

OFLA & Paid Leave Oregon – 7/1/2024 Changes

The Oregon legislative has passed [Senate Bill 1515 A](#) to help minimize the duplicative provisions of Paid Leave Oregon and Oregon Family Leave Act (OFLA) and minimize leave stacking under these two laws. Except where noted below, the majority of the changes will go into effect on **July 1, 2024**, which means Oregon Employers and Leave Vendors will have roughly 4-months to prepare. In addition, [Senate Bill 1514](#) addresses solvency of the state program. This memo is a recap of the most significant changes brought by both bills.

SB1515: What We Know

- OFLA leave must be tracked “in addition to” Paid Leave Oregon, meaning they cannot be taken concurrently.
- Parental leave and leave for serious health conditions will no longer be covered under OFLA, being exclusively available under Paid Leave Oregon.
- Sick child leave under OFLA is broadened to include care for any illness, injury, or condition requiring home care, including those that might qualify as serious health conditions.
 - This means care of a child with a serious health condition is covered under both Paid Leave Oregon and OFLA, which will create stacking.
- Bereavement leave under OFLA is limited to four weeks per year.
 - Reminder, under the current legislation employees can take up to 2-weeks of leave after the death of a covered family member, which means they could take 2-weeks multiple times, as long as they did not exceed the 12-weeks of protected time off per leave year – the limit will now be 4-weeks total.
- While parental and medical leave will be removed, OFLA will still permit an additional 12 weeks of pregnancy disability leave.
 - We believe this means an employee could choose to take pregnancy disability as unpaid under OFLA or paid under Paid Leave Oregon since the leaves can no longer run concurrently.
- Temporary OFLA adjustments include:
 - Two extra weeks of leave for effectuating the fostering or adoption process under OFLA until December 31, 2024.
- Starting January 1, 2025, Paid Leave Oregon will include leave to effectuate the fostering and adoption process.
- Employees under Paid Leave Oregon can choose to use accrued paid time off in addition to their benefits, as long as the total pay doesn’t exceed their regular wage.
 - This is a PIVOT. Paid Leave Oregon legislation initially outlined employees may only be brought up to 100% of their average weekly wage between a combination of Paid Leave Oregon and accrued paid time off. In Q4 the State amended the law to reflect that employers could allow their employees to replace the entirety of their wages while on leave by using their paid sick time, vacation, or other paid time off benefits to supplement the benefits received under Paid Leave Oregon, meaning employees may receive over 100% of their regular wages.
- Employers will be excused from predictive scheduling penalties if employees give less than 2 weeks’ notice for leave under Paid Leave Oregon, OFLA, or other applicable leave, and if the employer adjusts the schedule of an employee who was temporarily assigned to cover shifts for an employee on leave.

SB1514: What We Know

The solvency of the funds is crucial, ensuring they cover no less than six months of projected expenses. To uphold this, the Director of the Employment Department periodically assesses the fund by considering various factors:

- Total administrative expenses incurred in the preceding six months.
- Number of grant applications received in the previous calendar year.
- Average amount of weekly benefits paid in the previous calendar year.
- Annual predictable birth rate data.

In the event the Director determines funds are or may be insolvent, [SB1514](#) allows action to be taken to maintain or restore solvency of the funds. Action taken by the Director to maintain or restore solvency of the funds would affect Paid Leave Oregon’s weekly benefit amount, maximum weekly benefit amount and overall leave duration:

- **Max weekly benefit:** Decrease Paid Leave Oregon's max weekly benefit to less than 120% of state average weekly wage, but no less than 100% of state average weekly wage.
- **Average Weekly Wage:** Decrease Paid Leave Oregon's weekly benefit to 65% of state average weekly wage PLUS no less than 40% of the employee's average weekly wage greater than 65% of the state average weekly wage.

If after taking both actions above it is apparent the funds are or may be insolvent, the bill allows the Director to decrease the amount of time a covered individual may qualify for family and medical leave insurance per benefit year to 10 weeks.

The Director is required to provide at least 30 days advance notice of any changes and furnish a summary of the action and assessment conducted. Changes implemented would remain effective for a maximum of five calendar years and apply to benefits claimed in benefit years starting the first day of the first calendar quarter following the action's date.



THE PARTNERS GROUP WEEKLY UPDATE

COMPLIANCE BULLETIN • March 2024

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