

Paid Leave Oregon

In 2019 the Oregon Legislature passed the Paid Family Medical Leave Act (PFMLA), which goes into effect as of January 1, 2023. The PFMLA, also known as Paid Leave Oregon, instated a paid family and medical leave insurance (PFMLI) fund for all [eligible Oregon employees](#). The PFMLI allows employees to receive compensation from the fund if they need to take time off from work for [family, medical or safe leave](#).

The PFMLI will be funded through employer and employee payroll contributions. The combined employer and employee contribution is equal to 1% of employee gross wages for 2023. The employee is responsible for .6% of the contribution and the employer is responsible for .4% of the contribution. Employers may choose to pay the required employee contribution and deduct the contribution as an employee benefit on their tax return.

Employers with less than 25 employees are not required to make the .4% contribution but will still be responsible for withholding and remitting the .6% employee contribution.

If you are an employer that already offers paid family leave, [you can apply to use your own plan](#) with the Oregon Employment Department. To be granted approval, your plan will need to provide at least the minimum benefits as the PFMLA.

A self-employed individual, independent contractor or Tribal Government will not be covered by PFMLA unless they [elect into the program](#).

Employees will be able to apply for PFMLA benefits on September 3, 2023, to allow enough time for the PFMLI to collect enough funds to be able to pay out benefits.

Based on our research, it is unclear as to whether the 2023 contribution rate will go up, down or remain the same in 2024 and beyond. As this is a new program in Oregon, the forecasted models are based upon actuary data and the 1% rate is to ensure that the program can meet legal requirements while paying out benefits.

This article highlights some of the key factors of the PFMLA. More detailed information can be found at the [State of Oregon website](#) or you can [contact us directly](#).

Employers Make Sure To:

Display a [Model Notice \(Poster\)](#) at each work site by January 1, 2023. The notice must be provided electronically or by mail for any remote workers.