

A new program that allows workers in Oregon to take paid time off for some of life's most important moments that impact our families, health and safety.

**What are contributions and when do they start?** Employees and employers will pay contributions to support Paid Leave Oregon starting on January 1, 2023.

**What are contributions used for?**



Paid leave benefits for employees



Grants to help small employers when their employees use paid leave



Program administration

**How much are contributions?** Contributions are a percentage of wages. The rate for 2023 is 1% of up to \$132,900 in wages.

**How are contributions shared between employers and employees?** Employees pay 60% of the set contribution rate, and employers pay 40%. 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.

**Which employers and employees are required to participate in Paid Leave Oregon?** All employers, except federal and tribal governments, are required to participate in the paid leave program. Tribal governments can choose to provide coverage through the program.

All employees, except employees of the federal and tribal governments, are required to participate in the paid leave program. Employees of tribal governments participate if their tribal government has elected coverage. Self-employed individuals and independent contractors can also choose to participate.

**What support is available to small employers?** Small employers (fewer than 25 employees) are not required to pay the employer portion of contributions. The Employment Department will notify employers of their size each year.

Assistance grants are available for small employers to help with the costs of replacing an employee taking paid leave. The grants cover up to \$3,000 per employee for up to 10 employees per year (\$30,000 total). Small employers that receive grants commit to pay the employer portion of contributions for two years.

**How are wages reported and contributions paid to the department?** Contributions are a payroll tax and will be included in combined payroll forms starting in January 2023. Employers will deduct employees' paid leave contributions from paychecks. Employers will then report wages and pay both the employee and employer contributions through the combined payroll reporting process.

**Are contributions required for employees who live or work in multiple states?** Contributions are required for employees who primarily work in Oregon, even if employees live in another state or occasionally work in another state. Oregon residents who work entirely in another state do not pay contributions.

**How are Paid Leave contributions different from Unemployment Insurance tax?** The Employment Department administers both Paid Leave Oregon contributions and Unemployment Insurance taxes. Below are some program similarities and differences.

Paid Leave Oregon contributions	Unemployment Insurance taxes
Same contribution rate for all employers. Rate is not connected to benefit usage from employer.	Different tax rates for employers. Rate is connected to benefits usage from employer.
Contribution rate and maximum wage set annually by November 15.	Tax rates and taxable wage base set annually by November 15.
Contributions paid by employees and employers.	Tax paid by employers only.
Contributions based on employee wages.	Tax based on employee wages.
Contribution paid through combined payroll reporting.	Tax paid through combined payroll reporting.
No reimbursement option for employers.	Some employers can reimburse for benefits instead of paying tax.
Penalties and interests for employers for late reporting and contribution payments.	Penalties and interests for employers for late reporting and contribution payments.

**Are there alternatives to the state paid leave plan for employers?** Yes, employers can apply for approval to use their own equivalent plan to provide benefits that are equal to or greater than those provided by the state paid leave program. Employers with an approved equivalent plan still report wages through payroll reports, but they are not required to pay contributions. Information about [equivalent plans are available online](#).