

## E-ALERT: Oregon Passes Paid Family and Medical Leave Law



### Background

Oregon has passed a new law that provides a comprehensive paid family and medical leave program starting January 2023. Once the new law is in effect, employees will be entitled to 12 weeks of paid leave for qualified parental, medical, and safe leave. Employers with more than 25 employees, along with their employees, will make joint contributions to the fund.

### Summary

With the plan not providing paid benefits to employees until 2023, much has to happen behind the scenes between now and then to make this law a reality. Effective January 2022, contributions will start to fund the

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plan — 40% from employers and 60% from employees. Employers may evaluate their current paid leave plans, and if equivalent or better, they can apply for an exemption from the state to avoid paying the required contributions.

In addition to a financial burden, employers also have the burden of issuing additional notices to employees making them aware of the leave and that discrimination under the new leave law is prohibited. Failure to provide notice to employees, or to remit the required funds starting January 2022, can result in penalties of up to 1% of all employee wages.

Employers seeking exemption from the state's plan must provide as robust, if not a more robust plan than the state. Their plan must provide leave to all employees who are continuously employed for at least 30 days. It must also provide the mandated notices to employees about the leave, the benefits of leave, how to apply, details about benefits, information about job protection, and a statement about the prohibition of discrimination or retaliation.

## Employer Next Steps

1. Employers must notify their employees of the new law and new rights provided to them.
2. Employers must collect the employee and employer wage deductions to fund the plan.
  - a. Employers with fewer than 25 employees do not need to make the employer contribution.
  - b. Employers can opt to pay a portion of or the entire employee contribution but cannot make the employee pay more than the state-mandated 60%.
3. Employers must be prepared to receive notice from employees 30 days prior to their need for leave so the employer can communicate this to the state. Failure to provide the 30-day notice may result in a reduced benefit to the employee.
4. Employers must be sure to reinstate employees to the same or similar job upon returning from leave and cannot retaliate against an employee for taking leave.
5. With either route — existing plan or state plan — employers need to determine their course of action and what is best for them and their employees. As the law is new, we expect further clarification and details to come in the next year which may help change the perception of the new leave and course of action employers seek to take.



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