business has X number of employees. Am I required to participate?

Answer: Most employers must participate. Employers with 25 or more employees are responsible for paying employer contributions to the program, withholding employee contributions, and protecting the jobs of qualified workers who take leave. Employers with fewer than 25 employees are not required to pay the employer portion of contributions, but they must still withhold employee contributions and provide job protections.

Question: My business only has gig workers. Does this apply to my business?

Answer: It would depend on how the gig workers are classified and whether they are considered employees or independent contractors.

If the workers are employees, or if you otherwise have any employees, then you would be an employer and this program will likely apply to your business. Nearly all Oregon employers are covered by the program and will be responsible for withholding and paying contributions on behalf of any employee, as well as providing qualified employees with job protections when they take leave.

If the gig workers are correctly classified as independent contractors, then they would be considered self-employed by the program and would not be automatically covered. A business that contracts with independent contractors will not be responsible for paying contributions for those contractors or providing them with job protections.

Question: I am an employee at a small business. Does this apply to me?

Answer: Nearly all employees working in Oregon, regardless of the size of the company they are working at, pay into the program, are covered by it, and may qualify for Paid Leave benefits.

Question: I am a small employer and I don't want my workers getting 12 weeks off. How can I prevent my employees from participating in this program?

Answer: The Paid Leave law does not allow employers to opt-out of participating in the program. Nearly all employers, regardless of size, are required to withhold and pay

contributions on behalf of their employees and to provide qualified employees with job-protected leave.

Question: If I am a small employer (or farmer) in a rural community, how am I going to find workers while mine are off for X weeks?

Answer: We know adjusting to a statewide Paid Leave program can be challenging for many small employers, especially those in rural communities. One resource the Employment Department provides employers is our WorkSource Oregon Business Services team, which helps connect workers and employers. Our WorkSource centers may be able to assist an employer in finding a replacement worker when an employee takes paid leave. To learn more about some of the programs and services provided to employers, visit the [WorkSource Oregon website](#).

Question: I don't understand how contributions work. How much will this cost me as an employer or employee?

Answer: Contributions for the Paid Leave program are paid as a percentage of wages. The maximum rate is 1% of up to \$132,900 in wages per employee. The contribution rate and maximum wage amount are set by Nov. 15 of each year.

Employees pay 60% of the set contribution rate and employers pay 40%. For example, for \$1,000 in wages, the employee would pay up to \$6 and the employer would pay up to \$4. Employers have the option of paying the employee portion as a benefit for their employees. While employers with fewer than 25 employees are not required to pay employer contributions, all employees who work in Oregon that make at least \$1,000 annually are part of the program and are eligible to receive Paid Leave benefits but are only required to contribute at the 60% rate.

Self-Employed

Question: Are self-employed individuals required to participate?

Answer: Self-employed individuals are not required to participate, but can choose to participate to receive benefits. If a self-employed individual wants to choose coverage, the individual would contribute the equivalent of the employee contribution, which is 0.6% of their self-employed income from the past year. Self-employed individuals can elect coverage beginning Jan. 1, 2023, and can apply for leave beginning Sept. 3, 2023.

Question: I am the owner and only employee. Do I have to pay into this program?

Answer: The answer to this depends on your business structure and how you have set up to pay yourself. If you are an employee of your business as you mentioned in your question, you would be considered an employee of that business for Paid Leave Oregon, and you would be subject and required to contribute based on your wages as an employee.

The contribution rate has been set for 2023 at 1%. Employees pay 60% of the set contribution rate, while employers with 25 or more employees pay 40%. As a business with only one employee, you would be a small employer and would only be responsible for the employee portion of the contribution rate, which in 2023 will be 0.6% of up to \$132,900 in wages.

Though you indicated you are an employee, we should additionally note that self-employed individuals who earn income through self-employment, rather than wages, are exempt from the Paid Leave program and do not have to pay into the program. However, self-employed individuals can choose to participate in the program to receive coverage. If a self-employed individual wants to elect coverage, the individual would contribute the equivalent of the employee contribution, which is 0.6% of their self-employed income from the past year. Self-employed individuals can elect coverage beginning Jan. 1, 2023, and can apply for leave beginning Sept. 3, 2023.

Benefits

Question: Who is eligible to claim benefits and how are benefits paid?

Answer: Beginning on Sept. 3, 2023, Paid Leave Oregon will begin offering Paid Leave benefits to eligible workers. Any employee in Oregon who made at least \$1,000 in the previous year may be eligible for benefits. Employees will file claims with the Paid Leave Oregon program and will receive benefits from a state fund. We are still working on what different benefit payment options we will be able to offer workers who file claims.

Question: What will the maximum benefit amount be?

Answer: We calculate benefits based on the wages and income a worker earned in the prior year, so every worker's benefit amount will be different. The maximum possible benefit amount for any worker covered by the program is set at 120% of the state average weekly wage. We calculate the state average weekly wage based on the average wages received by workers throughout the state. The Oregon Employment Department updates this average wage each July. Using the state average weekly wage for the 2023 fiscal year, the maximum possible benefit amount would be \$1,469.

Question: Is there a list of qualifying events that will allow an employee to tap into this fund?

Answer: The types of leave that qualify under the program:

Family Leave: to care for family members with a serious health condition or to bond with a child during the first year after birth, adoption, or foster care placement.

Medical Leave: to take time off due to an employee's own serious health condition.

Safe Leave: to obtain assistance, treatment, or services related to domestic violence, harassment, sexual assault, or stalking.

Question: Do employees who are seasonal and only work two weeks per year get this benefit?

Answer: Seasonal employees are covered by Paid Leave Oregon. An employee who earns at least \$1,000 in wages in the prior year from any number of employers may be eligible for Paid Leave benefits. However, an employee will not earn job protections with their employer until they have been with that employer for 90 consecutive days. So, in the example you provided, if they applied in their second week of work, then they wouldn't have reached the threshold for job protections from that employer.

Contributions

Question: What will the contribution rate be and when do contributions begin?

Answer: Contributions for Paid Leave Oregon are paid as a percentage of wages. The total rate for 2023 has been set at 1% of up to \$132,900 in wages. Future contribution rates and maximum wage amounts will be set by Nov. 15 of each year.

Employees pay 60% of the set contribution rate and employers pay 40%. For example, for \$1,000 in wages, the employee would pay up to \$6 and the employer would pay up to \$4. Employers with fewer than 25 employees are not required to pay the employer portion of contributions. Additionally, employers have the option of paying the employee portion as a benefit for their employees.

Employer and employee contributions will begin Jan. 1, 2023, and employees can begin applying for leave benefits starting Sept. 3, 2023.

Each business's situation will be a bit different, but, as an example, an employer with 30 employees and a total yearly payroll of \$2 million might pay \$8,000 in employer contributions for the year.

Question: Will officers of a corporation be subject to this tax?

Answer: Two considerations: first, do the corporate officers qualify as “employees” as defined in [section \(13\) of this section of the law](#)? Second, do wages paid to the corporate officer qualify as “wages” according to these rules:

- [Bonuses, Fees, and Prizes](#)
- [Gifts](#)
- [Remuneration Types](#)
- [Remuneration Other than Cash](#)
- [Corporate Officer and Shareholder Dividends](#)

If both are true for the corporate officer, then, as with other employees, they would be responsible for paying the employee portion of the contributions on anything that is considered “wages” for Paid Leave. Also, if the business is a large employer for Paid Leave, then the business would be responsible for the employer portion of contributions on the corporate officer’s wages.

Question: Are nonprofits included in this program?

Answer: Yes, the program covers nonprofits and their employees, as there are no exceptions in the law for nonprofits.

The program covers nearly all employers and employees in Oregon. Employees pay into the program and may qualify for Paid Leave benefits. Employers with 25 or more employees are responsible for paying employer contributions to the program, withholding employee contributions, and protecting the jobs of qualified workers who take leave. Employers with fewer than 25 employees are not required to pay the employer portion of contributions, but must still withhold employee contributions and provide job protections.

Question: Are religious organizations included in this program?

Answer: Yes, the program covers religious organizations and their employees, as there are no exceptions in the law for religious organizations.

The program covers nearly all employers and employees in Oregon. Employees pay into the program and may qualify for Paid Leave benefits. Employers with 25 or more employees are responsible for paying employer contributions to the program, withholding employee contributions, and protecting the jobs of qualified workers who take leave. Employers with fewer than 25 employees are not required to pay the employer portion of contributions, but must still withhold employee contributions and provide job protections.

Question: How does the Employment Department count the number of employees for a business for program eligibility?

Answer: Employer size is based on the employer's employee count. Information about this is online. An employer's quarterly employee count is based on numbers provided on the Oregon Quarterly Tax Report or the Oregon Annual Report. It is the sum of the number of employees with Paid Leave Oregon wages and the number of out-of-state employees. The employee count doesn't include any replacement employees hired to temporarily replace eligible employees during periods of paid leave.

Contribution amounts are based on total employer size, which includes the number of employees within Oregon as well as those who are based outside the state. However, employers will only pay contributions on wages earned within Oregon. If an employer has fewer than 25 employees in total, then the employer is not required to pay the employer share of the contribution. If an employer has fewer than 25 employees in Oregon, but more than 25 overall, then the employer is still responsible for paying the employer share of the contribution.

Priority Populations

Question: Why prioritize marginalized communities and diverse populations?

Answer: Our goal is to ensure our services are equitable and easy to access for all Oregonians. This is a critical part of reaching our agency's vision of an Oregon where meaningful work enables the state's diverse people and businesses to realize their full potential, creating prosperity in every community. We encourage you to stay engaged with the Paid Leave Oregon program, and we invite you to participate in future community engagement and outreach sessions.

Equivalent Plans

Question: Which insurance carriers will offer Paid Leave Oregon insurance?

Answer: There is not a published list of insurance carriers that will offer insurance products employers can use for equivalent plans. Insurance carriers will begin to market their insurance products once they have been approved by the Oregon Department of Consumer and Business Services Division of Financial Regulation. However, all policies will need to be reviewed as a part of the Paid Leave Oregon approval process for each equivalent application to ensure that the plan meets the requirement to be equal to or greater than the state-offered Paid Leave Oregon program.

Question: We are looking at potentially crafting an internal plan that would replace having to use the state Paid Leave program. Can you send over a copy of the plan requirements and the opt-out request process?

Answer: We will accept applications for equivalent plans for Oregon's Paid Leave program beginning in September 2022. If an employer is interested in implementing an equivalent plan for benefits, they will have two options:

1. Purchase an insurance policy from an insurance company. The insurance policy will administer the benefits related to the plan.
2. Develop/create an equivalent plan in which the employer assumes all financial risk associated with the benefits and administration of the equivalent plan, whether the plan is administered by the employer or through a third-party administrator.

With either option, employers will be able to apply to offer an equivalent plan starting in September. The Oregon Employment Department will need to review and approve either a fully insured or employer-administered equivalent plan before the employer could offer it to their employees. Information on equivalent plans for benefits under Oregon's Paid Leave program is [online](#).

Please note that any equivalent plan for benefits must offer benefits that are equal to or greater than those provided under the state Paid Leave plan and allow paid leave for the same qualifying reasons as the state plan.

Question: Our company already has a Paid Time Off (PTO) policy. Can we submit our employee handbook for review for the coverage of this employee, or is there an exemption for our situation we should explore?

Answer: If you're interested in using a current PTO policy as a Paid Leave Oregon equivalent plan, you can apply for approval to offer an employer-administered equivalent plan. The Oregon Employment Department will accept applications for equivalent plans for Oregon's Paid Leave program beginning in September 2022. Information on equivalent plans for benefits under Oregon's Paid Leave program is [online](#). Please note that any equivalent plan for benefits must offer benefits that are equal to or greater than those provided under the state Paid Leave plan and must allow leave for all the same reasons as well. This means you may need to update your current PTO policy to meet the requirements of an equivalent plan.

Technical Questions

Question: What is the definition of **wages** for Paid Leave Oregon? Is it the same definition as unemployment wages?

Answer: The definitions for wages for Paid Leave Oregon are very similar to the definitions used for Unemployment Insurance, with some differences. For Paid Leave Oregon, “wages” includes commission or a guaranteed wage, compensatory pay, dismissal or separation allowances, holiday pay, paid time off, sick pay, stand-by pay, tips, and vacation pay.

“Wages” does not include money paid to employees to reimburse them for meal expenses for work performed after regular work hours; money paid to employees to reimburse for travel expenses, pensions, jury pay, or lump sums; special payments to compensate an employee for a work-related incident; gifts (other than tips or gratuities); and benefits paid through a cafeteria plan.

There are some complexities and nuances when diving into what is included as wages, and we are working with Unemployment Insurance to provide guidance to support employers in this area.

Question: Are there any specific W2 box requirements?

Answer: We are working with the Department of Revenue to determine which box of the W2 we will use for Paid Leave Oregon. We will provide employers with additional information in the future.

Question: If an employer pays the employee portion, is that taxable income for the employee?

Answer: This is currently being discussed with the Department of Revenue. We will provide additional information in the future.

Question: Any special considerations for S-Corp ownership?

Answer: There are no exemptions for S-Corps within the Paid Leave Oregon program. If you are an employee of your S-Corp and paid a salary as wages, the Oregon Employment Department would consider you an employee of that business for Paid Leave Oregon. You would be subject and required to contribute, based on your wages.

Question: Is subjectivity to Paid Leave Oregon tax withholding the same as subjectivity for Unemployment Insurance?

Answer: For the most part, Paid Leave Oregon and Unemployment Insurance align regarding subjectivity, but there are some variances where exclusions and elections occur. The Paid Leave Oregon program covers most employers and employees working in Oregon, who are required to participate. Our statute and rules have some specific definitions pertaining to wages and coverage.

Question: What is the remittance schedule for taxes?

Answer: The Paid Leave Oregon program will be a part of the Oregon Combined Quarterly Tax Report schedule. We have drafted updates to payroll tax forms, including Form OQ and Form 132, to include Paid Leave Oregon. These updated tax forms will be released prior to Jan. 2023.

Question: What are the file specifications for bulk filers?

Answer: Paid Leave Oregon will use the same filing specifications for bulk filers as Unemployment Insurance in the combined payroll reporting system. The Oregon Employment Department's new, modernized system is coming in September 2022. [Frances Online](#) will replace the Oregon Payroll Reporting System (OPRS) and the Employer Account Access (EAA) portal, beginning with the third quarter filing in 2022. The new system will support combined payroll reporting, including Unemployment Insurance tax, Workers' Benefit Fund (WBF), State Withholding Tax, Lane and TriMet Transit Taxes, and beginning in the first quarter of 2023, Statewide Transit Tax (STT) and Paid Leave Oregon contributions. Visit francesinfo.oregon.gov for updated file specifications and to learn more about Frances Online.

Question: Are we allowed to retroactively deduct from employees' pay if we did not commence on Jan. 1, 2023?

Answer: We are still developing this policy. We realize unplanned errors happen, especially as employers are starting to withhold contributions for Paid Leave Oregon. We have a draft rule in place regarding withholding contributions, and we will have a formal rule relating to this in the future.

Question: Do we need to use any special coding to note this tax on the pay statement?

Answer: We are still working with the Department of Revenue on whether we need special coding to show this tax on pay statements. We will provide employers with this answer in the coming months.

Question: Is there any new registration required for employers or payroll service providers?

Answer: Yes. The Oregon Employment Department's new, modernized system, Frances Online, is coming in September 2022. Frances Online will replace the Oregon Payroll Reporting System (OPRS) and the Employer Account Access (EAA) portal, beginning with the third quarter filing in 2022. The new system will support combined payroll reporting, including Unemployment Insurance tax, Workers' Benefit Fund (WBF), State Withholding Tax, Lane and TriMet Transit Taxes, and beginning in the first quarter of 2023, Statewide Transit Tax (STT) and Paid Leave Oregon contributions. We will soon send information to employers on how to access the new system and register for your new online account.

Question: Do you know the account number for this tax?

Answer: Employers are to use their Business Identification Number (BIN) for reporting, paying, or making inquiries about your Paid Leave Oregon account. They must include the BIN on all correspondences, returns, and payments. Some forms may also include the Federal Employer Identification Number (FEIN).

Question: What forms do employers need to use for this tax?

Answer: Employers will file quarterly through the Oregon Combined Quarterly Tax Report. We have drafted updates to the OQ & 132 to include Paid Leave Oregon, which we will release prior to January 2023. Employers will detail the paid leave portion of all paid leave subject wages, employee count, and employee- and employer-paid leave contributions due. Each employer must also file an Oregon Employee Detail Report that includes paid leave subject wages. The Oregon Combined Quarterly Tax Report is due on or before the last day of the month following the close of the calendar quarter.

Other Employer Questions

Question: I am an employer in a different state who has a remote worker who resides in Oregon. Do we have to participate?

Answer: Generally, if employees perform their work entirely within Oregon, the employees' wages are subject to Paid Leave contributions. This includes remote work. If the employees permanently work remotely in Oregon, we would consider them as performing their service in Oregon — even though the work is directed from another state.

In addition to the remote work described above, contributions for Paid Leave Oregon are required for employees who primarily work in Oregon — even if the employees live in

another state or occasionally work in another state. Oregon residents who work physically entirely in another state will not pay contributions for Oregon's program.

Question: My business is in a state that already has a Paid Leave program. Do I have to participate in this one, as well?

Answer: Contributions for Oregon's Paid Leave program are required for employees who primarily work in Oregon, even if the employees live in another state, occasionally work in another state, or if the business is located/headquartered in another state but employees work remotely from Oregon. We have worked with Washington state to ensure our rules relating to place of performance and remote work are aligned, so you should not contribute to two states for duplicate wages.

Other Employee Questions

Question: I need this benefit now. How do I apply?

Answer: Paid Leave Oregon does not begin until 2023. Employers will start withholding contributions from paychecks in January 2023, and the Oregon Employment Department will begin accepting applications for benefits in September 2023. Until then, here are some resources you can use, depending on your eligibility for those programs:

- [OFLA / FMLA](#)
- [Flyer](#)
- [Oregon Sick Leave](#)
- [Unemployment Insurance](#)

It is possible you could be eligible for Unemployment Insurance. If you fill out [this form](#), you can share your specific circumstances, and someone from that program will contact you and answer any questions you may have. Contact them directly at: 877-345-3484.

- [Workers' Compensation](#)
- [Eligibility](#)
- [Responsibilities](#)
- [Filing a claim](#)

Question: Why did the Oregon Employment Department delay the start of the program? I need this benefit now.

Answer: We understand your concern and agree that there is a great need in our communities for this program. It takes a lot of time for a new program to start. Paid Leave Oregon was signed into law in August 2019, and the first cases of COVID-19 began in March 2020. There were a lot of reasons that made the delay a necessity, not least of which was the way the pandemic impacted our ability, as an agency, to make the kind of progress we hoped for since many staff were shifted to help with the increasing need for Unemployment Insurance staff.

Please share these resources with your friends and loved ones. There are programs available right now that can help during this time, if they qualify.

<p>Family and Medical Leave</p>	<p>OFLA/FMLA Eligibility Oregon Sick Leave Requirements for Employers</p>
<p>Unemployment Insurance</p>	<p>You could be eligible for Unemployment Insurance. If you fill out this form, you can share your specific circumstances, and someone from that program will contact you and answer any questions you may have. Contact them directly at: 877-345-3484.</p>