



e-Alert

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e-Alert: Oregon Family and Medical Leave Insurance Payroll Contributions start on January 1, 2023

Background

State paid family and medical leave programs are increasing nationwide, and the New Year will bring a fresh set of requirements to Oregon employers. The Oregon Paid Family and Medical Leave Insurance (OR PFMLI) program collection of contributions for covered individuals will begin January 1, 2023.

Summary

Covered Employers

Beginning January 1, 2023 employers with twenty-five (25) or more employees must begin to contribute to the program.

Contributions

Employers are required to begin premium deductions on January 1, 2023.

- The Oregon Employment Department will set the rate at no more than 1% of the employee's salary, up to a maximum of \$132,900 in wages. Employers are required to contribute 40% of the total rate and can deduct the remaining 60% from

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employees or opt to pay the employee's portion as an employer-paid benefit

- Employers with less than twenty-five (25) employees are not required to pay the employer contributions. However, if an employer with fewer than 25 employees elects to pay employer contributions, the employer may apply for a grant
- It is important to note that when counting employees, the OED determines employer size by looking at all employees in the company, not just employees in Oregon

Employers can opt out of the program provided they have an approved private plan. Employers must submit an [Equivalent Plan](#) Application or Declaration of Intent for an exemption. Employers that do not obtain an exemption must begin collecting and remitting contributions on January 1, 2023. The State uses [Frances Online](#) for employer account management. Employers should use the site to submit equivalent plan applications, file payroll taxes, read letters, and make account updates.

Employee Eligibility

Covered employees must have earned at least \$1,000 in the first four of the last five quarters preceding the benefit year. The amount an employee is paid is based on their income, and the maximum amount an employee can receive each week is estimated to be \$1469.78.

Eligible employees may begin submitting requests for leave beginning September 3, 2023. An application can be submitted to the [Oregon Employment Department](#) or to the private carrier selected by the employer within thirty (30) days before or after the beginning of the leave unless the need for leave is unexpected in which they must give verbal notice within 24 hours of starting the leave and provide written notice within three days after the start of the leave

Qualifying Reasons

The OR PFMLI program provides up to twelve (12) weeks of leave per year or up to fourteen (14) weeks per year if you have given birth or have health issues related to childbirth. **Beginning September 1, 2023**, eligible employees will be able to use OR PFMLI for the following reasons:

- To take care of a new child during the first year after the child's birth, adoption, or foster care placement;
- To care for a family member with a serious health condition;
- For the worker's own serious health condition;
- For reasons related to domestic violence, sexual assault, stalking, or harassment (safe leave)

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Notice Requirements

Employers are required to notify their employees about the Oregon Paid Family and Medical Leave Insurance (PFMLI) program by January 1, 2023. The state has posted a [model notice](#) to comply with the posting requirements, and has also provided a [comparison chart](#) to support the various state programs and how they interact.

Employer Next Steps

- If you have not already distributed the required [Model Notice Poster](#) to your workforce, ensure you do so before January 1, 2023
- If you are a Full-Service or Virtual HR Client, reach out to HRK so we can assist in reviewing your current leave policies and adjust, as necessary
- If you are a Full-Service or Managed Payroll client, HRK will be working with you to ensure any necessary payroll tax contributions are set up correctly
- If you are a Full-Service or Benefits client, HRK/Hilb Group will be working with you to determine if you will contribute to a state plan or choose a private plan that meets or exceeds the state-mandated requirements
- HR Knowledge is following these developments closely and will provide further updates as soon as we are able to

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