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Oregon Employment Department sets contribution rate for Paid Leave Oregon

SALEM – Paid Leave Oregon is setting the contribution rate for employers and workers at 1 percent when it launches in 2023.

Paid Leave Oregon will allow workers to take paid time off for some of life's most important moments. It covers leave for the birth or adoption of a child, for serious illness or injury, for taking care of a seriously ill family member, and for domestic violence, sexual assault, stalking or harassment.

Starting Jan. 1, 2023, workers will pay 60 percent and employers will pay 40 percent of the contribution rate. For example, if an employee made \$1,000 in wages, the employee would pay \$6 and the employer would pay \$4 for this paycheck. Employers may choose to pay the employee portion as a benefit for their employees.

Paid leave contributions will go into a trust fund, which in turn, will provide the revenue for the paid leave benefits for workers starting Sept. 3, 2023. Oregon law says the Oregon Employment Department Director will set the paid leave contribution rate annually. The law also requires the trust fund to have enough funds to pay benefits for up six months.

Paid Leave Oregon Director Karen Madden Humelbaugh said the contribution rate was set based on actuary data and forecasts at 1 percent to make sure the program will have enough funds to meet the legal

requirement and pay benefits for Oregon workers. “Setting contributions at 1 percent means we will have enough money to support the program in the long term,” she said, adding that the program has set the rate early enough for employers to plan ahead.

“Setting the contribution rate at 1 percent means Paid Leave Oregon’s trust fund will have a solid foundation, making sure the benefits for Oregon workers will be there when they need it the most,” said Jessica Giannettino Villatoro, Political Director of Oregon American Federation of Labor and Congress of Industrial Organizations (AFL-CIO). “We expect to see the rate decrease as the fund becomes solvent.”

“Paid family and medical leave is about more than the bottom line, it’s about giving Oregonians a chance to be with their loved ones when they need it most and not having the extra stress of worrying how to make ends meet,” said Eric C. Hunter, CareOregon CEO. “As the largest provider of Oregon Health Plan services in the state, my team sees the impact on our communities that lack of paid leave has on health outcomes, from limited time bonding with new babies to needing to add caregiving responsibilities for sick relatives on top of work schedules. I’m proud that the state is leading the way to take care of all Oregonians.”

A 1 percent contribution rate means Paid Leave Oregon can offer lower-wage workers up to a 100 percent reimbursement rate when they need to take leave. Madden Humelbaugh also noted that Paid Leave Oregon covers critical benefits that other states’ programs do not. This includes “safe leave,” which is paid leave for survivors of sexual assault, domestic violence, harassment, and stalking. “With this contributions rate, we will be able to provide paid leave for people at a critical moment in their life when it’s not safe for them to be at work.”

More information about Paid Leave Oregon is online at oregon.gov/employ/PFMLI. There are a number of new resources on the website, including information about [contributions](#), [benefits](#), [equivalent plans](#) and a [new program overview](#).

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