Paid Leave Oregon

SELF-EMPLOYED COVERAGE

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.

Are self-employed people covered by Paid Leave Oregon?

People who earn income from self-employment, including independent contractors, can choose to take part in the paid leave program by signing up for coverage and paying contributions. They are not covered if they do not sign up.

Am I considered self-employed if I'm a business owner?

It depends how you pay yourself. If you are an employee of your business and receive and paycheck that you report on a W2, then you are an employee covered by Paid Leave Oregon. If you receive profits from the business that you report as self-employed income on your taxes, then you are self-employed and can choose to participate in the paid leave program if you want.

If I want to be covered by Paid Leave Oregon, when can I sign up?

Self-employed people can sign up for Paid Leave Oregon coverage starting January 1, 2023.

What are the requirements to elect coverage?

To be covered by Paid Leave Oregon, a self-employed person must:

- $ Earn at least $1,000 in taxable income from self-employment in the previous calendar year
- $ Complete a notice of election
- $ Provide a copy of their tax return showing their self-employed income
- $ Agree to pay contributions for a period of three years and provide additional information as requested by Paid Leave Oregon

How much do self-employed people have to pay for contributions?

Self-employed people will pay contributions quarterly. The current contributions rate for self-employed coverage is 0.6% of annual taxable income, up to a maximum of $132,900 in income. For example, a person earning $60,000 a year in self-employed income would pay no more than $90 per quarter in contributions.

What are the benefits offered through Paid Leave Oregon?

Coverage provides 12 weeks of paid leave per year, plus an additional two weeks for leave related to pregnancy. The benefit amount paid is based on an individual's average income in the previous year and contributions paid. Depending on your income during this time, the minimum weekly benefit will be approximately $57, and the maximum weekly benefit will be approximately $1375.

Are benefits for self-employed people the same as for employees?

Yes. More information on Paid Leave Oregon benefits are online.

When do benefits start?

Benefits through Paid Leave Oregon begin in September 2023.

Can a self-employed person receive benefits right away?

Self-employed people who sign up for Paid Leave Oregon are eligible to receive their full benefit amount after paying contributions for a year. They will receive a reduced benefit amount if they have been paying contributions for less than a year. In most cases, a person must have coverage for at least one quarter to be eligible for some benefits. For example, to be eligible for partial benefits by September 2023, self-employed people need to sign up by the end of June 2023 and pay contributions on at least $1,000 in income between when they sign up and June 30, 2023.

What are the requirements for a self-employed person who has signed up for coverage?

Self-employed people who sign up for paid leave coverage must:

- Pay contributions each quarter;
- Report their income and provide a copy of their tax return by April 30 of each year.

How long is the commitment for paid leave coverage?

A self-employed person who signs up for paid leave coverage must agree to pay contributions for at least three years.

Can elective coverage be cancelled?

Within the first three years, a self-employed person can cancel their paid leave if they are no longer self-employed or have filed for bankruptcy. After three years of coverage, they can cancel coverage at any time.

Can someone who is self-employed and works for an employer still sign up for coverage?

Yes. For their self-employed income, the person would pay contributions themselves. For their regular employment, their employer would deduct their contributions from their paycheck. Then, if they needed paid leave, their benefit amount would be based on both their self-employed income and wages.