

**Presiding Officer's Report to Agency on Rulemaking Hearing**

**Date:** August 17, 2022  
**To:** David Gerstenfeld, Acting Director  
**From:** Anne Friend, OED Rules Coordinator  
**Subject:** Presiding Officer's Report on Rulemaking Hearing – Paid Leave Oregon Batch 4 Equivalent Plan Rules

**Public Hearings and Public Comment Period**

Meeting Type	Hearing Date and Time	Hearing Location
Public Hearing	July 21, 2022 – 10 am - Noon	Virtual via Zoom
Public Hearing	July 23, 2022 – 9 – 11 am	Virtual via Zoom
Public Hearing	July 26, 2022 – 4-6 pm	Virtual via Zoom
Public Comment Period	July 1, to August 1, 2022, at 11:59 pm	Submitted in writing via email.

**Notice Filings (OAR 471-070-\*)**

Notice Number	Rule Numbers
Notice – Equivalent Plans	471-070-2200, 2205, 2220, 2230, 2250, 2260, 2270, 2330

**Contents**

Hearings Report ..... 2

    Public Hearing #1 – July 21, 2022 ..... 2

    Public Hearing #2 – July 23, 2022 ..... 2

    Public Hearing #3 – July 26, 2022 ..... 2

    Public Comment Period – July 1, 2022 – August 1, 2022 ..... 3

Summary of Comments Received and Responses for Paid Leave Oregon Batch 4  
 Administrative Rules Related to Equivalent Plans ..... 3

Exhibits of Comments ..... 27

## Hearings Report

There were three rulemaking hearings on the proposed rules for the Paid Leave Oregon Division's Batch 4 administrative rules related to appeals, benefits, contributions, and equivalent plans. These hearings covered four notice of proposed rulemaking filings that the Department filed on June 29, 2022, with the Secretary of State's Office. All hearings were held virtually via the Zoom platform and recorded for the official record. Below, is a summary of each hearing and a summary of any comments received on the draft administrative rules related to equivalent plans. The public comment period for this rulemaking effort opened on July 1, 2022, and closed at 11:59 p.m. on August 1, 2022. This report covers only those comments related to equivalent plans. Separate reports will cover public comments received related to appeals, contributions, and a Batch 5 report will cover benefits.

### Public Hearing #1 – July 21, 2022

The first public hearing for the Batch 4 administrative rules took place on Thursday, July 21, 2022, from 10 a.m. to noon. The hearing occurred through Zoom and was recorded as part of the official record. Participants put their name in the Q & A section or raised their hands within the Zoom webinar to comment on the proposed rules. There were 384 individuals registered to attend and 248 actually attended the hearing. Of the attendees, 11 different attendees provided testimony during the hearing on the draft administrative rules. Seven different attendees asked general questions about the program not specific to the administrative rules. A summary of the comments on the draft administrative rules can be found in the table below and in "Exhibit 001" attached.

### Public Hearing #2 – July 23, 2022

The second public hearing for the Batch 4 administrative rules took place on Saturday, July 23, 2022, from 9 to 11 a.m. The hearing occurred through Zoom and was recorded as part of the official record. Participants put their name in the Q & A or raised their hands within the Zoom meeting to comment on the proposed rules. There were 44 individuals registered to attend and 9 actually attended the hearing. Of the attendees, two attendees provided testimony during the hearing on the draft administrative rules. A summary of the comments on the draft administrative rules can be found in the table below and in "Exhibit 002" attached.

### Public Hearing #3 – July 26, 2022

The third public hearing for the Batch 4 administrative rules took place on Tuesday, July 26, 2022, from 4 to 6 p.m. The hearing occurred through Zoom and was recorded as part of the official record. Participants put their name in the Q & A or raised their hands within the Zoom meeting comment on the proposed rules. There were 138 individuals registered to attend and 56 actually attended the hearing. Of the attendees, five attendees provided testimony during the hearing on the draft administrative rules. Three different attendees asked general questions about the program not specific to the administrative rules. A summary of the comments can on the draft administrative rules can be found in the table below and in "Exhibit 003" attached.

**Public Comment Period – July 1, 2022 – August 1, 2022**

The Notice of Proposed Rulemaking and Statement of Need and Fiscal Impact filing for the Batch 4 administrative rules was published in the Oregon Bulletin on July 1, 2022. Between July 1 and 11:59 p.m. on August 1, 2022, the public comment period was open for the public, interested parties and groups, and legislators to submit comments on the draft administrative rules. Comments and questions were primarily received and recorded by staff via the [Rules@employ.oregon.gov](mailto:Rules@employ.oregon.gov) email box. Any comments received regarding the Paid Leave Oregon Batch 4 administrative rules in other email boxes were subsequently forwarded to the Rules email box and recorded.

During the public comment period, the Department received written testimony from 20 different individuals or groups. Of the 20 written testimony received, three were comments solely about the general program, and are not included in the summaries. Summary of the testimony received specifically regarding Paid Leave Oregon Batch 4 administrative rules related to equivalent plans can be found in the table below under the rule(s) the testimony was provided for. The exact comments can be found in the attached exhibits.

**Summary of Comments Received and Responses for Paid Leave Oregon Batch 4 Administrative Rules Related to Equivalent Plans**

Rule Number	Name Affiliation	Exhibit Number	Comment Summary	Responses	Rule Change – Yes/No
<b>471-070-2200 – Equivalent Plans: Definitions</b>	Lisa Bandelli-Virgona, Standard Ins Co.	014	(1) Oppose as administrative costs are not needed for fully insured equivalent plans.	If an employer is collecting Paid Leave Oregon contributions, the Division will need to know the administrative costs, even if for a fully insured equivalent plan the costs are only the insurance premiums.	No
	Lisa Kwon, Time to Care Oregon Coalition	020	Support the proposed definitions as written.	Support for administrative rule as written, no changes needed.	No
<b>471-070-2205 – Equivalent Plans:</b>	Abigail O’Connell, Sun Life;	012, 015	Comment - Insurance companies do not	The Paid Leave Oregon Divisions needs to know,	No

Hearings Officer Report Paid Leave Oregon Batch 4 – Equivalent Plans

<b>Declaration of Intent to Obtain Approval of Equivalent Plan</b>	Cindy Goff, American Council of Life Insurers		issue policies in advance of the effective date – September 3, 2023. DCBS approval of policy forms should be sufficient or allow a sample policy as supporting documentation.	at the very least, which policy options the employer will be selecting with the insurance companies when submitting the equivalent plan application.	
	Lisa Kwon, Time to Care Oregon Coalition	020	(1) Support the clarification that applications approved prior to September 3, 2023 become effective on September 3, 2023.	Support for administrative rule as written, no changes needed.	No
	Lisa Bandelli-Virgona, Standard Ins Co.	014	(2) Oppose as suggest allowing Declaration of Intent to be available until DCBS approves policy, if unable to review within prescribed timeframe. Also should be “approved”, not just “submitted”.	The Declaration of Intent is only allowed before the timeframe of an equivalent plan application to be exempt from paying and remitting contribution payments for the first quarter that starts January 1, 2023. The Department is working closely with DCBS. “Submit” in this section of the draft rule is correct as it aligns with the due date of the equivalent plan application in	No



Hearings Officer Report Paid Leave Oregon Batch 4 – Equivalent Plans

				section (3) of the rule.	
Breanna Scott, NY Life	001, 005	(3)(a) Oppose as employers are unlikely to have a completed plan by November 30 <sup>th</sup> . Recommend adding “Declaration of Intent” to qualify for exemption from quarterly contribution payments.	A Declaration of Intent is not an approved equivalent plans; therefore, the Department is requiring quarterly contribution payments to be held in trust until an equivalent plan is approved, just like the Paid Leave Oregon plan requires employee contributions to be held in trust.	No	
Lisa Kwon, Time to Care Oregon Coalition	020	(3)(a) Support changes made that only approved equivalent plans do not have to pay contribution payments.	Support for administrative rule as written, no changes needed.	No	
Lisa Kwon, Time to Care Oregon Coalition	020	(3)(b) Support employers that submit an equivalent plan application on or after June 1, 2023 are liable for contributions prior to the effective date.	Support for administrative rule as written, no changes needed.	No	
Cassandra Gomez, A Better Balance; Lisa Kwon, Time to Care	001, 002, 006, 020	(4) Oppose as recommend deleting Declaration of Intent entirely. Undesired alternative is to	The Paid Leave Oregon Division is allowing a Declaration of Intent as an interim solution to allow time for	No	

Hearings Officer Report Paid Leave Oregon Batch 4 – Equivalent Plans

	Oregon Coalition		clarify this section is temporary and remove (4)(a)(1)-(2), removing requirement for employer to withhold contributions from employees while waiting to submit an equivalent plan and receive approval.	employers and insurance providers to gather their information and is temporary as it is only offered until November 30, 2022. Withholding in trust is required as the employer doesn't have an approved equivalent plan.	
	Lisa Kwon, Time to Care Oregon Coalition	020	(4)(a)(1) & (2) Oppose as allows contributions to not be submitted to the Department with no approved equivalent plan.	The Paid Leave Oregon contributions with a Declaration of Intent needs to be held in trust just like Paid Leave Oregon state plan employers; however, the payments do not need to be sent to the Paid Leave Oregon unless the employer has not submitted an equivalent plan application by May 31, 2023. If an equivalent plan application is not approved, the Declaration of Intent will be canceled. Expanded rule to provide further clarification.	Yes

Hearings Officer Report Paid Leave Oregon Batch 4 – Equivalent Plans

	<p>Daris Freeman, Unum; Brycie Repphun, The Partners Group; Jessica Bolar, Standard Insurance; Daris Freeman, Unum; Lisa Bandelli-Virgona, Standard Ins Co.; Cindy Goff, American Council of Life Insurers; Aruna Masih, Oregon State Fire Fighters Council</p>	<p>001, 009, 011, 014, 015, 018</p>	<p>(4)(a)(1) &amp; (2) Oppose as make collection of employee contribution permissible, not required as employer is allowed in ORS 657B.150(5) to pay all or a portion of the employee's contributions. Collecting employee contributions without need to remit creates an administrative burden for employers and inconveniences employees. Also, this is inconsistent with Contributions rule -3040 which allows employer to collect from employees retroactively in the first year.</p>	<p>Expanded the rule to allow employee contributions to be paid partially or in full on the employee's behalf by the employer but still held in trust for the State of Oregon when the employer has submitted a Declaration of Intent.</p>	<p>Yes</p>
	<p>Brycie Repphun, The Partners Group;</p>	<p>009</p>	<p>(4)(a)(2) Oppose as require the employer to pay the contributions if the equivalent plan application is not approved instead of collecting from the employee and holding in trust.</p>	<p>Expanded the rule to allow for the Declaration of Intent employer to pay all or a portion of the employee's contributions in trust, like the employer can with the Paid Leave Oregon program. The</p>	<p>No</p>

Hearings Officer Report Paid Leave Oregon Batch 4 – Equivalent Plans

				contribution payments due for one or several quarters could be a large bill (depending on number of employees and wage amount), therefore, the Division would like to be sure the employer is able to pay the past due contribution amounts if the equivalent plan is not approved or withdrawn.	
	Bridget Caswell, Sedgwick; Lisa Bandelli-Virgona, Standard Ins Co.	008, 014	(4)(a)(2) Oppose as need to provide details to what is required for filing a Declaration of Intent.	Instructions will be provided for the Declaration of Intent and will not be put in the draft rule. However, no documentation will be needed with the Declaration of Intent, but rather a certification.	No
	Brycie Repphun, The Partners Group;	009	(4)(a)(2) Question – What happens to the funds held in trust when the equivalent plan is approved?	Expanded the rule to clarify the contributions held in Trust can be returned to the employees or can be used for administrative costs; however, the contributions but cannot be considered part of an employer's	Yes

Hearings Officer Report Paid Leave Oregon Batch 4 – Equivalent Plans

				assets for any purposes.	
	Breanna Scott, NY Life	001, 005	(4)(a)(3) Oppose as recommend allowing Declaration of Intent until April 1, 2023 as long as the equivalent plan application is received by May 31, 2023.	The Paid Leave Oregon Division is only utilizing the Declaration of Intent until November 30, 2022 because if an employer doesn't have a Declaration of Intent or Equivalent Plan application submitted by that time, they will be included in the state plan and need to pay quarterly contributions. However, an equivalent plan can be submitted at any time for a future quarter.	No
	Breanna Scott, NY Life	005	(4)(a)(3) Oppose as clarify Declaration of Intent must be filed by Nov. 30, 2022 "to not contribute the first quarter of premium to the state".	Agree with adding additional clarification to the rule that contributions will not need to be paid to the state if a Declaration of Intent is received.	Yes
	Breanna Scott, NY Life; Bridget Caswell, Sedgwick; Brycie Repphun, The Partners Group; Lisa	001, 005, 008, 009, 014	(4)(b) Question - Do the contributions need to be held in a trust account or just kept in a separate account and not	The employer does not need to set up a trust account. The contributions shall be withheld in trust, just like required in statute [ORS	No

Hearings Officer Report Paid Leave Oregon Batch 4 – Equivalent Plans

	Bandelli-Virgona, Standard Ins Co.		comingled with other funds?	657B.150(11)] for contributions collected for Paid Leave Oregon program.	
	Lisa Bandelli-Virgona, Standard Ins Co.	014	(4)(b) Question - Does this mean the Department will not accept a Declaration of Intent after 11/30/2022 for future quarters? Oppose as clarify Declaration of Intent can be used until approved plan is in place and remove date. Rule reads as Declaration of Intent being a second thing to do and employers are not going to know what they are required to do.	The Paid Leave Oregon Division will not accept a Declaration of Intent after November 30, 2022 because if an employer doesn't have a Declaration of Intent or an equivalent plan application submitted within that timeframe, the employer will be included in the Paid Leave Oregon program. The Declaration of Intent is a form for employers to fill out and complete only if they are not ready to submit an equivalent plan application by November 30, 2022 but knows they will have an equivalent plan by May 31, 2023. Additional instructions will be on our website shortly of what is needed.	No

Hearings Officer Report Paid Leave Oregon Batch 4 – Equivalent Plans

	Cassandra Gomez, A Better Balance; Lisa Kwon, Time to Care Oregon Coalition	006, 020	(6) Oppose as suggest amend rule to read department “shall cancel” approval of an equivalent plan that is not compliant with law, instead of “may”.	There are times the Paid Leave Oregon Division may receive additional information and will not cancel the equivalent plan or Declaration of Intent based on the additional information received; therefore, “may” is appropriate.	No
	Lisa Kwon, Time to Care Oregon Coalition	020	(7) Support this section of the rule as employers cannot charge past contributions to employees as it is an important safeguard.	Support for administrative rule as written, no changes needed.	No
	Lisa Bandelli-Virgona, Standard Ins Co.; Cindy Goff, American Council of Life Insurers	014, 015	(7)(b) Question - What are the penalties and interest referenced in the rule? Oppose as need to outline the penalties and interest for transparency.	The penalties and interest are described in ORS 657B.320; interest accrues at 1.5 percent from the due date of the contributions until paid. A penalty is imposed if the contributions have not been paid within 10 days of receiving the bill for the unpaid contributions. Removed ORS 657B.920 as those penalties	Yes

Hearings Officer Report Paid Leave Oregon Batch 4 – Equivalent Plans

				do not apply as the quarterly report should be filed no matter if the employer has an approved equivalent plan or Declaration of Intent.	
	Cassandra Gomez, A Better Balance; Lisa Kwon, Time to Care Oregon Coalition	002, 006, 020	(9) Oppose as recommend delete this section to make section (3) effective upon adoption of the rule instead of delayed to 9/23/2023.	Section (9) of the draft rule makes section (3) effective until 9/3/2023 and has the affect proposed by the commenter.	No
<b>471-070-2220 – Equivalent Plans: Plan Requirements</b>	Lisa Bandelli-Virgona, Standard Ins Co.	014	(1) Question - How will the employer verify a new employee was covered by an equivalent plan with previous employer to know if the new equivalent plan employer must provide equivalent plan coverage beginning with the first day?	The equivalent plan employer should ask the new employee if they were previously covered under an equivalent plan. The Paid Leave Oregon Division is further exploring what information we will available on our website for employers with approved equivalent plans.	No
	Cassandra Gomez, A Better Balance	006	(12) Support the draft rule as glad to see equivalent plan approvals must include information on how to contact the Department to confirm weekly	Support for administrative rule as written, no changes needed.	No



Hearings Officer Report Paid Leave Oregon Batch 4 – Equivalent Plans

			average wage amount.		
	Cassandra Gomez, A Better Balance	006	(12) & (14) Oppose as additional requirements for equivalent plans as published by Department in August 2021 should be included in rule and not just section (12) and (14) of the rule.	The rule compilation only showed changes to section (12) and (14) of the rule; however, the entire rule as originally filed will still be included in the permanent filing as shown in <a href="#">filing receipt</a> with the Notice of Proposed rulemaking with the Secretary of State’s Office.	No
	Daris Freeman, Unum; Lisa Bandelli-Virgona, Standard Ins Co.; Cindy Goff, American Council of Life Insurers	011, 014, 015	(13) Oppose as include “administrator” as entity that issues a written decision.	Agree with suggestion and expanded the rule to also amend section (13) of the rule to add administrator.	Yes
	Breanna Scott, NY Life; Abigail O’Connell, Sun Life; Lisa Bandelli-Virgona, Standard Ins Co.	005, 012, 014	(14) Oppose as suggest adding “completed” to type of claim received for which decision is to be made within two weeks.	The rule aligns with statute [ORS 657B.090(2)] that the two-weeks begins once a decision has been made to allow the claim.	No
	Breanna Scott, NY Life	005	(14) Oppose as insurance company should be allowed to pay benefits “weekly	Fully insured equivalent plans should pay similar to the Paid Leave	No

Hearings Officer Report Paid Leave Oregon Batch 4 – Equivalent Plans

			or following the existing paycheck schedule”.	Oregon program by paying weekly. Employers are allowed to pay on the paycheck schedule as the employee will not be receiving multiple paychecks from the employer and provide less confusion.	
<b>471-070-2230 – Equivalent Plans: Reporting Requirements</b>	Cassandra Gomez, A Better Balance; Lisa Kwon, Time to Care Oregon Coalition	002, 006, 020	Oppose as generally, occurrences of “equivalent plans” should be preceded by “approved” throughout the draft rule.	Section (4) of the draft rule is the only place that “approved” is not before “equivalent plans” and the Paid Leave Oregon Division would like any employer to respond to the Division’s request and just not approved equivalent plan employers.	No
	Bridget Caswell, Sedgwick	008	Oppose as the reporting requirements are extensive and place burden on employers, their third party administrators, and the Department. May be beneficial to reduce reporting requirements to distill only	The reporting requirements have been reduced to what the Paid Leave Oregon Division feels is the minimum information. The Division will monitor and may reevaluate this after implementation.	No

Hearings Officer Report Paid Leave Oregon Batch 4 – Equivalent Plans

			essential information.		
	Daris Freeman, Unum	011	Suggest reaching out to employer community to determine feasibility of reporting requirements.	The reporting requirements have been reduced to what the Paid Leave Oregon Division feels is the minimum information. The Division will monitor and may reevaluate this after implementation.	No
	Cassandra Gomez, A Better Balance; Lisa Kwon, Time to Care Oregon Coalition	006, 020	(2) Oppose as recommend reverting back to the draft version that required quarterly reporting and require detailed information about individual claimants, which provides the Department with timely information to oversee equivalent plans.	The reporting requirements have been reduced to what the Paid Leave Oregon Division feels is the minimum information. The Division will monitor and may reevaluate this after implementation.	No
	Bridget Caswell, Sedgwick; Aruna Masih, Oregon State Fire Fighters Council	008, 018	(2) Oppose as need to clarify when the report is due. Use of “or” causes report to be due at either or both points in time.	The Paid Leave Oregon Division is allowing the reports to be due either by January 31 <sup>st</sup> or with the reapproval application. This allows the equivalent plan employer to choose which timeframe is easier for them.	No

Hearings Officer Report Paid Leave Oregon Batch 4 – Equivalent Plans

	Abigail O’Connell, Sun Life	012	(2) Oppose as clarify reporting, specifically how to capture total approved benefit applications and leave amounts reported or approved in calendar year that extend to next.	The number of benefit applications approved or denied by the equivalent plan employer will be counted in the year application is received, even if the benefit timeframe extends to the next calendar year. The Paid Leave Oregon Division will consider this comment when drafting the instructions.	No
	Lisa Bandelli-Virgona, Standard Ins Co.; Cindy Goff, American Council of Life Insurers	014, 015	(2) Oppose as suggest to extend reporting to the last day of the quarter following close of the calendar year (similar to other states) as one month is not sufficient time to collect and report required data.	The one month after the close of the calendar year aligns with the due date for W2’s, 1099’s, and other reporting requirements the employer has. The Paid Leave Oregon Division will continue to monitor and may change in the future if it creates a problem.	No
	Breanna Scott, NY Life	005	(2)(a) Oppose as (2)(a) will include pending claims so claims reported in (b) as approved and in (c) as denied won’t	The Paid Leave Oregon Division will continue to monitor and may change in the future if it creates a problem.	No

Hearings Officer Report Paid Leave Oregon Batch 4 – Equivalent Plans

			always match the total in (a).		
	Cassandra Gomez, A Better Balance; Lisa Kwon, Time to Care Oregon Coalition	006, 020	(3) Oppose as recommend requiring quarterly reporting and requiring financial information of employers covering the full cost of equivalent plan.	The purpose of section (3) of the rule is for the Paid Leave Oregon Division to gather information to understand the dollar amount of contributions collected from the employees and not spent on Paid Leave administration and benefits, as the funds need to be kept separate.	No
	Lisa Bandelli-Virgona, Standard Ins Co.	014	(3) Oppose as 30 days is a tight turnaround for employers whose payroll periods do not fall appropriately within this timeframe. Most insurance companies bill retroactively so employers will not have information within 30 days of year end. Insurers/administrators have no way to project forward benefit payments due but not yet paid. Rules should not ask for future	The amounts that need to be reported are the contributions withheld until December 31 and benefits and administrative costs paid during the year. Agree that future information that could change should not be included in the annual report and can be asked for by the Division if needed later for termination or withdrawal. Changed the rule to clarify.	Yes

Hearings Officer Report Paid Leave Oregon Batch 4 – Equivalent Plans

			information that could change.		
	Breanna Scott, NY Life; Lisa Bandelli-Virgona, Standard Ins Co.; Cindy Goff, American Council of Life Insurers	001, 005, 014, 015	(3)(b) Question - Why is it important to report administrative costs? What if the only costs are benefit payments? Why is it needed for a fully insured plan? This should only apply to employer administered plan.	The purpose of the report is to gather information to understand the dollar amount of contributions collected from the employees and not spent on Paid Leave administration and benefits, as the funds need to be kept separate. Clarified in rule that the benefit payments are for employer administered plans only.	Yes
	Breanna Scott, NY Life	005	(4) Oppose as 10 calendar days may not be sufficient. Suggest changing to business days.	The Paid Leave Oregon Division is trying to juggle allowing enough time to respond along with the requirement that the Division provide payment of benefits within two weeks. The new modernization system will allow for quicker turnaround by allowing employers to receive letters instantly and respond electronically	No

Hearings Officer Report Paid Leave Oregon Batch 4 – Equivalent Plans

				within the system.	
	Cassandra Gomez, A Better Balance; Lisa Kwon, Time to Care Oregon Coalition	006, 020	(4)(d) Oppose as recommend amending “duration of leave remaining” to “amount of leave taken during benefit year and qualifying purpose”. This information will benefit the Department if employee transitions from equivalent plan to Paid Leave Oregon coverage.	Changed the rule to expand to ask for qualifying leave purpose and amount of leave taken in the benefit year.	Yes
	Lisa Bandelli-Virgona, Standard Ins Co.	014	(5) Question - What is timeframe final report is due after withdrawal or termination of equivalent plan?	The reports are due within 30 days after the effective date of the termination as described in OAR 471-070-2450 and 471-070-2460. Provided further clarification in the rule.	Yes
<b>471-070-2250 – Equivalent Plans: Employee Coverage Requirements</b>	Cindy Goff, American Council of Life Insurers	015	(1)(c) Oppose as request clarification in the rule how to make contributions to Paid Leave Oregon for employees not covered by an equivalent plan in first 30 days of employment. Will state forego	There is no requirement to remit contributions within the first 30 days as the administration would be very complicated due to the combined payroll reporting system. The Paid Leave Oregon Division	No

Hearings Officer Report Paid Leave Oregon Batch 4 – Equivalent Plans

			contributions like Washington?	will explore potential changes in the future.	
	Aruna Masih, Oregon State Fire Fighters Council	018	(1)(c) Oppose as does not cover the situation when the whole group starts off being covered un an equivalent plan.	The rule explains the minimum coverage an equivalent plan has to offer. If an equivalent plan would like to start employees right away, they are able to offer a plan that is greater than the Paid Leave Oregon program.	No
	Lisa Bandelli-Virgona, Standard Ins Co.	014	(3) Oppose as clarify that the employer is responsible for collecting and remitting employee/employer contributions for employees not covered within the first 30 days and that state will retain claims liability in that timeframe.	If an employee takes leave during the first 30 days with an equivalent plan employer, the Paid Leave Oregon Division will provide benefits to the employee if the employee has at least \$1,000 in subject wages in the base year. Employers are not, however, required to make contributions, themselves nor withhold them from the employee, to the Paid Leave Oregon program during the initial 30 days.	No



Hearings Officer Report Paid Leave Oregon Batch 4 – Equivalent Plans

	Cassandra Gomez, A Better Balance; Lisa Kwon, Time to Care Oregon Coalition	006, 020	(4) Oppose as recommend reinserting previous (4) to require equivalent plan employer to seek previous coverage information from Department when not covering new employee immediately.	For administrative ease for equivalent plan employers, employees, and the Division, Paid Leave Oregon removed the requirement for the equivalent plan employer to gather information from each employee but rather the employer may contact the Division if needed.	No
	Cassandra Gomez, A Better Balance; Lisa Kwon, Time to Care Oregon Coalition	006, 020	(5) & (6) Oppose as reinsert previous sections requiring equivalent plan employer to collect Paid Leave Oregon contributions for period before employee transitions to equivalent plan coverage and assessment of penalties for failure to remit contributions.	The Paid Leave Oregon Division removed the requirements to remit contributions within the first 30 days as the administration would be very complicated due to the combined payroll reporting system. The Paid Leave Oregon Division will explore potential changes in the future.	No
<b>471-070-2260 – Equivalent Plans: Benefit Amounts and Claims</b>	Breanna Scott, NY Life	005	(2) Question - References OR Laws 2022 for definition of “benefit year” – what is it?	The OR Laws 2022 reference is Senate Bill 1515 (2022 Legislative session) that	No

Hearings Officer Report Paid Leave Oregon Batch 4 – Equivalent Plans

				passed and changed the definition of benefit year that has not been codified into statute.	
	Cindy Goff, American Council of Life Insurers	015	(2) Question – Can you confirm that removing the language regarding establishment of benefit year allows equivalent plans to have a separate benefit year from the state?	Equivalent plans need to use the same benefit year definition as the Paid Leave Oregon program as defined in statute. The language was removed from the rule so equivalent plan employers do not need to contact the Division for each claim. The language previously in the draft rule was not to confirm that the equivalent plan employer could have a separate benefit year.	No
	Aruna Masih, Oregon State Fire Fighters Council	018	(3)(a) Oppose as includes information the employer already has in their possession and may create some opportunity for intimidation of employees early in the process.	The information in this section of the rule is what the employer must provide to the Paid Leave Oregon Division. The consent from the employee is for the employer to provide the information listen	No

Hearings Officer Report Paid Leave Oregon Batch 4 – Equivalent Plans

				in rule to the Paid Leave Oregon Division.	
<b>471-070-2270 – Equivalent Plans: Proration of Benefit Amounts for Simultaneous Coverage</b>	Gina Rutledge, MetLife; Cassandra Gomez, A Better Balance; Abigail O’Connell, Sun Life; Gina Rutledge, MetLife; Lisa Kwon, Time to Care Oregon Coalition	003, 006, 012, 013, 020	Oppose as clarify that workers with multiple jobs may take leave from just one job. Employees should be able to take leave from one employer, not required to take from all.	The statute requires the employee to be gone for one work day, which means from both jobs if working both jobs on the same day.	No
	Gina Rutledge, MetLife	003, 013	(2) Oppose as clarify an equivalent plan claim decision can be made once the worker files the claim – not dependent on a claim filed with each plan providing coverage. How will employee know to file claim with each employer?	An equivalent plan benefits claim decision may be made right away and does not need to wait for claims with other employers to be filed also. The Paid Leave Oregon Division and equivalent plan employers should communicate to employees that if they work for more than one employer, they may need to file separate claims.	No
	Aruna Masih, Oregon State	018	(2) Oppose as there may be reasons why an	The Paid Leave Oregon Division and equivalent	No

Hearings Officer Report Paid Leave Oregon Batch 4 – Equivalent Plans

	Fire Fighters Council		employee only files with one but not all plans and the rule should account for that incident.	plan employers should communicate to employees that if they work for more than one employer, they may need to file separate claims. An employee may only need to file a claim with one employer. This comment will be taken into consideration when drafting instructions.	
	Cassandra Gomez, A Better Balance; Daris Freeman, Unum; Abigail O’Connell, Sun Life; Gina Rutledge, MetLife; Lisa Kwon, Time to Care Oregon Coalition	003, 006, 011, 012, 013, 020	(3) Oppose as recommend amending the rule for proration of benefits between equivalent plan and Paid Leave Oregon be based on worker’s wages or hours worked, proportion to the employer.	The Paid Leave Oregon Division explored many different ways to prorate benefits. The wages are from the base year, not the current employer so employees may have worked for different employer(s) during the base year and would not be able to prorate based on the current proportion of wages. There is not a proration option that works for everyone; however, proration on the number of days currently worked	No

Hearings Officer Report Paid Leave Oregon Batch 4 – Equivalent Plans

				at each job is the policy decision decided on at this time. The Division will continue to monitor.	
	Bridget Caswell, Sedgwick	008	(3) Oppose as provide examples similar to California to fully explain how simultaneous coverage will work for employees.	Provided examples in the draft rule.	Yes
	Lisa Bandelli-Virgona, Standard Ins Co.	014	(3) Oppose as private plan cannot prorate against themselves if don't know work schedule or benefit with another employer. This is punitive to the employee in reducing benefit received from each plan when work earnings are separate. Harms lower wage who are more likely to have multiple jobs and need full income replacement.	Equivalent plan employers can contact the Paid Leave Oregon Division to receive the prorated benefit amount. This aligns with the statute that requires proration and aligns with the Paid Leave Oregon benefits.	No
	Lisa Bandelli-Virgona, Standard Ins Co.	014	(4) Question - How long does the Department have to provide prorated information?	It depends if the Paid Leave Oregon Division needs additional information from the employer and/or employee and when that	No

Hearings Officer Report Paid Leave Oregon Batch 4 – Equivalent Plans

				information is received by the Division.	
<b>471-070-2330 – Equivalent Plans: Written Notice Poster to Employees of Rights and Duties</b>	Cassandra Gomez, A Better Balance; Lisa Kwon, Time to Care Oregon Coalition	006, 020	Oppose as specify electronic notice is supplemental to workplace posting that was included in the prior rule draft.	The poster shall be displayed at the worksite and provided electronically if an employee works remotely.	No
	Cassandra Gomez, A Better Balance; Lisa Kwon, Time to Care Oregon Coalition	006, 020	Oppose removal of failure to provide notice is unlawful employment practice, as was in prior rule draft.	There is no statutory authority to include unlawful employment practice in the rule. The Paid Leave Oregon Division will monitor to see if this becomes an issue and may suggest a legislative change in the future.	No
	Lisa Bandelli-Virgona, Standard Ins Co.	014	(2)(i) Oppose as may not be appropriate for self-funded plans which may legitimately have right of access to employee information.	If an employee provides health information to the employer or administrator, the information cannot be disclosed.	No
	Lisa Kwon, Time to Care Oregon Coalition	020	(4) Oppose as recommend restoring wording that explained that electronic posting is supplemental but does not satisfy posting requirements.	In section (3) of the rule the poster must be displayed in the buildings. Removing (4) of the proposed draft rule removed the requirement that	No

Hearings Officer Report Paid Leave Oregon Batch 4 – Equivalent Plans

				a remote worker had to hang the poster up at their remote work location.	
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General Comments:

Rule Number	Name Affiliation	Exhibit Number	Comment Summary	Responses	Rule Change – Yes/No
<b>General Rule Comments</b>	Daris Freeman, Unum; Bridget Caswell, Sedgwick	001, 008	Comment - Clarify whether reference to “days” is calendar or business days.	Clarified within the rules to clarify it is calendar days.	Yes

# EXHIBIT 001

Commenter	Commenter Affiliation	Rule Number	Summary Comments
Cassandra Gomez	A Better Balance	471-070-2205 - Equivalent Plans: Declaration of Intent to Obtain Approval of Equivalent Plan	While many of the regulations regarding Equivalent Plans will work well as proposed, we suggest modifying many of these to make sure the department maintains proper oversight of employers with Equivalent Plans. In particular paragraph 4, which allows employers to submit a declaration of intent, be removed from its entirety. Employers should not have a workaround for not submitting equivalent plan applications on time. Employers without approved equivalent plans should adhere to the state PFMLI.
		471-070-1330 - Benefits: Job Protection	Amend paragraphs 1 and 8 so they are restored to how they were written in the last draft to require employers restore employee to previous position regardless of whether the employee is taking consecutive or nonconsecutive leave.
Breanna Scott	New York Life	471-070-2205 - Equivalent Plans: Declaration of Intent to Obtain Approval of Equivalent Plan	Please look at how long the Declaration of Intent process can be used. The timeframe the rulemaking is taking, it is unlikely the employer will have a fully drafted policy prior to November will be tricky. Recommend use the Declaration of Intent process up until May 31st. (3)(a) of the rule is confusing if this also applies to the Declaration of Intent or not.
Daris Freeman	Unum	All rules	All the rules that reference days, make sure to clarify if they are calendar days or business days.
		471-070-1330 - Benefits: Job Protection	Not seeing anything that ties employee's requirement to provide the employer proper notice to their rate to restoration. Employee could not provide notice and still have job protections. Would like to see some type of tie between the notice requirements and restoration positions.
		471-070-2205 - Equivalent Plans: Declaration of Intent to Obtain Approval of Equivalent Plan	Section 4(a)(A) - The employer "shall" deduct employee contributions beginning January 1, 2023. Recommend changing to "may" as some employers may not want to collect contributions from the employee prior to the equivalent plan starting.
		471-070-3040 - Contributions: Withholding of	Beginning January 1 2024 if an employer does not collect contributions they are liable but contributions begin January 1, 2023 so don't know if there is a typo or allowed the first year to retroactively deduct if they missed it.



# EXHIBIT 001

		Employee Contributions	
		471-070-3040 - Contributions: Withholding of Employee Contributions	Section (1) says employers can't deduct more than the 60% of the contribution rate. The outstanding question is what does that mean for equivalent plans when the equivalent plan costs more than the state plan, can they still get 60% of the higher rate or 60% of what they would pay to the state or what the cost of the plan is?
Andrea Denton	City of Pendleton	471-070-3040 - Contributions: Withholding of Employee Contributions	If employer fails to deduct contributions then they cannot deduct from future earnings. Why not? Does that mean that the employer has to pay the employee contribution? If it is an oversight you cannot deduct it in a future check?
		471-070-1330 - Benefits: Job Protection	If an employee does not give employer notice, that feels like a substantive gap in the rules. Know intention is for OFLA and Paid Leave Oregon to run concurrently. Leave may be different from OFLA and should have notice to the employer requirement.
Paloma Sparks	Oregon Business and Industry	471-070-1330 - Benefits: Job Protection	Notice and job protections and agrees with Daris's comments previously. There is fear that employees will not tell the employer they are out on Paid Leave Oregon and will no show/no call and then later will claim job protection rights. They need to be more clearly linked.
		471-070-3100 - Contributions: Place of Performance	This is very complicated topic. The communication we've had about how we treat people who work remotely has been confusing and the rules don't address reality what the employers are facing. You have some employees working remotely some of the time and some of the time at the place of work. (e.g., 3 days at home and 2 days a week in the home). That is not incidental and doesn't fit. Make sure the rule is clear on that and make sure we aren't doing anything different from other states (Washington and California).
Jessica Berdager	Swire Coca-Cola	471-070-3100 - Contributions: Place of Performance	Mirror the comments earlier about the rules around work as we have employees working in Washington and Oregon and the rules are confusing.
		471-070-1330 - Benefits: Job Protection	Mirror the concerns raised about the gap in coordinating it with FMLA. This is the problem with Washington right now of knowing the reason for the leave and seeing if the leave qualifies.

# EXHIBIT 001

Mark Seibert	Employer in Portland, Oregon	General Rule Comment	How will the rulemaking allow for investigation, detection, and any civil actions that need to be taken when a claimant is fraudulently getting paid leave without having a valid reason so it can be minimized or not happen? There will be people who will try to scam the system and a lot of good money could leak out with fraud.
Breanna Scott	New York Life	471-070-2230 - Equivalent Plans: Reporting Requirements	Section (3) of the rule, several questions on how would an employer track administrative costs and why is it important to the program? The premiums and contributions withheld make sense but administrative costs are confusing for employers to figure out and how to report.
		471-070-2230 - Equivalent Plans: Reporting Requirements	Section 3 of the rule that refers to balance of benefits approved but not paid is an odd thing for an employer to be able to track. This would be a difficult data point for employers to track and administrators to be able to track.
Daris Freeman	Unum	471-070-1300 - Benefits: Written Notice Poster to Employees of Rights and Duties	Section (2)(a) of the rule describes or poster "approved by the department". A lot of employers will take the poster/notice the department publishes and may want to customize it with their own information. I don't know if the department will want to see or approve all of them. It might be better to include a list of what data elements need to be included instead of looking every customized poster.
		471-070-2270 - Equivalent Plans: Proration of Benefit Amounts for Simultaneous Coverage	Section (3) of the rule the statement around prorating by the current days worked for each plan. Still working through scenarios and don't have a brilliant solution but don't know if this proration will truly work. Not sure workdays will provide the proration under the statute. Thinking through some other ideas and will provide them in the written comments.
Susan Hoeye	State of Oregon HR Legislature	471-070-1300 - Benefits: Written Notice Poster to Employees of Rights and Duties	Section (2)(b) of the rule states the notice needs to be sent through hand delivery or regular mail. Suggest reconsidering adding email as a way to send the notice.
Alli Schafsmas	Brown and Brown Brokerage	471-070-1330 - Benefits: Job Protection	Section (6)(a) relating to an employer maintaining employer health care coverage. Clarify the wording that the employee pays only the same share should be clarified to the employee pays same share of premium costs that would have been required if not on leave. Will address if an employee is on leave over a new benefit year it will insure the employee is paying the appropriate amount if not on leave.

# EXHIBIT 001

Brycie Repphun	Represent Employers in the State of Oregon	471-070-2205 - Equivalent Plans: Declaration of Intent to Obtain Approval of Equivalent Plan	Section (4)(a) of the rule, would like to make sure I understand the Declaration process for the equivalent plans. Is it true that the employer must submit the intent by November 30 to avoid paying contributions to the state starting January 1, 2023; however the employer must still deduct employee share of contributions in case the equivalent plan is not approved. Am I seeing that correctly within the rule?
		471-070-2205 - Equivalent Plans: Declaration of Intent to Obtain Approval of Equivalent Plan	Are you expecting an employer to hold premiums in trust if the employer has decided they will cover the cost of the premiums for the employees?
		471-070-2205 - Equivalent Plans: Declaration of Intent to Obtain Approval of Equivalent Plan	Can employers who plan to have an equivalent plan deduct contributions from employees beginning 1/1/23 like the state plan even though their plan doesn't begin until September?
Jessica Bolar	Standard Insurance	471-070-2205 - Equivalent Plans: Declaration of Intent to Obtain Approval of Equivalent Plan	Section (4)(a) of the rule clarify the premiums collected in trust from the employee is for self-funded programs and not fully insured programs or readjust or ability to have fines and owe retroactive. How the employers come up with the funds is more for the employer and not affect the employees.
Sarah Ewing	TriMet	471-070-3100 - Contributions: Place of Performance	Due to telework, should consider a reciprocity agreement with Washington to make sure all employees are covered (e.g., workers comp has a reciprocity agreement). Have you worked with Washington?
Jaqueline Shipman	Southwestern Oregon Community College	471-070-3040 - Withholding of Employee Contributions	Paid Leave Oregon has the same definition as wages as Unemployment Insurance but the rule references "subject wages". Want to clarify wages and subject wages are the same thing?

# EXHIBIT 002

Commenter	Commenter Affiliation	Rule Number	Comment Summary
<p><b>Jan Montes</b></p>	<p>Caregiver</p>	<p>471-070-8015 - Appeals: Contested Case Proceedings Interpretation for Non-English-Speaking persons</p>	<p>Expand section (5) to require training and knowledge around cultural competency for the interpreter. I know that a lot of things are covered there, but i really feel strongly about that and that it addresses the factors in which an administrative judge would consider when choosing a qualified interpreter. The reason I say that is because sometimes we have these interpreters in our midst and I've been involved with them quite a bit in the community and in particular the Spanish speaking community in Oregon for many years and I noticed that we have highly trained people that can interpret and do it in a manner that is very technical. Have to remember that might not be relatable for everybody, the technical piece, and it might be very difficult to understand. So it's not just making sure that we have people who are able to interpret like that, as need to have culture competency and specific training. We might ant to know how long they have been in our community. Which in Oregon, the majority of the Latinos here or Hispanics some people say are from farm worker communities and may not have particular educational background to speak at higher level, just like any other community and we need to pay attention to that.</p>
		<p>471-070-8030 - Appeals: Notice of Hearing</p>	<p>I have some learning disabilities and I have noticed that other people have as well, when something is posted in certain situations, like rules, people tend to glaze over them. Providing access to somebody who can explain things or talk it over in a verbal manner, or a video explaining; otherwise I don't think people will understand exactly what is on the notice. If documents are sent via email, that could be difficult as emails get buried or others don't have email. So, in addition to displaying and emailing copies, in different languages, a more personalized method would be really important to workers. Workers should receive verbal notice from their employer, maybe with the Human Resources department. The places I have felt most comfortable with are who had accessible Human Resource department where I could call upon someone to guide me through and someone who understand the process and marginal communities will be more aware of their rights when they receive verbal notice instead of written. And further more in communities who are marginalized, there are many places they can turn to that speak and talk the way they are speaking. That might be able to support them understanding these rules.</p>
<p><b>Lisa Kwon</b></p>	<p>Family Forward Oregon</p>	<p>471-070-2205 - Equivalent Plans: Declaration of Intent to Obtain Approval of</p>	<p>Concerned with section (4). We believe that there should not be a work around solution or exception for employers who fail to meet their applications for equivalent plans in a timely manner, and we believe that employers who fail to comply with the rules and the deadlines shouldn't be operating or managing an equivalent plan. That is such an important benefit for workers. Especially paragraph 4A sections 1 &amp; 2 requires employers to have submitted a Declaration of Intent to withhold contributions</p>

## EXHIBIT 002

		<p>Equivalent Plan</p>	<p>from workers without submitting any contributions to the Department and we believe this contradicts the statute that states that all employers should submit employee and employer contributions unless they have an approved equivalent plan. Concerned around the Declaration of Intent in general because it's not specified in statute but particularly in Paragraph 4 and, if for whatever reason, the agency wants to keep the Declaration of Intent in the rules, then we at least recommend specifying that this is an interim solution and specifying when this solution or exception would end in the rules.</p>
		<p>471-070-2230 - Equivalent Plans: Reporting Requirements</p>	<p>Noticed that approved equivalent plans, or the word "approved" was deleted. We strongly recommend going back and putting back "approved" equivalent plans in this section.</p>
		<p>471-070-3040 - Contributions: Withholding of Employee Contributions</p>	<p>Just a minor comment, we think there is a typo here as section (2) states January 1, 2024 but we think you mean January 1, 2023; which is when contributions begin.</p>
		<p>471-070-1300 - Benefits: Written Notice Poster to Employees of Rights and Duties</p>	<p>This is a joint comment regarding written notice to employees of their rights and duties for both benefits and equivalent plans. There was an edit that deleted the line, "An employer's failure to display or provide notice as required under this rule is an unlawful employment practice as provided ORS 657B.070". Even though this is specified in the statute we recommend putting that line back in the rules. Just for extra clarity and a reminder that, that is a consequence for failing to display written notice of workers' rights.</p>
		<p>471-070-1330 - Benefits: Job Protection</p>	<p>Section (1) there was an edit that removed "regardless of whether that worker is taking consecutive leave or non-consecutive leave". Looked in the statute and didn't see a line that stated consecutive or non-consecutive leave so I was just wondering if Shannon you had a follow up on that or we can take it to email. But that was my only question as to why it was removed.</p>

# EXHIBIT 003

Commenter	Commenter Affiliation	Rule Number	Comment Summary
Teresa Hoard-Jackson	SEIU	471-070-1300 - Benefits: Written Notice Poster to Employees of Rights and Duties	SEIU enthusiastically supports portions of the proposed rules and would like to suggest some changes in favor of worker wellbeing. We have four major concerns with the proposed rules. A previous deleted line of section (6) stated "an employer's failure to display or provide notice as required under this rule is an unlawful employment practice as provided in ORS 657B.070". SEIU strongly recommends restating this line so that it restores employee's right to a lawful workplace, holds employers accountable for failure to provide written notice of workers' rights, and gives employees recourse when this rule is violated.
		471-070-1330 - Benefits: Job Protection	Section (4) currently defines "equivalent position" as "a position that is virtually identical to the employee's former position in terms of employment benefits, pay, and working conditions, including privileges, perks and status." This current definition neglects to mention location as a guaranteed right when defining the type of position to which an employee can be restored. Therefore, SEIU strongly recommends adding location and within 20 miles to the rules when describing the employee's current or virtually equivalent position to ensure further job protection under the Paid Leave program. By not being specific about the location and job site radius, employers could place employees far away from their former job site, forcing many to relocate in order to keep their job which adds an increased financial and resource burden on workers. If moving is impractical or unaffordable people would be able to take the equivalent position which would in effect, force workers to quit. This is contrary to the spirit of the law.
		471-070-1330 - Benefits: Job Protection	Section (7) currently allows an employer to require the employee to follow the employers established leave policy of reporting any leave changes to their status. Requiring an employee to frequently report their status while on leave places undue restriction on the employee when they need it most. We believe this restriction was not originally intended by the Paid Leave Family statute, so it should be appropriately reevaluated to give the employee more time to dedicate to caring for themselves or their loved ones.
		471- 070-1560 - Benefits: Disqualification and Penalties for	SEIU strongly opposes, and recommends the removal of section (4). In short, workers should not be at fault for overpayment from the agency if all relevant information was submitted to the department. The current formulation of the rules will financially harm low income claimants if the

# EXHIBIT 003

		Claimant Misrepresentation	Employment Department does not properly use their tools to determine benefits.
<b>Dalia Andrade</b>	Family Forward Oregon	471-070-8015 - Appeals: Contested Case Proceedings Interpretation for Non-English-Speaking persons	Section (5) addresses the factors in which an administrative judge should consider when choosing a qualified interpreter. I strongly recommend adding a subsection also requiring trained or knowledge around cultural competency for the interpreter. Growing up, I often interpreted for my parents. Spanish was their first and primary language. I also had clinical experience as a volunteer interpreter with Salem free clinics. Throughout my experience I have learned how important it is to have empathy. I was an interpreter communicating the patients' needs, and being a true voice is a critical part of interpreting. Part of that requires an understanding of the persons' culture, understanding cultural nuances, that is why empathy and culture responsiveness is important.
		471-070-8030 - Appeals: Notice of Hearing	Aside from displaying and emailing copies in different languages, workers should also receive a verbal notice from their employer. Marginalized communities will be more aware of the rest if they receive a verbal notice instead of written. Verbal notice is important for those who have difficulties reading, it can also make a difference for those who have verbal communication issues to allow it to make it more clear for them and allow for opportunity for them to ask questions if those come up by that time.
<b>Gina Rutledge</b>	MetLife	471-070-2270 - Equivalent Plans: Proration of Benefit Amounts for Simultaneous Coverage	Many times, employees do not always share that they have more than one job, especially with their employers. Trying to coordinate benefits may be difficult. The state may have more information about the employee having multiple jobs than an equivalent plan administrator or even the employer who's sponsoring the equivalent plan. We just want to make sure we protect the individual employee and their rights to take benefits and also just understand what would happen if they only applied for benefits in one area because they may not recognize they need to apply for benefits in more than one. Should the equivalent plan always check with the state when a claim comes in? How do we do that?
		471-070-2270 - Equivalent Plans: Proration of Benefit Amounts for Simultaneous Coverage	Can the proration be based on the wages earned and the work schedule of the equivalent plan sponsor? That's really the only information that the employer would be able to confirm. The employee would submit a claim, we would check information on the employer like was it a work day. Was the person scheduled to work? How much money did they normally earn at their job? So that we could calculate the benefit appropriately and prorate it. There is just some

# EXHIBIT 003

			<p>ambiguity on what that proration would look like. Is it based on the work schedule and the wages earned at the employer that is sponsoring the equivalent plan? Again, our goal here is to protect the claimant because they may not let their employer know that they have more than one job, or that they have to take care of someone if they have to be away for a certain period of time. I know you're trying to coordinate a work day based on the employee and we do strongly recommend you look at the work day based on the employer, if the employer has that person on the schedule and would have given them wages for a day worked versus looking at the employee being the person. The employer is also the one in charge of contributions so it's based on the wages from that employer so it does make sense that the benefits would be based on the employer paying wages or the employer scheduling that time for the employee to be there or absent based on a qualifying event.</p>
<b>Breanna Scott</b>	New York Life	471- 070-1560 - Benefits: Disqualification and Penalties for Claimant Misrepresentation	<p>Section (3) I think it would be very helpful to clarify that there can be multiple occurrences per application in terms of willfulness representation. I think the intent in terms of counting up all the different occurrences is you can have many occurrences of willfulness representation within one claim event and that it is not specific to one claim event. As worded, I think that's pretty confusing for folks what an occurrence truly means. Just a recommendation to clarify that with some text, maybe something like, "this means there can be multiple occurrences in one application" or something to that effect so that it is clear to employees and employers.</p>
		General Rule Comment	<p>When planned rulemaking activities that are occurring right now are wrapped up, do you intend to have a consolidated collection of all the various rules and statutes? For example, model language for employers to reference as they're thinking about developing their policies or should we plan on educating people that they will need to go in to these different batches of rules to make sure they are accounting for everything?</p>
<b>Brent Cartwright</b>	Small Employer	471-070-2230 - Equivalent Plans: Reporting Requirements	<p>Just trying to understand a bit better the reporting requirements. I have been able to identify there are quarterly tax reports as well as you have to provide employee benefit applications with their current status of pending/approved. What are the reporting requirements if you were to have an equivalent plan? Just trying to understand how much time and effort it would take for an employer if they were to have an equivalent plan.</p>



**From:** Scott, Breanna C. <Breanna\_C\_Scott@newyorklife.com>  
**Sent:** Monday, July 11, 2022 2:22 PM  
**To:** OED\_RULES \* OED <OED\_RULES@employ.oregon.gov>  
**Subject:** Comments on Batch 4 rules

Good afternoon,

I would like to submit the attached comments to 3 of 4 sections of the batch 4 rules that are currently open for public comment. Please feel free to reach out with any questions in response to these comments.

Thank you!  
Breanna Scott



**Breanna Scott**

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## Paid Leave Oregon

### Proposed Oregon Administrative Rules - Batch 4: Equivalent Plans

## Table of Contents

EQUIVALENT PLANS .....	2
471-070-2200 - Equivalent Plans: Definitions [Amended].....	2
471-070-2205 - Equivalent Plans: Declaration of Intent to Obtain Approval of Equivalent Plan.....	2
471-070-2220 - Equivalent Plans: Plan Requirements [Amended].....	4
471-070-2230 - Equivalent Plans: Reporting Requirements.....	4
471-070-2250 - Equivalent Plans: Employee Coverage Requirements.....	5
471-070-2260 - Equivalent Plans: Benefit Amounts and Claims.....	6
471-070-2270 - Equivalent Plans: Proration of Benefit Amounts for Simultaneous Coverage.....	7
471-070-2330 - Equivalent Plans: Written Notice Poster to Employees of Rights and Duties.....	7

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## EQUIVALENT PLANS

*ORS 657B.210 to 657B.260 establishes that an employer may apply to offer an equivalent plan for PFMLI benefits for its employees and sets requirements for the application process, provision of benefit, simultaneous coverage and proration, and withdrawal and termination of an equivalent plan. Further details are provided in the rules in this section. All administrative rules may be expanded, reorganized, or deleted before formal rulemaking.*

### 471-070-2200 - Equivalent Plans: Definitions [Amended]

- (1) “Administrative Costs” means the costs incurred by an employer directly related to administering an equivalent plan which include, but are not limited to, cost for accounting, recordkeeping, insurance policy premiums, legal expenses, and labor for human resources’ employee interactions related to the equivalent plan. Administrative costs do not include rent, utilities, office supplies or equipment, executive wages, cost of benefits, or other costs not immediately related to the administration of the equivalent plan.
- (2) “Administrator” means either an insurance carrier/company, third-party administrator, or payroll company acting on behalf of an employer to provide administration and oversight of an approved equivalent plan.
- (3) “Declaration of Intent” means a legally binding, signed agreement from an employer documenting the employer’s intent and commitment to provide an approved equivalent plan with an effective date of September 3, 2023.

[Stat. Auth.: ORS 657B.340; Stats. Implemented: 657B.210]

### 471-070-2205 - Equivalent Plans: Declaration of Intent to Obtain Approval of Equivalent Plan

- (1) Approved equivalent plans become effective on September 3, 2023, at the same time Paid Family and Medical Leave Insurance (PFMLI) benefits may first be paid to eligible employees. However, the department is accepting equivalent plan applications beginning September 6, 2022.
- (2) No later than May 31, 2023, an employer who wishes to provide an equivalent plan with an effective date of September 3, 2023 must submit to the department an equivalent plan application that meets the requirements of OAR 471-070-2210.
- (3)(a) To be exempt from paying required quarterly contribution payments to the Oregon PFMLI program in accordance with ORS 657B.150 and OAR 471-070-3030(6), an employer that is going to provide its employees with an equivalent plan as of September 3, 2023, must receive approval of an equivalent plan application. The equivalent plan application must be submitted to the department by the following dates:
  - (1) By November 30, 2022, to be exempt from paying and remitting the contribution payments beginning with the first quarter that starts January 1, 2023.
  - (2) By February 28, 2023, to be exempt from paying and remitting contribution payments beginning with the second quarter that starts April 1, 2023.
  - (3) By May 31, 2023, to be exempt from paying and remitting contribution payments beginning with the third quarter that starts July 1, 2023.
- (b) For equivalent plan applications submitted on or after June 1, 2023, the equivalent plan application must follow OAR 471-070-2210, and the employer is liable for all contributions required to be paid or remitted in accordance with ORS 657B.150 prior to the effective date of the equivalent plan.

(4) If an employer is unable to submit an equivalent plan application by the dates described in section (3)(a) of this rule, the department is allowing an interim solution under which the employer may submit a signed and certified Declaration of Intent acknowledging and agreeing to the following conditions:

(1) Beginning January 1, 2023, and continuing until the department has approved the equivalent plan application, the employer shall deduct employee contributions from the subject wages of each employee in an amount that is equal to 60 percent of the total contribution rate determined in OAR 471-070-3010.

(2) The employer shall hold any moneys collected under this section in trust for the State of Oregon but will not be required to pay employer contributions or remit the withheld employee contributions to the department, unless the department does not receive an equivalent plan application as described in section (3) of this rule or the Declaration of Intent is cancelled as described in this subsection and sections (5) and (6) of this rule.

(3) The employer must submit the Declaration of Intent to the department no later than November 30, 2022.

(4) The employer must submit an equivalent plan application no later than the May 31, 2023, deadline as described in section (3) of this rule.

(b) If an equivalent plan application is not received by the department by May 31, 2023, the Declaration of Intent is cancelled and no longer effective. The employer is then responsible for paying all unpaid employer contributions and remitting all unpaid employee contributions that were held in trust for the State of Oregon for periods beginning on or after January 1, 2023, and is subject to penalties and interest as described in section (6) of this rule.

(5) An employer that submitted an equivalent plan application or a Declaration of Intent as described in sections (3) and (4) of this rule, may cancel the request for approval or the Declaration of Intent by contacting the department. The employer is then responsible for paying and remitting all unpaid employer and employee contribution payments due for periods beginning on or after January 1, 2023 and is subject to penalties and interest as described in section (7) of this rule.

(6) The department may cancel the approval of an equivalent plan or Declaration of Intent prior to September 3, 2023 for reasons that include, but are not limited to:

(a) Misuse of employee contributions withheld or retained by the employer;

(b) Failure to adhere to applicable PFMLI program requirements, including but not limited to OAR 471-070-2220;

(c) Withheld employee contributions that were greater than the employee contributions that would have been charged to the employees under ORS 657B.150; or

(d) Failure to respond timely to the department's reasonable inquires for information about the equivalent plan or Declaration of Intent.

(7)

(a) As of the date the equivalent plan approval or the Declaration of Intent is canceled or denied, the employer must pay and remit immediately to the department all unpaid contributions due for periods beginning on or after January 1, 2023, and is subject to penalties and interest in accordance with ORS 657B.320, 657B.920, and related administrative rules.

(b) An employer that is required to pay or remit contributions, penalties, and interests, in accordance with this section or sections (4), (5), or (6) of this rule may remit employee contributions previously withheld, that were held in trust for the payment of employee contributions due, but the employer is prohibited from withholding additional contributions from employees retroactively to pay any other amounts due. Employee contributions may not be used to pay penalties and interest imposed on the employer.

(8) An employer that has received approval of an equivalent plan application by one of the deadlines in section (3) of this rule may withhold employee contributions in accordance with ORS 657B.210 beginning January 1, 2023, but the employer will not be required to pay employer contributions or remit employee contributions in accordance with ORS 657B.150, unless the equivalent plan application approval is subsequently canceled as described in sections (5) and (6) of this rule.

(9) Section (3) of this rule is in effect until September 3, 2023.

[Publications: Contact the Oregon Employment Department for information about how to obtain a copy of the publication referred to or incorporated by reference in this rule.]

[Stat. Auth.: ORS 657B.340; Stats. Implemented: 657B.210]

#### 471-070-2220 - Equivalent Plans: Plan Requirements [Amended]

(12) Provide for decisions on benefit claims, to be in writing, either in hard copy or electronically if the employee has opted for electronic notification. Decisions on benefit claim approvals must include the amount of leave approved, and the weekly benefit amount, and a statement indicating how the employee may contact the department to request the eligible employee's average weekly wage amount if the employee believes the benefit amount may be incorrect. Denial decisions must include or the reason(s) for denial of benefits along with an explanation of an employee's right to appeal the decision and instructions on how to submit an appeal.

(14) Provide that the equivalent plan employer or administrator must make all reasonable efforts to make a decision on whether to allow the claim and issue the first payment of any benefits to an employee within two weeks after receiving the claim or the start of leave, whichever is later. Subsequent benefit payments must be provided weekly by a fully insured equivalent plan and benefit payments may be paid according to the existing paycheck schedule for employees under an employer administered equivalent plan; and

[Stat. Auth.: ORS 657B.340; Stats. Implemented: ORS 657B.210]


#### 471-070-2230 - Equivalent Plans: Reporting Requirements

(1) Employers with an approved equivalent plan are required to file the Oregon Quarterly Tax Report detailing all Paid Family and Medical Leave Insurance (PFMLI) subject wages and the employee count as defined in OAR 471-070-3150 and the Oregon Employee Detail report detailing PFMLI subject wages for each employee in accordance with OAR 471-070-3030.

(2) Employers with an approved equivalent plan must also file annual aggregate benefit usage reports with the department online or in another format approved by the department. The report is due on or before the last day of the month that follows the close of the calendar year or along with the application for reapproval process. The report shall include, but is not limited to, the following:

(a) Number of benefit applications received during the year and the qualifying leave purpose;

(b) Number of benefit applications approved during the year, the qualifying leave purpose, and total amount of leave; and

(c) Number of benefit applications denied during the year and the qualifying purpose and the number of appeals made on denials and the outcome of the appeals. 

(3) If the employer assumes only part of the costs of the approved equivalent plan and withholds employee contributions as described in ORS 657B.210(5) the employer must additionally report the aggregate financial information with the department online or in another format approved by the department. That report is due on or before the last day of the month that follows the close of the calendar year or along with the application for reapproval process. The report shall include, but is not limited to, the following:


(a) Total amount of employee contributions withheld during the year;

(b) Total plan expenses paid during the year, including total benefit amounts paid, and total administrative costs, as applicable; 

(c) Balance of employee contributions held in trust at end of the year;

(d) Balance of benefits approved but not yet paid, if plan is an employer-administered plan; and

(e) Administrative costs due for the year but not yet paid.

(4) Employers or administrators must respond within 10  calendar days from the date of any notice from the department requesting information about current or prior employees employed by an equivalent plan employer in the base year. The employer or administrator must respond to the department's notice either online or by another method approved by the department. The notice may request but is not limited to the following:

(a) If a benefit year was established;

(b) The start and end date of the established benefit year;

(c) Total amount of benefits paid in the benefit year; and

(d) The duration of leave remaining in the benefit year.

(5) Employers must provide the reports required under sections (2) and (3) of this rule to report following withdrawal or termination of an approved equivalent plan.

[Publications: Contact the Oregon Employment Department for information about how to obtain a copy of the publication referred to or incorporated by reference in this rule.]

[Stat. Auth.: ORS 657B.340; Stats. Implemented: ORS 657B.210, 657B.250]

#### [471-070-2250 - Equivalent Plans: Employee Coverage Requirements](#)

(1) An employer with an approved equivalent plan is required to cover all employees under the plan as follows:

(a) All employees previously covered under the Oregon Paid Family and Medical Leave Insurance (PFMLI) program established under ORS 657B.340, must be covered by the employer's equivalent plan within 30 days of their start date.

(b) All employees previously covered by an employer that had an equivalent plan approved under ORS 657B.210, must be covered by the new employer's equivalent plan immediately as of their start date.

(c) All employees who were not previously covered as described under subsections (a) or (b) of this section, such as employees new to the workforce, relocating from another state, or with a gap in coverage exceeding 30 days must be covered by the employer's equivalent plan within 30 days of their start date.

(2) An employer must specify in their equivalent plan when employees are covered under the plan, which must be in accordance with section (1) of this rule.

(3) An employee described in subsection (1)(a) of this rule, who is not covered under an equivalent plan for any portion of time within the employee's first 30 days, maintains coverage under the Oregon PFMLI program established under ORS chapter 657B for that 30 day period.

[Stat. Auth.: ORS 657B. 210, 657B. 340; Stats. Implemented: 657B.210]

#### 471-070-2260 - Equivalent Plans: Benefit Amounts and Claims

(1) Employers with an approved equivalent plan are required to provide covered employees with benefits that are equal to or greater than benefits provided under the Oregon Paid Family and Medical Leave Insurance (PFMLI) program, including, but not limited to:

(a) The duration of leave for qualifying purposes as established in ORS 657B.020 and related administrative rules; and

(b) The amount of benefits established in ORS 657B.050 and related administrative rules.

(2) Benefits under an approved equivalent plan shall be administered using the benefit year defined in OR s 2022, Chapter 24, Section 1 and related administrative rules.

(3) When an employee applies for benefits under an equivalent plan, the employer or administrator may request consent from the employee to obtain benefit information from the department in order to ensure benefits are provided in accordance with section (1) of this rule.

(a) If consent is given by the employee, the employer or plan administrator may request from the department the benefit information online or by another method approved by the department. The request shall include:

(A) The employee's name;

(B) The employee's Social Security Number or Individual Taxpayer Identification Number;

(C) The employee's contact information;

(b) The request to the department may be submitted online or by another method approved by the department.

(c) If consent is not given by the employee, the employee may also request the benefit information from the department online or by another method approved by the department.

(4) If the department receives a request for benefit information in accordance with section (3) of this rule, the department will respond to the request for information within 10 calendar days of the date of the request. If the department is not able to provide information for any reason, the department may contact the employee directly to seek the necessary information. This includes, but is not limited to:

(a) Requesting missing subject wage information;

(b) Correcting subject wage information; or



(c) Correcting taxpayer identification number information.

[Stat. Auth.: ORS 657B.210; Stats. Implemented: 657B.210]

#### 471-070-2270 - Equivalent Plans: Proration of Benefit Amounts for Simultaneous Coverage

(1) An employee is considered to have simultaneous coverage when the employee is covered by more than one employer's equivalent plan at the same time or is covered by the Oregon Paid Family and Medical Leave Insurance (PFMLI) program established under ORS chapter 657B and at least one employer with an equivalent plan, at the same time. An employee does not have simultaneous coverage if they work for multiple employers covered by the Oregon PFMLI program.

(2) An employee with simultaneous coverage at the start of a leave event shall apply separately under all plans they are covered under and from which they are taking leave by following the respective application guidelines for each plan. An equivalent plan employer may ask an employee whether the employee has additional PFMLI coverage but may not require that the employee provide details on the other employers or the plans. The employer, employee, or administrator may request information from the department as described in OAR 471-070-2260.

(3) Each equivalent plan is required to pay benefit amounts that are equal to or greater than the benefits offered under the Oregon PFMLI program as described in OAR 471-070-2260 and ORS 657B.050 and applicable administrative rules.

The department may provide information to equivalent plan employers or administrators regarding prorated benefits. Benefit amounts shall be prorated under each respective plan by prorating by the current days worked for each respective plan. The Oregon PFMLI program shall pay benefits based on the prorated amount and equivalent plans shall pay benefits equal to or greater than the prorated amount.

(4) The department shall calculate prorated benefit amounts when:

(a) The department receives an application for an employee that provides current employment information from an Oregon PFMLI program employer(s) and one or more equivalent plan employer(s). The department shall verify coverage under the equivalent plan as described in OAR 471-070-2230 to determine a prorated benefit amount for benefits offered under the Oregon PFMLI program.

(b) The department receives a request from an equivalent plan employer or administrator for an employee's benefit information in accordance with OAR 471-070-2260. The department shall verify whether the employee has coverage under more than one equivalent plan and, if covered, include the prorated benefit amounts to the employer. The department will provide prorated benefit amounts to any other equivalent plan employer or administrator that covers the employee also.

(5) Should the department receive information about changes in simultaneous coverage after information is provided to an equivalent plan employer or administrator in accordance with OAR 471-070-2260 and under this rule, the department shall calculate or re-calculate the proration, as applicable, and notify all employers, administrators, or employees of the change. Any overpayments made by the Oregon PFMLI program shall be recovered in accordance with OAR 471-070-1510.

[Stat. Auth.: ORS 657B.210, 657B.340; Stats. Implemented: 657B.210]

#### 471-070-2330 - Equivalent Plans: Written Notice Poster to Employees of Rights and Duties

(1) The director shall make available to all employers offering an approved equivalent plan, a Paid Family and Medical Leave Insurance (PFMLI) notice poster template that meets the requirements under this rule.



(2) An employer that offers a plan approved under ORS 657B.210 shall provide a written notice poster to employees that includes:

- (a) Information about benefits available under the approved plan, including the duration of leave;
- (b) The process for filing a claim to receive benefits under the plan, including any employee notice requirements and penalties established by the employer in accordance with ORS 657B.040, if applicable;
- (c) The process for an employee to appeal to the employer or administrator based on a decision made by their employer or administrator as described in OAR 471-070-2220(13);
- (d) The process for employee deductions used to finance the cost of the plan, if any;
- (e) An employee's right to dispute a benefit determination after the appeal with the employer or administrator in the manner determined by the director under ORS 657B.420 and OAR 471-070-2400;
- (f) A statement that discrimination and retaliatory personnel actions against an employee for inquiring about the family and medical leave insurance program established under ORS 657B.340, giving notification of leave under the program, taking leave under the program or claiming family and medical leave insurance benefits are prohibited;
- (g) The right to job protection and benefits continuation under ORS 657B.060;
- (h) The right of an employee to bring a civil action or to file a complaint for violation of ORS 657B.060 or 657B.070; and
- (i) A statement that any health information related to family leave, medical leave or safe leave provided to an employer or plan administrator by an employee is confidential and may not be released without the permission of the employee unless state or federal law or a court order permits or requires disclosure.

(3)

- (a) Each employer must display the notice poster in each of the employer's buildings or worksites in an area that is accessible to and regularly frequented by employees; and
- (b) An employer with employee(s) assigned to remote work must provide, by hand delivery, regular mail, or through an electronic delivery method, a copy of the notice poster to each employee assigned to remote work. The notice poster must be delivered or sent to each employee assigned to remote work upon the employee's hire or assignment to remote work.

(4)

- (a) For employers that have employee(s) working in buildings or worksites, the notice poster displayed under (3)(a) of this rule by the employer must be displayed in the language the employer typically uses to communicate with the employee. If the employer uses more than one language to communicate with employees assigned to a building or worksite, then the employer must display copies of the notice poster in each of the languages that the employer would typically use to communicate with the employees assigned to that building or worksite; And
- (b) For employers that have employee(s) assigned to remote work, the notice poster provided under (3)(b) of this rule by the employer must be provided in the language the employer typically uses to communicate with each employee assigned to remote work.

(5) An employer with an equivalent plan that does not provide coverage on the employee's first day of employment must additionally provide written notice poster to newly hired employees as described in OAR 471-070-1300.

[Publications: Contact the Oregon Employment Department for information about how to obtain a copy of the publication referred to or incorporated by reference in this rule.]

[Stat. Auth.: ORS 657B. 210, 657B. 340; Stats. Implemented: ORS 657B.070, 657B.210]

DRAFT

**From:** Cassandra Gomez <cgomez@abetterbalance.org>  
**Sent:** Thursday, July 21, 2022 10:51 AM  
**To:** OED\_RULES \* OED <OED\_RULES@employ.oregon.gov>  
**Cc:** Sherry Leiwant <sleiwant@abetterbalance.org>  
**Subject:** A Better Balance Comment on PFML Batch 4 Regulations

To the Oregon Employment Department,

I write to submit the attached comment on behalf of A Better Balance regarding batch 4 of the proposed paid family and medical leave insurance regulations in relation to appeals, benefits, contributions, and equivalent plans. Please let us know if you have any questions or if we can provide any further assistance.

Sincerely,  
Cassandra Gomez

--

Cassandra Gomez (she/her)  
Staff Attorney

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July 21, 2022

Karen Humelbaugh  
Director, Paid Leave Oregon  
Oregon Employment Department  
875 Union St. NE  
Salem, OR 97311

*Submitted via e-mail to [rules@employ.oregon.gov](mailto:rules@employ.oregon.gov)*

Re: Comments on Batch 4 of Proposed Paid Family and Medical Leave Insurance Regulations regarding Appeals, Benefits, Contributions, and Equivalent Plans

Dear Director Humelbaugh:

We thank you for the opportunity to comment on the proposed regulations regarding the Paid Family and Medical Leave Insurance program. A Better Balance, a national nonprofit advocacy organization, uses the power of the law to advance justice for workers, so they can care for themselves and their loved ones without jeopardizing their economic security. Through legislative advocacy, direct legal services and strategic litigation, and public education, our expert legal team combats discrimination against pregnant workers and caregivers and advances supportive policies like paid sick time, paid family and medical leave, fair scheduling, and accessible, quality childcare and eldercare. When we value the work of providing care, which has been long marginalized due to sexism and racism, our communities and our nation are healthier and stronger.

To that end, we have been leaders in the fight for workplace leave laws around the country for over a decade. A Better Balance has been proud to work with advocates in Oregon to enact and implement the paid family and medical leave program. We thank the Oregon Employment Department for considering our enclosed comments on Batch 4 of the proposed paid family and medical leave insurance regulations regarding appeals, benefits, contributions, and equivalent plans.

**We thank the department and express our support for the following regulatory provisions:**

**471-070-0400 – Wages: Definitions**

In general, we think that the proposed definitions throughout § 471-070-0400 will work well for the paid family and medical leave insurance (PFMLI) program because they are largely based off of existing definitions from Oregon's unemployment insurance law. In particular, we are glad

that the department has amended the definition of “vacation pay” since the last batch of proposed regulations was released so that it uses “sick pay,” which is a defined term within this section. However, we recommend consulting with organizations that work directly with agricultural workers and domestic workers to ensure that the proposed definitions for “agricultural labor” and “domestic service” will work well for workers. This is an especially important consideration because both domestic workers and agricultural workers have, unfortunately, been historically carved out of statutory employment protections throughout the United States.

**471-070-1000 – Benefits: Definitions [Amended]**

Generally, the proposed definitions throughout § 471-070-1000 should work well for the PFMLI program. The definition for “eligible employee’s average weekly wage” closely aligns with the statutory definition at Or. Rev. Stat. § 657B.010(12) and the other definitions throughout this section are closely aligned with similar definitions from the Washington State paid family and medical leave insurance regulations.

**471-070-1510 – Benefits: Repayment of Overpaid Benefits; Interest**

We are glad that paragraphs (1) and (2) of § 471-070-1510 of these proposed regulations have been amended since the last draft of proposed regulations to account for the possibility that there may not be an assessment for overpayment of benefits in certain circumstances. This is made clear by the use of “may” instead of “shall” in both paragraphs, and throughout this section generally. As written, whether or not an assessment is issued for an overpayment of benefits is discretionary, matching the statute at Or. Rev. Stat. § 657B.120(4), which explains that the director “may” seek repayment for an overpayment of benefits.

We are very glad that § 471-070-1510(3)(a) of these proposed regulations has been amended since the last draft of proposed regulations to no longer include the phrase “regardless of intent,” which would have held workers liable for benefit overpayments in instances of unintended errors. The PFMLI law at Or. Rev. Stat. § 657B.120(3), the section of the statute regarding erroneous payments, explicitly uses a willful standard, which requires that the worker intended to err, provide a false statement, or fail to report a material fact to obtain PFMLI benefits. Additionally, we are glad that this paragraph was amended to use “may” because as explained above, the penalties and assessments for overpayment are largely discretionary pursuant to the statute. As proposed, this provision is more closely aligned with the PFMLI statute.

We are also very glad that § 471-070-1510(4)(b) of these proposed regulations has been amended since the last draft of proposed regulations to delete a reference to “administrative and court costs.” A previous draft of these proposed regulations concerningly suggested that workers may be liable for the payment of administrative and court costs, a severe liability not authorized by the PFMLI statute. Removal of the reference to administrative and court costs in this draft of proposed regulations is very important, as workers should have access to administrative and judicial remedies without potentially being held liable for these costs under any circumstances.

**471-070-8005 – Appeals: Request for Hearing**

Generally, we think that the proposed regulations at § 471-070-8005 will work well for the PFMLI program. In particular, we appreciate that pursuant to § 471-070-8005(1), a form may not be needed to request a hearing in certain circumstances. This exception will increase access to

hearings on appeal. We are also glad to see that under § 471-070-8005(2), requests for a hearing pursuant Or. Rev. Stat. §§ 657B.100 and 657B.120 can be filed for up to 60 days after the administrative decision is filed. The 60-day filing allowance coupled with the option to file a request for a hearing on the department's website pursuant to § 471-070-8005(2)(c) will ensure that workers have meaningful access to appeals hearings.

**471-070-8025(1)(a) – Appeals: Late Request for Hearing; 471-070-8075(2)(a) – Appeals: Reopening of a Hearing; 471-070-8080(2)(a) – Appeals: Late Request to Reopen Hearing**

We are very glad to see that throughout the proposed regulations regarding appeals, every instance where the term “good cause” is defined (471-070-8025(1)(a); 471-070-8075(2)(a); and 471-070-8080(2)(a)) has been amended since the last draft of proposed regulations to include a person's “incapacity or limiting health condition.” This is especially important in the context of paid family and medical leave, as many workers may have good cause for failing to timely file a request for a hearing due to being incapacitated or being physically unable to file the request.

**471-070-2220 – Equivalent Plans: Plan Requirements [Amended]**

We are glad to see that § 471-070-2220(12) has been amended since the last draft of proposed regulations to require that benefit claims approvals issued by an equivalent plan must include a statement indicating how the employee can contact the department regarding their average weekly wage amount. This will be important information to include so that workers who are covered by equivalent plans are aware that they can and should contact the department with questions or concerns.

Generally, both paragraphs (12) and (14) of § 471-070-2220 should work well as proposed. However, these paragraphs appear to be just a fragment of this section, and should be accompanied by additional requirements for equivalent plans, which were published by the department in August 2021.

**We support the following provisions, with suggested modifications:**

**471-070-3040 – Contributions: Withholding of Employee Contributions**

We are glad that the proposed regulation at paragraph (1) of § 471-070-3040 is in line with the PFMLI statute at Or. Rev. Stat. § 657B.150(2)(b). This provision will work well as proposed. However, throughout § 471-070-3040, there are several minor amendments that we recommend incorporating to ensure that employee contributions are properly withheld.

Importantly, we urge the department to correct paragraph (2) of § 471-070-3040, so that it references “January 1, 2023,” rather than “2024.” Currently, the proposed regulations are written to suggest that contributions will be withheld beginning January 1, 2024. However, pursuant to H.B. 3398, 81st Leg. (Or. 2021), the section of the PFMLI law that requires contributions (Or. Rev. Stat. § 657B.150) will become effective on January 1, 2023. Thus, to reflect the actual start day that contributions begin, § 471-070-3040(2) should be amended so that it opens with “Beginning January 1, 2023.”

We recommend amending the language at § 471-070-3040(3) in the proposed regulations to eliminate the requirement that employers that have elected to pay employees' contributions, in

whole or in part, must enter into a written agreement with the employee. Pursuant to the PFMLI statute, no such agreement is needed as “an employer may [unilaterally] elect to pay the required employee contributions, in whole or in part, as an employer-offered benefit.” Or. Rev. Stat. § 657B.150(5). Thus, we recommend removing the requirement that an agreement be in place. Instead, employers who pay employees’ contributions in whole or in part should, ideally, give notice to their employees of the employer-offered benefit, as was provided for in the previous draft of proposed regulations.

Lastly, we strongly recommend deleting paragraph (5) from § 471-070-3040, which, as proposed, would potentially allow employers to deduct from employee wages more than the maximum deduction allowed pursuant to the PFMLI statute at ORS § 657B.150(2)(b) (which is 60% of the total contribution). Under no circumstances should the maximum deduction allowed pursuant to the statute be waived. Paragraph (5) also concerningly would allow employers to recoup contributions paid by the employer on the employee’s behalf “until the proper employee contribution amount is collected.” This language could set employees up to be financially liable for contributions well past the pay period in which the contributions should have been collected. At minimum, we suggest revising this second sentence of paragraph (5) to make it clear that employers cannot collect employee contributions for a pay period more than a month beyond that pay period. To ensure that employees never have to contribute more than the statutorily required rate, and can reliably understand their PFMLI contributions, we strongly advise the department to delete § 471-070-3040(5), or revise it as suggested herein.

**471-070-8540 – Contributions: Penalty Amount When Employer Fails to File Report**

We strongly recommend amending paragraph (1) of § 471-070-8540 so that it is clear that the department may assess late filing penalties when employers fail to timely pay their contributions. Specifically, we recommend amending paragraph (1) to read as follows:

(1) If an employer fails to file all required reports or pay all required contributions within the time period described in ORS 657B.920(2), the department may assess a late filing penalty in addition to any other amounts due.

Pursuant to the PFMLI statute (ORS §§ 657B.150(12)), reports and contributions are to be submitted together to the department, so employers who do not timely pay contributions should be subject to fines, just as employers who fail to timely submit reports are under the proposed regulations. This amendment would also match the text of the previous draft of proposed regulations.

**471-070-1300 – Benefits: Written Notice Poster to Employees of Rights and Duties; 471-070-2330 – Equivalent Plans: Written Notice Poster to Employees of Rights and Duties**

We are very glad that paragraph (2)(b) of § 471-070-1300 and paragraph (3)(b) of § 471-070-2330, which require that notice for remote employees be delivered via hand delivery, regular mail, or electronic delivery to each employee’s individual worksite, have been included in the proposed regulations. While §§ 471-070-1300(2)(a) and 471-070-2330(3)(a) are closely modeled after the posting regulations for the Oregon Family Leave Act (OFLA) at OAR 839-009-0300(1), the divergence from the OFLA regulations at paragraphs (2)(b) and (3)(b) to address remote

work posting requirements will be exceedingly helpful as modern-day workplaces continue to evolve.

We also appreciate that §§ 471-070-1300(3)(a) and 471-070-2330(4)(a) regarding the language requirements for employer posters require that the employer provide notice in the language typically used to communicate with the employee, matching the PFMLI statute at Or. Rev. Stat. § 657B.440(2). Additionally, §§ 471-070-1300(3)(a) and 471-070-2330(4)(a) helpfully specify that if an employer uses more than one language to communicate with employees at a worksite, then the employer must display copies of the notice in each of the languages typically used. These provisions will ensure that all employees have meaningful access to adequate notice of their rights.

However, we recommend amending these posting requirements pursuant to both §§ 471-070-1300 and 471-070-2330 to specify that electronic posting is supplemental to workplace posting requirements, but may not satisfy posting requirements. This clarification will be particularly important in more traditional, in-person workplaces, where many employees may not have sufficient access to electronic communications or postings. Additionally, this amendment would closely match the posting regulations for OFLA at OAR 839-009-0300(2). We recommend clarifying that electronic notice may be supplemental to on-site posting requirements, as was explained in a previous draft of these proposed regulations.

In both §§ 471-070-1300 and 471-070-2330, we also strongly recommend specifying that an employer's failure to display or provide notice under this rule constitutes an "unlawful employment practice" pursuant to Or. Rev. Stat. § 657B.070. This specification was included in the previous draft of proposed regulations, and importantly recognized that failure to post statutorily required notice amounts to an employment practice that violates the rights and protections afforded to workers pursuant to the PFMLI law.

#### **471-070-1330 – Benefits: Job Protection**

In general, the provisions of § 471-070-1330 are closely modeled after the job protection regulations for OFLA at OAR 839-009-0270, and many of these provisions should work well as proposed. However, we have several suggestions that would make these proposed regulations stronger and more in-line with the PFMLI statute. In particular, we are glad to see that § 471-070-1330(5)(c) has been amended to delete the language suggesting that an employee on leave has "no greater right to a job or other employment benefits than if the employee had not taken PFMLI leave," as was included in the previous draft of proposed regulations. While most employees who are not on leave can be terminated at any point in time for any reason that would not violate any laws, employees who are on leave have an affirmative right to reinstatement pursuant to Or. Rev. Stat. § 657B.060, meaning that they cannot be terminated while on leave. Thus, we are glad that this provision now recognizes that employees on leave do have greater rights to their job than employees who are not on leave.

We are also glad that pursuant to § 471-070-1330(6)(c), in instances where employers pay the employee's portion of health care benefit premiums while an employee is on leave, the employer "must receive permission from the employee to deduct from their pay until the amount is repaid." This is a helpful and important provision to include to ensure that workers maintain



autonomy over their wages and that employers cannot unilaterally deduct from a worker's wages.

We also appreciate that the department amended the provision currently labeled as § 471-070-1330(10) in the proposed regulations to clarify that “[i]t is an unlawful employment practice to discriminate against an eligible employee who has invoked any provision of ORS chapter 657B or this rule.” This provision now more closely matches the statute at Or. Rev. Stat. § 657B.060(4), which states that “[i]t is an unlawful employment practice to discriminate against an eligible employee who has invoked any provision of this chapter,” rather than more narrowly “any provision of ORS § 657B.060 or this rule,” as previously proposed.

We recommend amending § 471-070-1330 to specify that if an equivalent position is not available at the employee's former job site upon the employee's return from leave, then the employee must be restored to a position within 20 miles of their former job site. This provision, which was included in the previous draft of proposed regulations, would mirror the requirement from the OFLA regulations at OAR 839-009-0270(4)(b), and would help to ensure that workers have meaningful access to job protection as required by the statute.

We suggest that the department amend paragraph (1) of § 471-070-1330 so that it is restored to how it was written in the last draft of proposed regulations to state that employers must restore an employee returning from leave to the employee's former position “regardless of whether that employee is taking consecutive or nonconsecutive leave.” This is an important clarification to include to ensure that job protection applies to employees regardless of whether leave is consecutive or nonconsecutive. Importantly, the PFMLI statute (Or. Rev. Stat. § 657B.060) requires that all eligible employees who have been employed by their employer for at least 90 days before taking leave be restored to their job upon returning from leave—the statute creates no exception to job protection based on whether leave is consecutive or nonconsecutive, and the regulations should be clear here.

Pursuant to § 471-070-1330(7) of the proposed regulations, employers may require employees to follow their leave policy regarding reporting changes to the employee's leave status. We strongly advise striking § 471-070-1330(7), which is directly borrowed from the OFLA regulations regarding job protection at OAR 839-009-0270(7), from the proposed PFMLI regulations. Unlike OFLA, which references employers policies several times, the PFMLI statute only references employer policies once to say that the law does not “preempt, limit or otherwise diminish the applicability of any employer policy . . . that provides for greater use of family leave, medical leave or safe leave . . . .” An employer policy that requires an employee to report their status while on leave would place a restriction on the employee during leave that was not intended by the law. This provision is especially concerning given the department's other proposed regulations, which will require employees to regularly certify their status with the department while on leave. Workers utilize paid family and medical leave during periods where their attention must be devoted to caring for themselves or their family members—allowing employers to require that workers satisfy employer reporting requirements while on leave is burdensome and unnecessarily interferes with a worker's leave period. We strongly recommend deleting § 471-070-1330(7).

We strongly recommend restoring § 471-070-1330(8) so that it is as proposed in the previous draft of proposed regulations. Concerningly, in this current draft of proposed regulations, paragraph (8) has been amended to state that if an employee gives clear notice of the intent to not return to work from a period of paid family and medical leave, then “the employer’s obligations under ORS chapter 657B to restore the employee’s position and maintain any health care benefits cease on the date [] the notice is given to the employer.” However, pursuant to the PFMLI statute at Or. Rev. Stat. § 657B.060(2), “[d]uring a period in which an eligible employee takes leave . . . , the employer shall maintain any health care benefits the employee had prior to taking such leave for the duration of the leave, as if the employee had continued in employment continuously during the period of leave.” This statutory entitlement to the continuation of health care benefits during a period of paid family and medical leave comes without exception, and is afforded even to employees who do not intend to return to their position of employment upon the completion of their leave period. All workers must be able to rely on the statutory entitlement to the continuation of their health care benefits, especially while they’re experiencing a need for paid family and medical leave. Thus, we recommend that paragraph (8) be restored to read as follows:

(8) If an employee gives clear notice of intent in writing not to return to work from PFMLI leave, the employee is entitled to complete the approved PFMLI leave, providing that the original need for PFMLI leave still exists. The employee remains entitled to all the rights and protections provided under ORS chapter 657B and OAR chapter 839, except that:

- (a) The employer's obligations under PFMLI to restore the employee's position and to restore benefits upon the completion of leave cease, except to the extent required by other state or federal law; and
- (b) The employer is not required to hold a position vacant or available for the employee who gives unequivocal notice of intent not to return.

We also recommend slightly amending § 471-070-1330(9) of the proposed regulations so that it does not include the word “consecutive” between “90” and “calendar days.” As written, this provision would only afford the job protections provided by the PFMLI statute to eligible employees employed by their employer “for at least 90 consecutive calendar days prior to taking PFMLI leave.” However, pursuant to Or. Rev. Stat. § 657.060(7), the statute’s job protections apply to eligible employees employed by their employer “for at least 90 days before taking leave”—the statute does not require that the 90-day period be consecutive. This distinction will be particularly important for workers who may have a temporary break in employment with an employer, such as seasonal workers who are later rehired by an employer. To comply with the statutory standard for job protection, this section should be amended accordingly.

Lastly, we recommend restoring the provision labeled as § 471-070-1330(10) in the previous draft of proposed regulations. That paragraph, which matched the substance of the OFLA regulations regarding job protection at OAR 839-009-0270(9), helpfully explained that employers cannot use the provisions of the rules regarding job protection as a subterfuge to

avoid their statutory responsibilities. We recommend restoring that provision to read as previously proposed:

(10) An employer may not use the provisions of this rule as a subterfuge to avoid the employer's responsibilities under ORS chapter 657B.

**471-070-1410 – Benefits: Initial and Amended Monetary Determinations**

In general, we think that § 471-070-1410 regarding benefit determinations will work well as proposed. In particular, we appreciate that § 471-070-1410(3) specifies that workers have 60 days to request a hearing regarding a benefit determination or redetermination under this section. However, we recommend also clarifying in this section that in instances where a worker has requested a redetermination, but the department’s investigation pursuant to § 471-070-1410(2)(b) results in the department reissuing their initial determination (or otherwise stating that the department will not be amending its decision), the worker has 60 days from the department’s reissuance of their initial determination (or equivalent statement from the department) to request a hearing. This is a needed clarification because the proposed regulations currently only specify the timeline for requesting a hearing following the initial benefit determination or the amended benefit determination.

**471-070-1500 – Benefits: Review of Overpaid Benefits**

We are glad to see that the department has shifted § 471-070-1500(2)(b) since the last draft of proposed regulations to use “may” instead of “shall.” This minor change is an important one as it accounts for the possibility that there may not be an assessment of interest for overpayment of benefits in circumstances where the department chooses not to pursue it.

We are also glad to see the inclusion of § 471-070-1500(6), which states that the department may consider “factors which may affect the claimant’s ability to report all relevant information to the department” in deciding if the claimant is liable for a benefit overpayment. This will be an important consideration in the context of PFMLI, as there may be legitimate circumstances that serve as a barrier for workers in submitting documentation to the department.

However, we strongly recommend removing § 471-070-1500(4), which states that a claimant may be held liable for the repayment of benefits they were not entitled to if they should reasonably have known the payment was improper “even though all relevant information was provided before a decision was issued.” A claimant’s duty under the PFMLI statute is to submit an application for PFMLI benefits that accurately reflects their need for benefits and their wage circumstances—the department is armed with all tools necessary to properly determine benefits. The inclusion of § 471-070-1500(4) in these proposed regulations unfairly allows for the department to shift their errors onto claimants to the detriment of workers who are on leave to care for themselves or their family. We strongly recommend deleting § 471-070-1500(4), as workers should not be considered to be at fault for overpayment when all relevant information was submitted to the department.

**471-070-1560 – Benefits: Disqualification and Penalties for Claimant Misrepresentation**

We are concerned with § 471-070-1560(3)(e), which states that in instances of forgery or “identity theft,” the maximum penalty of 30% will be imposed against a claimant’s benefits, regardless of the number of occurrences of willful false statement or willful failures to report material facts. It is our understanding that some undocumented workers may be using false social security numbers, and may be adversely impacted by this provision. To avoid an unintended inequitable outcome, we recommend eliminating § 471-070-1560(3)(e).

Additionally, we recommend providing further guidance on how the department will count each time a claimant willfully fails to report a material fact pursuant to paragraph (3). This is unclear in the proposed regulations.

**471-070-8015 – Appeals: Contested Case Proceedings Interpretation for Non-English-Speaking Persons**

Currently, the definition of “non-English-speaking person” provided in § 471-070-8015(2)(a) is defined as “a person who, by reason of place of birth, national origin, or culture, speaks a language other than English and does not speak English at all or with adequate ability to communicate effectively in the proceedings.” We recommend amending the definition of “non-English-speaking person” to also include a person who prefers to speak another language. While we understand that the proffered definition is based off of the definition of a “limited English proficient person” in the unemployment insurance appeals regulations at OAR 471-040-0007(2)(a), incorporating persons who prefer to speak another language will ensure that whether workers have an “adequate ability to communicate effectively in the proceedings” is not a barrier that workers must overcome before having access to a hearing in their preferred language.

Currently, under § 471-070-8015(3)(a), any party or witness may request a proceeding with an interpreter who is not certified under ORS § 45.291. We strongly recommend amending § 471-070-8015(3)(a) so that only the requesting party may waive their right to a certified interpreter. This is especially important as persons with disabilities should have access to certified interpreters unless they otherwise desire. Similarly, we recommend amending § 471-070-8015(3)(c) so that only the person who requested the interpreter—not any dissatisfied party—can request a different interpreter if dissatisfied with an interpreter.

Additionally, pursuant to § 471-070-8015(7)(b), the request for an interpreter must be made no later than 14 calendar days before the proceeding. We strongly recommend amending this requirement so that an interpreter must be requested no later than 7 calendar days before the proceeding by the non-English-speaking person, rather than requiring adherence to the current requirement of no later than 14 calendar days before the proceeding. This is a needed change because pursuant to the proposed regulations at § 471-070-8030, workers may only receive 14 days’ notice of a hearing, and in some cases, they may receive less than 14 days’ notice. This slight amendment to the time allotted to workers to request an interpreter will ensure that they are able to access vital language resources so that they can meaningfully partake in PFMLI hearings.

### **471-070-8020 – Appeals: Contested Case Proceedings Interpretation for Individuals with a Disability**

Pursuant to § 471-070-8015(7) in relation to contested case proceedings interpretation for non-English speaking persons, the department is required to provide notice to the Office of Administrative Hearings (OAH) if the department has knowledge that a non-English-speaking person needs an interpreter. We strongly recommend amending § 471-070-8020 to include a like requirement that the department notify OAH when it has knowledge that a person with a disability needs an interpreter or assistive communication device. The department should be responsible for proactively ensuring that all individuals who need language assistance receive it and the department is especially well-suited to understand a worker's communication needs after presumably having corresponded with the worker while the worker's application for benefits was under review.

As above at § 471-070-8015(7)(b), pursuant to § 471-070-8020(5), the request for an interpreter must be made no later than 14 calendar days before the proceeding. We strongly recommend amending this requirement so that an interpreter must be requested no later than 7 calendar days before the proceeding by the person with a disability, rather than requiring adherence to the current requirement of no later than 14 calendar days before the proceeding. This is a needed change because pursuant to the proposed regulations at § 471-070-8030, workers may only receive 14 days' notice of a hearing, and in some cases, they may receive less than 14 days' notice.

### **471-070-8030 – Appeals: Notice of Hearing**

We are very glad to see that § 471-070-8030(2)(c), which was included in the previous draft of proposed regulations and would have required that employers be notified when a request for a hearing related to a benefit claim is filed, has been removed from these proposed regulations. Only the director of the department and the claimant should receive notice of said filings as employers are not an appropriate party to a hearing regarding a benefit claim. As provided by Or. Rev. Stat. § 657B.410, only a covered individual may appeal a paid leave claim or benefit determination. Additionally, Or. Rev. Stat. § 657B.410 lists instances where an employer has the right to appeal, namely following a final decision by the director regarding approval or denial of an application for approval of an equivalent plan; benefit determinations are not included. Further, the PFMLI context is different from, for example, unemployment insurance, where employers have a stake in the process because of the impact of UI claims on the rates they must pay for coverage (pursuant to the PFMLI law, rates do not change because of claims)—it would be both unusual and extremely concerning to make employers a party to a worker's benefit determination appeal.

However, we recommend amending § 471-070-8030(3), which incorrectly suggests that other than for hearings in relation to “a benefit claim” pursuant to § 471-070-8030(2)(c), only the director and the employer are parties to all other hearings. Pursuant to Or. Rev. Stat. § 657B.410, covered individuals are a party to a hearing with the director in relation to a claim or benefits decision as well as a determination in relation to disqualification for benefits or repayment of benefits. For example, if a covered individual is disqualified from benefits because the director has determined that they willfully made a false statement pursuant to Or. Rev. Stat. § 657B.120(3), the individual is entitled to appeal their disqualification pursuant to Or. Rev. Stat. §

657B.410. Thus, we strongly recommend that this provision be amended to recognize the full scope of a covered individual's rights to appeal pursuant to the statute.

**471-070-8065 – Appeals: Administrative Law Judge's Decision**

While § 471-070-8065 will generally work well for PFMLI appeals, we strongly recommend amending § 471-070-8065(4) to also require that a decision issued by an administrative law judge or notice of an administrative law judge's decision include notice to the parties that the administrative law judge's decision is subject to judicial review within 60 days pursuant to Or. Rev. Stat. § 657B.410(2). Workers should be informed of their access to judicial review in instances where the administrative law judge's determination is undesirable.

**471-070-8070 – Appeals: Dismissals of Requests for Hearing**

Pursuant to § 471-070-8070(4) and (6)(a), a party whose request for a hearing has been dismissed has 20 days to request to reopen the hearing. While we understand that this timeline is based off of existing Employment Department regulations for unemployment insurance appeals at OAR 471-040-0040, we recommend extending this timeline to at least 60 days, as covered individuals who may wish to reopen a hearing may be unable to respond within such a short timeline given the circumstances for which they need paid family or medical leave. Workers taking paid family and medical leave may be recovering from a serious health condition, helping a family member to recover from a serious health condition, or welcoming a new child—a timeline that works in the context of unemployment insurance may not work for PFMLI hearings because PFMLI claimants are preoccupied with major life moments. As such, we recommend extending the timeline here to at least 60 days.

**471-070-8075 – Appeals: Reopening of a Hearing; 471-070-8080 – Appeals: Late Request to Reopen Hearing**

Both §§ 471-070-8075 and 471-075-8080 are substantively similar to existing Employment Department regulations for unemployment insurance appeals at OAR 471-040-0040. We suggest considering, however, whether excluding the failure to understand the implications of a decision or notice from the definition of good cause pursuant to §§ 471-070-8075(2)(b)(B) and 471-075-8080(2)(b)(B) is appropriate in the context of paid family and medical leave. Particularly in the case of workers on medical leave, there may be legitimate medical reasons why a worker would fail to comprehend a decision or notice from the department. To ensure that no worker is unable to claim benefits for failure to understand a decision or notice, we recommend striking both §§ 471-070-8075(2)(b)(B) and 471-075-8080(2)(b)(B). Alternatively, if striking both §§ 471-070-8075(2)(b)(B) and 471-075-8080(2)(b)(B) is not possible, we recommend amending it to read as follows:

(b) Good cause does not include: . . .

(B) Not understanding the implications of a decision or notice when it is received, unless, at the time of receipt, the party has or is recovering from a serious health condition that might impair their ability to understand the implications of a decision or notice.

**We are concerned with the following provisions, which require modifications:**

**471-070-2205 – Equivalent Plans: Declaration of Intent to Obtain Approval of Equivalent Plan**

We are very glad that § 471-070-2205(3)(a) is written to be clear that only employers with approved equivalent plans are “exempt” from paying contributions otherwise required under the state PFMLI plan. This is in line with the PFMLI statute, which is clear that only employers with approved equivalent plans do not have to pay contributions to the PFMLI fund (Or. Rev. Stat. § 657B.210(4)); all other employers, including those who have applied for approval of an equivalent plan but have not yet had their plan approved by the department, are required to remit contributions pursuant to Or. Rev. Stat. § 657B.150(1)(a). However, for § 471-070-2205(3)(a) to work as drafted in these proposed regulations, we urge the department to delete § 471-070-2205(9), which would delay the effective date of § 471-070-2205(3)(a) until September 3, 2023, rendering the compliance dates provided for in § 471-070-2205(3)(a) moot. For § 471-070-2205(3)(a) to work as intended, it must become effective upon adoption.

We are also very glad that § 471-070-2205(3)(b) is clear that employers that submit an equivalent plan application on or after June 1, 2023 are liable for all contributions required prior to the effective date of the equivalent plan. As explained above, this is in line with the PFMLI statute, which requires that contributions be remitted from all employers except those with approved equivalent plans. Similarly, we are very glad that § 471-070-2205(7) is clear that employers with approved equivalent plans that are cancelled must remit contributions due for periods beginning on or after January 1, 2023, and explicitly states that employers cannot charge said contributions to employees. These are important safeguards to include in these regulations.

We strongly suggest that § 471-070-2205(4), which allows employers that are “unable” to submit an application for an equivalent plan to instead submit a “Declaration of Intent” as an “interim solution,” be deleted from these proposed regulations in its entirety. Foundationally, there should be no work-around pathway for employers who fail to timely submit their applications for equivalent plans to effectively subvert the statutory requirement to receive approval of the equivalent plan prior to its operation—such employers are merely employers without approved equivalent plans and should adhere to the state paid family and medical leave program as established pursuant to Or. Rev. Stat. § 657B.340. Additionally, it is deeply concerning that the department has proposed accepting “Declarations of Intent” from employers who have failed to comply with the department’s clear deadlines for applications. Employers who are not able to comply with deadlines that have been established years in advance should not be entrusted with operating equivalent plans that provide such vital benefits to workers. While we would strongly advocate for deleting § 471-070-2205(4) in its entirety, at minimum, if § 471-070-2205(4) is kept intact, we urge the department to amend this provision to make clear that it is temporary. Under no circumstances should declarations of intent be available to employers beyond the first year of the PFMLI program’s operation.

While we are strongly opposed to § 471-070-2205(4) as a whole, a few of the subsections therein are particularly troublesome. First, we are vehemently opposed to § 471-070-2205(4)(a)(1) and (2) which require employers who have submitted a declaration of intent to withhold contributions from employees without submitting employee or employer contributions to the

PFMLI Fund established pursuant to Or. Rev. Stat. § 657B.430. This is contrary to the statute, which requires that all employers submit employer and employee contributions once contributions are required unless and until they have an *approved* equivalent plan (or unless the employer is exempt from providing employer contributions pursuant to Or. Rev. Stat. § 657B.150(4)(a)). Or. Rev. Stat. §§ 657B.210(4), 657B.150(1)(a). Additionally, pursuant to § 471-070-2205(4)(a)(2), contributions collected by an employer who has merely submitted a declaration of intent will not have to be remitted to the department, unless the department does not receive an equivalent plan application from the employer or the Declaration of Intent is cancelled. As a bare minimum, we urge the department to amend § 471-070-2205(4)(a)(2) to require that contributions collected pursuant to § 471-070-2205(4)(a)(1) be paid if the application for an equivalent plan is not approved.

Further, it is extremely concerning that § 471-070-2205(4)(b) has been amended so that employers whose applications for equivalent plans are denied are no longer required to remit contributions owed to the department. A previous draft of these proposed regulations provided that “[i]f the employer has been denied or has not received approval for an equivalent plan by Jun[e] 30, 2023 the employer is responsible for paying employer and employee contribution payments due.” At minimum, this requirement should be included in the regulations so that employers whose applications are denied or have not been approved by the department, in addition to employers who never submit an application for an equivalent plan, must also remit all contributions owed.

We also strongly advise amending § 471-070-2205(6) to read “shall cancel” rather than “may cancel” in accordance with the PFMLI statute at Or. Rev. Stat. § 657B.220(2), which states that the director “shall” terminate a plan that is not compliant with the law. All of the grounds for cancellation listed in § 471-070-2205(6) would be in violation of the statutory requirements for approved equivalent plans, and therefore the department is required to cancel or terminate them pursuant to the PFMLI statute.

#### **471-070-2230 – Equivalent Plans: Reporting Requirements**

In general, throughout § 471-070-2230, we strongly suggest specifying that the department is referring to employers with *approved* equivalent plans. We are particularly concerned about instances where “approved” has not been included ahead of “equivalent plan,” such as in § 471-070-2230(4). Pursuant to the PFMLI statute, under no circumstances should an equivalent plan be operating without the department’s approval.

We also strongly recommend reverting § 471-070-2230(2) to as it was in the previous draft of proposed regulations to require quarterly reporting instead of annual reporting as written in the current draft of proposed regulations. A quarterly reporting requirement will allow the department to better monitor equivalent plans, and respond to any issues more quickly than would be allowed under an annual reporting schedule. Additionally, the contents of the report required pursuant to § 471-070-2230(2)(a)-(c) should be amended to require detailed information about each individual claimant, including those who are denied by the equivalent plan, as was required from a previous batch of regulations issued by the department in September 2021. This information will be extremely valuable to the department in overseeing the equivalent plans to ensure they are fulfilling their obligations to workers.



As above, we strongly recommend amending § 471-070-2230(3) to require quarterly reporting. We also recommend further amending this provision so that the financial information to be reported pursuant to § 471-070-2230(3) is required even if an employer with an approved equivalent plan is covering the full cost. As currently drafted, § 471-070-2230(3) would only require financial information to be reported by employers that assume “only part of the costs of the approved equivalent plan.” However, the department should monitor the financial information of all equivalent plans to ensure that they are financially viable.

Additionally, at § 471-070-2230(4), the proposed regulation specifies information that may be requested of equivalent plan employers by the department. We recommend amending this provision to include “amount of leave taken during that benefit year and the qualifying leave purpose, if applicable,” as included in the previous batch of proposed regulations, in place of “the duration of leave remaining in the benefit year,” which is currently used at § 471-070-2230(4)(d). This amendment would help the department to ensure that workers are able to take the full amount of leave to which they are entitled in instances where workers transition from coverage under an approved equivalent plan to state plan coverage.

#### **471-070-2250 – Equivalent Plans: Employee Coverage Requirements**

In § 471-070-2250, we recommend reinserting paragraph (4), which was included in the previous draft of proposed regulations. That paragraph importantly provided that employers with an approved equivalent plan that does not immediately cover all employees must request information from the department regarding a new employee’s previous PFMLI coverage—this information can then be used by the employer to determine whether they must immediately cover the employee under the equivalent plan pursuant to Or. Rev. Stat. § 657B.250(2)(b). We recommend reinserting this paragraph so that equivalent plan employers are required to seek information from the department to determine when a new employee must be covered under their plan pursuant to the PFMLI law’s portability requirements. At the very least, we recommend specifying that the department will give the information needed here to employers with an approved equivalent plan.

We also strongly suggest reinserting § 471-070-2250(5) and (6), which were included in the previous batch of regulations. Section 471-070-2250(5) explained that employers with equivalent plans may still have contributions due to the PFMLI fund under certain circumstances, such as if a current employee is still covered under the state PFMLI plan before transitioning to coverage under the employer’s equivalent plan. Section 471-070-2250(6) went on to explain that employers may be assessed penalties if they failed to remit contributions pursuant to § 471-070-2250(5). These provisions are both important to include to ensure that the portability of benefits and coverage for workers consecutively covered by different plans is executed properly pursuant to the statutory requirements at Or. Rev. Stat. § 657B.250.

#### **471-070-2270 – Equivalent Plans: Proration of Benefit Amounts for Simultaneous Coverage**

In general, we recommend amending § 471-070-2270 to clarify that a worker may take leave from one employer, while still working for another. Pursuant to the PFMLI statute, workers should be able to decide the job(s) from which they are taking leave during a given leave period.

In some cases, a worker with more than one job may only need leave from one job. For example, a worker who needs medical leave from a more physically demanding job but is able to safely continue a second, less physically demanding job given that worker's health needs, or a worker who is sharing care responsibilities for a seriously ill parent with a sibling and is only needed during certain times, and thus only needs to take leave from their day job. In those circumstances, a worker should not be required to choose between taking leave they do not need (and may not qualify for) or forfeiting the leave they do need. Section 471-070-2270 should be amended to clarify that workers with multiple jobs may only be taking leave from one job.

Additionally, we recommend amending § 471-070-2270(3) so that in instances where a worker has simultaneous coverage and takes leave from more than one employer, benefits will be prorated based on the proportion of a worker's wages yielded from each employer. For example, if Worker A works for Employer 1 during the day where she earns most of her income, and she works for Employer 2 on the weekends for supplemental income, and Employer 1 has an approved equivalent plan while Employer 2 is covered by the state PFMLI plan, then the majority of Worker A's benefits should be paid for by Employer 1. Prorating benefits in proportion to the worker's wages yielded from each employer will prevent the potential for a burdensome drain on the PFMLI fund.

\* \* \*

We thank the Employment Department for the tremendous amount of work it has put into drafting these proposed regulations. With Oregon's paid family and medical leave insurance program set to begin collecting contributions starting on January 1, 2023 and paying benefits starting on September 3, 2023, it is critical that the regulations uphold the intent of the law, and work for workers. Thank you for giving us the opportunity to submit this comment. Please do not hesitate to contact A Better Balance at [cgomez@abetterbalance.org](mailto:cgomez@abetterbalance.org) if we can provide any additional assistance.

Sincerely,

A Better Balance

My name is Bridget Caswell and I'm Director Product Compliance and Statutory Administration with Sedgwick, a Third-Party Administrator who will be handling Paid Leave Oregon Equivalent Plans. We will also be assisting employers who direct their employees to the state with their administration of job protection. We have reviewed the batch four draft rules and have the following comments:

- 471-070-1330(6)(a) - Benefits: Job Protection - An employer continuing health care insurance coverage for an employee on PFMLI leave may require that the employee pay only the same share of premium costs during the leave that the employee paid prior to the leave.

When an employee is on leave, they may cross over to a new year for health insurance benefits. As such, their health insurance contribution amount can change. This amount is usually higher, but it could potentially be lower as well (especially if the employee changes health insurance plans). Our recommendation is to have language that states the employee may be required to pay only the amount of premium the employee would have been required to pay if not on leave.

- 471-070-1500 - Benefits: Review of Overpaid Benefits; 471-070-1510 - Benefits: Repayment of Overpaid Benefits; Interest; 471-070-1520 - Benefits: Waiving Recovery of Overpayments

This is a very detailed process for the handling of overpaid benefits. Will equivalent plans be required to follow this process? If not, what process can they employ? If there is a rule stated specifically for the state but there is no equivalent plan process, will the equivalent plan be required to follow the state plan?

- 471-070-1560 - Benefits: Disqualification and Penalties for Claimant Misrepresentation

The law at ORS 657B.120(3)(a) states a covered individual is disqualified from claiming benefits for one year if they make a false statement. However, this rule states the covered individual will be disqualified from claiming benefits for a period of 52 consecutive weeks. Is one year defined as 52 consecutive weeks? Is this definition only for this process or for the entire program? If so, a definition should be provided in the definitions section. If not, then why is there is a different definition of a year found here?

- 471-070-2205 (4)(a)(2) - Equivalent Plans: Declaration of Intent to Obtain Approval of Equivalent Plan - The employer shall hold any moneys collected under this section in trust for the State of Oregon but will not be required to pay employer contributions or remit the withheld employee contributions to the department...

The contributions for equivalent plans who file a Declaration of Intent must be held in a trust per the rule. However, based on a question asked to the state, the representative stated the money did not need to be held in a trust. Because this is a different process than any other state has required, please provide all details to what is required for an equivalent plan filing a Declaration of Intent.

- 471-070-2230 - Equivalent Plans: Reporting Requirements

The list of reporting requirements is extensive. While it is understandable to want to ensure equivalent plans are administering claims appropriately and have the proper financial resources to pay the claims, the amount of work on Oregon to process these reports will be substantial. It may be beneficial to all parties to reduce the reporting requirements where possible to distill only the most essential information. As presented, this will be a burden on employers, their TPAs, and the state to process the reports.

- 471-070-2230 (2) Employers with an approved equivalent plan must also file annual aggregate benefit usage reports with the department online or in another format approved by the department. The report is due on or before the last day of the month that follows the close of the calendar year or along with the application for reapproval process.

Please clarify when this report is due. Because of the use of “or,” the report could be due at either point in time or both points in time. Equivalent plans need to know when this report needs to be produced. If it needs to be produced at both points, this will be a hardship for employers and their TPAs.

- 471-070-2270(3) - Equivalent Plans: Proration of Benefit Amounts for Simultaneous Coverage - Each equivalent plan is required to pay benefit amounts that are equal to or greater than the benefits offered under the Oregon PFMLI program as described in OAR 471-070-2260 and ORS 657B.050 and applicable administrative rules.
- The department may provide information to equivalent plan employers or administrators regarding prorated benefits. Benefit amounts shall be prorated under each respective plan by prorating by the current days worked for each respective plan. The Oregon PFMLI program shall pay benefits based on the prorated amount and equivalent plans shall pay benefits equal to or greater than the prorated amount.

If the rule stays as written, please provide many examples for how this works. Equivalent plans will need to have as much information as possible to determine how simultaneous coverage will work with their employees. The California DE 2040 (Employer’s Guide to Voluntary Plan Procedures) has a section on simultaneous coverage. They have provided four examples, shown here:

**Examples:**

1. The claimant has three employers at the time their disability or family leave began, two SDI and one VP. SDI would pay half of the SDI benefit amount; the VP would pay the other half of the SDI benefit amount, plus the difference (if any) between the SDI and the VP benefit amounts. The difference could be because the VP paid benefits at a higher WBA.
2. The claimant works for two VP employers and one SDI employer. SDI would pay one-third of the SDI benefit amount; each VP would pay one-third of the SDI benefit amount, plus the difference (if any) between the SDI and the VP benefit amounts.
3. The claimant works for one VP and one SDI employer. The claimant has only worked for the VP employer for four months and for the SDI employer for one month. The claimant has no prior California earnings subject to SDI tax, and therefore has an invalid award with SDI and will not receive benefits. However, if the text provisions of the VP allow immediate coverage based upon current earnings and not the typical base period earnings, the VP would be liable for the entire payment of benefits.
4. If the claimant works for a VP employer and an exempt employer, such as the federal government, the VP is liable for one-half of the SDI benefit amount

Please provide examples similar to these to fully explain how this rule should be implemented by equivalent plans. Using the number of days is confusing and unfamiliar to those who administer benefits for voluntary/private/equivalent plans for other state plans. We need a lot more information in order to ensure processing is correct. California, as noted above, requires each liable plan must pay an equal share of the benefit amount. See also 22 CCR § 3253-1. New York disability benefits requires the proportion of benefits to be based on the average weekly wage of the employee. NY WCL §204(2)(b).

Our recommendation is using the California model. In this model, it is a simple equal share of the benefit amount plus the additional benefit amount paid by the equivalent plan.

- 471-070-3100 Contributions: Place of Performance

Please provide further detail in your examples. Example 2 states: "The employee works temporarily in Idaho for the employer for two weeks, and then returns to work in Oregon for the employer. The employment is localized within Oregon and all wages earned in Oregon and Idaho are PFMLI subject wages." Example 4 states: "Kaitlynn never performs any service in Illinois other than work that is very temporary in nature." Two weeks is often seen as a very temporary in nature posting. We need additional information to differentiate a two week post and very temporary in nature service.

- 471-070-8030 - Appeals: Notice of Hearing

The employer and TPA is not notified for a benefit claim in the draft rules. The TPA is not notified for all other cases. For the benefit claim, the employer and TPA are interested parties in the claim. They need to know the status of the claim for providing job protection under this act. Further, they may be providing their own benefits that may provide an additional monetary benefit while the employee's claim is

pending, depending on the employer's plan. The employee will be adversely affected if the employer is not aware of the status of the employee's claim during a benefit hearing. For all other claims, the TPA is often the party that needs to know what the status of the claim is and not the employer. The employer has hired the TPA to handling the claim through all phases and would only refer the hearing notice back to the TPA. By providing the notice directly to the TPA, this will reduce an additional step for the employer that may often be forgotten. Again, while it will benefit the employer and TPA, this will only help the employee. When all correct parties have the information they need, it ensures a smoother process for the employee.

- General recommendations
  - Add a section on the requirements for notice to an employer. If an employee has a concurrent OFLA or federal FMLA leave, then there could be inconsistencies between how those leaves and Paid Leave Oregon is administered. The notice requirements under FMLA are known to employees and employers and are fair to all parties.
  - Clarify what type of "days" are being used in the rules. Calendar days or business days?

**From:** Brycie Repphun <BRepphun@tpgrp.com>  
**Sent:** Thursday, July 21, 2022 11:50 AM  
**To:** OED\_RULES \* OED <OED\_RULES@employ.oregon.gov>  
**Subject:** Public Comment on Rule 471-070-2205

Public Comment on Rule 471-070-2205 Equivalent Plans: Declaration of Intent to Obtain Approval of Equivalent Plan

Section 4(a)(1) and (2) states:

(1) Beginning January 1, 2023, and continuing until the department has approved the equivalent plan application, the employer shall deduct employee contributions from the subject wages of each employee in an amount that is equal to 60 percent of the total contribution rate determined in OAR 471-070-3010.

(2) The employer shall hold any moneys collected under this section in trust for the State of Oregon but will not be required to pay employer contributions or remit the withheld employee contributions to the department, unless the department does not receive an equivalent plan application as described in section (3) of this rule or the Declaration of Intent is cancelled as described in this subsection and sections (5) and (6) of this rule.

Question:

- 1) If an employer intends to run an equivalent plan where they will NOT deduct premiums from employees (Employer will cover the full cost of their equivalent plan) is it still necessary for them to collect employee premiums and hold them in trust
- 2) What does 'in trust' mean? What does the employer need to be able to verify to show that they collected these employee contributions and set these funds aside. Is holding in a separate account adequate? Is applying the funds to a general account but flagging them in a ledger adequate?
- 3) In the event the employer's equivalent plan is ultimately approved, what happens to the funds being held in trust? Is the employer expected to refund employees? Does the state intend to weigh in on this?

Comments:

Please consider a different approach to ensuring there is a contingency plan in place should an equivalent plan not be approved. Collecting premium contributions from employees which will, hopefully, not need to be remitted and will need to be returned or repurposed creates an administrative burden for employers and inconveniences employees. Can we instead create rules that set expectations for employers that, should their equivalent plan application not be approved, they will be responsible for remitting all employer and employee premiums dating back to 1/1/23? Can we allow employers to determine how to make those funds available to the state? There could be fines/penalties assessed if employers don't remit funds timely, etc. This would be far easier for many employers than requiring employers to collect and hold premiums directly from employees, especially for employers who intend to cover the employee's portion of premiums for their equivalent plan.

Thank You,



**Brycie Repphun**  
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## Carol Reynolds

Jul 21, 2022, 1:02 PM PDT

I'm the HR Specialist and Leave Administrator for Coast Property Management, headquartered in Everett, WA, and we have several employees in Oregon. I just attended the rulemaking session for Batch 4 and I have the same concerns that the leave admin for Swire-Coca Cola had.

There are grey areas in the rules with the Washington Paid Family Leave that make it easy for employees to stack their leaves. If they qualify for FMLA, they want to take the FMLA 12 weeks and then when that is exhausted, they think they can take another 12 weeks of Paid Leave from WA. There is nothing in the rules saying that the leaves must be used concurrently even though that is our policy, and the law was meant to be used concurrently. This creates a hardship for employers to provide job protections for 6 months.

There is no way to manage their claims with ESD, particularly Intermittent leaves. Employers should have access to the state leave employee cases so we can record how many intermittent days/hours have been used.

We have requirement for employees to use their accruals while on FMLA. ESD is telling employees that we are violating labor laws by requiring this, however it is allowable under the FMLA. FMLA laws should take precedence.

I would like to see the leaves be required to run concurrently. If the employee has no accruals, then Oregon will start paying benefits right away. But if they have accruals, they should be required to use them under the FMLA and then the paid leave will start paying benefits once they are exhausted. They should still make their weekly claims, similar to unemployment and then OR Paid leave could prorate their benefits if they received pay from their employer or pay their full benefit if they had no earnings.

These grey areas are putting employers at risk of lawsuits. I hope more Washington employers are helping Oregon identify these grey areas so they won't become a problem once employees are able to use the paid leave.



July 27, 2022

Oregon Employment Department, Paid Leave Oregon

To Whom it May Concern:

We appreciate the opportunity to provide feedback on Paid Leave Oregon's draft Paid Family and Medical Leave regulations.

We want to thank Paid Leave Oregon (PLO) for their receptivity to our previous comments, especially in relation to Equivalent Plans. We recognize the significant changes made to the Batch 4 rules between the RAC meeting and public hearings. We acknowledge the tremendous amount of work put into these rules and are grateful for the revised direction.

Enclosed are our comments regarding the revised Batch 4 rules. We want to emphasize that all recommendations are consistent with the OR PFMLI statute. Our comments are meant to offer clarity where we would like additional guidance from PLO or suggest certain edits based on our experience with other state programs and employer benefit plans.

Thank you for your consideration. I look forward to the opportunity to discuss our comments and suggestions with you directly and/or through the rulemaking hearing process. Please contact me at [dfreeman3@unum.com](mailto:dfreeman3@unum.com) or 423/294-4763 if you have questions.

Sincerely,

Daris Freeman  
AVP, Legal Counsel  
Unum Insurance Company

**BENEFITS****471-070-1300 Benefits: Written Notice Poster to Employees of Rights and Duties**

(2)(a) specifies that employers must display PLO's notice poster or another poster "approved by the department." Many employers may want to customize the poster to include additional information unique to their business. To save administrative work for both employers and PLO, we recommend this rule be modified to require the employer to post either PLO's notice poster or another poster containing a specified list of data elements. This is how PLO approached the notice poster for equivalent plans in proposed rule 471-070-2330.

**471-070-1330 Benefits: Job Protection**

The protections provided to employees by the Paid Leave Oregon program are extremely important. They are what provide employees the peace of mind to take the leave they need when experiencing a personal or family event. However, it's important that employees continue to follow their employer's policies and procedures related to being absent from work, either on a continuous basis or for individual intermittent absences. 657B.040 clearly outlines that employees must provide proper notice to their employers when they will be out of work for a qualifying event. The statutory consequence for not providing proper notice is a reduction in the benefit amount, but benefits are still payable. Based on that, the protections outlined in statute and here in proposed rule 471-070-1330 would still apply. That results in an employee being able to essentially be a no-call no-show to work then file for benefits retroactively (471-070-1100 allows applications anytime within 30 days of start of leave and up to one year after start of leave if good cause) and be guaranteed reinstatement. We don't believe the intent of the original legislation or PLO is to allow employees to disregard their employer's policies. As such, we recommend PLO modify this rule to include language that the protections do not apply if the employee has not provided proper notice as outlined in 657B.040.

(2) requires an employer to return an employee to work "the day following the date the eligible employee notified the employer they were ready to end their leave." This is a timeframe that many employers may not be able to meet. Often, administrative steps must be taken to return an employee to work (e.g. security access) that may take a full day to process. Under the currently proposed rule, an employee could call their employer late Monday afternoon and the employer could be required to return them to work Tuesday morning. We recommend PLO adopt the same or similar language used by the federal FMLA in 825.311 that allows employers to require "reasonable notice (i.e. within two business days)." This would allow employers to align Paid Leave Oregon procedures with existing leave policies as well as provide sufficient time to administratively return an employee to work. This would also then be consistent with subsection (7) of this same proposed rule which specifies the employer may require an employee to follow established leave policies regarding changes to the employee's leave status.

(6)(a) specifies that where an employer is continuing health care insurance coverage for an employee, the employee can only be charged the same share of premium costs that they would have paid prior to leave. This is inconsistent with 67B.060(2) which specifies the obligations for continuing health care benefits are to be "as if the employee had continued in employment continuously during the period of leave." We recommend PLO adopt similar

language for this rule as it accounts for any possible change in premium during a leave of absence.

#### **471-070-1410 Benefits: Initial and Amended Monetary Determinations**

(1)(a)(A) is missing words or has additional words that shouldn't be there as the text doesn't make sense in its current form. As a result, we are unable to review for any comments. For reference:

- Proposed rule: The total amount of subject wages and for an individual that elected coverage under OAR 471-070-2010, taxable income from self-employment paid to or earned by the claimant during the base year or alternate base year.
- Prior text reviewed in RAC: The total amount of subject wages and taxable income from self-employment who elected under OAR 471-070-2010 paid to or earned by the claimant during the base year or alternate base year.

### **CONTRIBUTIONS**

#### **471-070-3040 Contributions: Withholding of Employee Contributions**

(2) specifies that beginning January 1, 2024, employers must pay any contributions that would have been owed by their employees but they did not properly deduct. What about employee contributions not properly deducted during 2023? Under subsection (1) of this same rule, it's clear an employer can't ever deduct more than the allowable deduction from an employee's wages. Reading these two subsections together, it could be interpreted that if employee deductions are not properly made during 2023, they will be "forgiven" as they can't be retroactively deducted from the employee's wages but neither is the employer liable for them under (2). If this is not the intent of this proposed rule, we recommend appropriate edits. However, if this is correct, no changes are needed.

### **EQUIVALENT PLANS**

#### **471-070-2205 Equivalent Plans: Declaration of Intent to Obtain Approval of Equivalent Plan**

(4)(a)(A) states that beginning January 1, 2023, an employer "shall" deduct employee contributions. We recommend PLO edit this to read that an employer "may" deduct employer contributions as some employers may choose to pay their employee's portion.

In addition, in discussing Contributions rule 471-070-3040 with member of PLO, it is our understanding that employers will be permitted to retroactively deduct employee contributions during 2023. If this is the case, it's inconsistent to require employers to take employee deductions beginning January 1, 2023 and held in trust. If the equivalent plan does not get approved, those employers can then retroactively deduct the contributions in the rare situation that it's needed.

#### **471-070-2220 Equivalent Plans: Plan Requirements**

We recommend the first sentence of (13) be edited to include an administrator:

- “Provide an appeal process to review benefit decisions when requested by an employee that also requires the employer *or administrator* to issue a written decision.”

#### **471-070-2230 Equivalent Plans: Reporting Requirements**

We do not have any concerns from an administrator perspective. However, we encourage PLO reach out to the members of their Advisory Committee that represent the employer community to determine the feasibility of some of the reporting requirements. Specifically, the Administrative Cost requirement may be challenging for small employers in particular.

#### **471-070-2270 Equivalent Plans: Proration of Benefit Amounts for Simultaneous Coverage**

(3) states that “benefit amounts shall be prorated under each respective plan by prorating by the current days worked for each respective plan.” We do not believe the current proposed method will result in appropriate proration. Here’s an example to think about:

- An employee works a full time job during the day then tends bar during happy hour for 2 hours each night. That employee works 5 days/week at job one (40 hours) and 5 days/week at job two (10 hours). In this scenario, will the state assume 10 total working days and then prorate? If so, it would be a 50/50 split for benefits. The resulting proration isn’t consistent with the work.

Although the employee ultimately receives the same total benefit regardless of the method of proration, by definition, proration should result in a proportional distribution, which the current proposal does not provide. Hours worked is a possible alternative method. In this example, it would result in an 80/20 split and shouldn’t be particularly complicated to administer. Another alternative would be to use current wages to determine the appropriate percentage of each plan. Although current wages are not used to determine average weekly wage, they are what determines the employee’s current contributions to each plan. As such, if benefits are prorated based on current wages, each plan may be paying an appropriate percentage based on the current contributions funding such benefits.

#### **Additional rules or guidance recommended:**

There are some items that still need to be clarified but may be accomplished through administrative guidance rather than rulemaking (if rulemaking is complete). Those items are:

- Detailed rules regarding how PFMLI interacts with OFLA. 657B.020(2) indicates there will be limitations placed on PFMLI if OFLA is also taken but it’s not clear how that will work considering OFLA can provide up to 36 weeks of leave depending on the circumstances.
- More details on how the 2-week pregnancy entitlement will work, what is required, does it run first or only if the other 12 weeks has been exhausted, etc. Here are some scenarios to consider:
  - On January 1, 2024, employee requires 8 weeks of leave for a serious health condition with a pregnancy that results in incapacity (e.g. c-section recovery).
  - On May 1, 2024, the same employee requires 5 weeks of leave for back

- surgery & recovery. How and when does the extra 2-week pregnancy entitlement apply?
- On January 1, 2024, employee requires 6 weeks of leave for a serious health condition with a pregnancy that results in incapacity (i.e. standard post-partum recovery). The employee then requests as much bonding/parental leave as is available. Does the employee have 6 weeks of leave remaining or 8 weeks?
  - Clarification on non-working periods, for example school breaks, holidays, manufacturing shut-downs, etc. Employees are not scheduled to be at work during that time so would there be no benefits? Or are there still benefits if the employee is losing income during that period? Some examples:
    - School teachers who are offered the ability to teach summer school classes during summer break. They decline due to a PLO qualifying reason. Had they not had a qualifying event, they would have accepted the summer school position and earned additional income. Can that employee take PLO in this situation? They turned down the additional work so there's no actual absence, but there is lost income.
    - Employee is on PLO for the month of November. Their employer observes Thanksgiving Day and the following Friday as a holiday and employees are not expected at work. However, employees cannot collect holiday pay under the employer's policy if on leave immediately preceding and following a holiday. Will PLO pay the full benefit for that week?
    - Employee is on leave from June 15 through August 1. They work for a manufacturing company that shuts down for maintenance for 2 weeks in July. The employee is not expected to be at work. Do their PLO benefits continue during those 2 weeks? Does the employer's policy regarding wages come into play?
  - Clarification on whether qualifying events that began prior to the effective date of Paid Leave Oregon will be eligible for benefits starting September 3, 2023. For example:
    - Employee had a baby February 1, 2023. She took 24 weeks of unpaid leave under Oregon Family Leave Act and concurrently received 6 weeks of paid parental leave from her employer. Can the employee take 12 weeks of family leave under Paid Leave Oregon as long as she takes leave between September 3, 2023 and January 31, 2024 (12 months after birth)?
    - Employee had knee replacement surgery August 15, 2023 and is medically supported to be out of work for 12 weeks. Can the employee begin receiving benefits from Paid Leave Oregon as of September 3, 2023?



**Abigail O’Connell**  
**Senior Counsel**  
**Sun Life U.S.**

Sun Life  
1 Sun Life Executive Park  
Wellesley Hills, MA 02481

July 26, 2022

[Oed\\_rules@employ.oregon.gov](mailto:Oed_rules@employ.oregon.gov)

Anne Friend  
OED Rules Coordinator  
State of Oregon Employment Department

SENT VIA EMAIL

To Anne Friend:

On behalf of Sun Life, we respectfully submit this letter in response to the Oregon Paid Family and Medical Leave (PFML) Batch 4 rules. As one of the largest leave administration providers in America, Sun Life provides income security and leave management services for employees who need to take time off from work because of their own medical condition or for family care reasons, including birth of a new child and care for a family member who is ill. In our day-to-day work, we regularly witness first-hand the profound importance and personal impact of providing paid family and medical leave benefits to employees, and we applaud your work to create a PFML program for Oregonians.

Sun Life is a provider of private paid family and medical leave plans (i.e., equivalent plans) to employers in Massachusetts, Connecticut, and Washington. In designing Oregon’s program, Sun Life’s biggest concern relates to Equivalent Plans which are often sought by employers in order for the employer to exceed the state plan benefits and offer equitable benefits to employees regardless of work state. Below please find out comments on the Batch 4 proposed rules:

- **471-070-2205- Equivalent Plans: Declaration of Intent to Obtain Approval of Equivalent Plan:** These rules require an equivalent plan employer to meet the requirements of OAR 471-070-2210 by May 21, 2023, and require those applications submitted on or after June 1, 2023, to follow OAR 471-070-2210. These requirements include submitting a “copy of the employer administered equivalent plan or in the case of a fully insured equivalent plan, a copy of the insurance policy or the insurance product...” Insurance companies do not issue policies of insurance in advance of the policy effective date, which for Oregon would be September 3, 2023. Furthermore, the review of employer specific policies is unnecessary given the requirement to file and receive approval for such policy forms by the Oregon Department of Consumer & Business Services (“DCBS”).

We suggest that the submission of the individual employer’s policy is unnecessary for two reasons:

- If the proposed definition of “Declaration of Intent” is adopted, the employer will have signed a legally binding agreement documenting their intent and commitment to provide an approved equivalent plan effective September 3, 2023; and
- Policy forms will have already been filed and approved by DCBS before September 3, 2023, evidencing the existence of fully insured coverage with the carrier.

Massachusetts decided against requiring the uploading of individual employer policies. The state’s insurance regulators maintain a publicly available list of carriers with approved PFML policy forms. The list enabled the Department of Family and Medical leave (DFML) to be confident that the carrier listed on the employer’s Declaration of Intent had an approved MA PFML policy form that had been approved by the Massachusetts Division of Insurance. This relieved Massachusetts’ DFML from individually reviewing policies in favor of relying on the state’s Division of Insurance to have reviewed and approved the carrier’s policy forms. Collecting the Declaration of Intent instead of requiring the uploading of the employer’s policy worked so well, that the state has continued to support this model by using a Confirmation of Insurance form signed by the carrier of the fully insured PFML policy.

- **471-070-2220** - Equivalent Plans: Plan Requirements [Amended]: We suggest that you clarify that the equivalent plan employer or administrator must make all reasonable efforts to make a decision on whether to allow the claim and issue the first payment of any benefits to an employee within two weeks after receiving the **complete** claim or the start of the leave **for which a complete claim has been submitted**, whichever is later. Employers and administrators will be unable to make a decision in the absence of information, so the decision timing should run from receipt of the necessary information. Additionally, a complete claim may be submitted several days or even months in advance of the absence but benefit payments should not be required to begin until the leave begins.

We suggest clarity regarding reporting, specifically around how to capture the total approved benefit applications and total amount of leaves reported or approved in one calendar year and extending into another. For example, would a leave approved for 10 weeks beginning December 1<sup>st</sup> be counted in the current calendar year and the following calendar year?

- **471-070-2270** - Equivalent Plans: Proration of Benefit Amounts for Simultaneous Coverage: We suggest that the language on simultaneous coverage will cause more confusion and less benefits to employees. Employees should be able to take leave per employer as required as they pay into the program per employer. Equivalent plans should not prorate against other plans whether they be other equivalent plans or the state plan and vice versa. Our experience in Massachusetts and New York reveals that employees may need to take leave from a full time job yet be able to remain working at part time positions. Specifically, many employees require leave from a day job, but are able to work nights or weekends. Alternatively, employees may require leave for all employment concurrently. Neither Massachusetts nor New York prorates benefits in these circumstances as employees pay premiums at each employer entitling them to the benefits afforded per employer.

If the department finds proration required by statute, then proration should occur by hours and not days for a more accurate calculation.



- **471-070-1300 - Benefits: Written Notice Poster to Employees of Rights and Duties:** This rule requires each employer to display the department’s poster notice or another “approved by the department”. We recommend that the department require employers to use the department poster or another poster which includes at a minimum all the content contained in the department’s notice, but that it not seek to individually approve employer’s posters. Employers often add additional information such as company logo, relevant contact information for Human Resources, or information related to filing claims under the employer’s equivalent plan. An individual review of each employer’s poster results in a significant work effort and may delay employer compliance.
  
- **471-070-3040 (3) & (4) - Contributions: Withholding of Employee Contributions:** Employers will choose to pay the employee’s share of premium and their decision to do so should not be made cumbersome by a requirement to enter a written agreement. Suggesting edits as follows:
  - (3) An employer may elect to pay the employee’s contribution, in whole or in part, , making the employer liable for that portion of the employee contribution. The employer must give written notice, updated policy, or updated collective bargaining agreement to the employee at least one pay period in advance of any reduction of the elected payment amount.
  - (4) If an employer has elected to pay the employee portion of contributions due under ORS 657B.150(5), the employer may not deduct this amount from a future paycheck of the employee(s) without first providing at least one pay period of advance notice to the impacted employee(s)

We appreciate the opportunity to provide our comments and look forward to continuing to work with you on this important initiative. Our industry stands ready to help build a program that works for Oregon employers and employees.

If we can assist in any way, please do not hesitate to reach out to us.

Warm regards,

Abigail O’Connell  
Senior Counsel  
Sun Life

## Exhibit 013

**From:** Rutledge, Gina <grutledge@metlife.com>

**Sent:** Friday, July 29, 2022 12:35 PM

**To:** OED\_RULES \* OED <OED\_RULES@employ.oregon.gov>

**Subject:** Batch 4 Rulemaking, specific OR 471-070-2270 recommendations

MetLife is proud of our history providing disability and paid leave benefits to more than 24,700 employers and over 9,000,000 employees. We have 26 years of leave administration and 18 years' experience in paid family leave benefit administration. Therefore, we offer the following best practice guidance to support workers, who will want to take leave and employers who will need to manage absences provided through the new OR PFML program. This letter supports the verbal testimony provided during the public comment forum July 26, 2022.

### Point 1

270 (3) We respectfully recommend adding a clarifier to reflect that proration for equivalent plans is based on hours worked and money earned at the Equivalent Plan employer sponsor.

Since each employer can take contributions based on the wages earned for each of their workers, and employer's equivalent plan must be approved by the State and can offer better benefits than the OR PFML minimums, we would like to recommend Batch 4 rules clarify that the Equivalent Plan proration is based on hours worked and money earned at the Equivalent Plan employer sponsor.

---

Equivalent plans can offer better benefits (i.e. pay more wage replacement benefits, allow intermittent less than one day or use reduced work schedule, waiving program eligibility offering benefits from day one of employment, etc.) we believe the intent of the statute supports the OR PFML benefit to be used as the starting point (aka minimum or floor), replacing missed wages and providing job protection for the hours missed under employment due to a qualifying event.

If the pro-ration starts with the employer wages/work schedule as the floor and allowing individuals to stacking all OR PFML programs together to make sure the employee reaches the minimum levels. It is the floor in which benefits can be stacked. If proration starts at the state law minimums, it is looked at as the ceiling. Workers may be harmed because they may not get the 'better benefit' intended from their Equivalent Plan employer.

As an unintended consequence, the employee may also be forced to use the federal FMLA at the same time burning through both benefits needlessly.

Example: Kelsey's husband is diagnosed with cancer and needs to take leave to take him to chemotherapy and radiation therapy 5x/week down to 2x/week for 20 weeks. Under Federal FMLA, Kelsey would be able to manage time to take off half days to spread the job protections out the full 20 weeks. Under an equivalent plan, Kelsey may elect to allow benefits to be taken in less than 1 full workday. However, under the current rules for coordinating OR PFML benefits, Kelsey would be forced to use OR PFML and FMLA at the same time, and thus she may use up all Federal and State job protections/paid leave mid-way through her husband's treatment.

Point 2:

We recommend the worker under an equivalent plan only applies for benefits when they need to take leave from their Equivalent Plan employer.

This provision expects workers to file for benefits from all employers for any given day. That makes sense for a continuous leave but may be impossible to administer if the claimant has applied for benefits intermittently or on a reduced leave schedule.

- If a person uses the benefits intermittently, that could mean an estimated 60 different touch points (12 weeks leave x 5 day schedule) [Is the State staffed to coordinate 60+ different touch points for each claim](#) Using WA PFML as a baseline, in May 222, WA received over 18,000 claims. If 15% were intermittent, and if the state wanted to coordinate payments with other plans, they would need to staff for 162,000 coordination touchpoints in addition to the continuous claims for the other 85% of the claims submitted.
  - $18,000 \times 15\% = 2,700$  estimated intermittent claims per month
  - $2,700 \times 60 = 162,000$  coordination touchpoints for 15% of the claims submitted
- Or, is the state prepared to invest in the build and maintenance of a secure website that this can be used to verify each claimant's potential overlap with other plans to track case level absences so that it does not need as much manual coordination?

Focusing on how a worker would be able to use the benefits,

- How would a person qualify for benefits if the period needed for leave does not interfere with the work schedule of each employer?
- Equivalent plans may allow the employee to use time reducing their work schedule allowing for work to be done, but time away due to their qualifying leave. For equivalent plans with a reduced schedule leave, how would a reduced schedule leave even work if the employee has 2 jobs that would be limited to no time worked that day?

Let's look at an example, Kelsey from Batch 3 rules, Page 20

Kelsey is taking family leave and is currently an employee at a university and an architecture firm. Kelsey works for the university in the morning of her workday and the architecture firm in the evenings on the same workday. Kelsey must take leave from both places of employment for the workday in order to claim benefits for the workday. If Kelsey only missed work from the university due to the family leave for that one workday, it would not qualify for benefits.

[How would the pro-ration work since the time split between the University job is 20% vs the Architecture job at 80%?](#)

	Time split	Hours/Week
University:	20%	10
Architecture firm:	80%	40

How would the proration work on income, when income is split 28% from the University vs 72% from the Architecture firm

And, benefit calculations providing a higher wage replacement to lower wage earners would split the benefit 32% for the University and 68% for the Architecture firm

	Income Split	Income	Weekly benefit	Daily Benefit	Benefit Split
University:	28%	\$ 500.00	\$ 500.00	\$100.00	32%
Architecture firm:	72%	\$ 1,289.58	\$ 1,042.85	\$208.57	68%
		\$ 1,789.58	\$ 1,542.85	\$308.57	

What if the Architecture firm had an equivalent plan with a richer benefit paying 100% of normal wages for a qualifying event(aka husband with cancer) ? Without clarifying the type of proration, it is hard to see how that would even be coordinated because any time and/or benefits paid and recorded with the state administrator may impact the overall benefits paid.

We recognize the definition of 'workday' in Batch 3 Final rules, and that it makes sense for the State's claim administration shop, because an employee would be applying for benefits one time, and in the background, the state's systems will be blending multiple employer data together to calculate work schedules and benefit amounts from 'all' employers. However, equivalent plans will only have details of their customer's workforce. And, trying to coordinate all of the intermittent leave approved absences per claim times thousands of claims for people using benefits for physical therapy, radiation or chemotherapy treatments, or other qualifying reasons, it can be overwhelming for all parties, including the state's administration program who will be the ultimate owner of the program.

What is the advantage to the State, Employer(s) or Kelsey (worker) by limiting benefits, and adding to the complexity of claim coordination when applying the draft rules for Batch 4 equivalent plans?

Point 3:

270-(2) We respectfully recommend adding a clarifier to reflect that equivalent plan claim decisions can be made in a timely manner once the worker files a claim and their equivalent plan sponsored employer confirms employment details.

Many times, workers do not tell their employers they have multiple jobs. We have seen this in other states where the fear of information sharing may be perceived as a deterrent for workers to use the benefits if they are worried about their employer finding out about moonlighting.

Workers may not understand, or it may be too overwhelming to realize they have to apply for benefits in more than one place when they are going through this life event that is already pulling focus from their normal routine. Imagine, they are sick/hurt and cannot work; they are having a baby, a family member could be sick/hurt, addressing violence, ,... now where do I go , what should I do, or how do I file for benefits?

- Who is helping the workers recognize they must apply for benefits with each job?
- Who is reminding the worker to report each intermittent leave with every plan administrator and every employer? What does that conversation look like?

## Exhibit 013

- (Sorry boss, I cannot come in to work today because I need to use my OR PFML benefits. I have to take my son to physical therapy at 4pm this afternoon, and, even though, I'm only on the schedule to work until noon, .... um I ... have another job that I cannot go to either and the state, well, ... they will only pay benefits if I am absent from all my jobs. And, I need to get paid so if I want to get a benefit, I cannot work for you today. And you are taking money out of my paycheck to pay for the benefits-so now I am using it)
- Who is protecting the privacy of the worker who needs to use the benefits?

In summary, we believe that the OR PFML statute provides the minimum benefit provided to Oregon workers. Utilizing the state's ability to oversee Equivalent plans using the Paid Leave Organ quarterly and annual reporting requirements as well as the Division of Financial Regulation that regulates insurance, will provide the oversight needed to coordinate benefits instead of trying to coordinate at the claim level; thus,

- Supports better benefits paid to workers
- Supports efficiency and faster benefit payments
- Reduces complexity for workers and employers
- Protects the worker's privacy when they need to use the benefits
- Allows flexibility for coordination with FMLA

Feel free to reach out if you have any questions, I'm happy to discuss any of these recommendations or others.

Thank you

Gina Rutledge, Director, MetLife Paid Family and Medical Leave Product Development Strategic Planning

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**From:** Lisa Bandelli <Lisa.Bandelli-Virgona@standard.com>

**Sent:** Sunday, July 31, 2022 9:42 PM

**To:** OED\_RULES \* OED <OED\_RULES@employ.oregon.gov>; OED\_RULES \* OED <OED\_RULES@employ.oregon.gov>; OED\_PAIDFAMILYANDMEDICALLEAVE \* OED <paidleave@employ.oregon.gov>; OED\_PAIDFAMILYANDMEDICALLEAVE \* OED <paidleave@employ.oregon.gov>

**Subject:** RE: Oregon PFML draft Batch 4 Equivalent Plan comments

Dear OED. Please find Standard Insurance Company's comments included within the draft Batch 4 Equivalent Plan rules. If you have any questions or think it would be helpful to discuss in greater detail, please contact me.

Thank you

Lisa

**Lisa M. Bandelli-Virgona | Senior Attorney**

The Standard

Standard Insurance Company

900 SW Fifth Avenue | Portland, OR 97204

Phone 971.321.3708

[Lisa.bandelli-virgona@standard.com](mailto:Lisa.bandelli-virgona@standard.com)

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[www.standard.com](http://www.standard.com)

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ARCHIVES DIVISION  
STEPHANIE CLARK  
DIRECTOR  
  
800 SUMMER STREET NE  
SALEM, OR 97310  
503-373-0701

**NOTICE OF PROPOSED RULEMAKING**  
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 471  
**EMPLOYMENT DEPARTMENT**

**FILED**  
06/29/2022 1:31 PM  
ARCHIVES DIVISION  
SECRETARY OF STATE

FILING CAPTION: Administrative provisions related to Paid Family and Medical Leave Insurance employer equivalent plans

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 08/01/2022 11:55 PM

*The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.*

CONTACT: Anne Friend

875 Union Street NE

Filed By:

503-947-1471

Director's Office

Anne Friend

rules@employ.oregon.gov

Salem, OR 97311

Rules Coordinator

**HEARING(S)**

*Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.*

DATE: 07/21/2022

TIME: 10:00 AM - 12:00 PM

OFFICER: Anne Friend

ADDRESS: PFMLI Rulemaking Hearing

Virtual Public Rulemaking Hearing

Director's Office

Salem, OR 97311

SPECIAL INSTRUCTIONS:

[https://www.zoomgov.com/webinar/register/WN\\_EpE3b6HWSOeFDUxRGWDVJQ](https://www.zoomgov.com/webinar/register/WN_EpE3b6HWSOeFDUxRGWDVJQ)

DATE: 07/23/2022

TIME: 9:00 AM - 11:00 AM

OFFICER: Anne Friend

ADDRESS: PFMLI Rulemaking Hearing

Virtual Public Rulemaking Hearing

Director's Office

Salem, OR 97311

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DATE: 07/26/2022

TIME: 4:00 PM - 6:00 PM

OFFICER: Anne Friend

ADDRESS: PFMLI Rulemaking Hearing  
Virtual Public Rulemaking Hearing  
Director's Office



Salem, OR 97311

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NEED FOR THE RULE(S)

In order to implement and administer the Paid Leave Oregon program, the Oregon Employment Department is promulgating permanent administrative rules in accordance with ORS chapter 657B.

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DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

- Paid Leave Oregon statute – ORS chapter 657B ([https://www.oregonlegislature.gov/bills\\_laws/ors/ors657B.html](https://www.oregonlegislature.gov/bills_laws/ors/ors657B.html));
  - Oregon Employment Department Unemployment Insurance Taxes statute and administrative rules – ORS chapter 657 and OAR Chapter 471, Division 31 ([https://www.oregonlegislature.gov/bills\\_laws/ors/ors657.html](https://www.oregonlegislature.gov/bills_laws/ors/ors657.html) and <https://secure.sos.state.or.us/oard/displayDivisionRules.action?selectedDivision=2338>);
  - Oregon Department of Consumer Business Services administrative rules and laws around insurance providers (<https://wcd.oregon.gov/laws/Pages/index.aspx>).
  - Washington State's PFML administrative rules (WACs Chapter 192-500 through 192-810) (<https://app.leg.wa.gov/WAC/default.aspx?cite=192>);
  - Massachusetts Paid Family and Medical Leave statutes and rules and regulations (<https://www.mass.gov/library/mass-general-laws-c175m> and <https://www.mass.gov/regulations/458-CMR-200-family-and-medical-leave>);
- 

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE

Paid Leave Oregon equivalent plans provide employers flexibility to decide if offering paid family, medical, and safe leave benefits to their employees through an employer administered or fully insured plan would be preferred to the state plan. This has potential advantages for employers, such as cost savings, ability to maintain existing benefits program if equivalent to the state plan or better, and an opportunity to provide higher benefits than the state plan, and thus be a more competitive employer, in a streamlined way. While employees covered by an equivalent plan must receive benefits that are equal to or greater than the state plan, it is the employer, insurance provider, or third party administrator, and not the Oregon Employment Department (department), that is responsible for the administration of the equivalent plan, including processing of claim applications, decisions on claims, and payment of benefits. The Paid Leave Oregon Division recognizes that employees covered by equivalent plans may face barriers in accessing benefits through their employer, such as denial of valid claims and non-payment of approved claims; these barriers may have a disproportionate impact on Black, Indigenous, Latin/o/a/x, Asian, Pacific Islander, and other people of color, and immigrants and non-English speaking individuals, who may be more likely to experience discrimination and bias in decision-making on claims and may be more significantly impacted by barriers to benefits due to socioeconomic and other inequities. In establishing administrative rules on equivalent plans, the Paid Leave Oregon Division sought to minimize these potential barriers for employees accessing benefits, while supporting universal access to equivalent plans for employers.

What are the racial equity impacts of this particular rule, policy, or decision and who will benefit from or be burdened?

The administrative rules on equivalent plans seek to ensure that employers approved to offer benefits through an equivalent plan are able to sufficiently administer the plan, while still enabling the department to ensure compliance with the plans, with the goal that employees have equitable access to benefits under the state plan and/or an equivalent plan. The requirements established in these rules could have an equity impact for employers' access to equivalent plans, potentially impacting businesses owned by immigrant or non-English speaking individuals, Black, Indigenous, Latin/o/a/x, Asian, Pacific Islander, and other people of color owned businesses, and rural or small businesses, which

may have less specialized experience or resources to navigate these requirements due to systemic and institutional barriers. However, those requirements are necessary to ensure equitable benefits for employees covered under equivalent plans. The Paid Leave Oregon Division has sought to facilitate equitable access to equivalent plans for all employers and employees where possible. In particular, OAR 471-070-2230 on reporting requirements, OAR 471-070-2250 on employee coverage requirements, and OAR 471-070-2270 on proration of benefit amounts for simultaneous coverage aims to establish straightforward and streamlined requirements for what employees must be covered and what information the department will provide and the employer will provide.

In 2021, 100,000 Oregonians held more than one job in addition to their primary job and were considered multiple jobholders, which is a rate of 4.9 percent. Those of Hispanic or Latino ethnicity had a multiple jobholding rate of 3.1 percent. Black or African Americans held multiple jobs at a rate of 5.4 percent. Whites had a multiple jobholding rate of 4.5 percent and Asians had a rate of 3.1 percent. The Division took this information into consideration when determining how to handle proration of benefits and simultaneous coverage in the proposed administrative rules.

Nonetheless, the requirements established in administrative rule, along with the other requirements established above, may have an equity impact. In addition, while the rules aim to ensure equitable benefits for employees covered by equivalent plans, these may not be sufficient to prevent all barriers for those employees, which may also have an equity impact.

Are there strategies to mitigate the unintended consequences?

The Paid Leave Oregon Division seeks to mitigate the possible barriers identified primarily through widespread and targeted program of education and varied, accessible user support services. An equivalent plan guidebook is being created that will explain the rules and requirements for equivalent plans in plain language and will seek to provide these materials in multiple languages for employers. Furthermore, the guidebook will be supplemented with frequently asked questions, instructional videos, and other resources. Staff will be trained to support employers on equivalent plans, with the aim to enable all employers to understand equivalent plans and complete the reporting and administration requirements of equivalent plans and thus help mitigate the equity impact. In addition, the Division will be conducting focused outreach and engagement activities from now until implementation with employers, with a focus on businesses owned by immigrant or non-English speaking individuals, Black, Indigenous, Latin/o/a/x, Asian, Pacific Islander, and other people of color owned businesses, and rural or small businesses, which will include awareness raising about equivalent plans.

The Division will also seek to mitigate equity impacts for employees covered by equivalent plans through program education, including focused outreach and engagement activities with non-English speaking individuals, Black, Indigenous, Latin/o/a/x, Asian, Pacific Islander, and other people of color, and immigrants and non-English speaking individuals, to help those individuals understand the obligations of equivalent plan employers and what is different in how they access benefits. This will include the provision of guidance in multiple languages and mediums. The Division is further identifying a process to support employees who have not received benefit payments due to employer non-compliance, keeping in mind the equity impact of those non-payments.

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#### FISCAL AND ECONOMIC IMPACT:

Any fiscal or economic impact for Paid Leave Oregon equivalent plans is the result of the statute being implemented that allows equivalent plans, as the proposed administrative rules primarily provide clarification for equivalent plans.

The Declaration of Intent in OAR 471-070-2205 still requires an equivalent plan application to be filed by May 31, 2023 otherwise the employee contributions withheld and the employer contributions must be remitted to the Department.

## Exhibit 014

This does not have a fiscal impact as the Paid Leave Oregon Trust Fund already anticipates equivalent plans and the Division doesn't anticipate more equivalent plans just because there is a Declaration of Intent option.

Proration of benefits for simultaneous coverage in OAR 471-070-2270 requires the proration of benefits to be applied based on how many employers the employee works for at the time of leave. The fiscal impact to the Paid Leave Oregon Trust Fund is indeterminate as the program does not know how many equivalent plan employers will have employees that work multiple jobs. As stated above, only 4.9 percent of Oregonians work multiple jobs.

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### COST OF COMPLIANCE:

*(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).*

#### 1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):

The administrative rules on equivalent plans could impact the State as an employer, units of local government and the public if they choose to not participate in the state Paid Leave Oregon plan but rather provide their own approved Paid Leave Oregon equivalent plan to their employees. At this time, the Division does not know which state agencies, local governments, or public will participate in equivalent plans.

#### 2. Cost of compliance effect on small business (ORS 183.336):

##### a. Estimate the number and type of small businesses subject to the rule:

Oregon has approximately 126,000 small businesses with fewer than 50 employees that employ 33.62 percent of the state's workforce. Oregon has approximately 120,000 small businesses with fewer than 25 employees that employ 24.19 percent of the state's workforce.\* Since all employers are eligible to offer an equivalent plan instead of participating in the Paid Leave Oregon program, all small employers may be subject to these rules if they choose to offer an equivalent plan instead.

Based on the percentage of small businesses electing to offer an equivalent plan to their employees in Washington State's Paid Leave program, it is estimated for Oregon that, of the 126,000 small businesses, approximately 59 small business employers will submit an application to have a Paid Leave Oregon equivalent plan instead of participating in the state plan.

\*Based on Unemployment Insurance 2020 Tax Wage file.

##### b. Projected reporting, recordkeeping, and other administrative activities required for compliance, including costs of professional services:

Small businesses wanting to provide a Paid Leave Oregon equivalent plan to their employees beginning September 3, 2023, will need to submit an equivalent plan application no later than May 31, 2023, or submit a Declaration of Intent by November 30, 2022, and an equivalent plan application by May 31, 2023, and must withhold employee contributions starting January 1, 2023, and hold them in trust for the State of Oregon. The reporting and recordkeeping requirement to fill out a Declaration of Intent is anticipated to take less than a half an hour. The time needed to fill out an equivalent plan application is not included in this estimate for the proposed administrative rules, as the equivalent plan application is required in statute and was already in previous proposed rules.

Per OAR 471-070-2220, subsequent benefit payments must be provided weekly by the fully insured equivalent plan, unless the benefit payment is included within the established paycheck from the employer. If the equivalent plan employer pays the benefits, no additional cost for the payment subsequent benefit payments is anticipated as it will be included in the paycheck. If the fully insured equivalent plan pays the benefits, the subsequent benefit payments paid weekly should have no additional cost as the cost should be included in the overall administration of the equivalent plan for the employer.

ORS 657B.210(11) requires that an equivalent plan employer must maintain all reports, information, and records relating to the approved equivalent plan in the manner established by administrative rule. The draft administrative rule, OAR 471-070-2230, requires the filing of annual aggregate benefit usage reports and annual financial reports if the employer withholds contributions from the employee. The statute already requires the employer to maintain all reports and information so the cost to submit the aggregate information to the department is minimal and clarifying.

OAR 471-070-2260, allows the employee, employer, or administrator to request benefit information from the department in order to ensure equivalent plan benefits are equal to or better than the state plan; however, this rule does not require the employer to do so. The request for information can be done online, so the administrative time should be minimal as they will only be requesting information when an employee is requesting benefits and when the employer would like to know the eligible employees average weekly wage.

OAR 471-070-2270, along with ORS 657B.210, requires proration of benefits when an employee is simultaneously covered under more than one employer's equivalent plan at the same time, or also covered by the state plan. In 2021, 4.9 percent of Oregonians held more than one job in addition to their primary job; and not all of those individuals will claim benefits in a year or will be working for an equivalent plan employer. Therefore, the impact for small businesses with the proration of simultaneous coverage will be a minimal impact.

c. Equipment, supplies, labor and increased administration required for compliance:

Small businesses that opt to provide an equivalent plan will need to make sure they provide benefits that are equal to or greater than the Paid Leave Oregon plan and meets all the reporting and recordkeeping requirements provided in administrative rules. This will likely take human resource, payroll or administrative staff to comply with the equivalent plan reporting requirements and payment of benefits. Per the Bureau of Labor Statistics report released September 16, 2021\*, the total national compensation (wages, salaries and benefits) for a professional and related occupation for an employer for private industry workers is \$56.24 per hour. Each small business is different, so the hours needed for reporting requirements and recordkeeping may vary.

\*<https://www.bls.gov/news.release/pdf/ecec.pdf>

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DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

The Paid Leave Oregon Advisory Committee, which serves as the Rulemaking Advisory Committee (RAC), is statutorily required to have four members represent employers, at least one of whom represents employers with fewer than 25 employees. The RAC was consulted when developing these rules.

The Paid Leave Oregon Division also formed an equivalent plan workgroup that consisted of 14 members appointed by the Paid Leave Oregon Division Director. There are three Paid Leave Oregon Advisory Committee members on the workgroup. The purpose of the equivalent plan workgroup is to engage with representatives and stakeholders about specific aspects relating to equivalent plans. The workgroup utilized the information and insights it gathered in the course of its work to assist the Paid Leave Oregon Advisory Committee in developing recommendations to provide to

the department as it relates to the implementation of the program and the administrative rules drafted for equivalent plans. The workgroup met 10 times over the course of a year, the first meeting occurred in March 2020 and the last meeting occurred in February 2021.

Small businesses may also sign up to participate in our town halls (out of five town halls there were 724 attendees), receive Paid Leave Oregon emails (105,000 unique individual emails in the Paid Leave Oregon email distribution list), listen to Paid Leave Oregon Advisory Committee meetings (about 30 attendees at each meeting), attend RAC meetings (on average between 100-150 attendees each meeting), and are invited to provide feedback on the proposed draft rules.

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WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? YES

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RULES PROPOSED:

471-070-2200, 471-070-2205, 471-070-2220, 471-070-2230, 471-070-2250, 471-070-2260, 471-070-2270, 471-070-2330

AMEND: 471-070-2200

RULE SUMMARY: Amends the administrative rule to define administrative costs, administrator, and declaration of intent used in the Paid Family and Medical Leave Insurance program rules governing employer equivalent plans.

CHANGES TO RULE:

471-070-2200

Equivalent Plans: Definitions

(1) "Administrative Costs" means the costs incurred by an employer directly related to administering an equivalent plan which include, but are not limited to, cost for accounting, recordkeeping, insurance policy premiums, legal expenses, and labor for human resources' employee interactions related to the equivalent plan. Administrative costs do not include rent, utilities, office supplies or equipment, executive wages, cost of benefits, or other costs not immediately related to the administration of the equivalent plan.

(2) "Administrator" means either an insurance carrier/company, third-party administrator, or payroll company acting on behalf of an employer to provide administration and oversight of an approved equivalent plan.

(3) "Declaration of Intent" means a legally binding, signed agreement from an employer documenting the employer's intent and commitment to provide an approved equivalent plan with an effective date of September 3, 2023.

(4) "Employer administered equivalent plan" means an equivalent plan in which the employer offers a private plan where the employer assumes all financial risk associated with the benefits and administration of the equivalent plan, whether it is administered by the employer or a third-party administrator.

(25) "Equivalent plan" means a Paid Family and Medical Leave Insurance (PFMLI) plan approved by the department that provides benefits that are equal to or greater than the benefits provided by the Oregon PFMLI program established under ORS 657B.340.

(36) "Fully insured equivalent plan" means an equivalent plan in which the employer purchases an insurance policy from an insurance company approved to sell PFMLI products by the Oregon Department of Consumer and Business Services (DCBS) Division of Financial Regulation and the benefits related to the plan are administered through the insurance policy.

(47) "Successor in interest" means a successor to another's interest in property, organization, trade, or business that is carried on and controlled substantially as it was before the transfer in which there is a complete transfer to the successor of the organization, trade, or business, and substantially all of its assets.

(58) "Substantial reduction in personnel," as used in ORS 657B.260 and applicable administrative rules, means a situation in which the number of employees employed by the predecessor of the organization, trade, or business is reduced by at least 33 percent by the successor in interest.

Statutory/Other Authority: ORS 657B.340

Statutes/Other Implemented: ORS 657B.340, ORS 657B.210, 657B.260, 657B.340

ADOPT: 471-070-2205

RULE SUMMARY: Clarifies that equivalent plans become effective as of September 3, 2023, when benefits also begin. Clarifies how and when an employer must submit an equivalent plan application or a Declaration of Intent and includes provisions on withholding employee contributions and paying employer contributions.

CHANGES TO RULE:

471-070-2205

Equivalent Plans: Declaration of Intent to Obtain Approval of Equivalent Plan

(1) Approved equivalent plans become effective on September 3, 2023, at the same time Paid Family and Medical Leave Insurance (PFMLI) benefits may first be paid to eligible employees. However, the department is accepting equivalent plan applications beginning September 6, 2022.

(2) No later than May 31, 2023, an employer who wishes to provide an equivalent plan with an effective date of September 3, 2023 must submit to the department an equivalent plan application that meets the requirements of OAR 471-070-2210.

(3)(a) To be exempt from paying required quarterly contribution payments to the Oregon PFMLI program in accordance with ORS 657B.150 and OAR 471-070-3030(6), an employer that is going to provide its employees with an equivalent plan as of September 3, 2023, must receive approval of an equivalent plan application. The equivalent plan application must be submitted to the department by the following dates:

(A) By November 30, 2022, to be exempt from paying and remitting the contribution payments beginning with the first quarter that starts January 1, 2023.

(B) By February 28, 2023, to be exempt from paying and remitting contribution payments beginning with the second quarter that starts April 1, 2023.

(C) By May 31, 2023, to be exempt from paying and remitting contribution payments beginning with the third quarter that starts July 1, 2023.

(b) For equivalent plan applications on or after June 1, 2023, the equivalent plan application must follow OAR 471-070-2210, and the employer is liable for all contributions required to be paid or remitted in accordance with ORS 657B.150 prior to the effective date of the equivalent plan.

(4)(a) If an employer is unable to submit an equivalent plan application by the dates described in section (3)(a) of this rule, the department is allowing an interim solution under which the employer may submit a signed and certified Declaration of Intent acknowledging and agreeing to the following conditions:

(A) Beginning January 1, 2023, and continuing until the department has approved the equivalent plan application, the employer shall deduct employee contributions from the subject wages of each employee in an amount that is equal to 60 percent of the total contribution rate determined in OAR 471-070-3010.

(B) The employer shall hold any moneys collected under this section in trust for the State of Oregon but will not be required to pay employer contributions or remit the withheld employee contributions to the department, unless the department does not receive an equivalent plan application as described in section (3) of this rule or the Declaration of Intent is cancelled as described in this subsection and sections (5) and (6) of this rule.

(C) The employer must submit the Declaration of Intent to the department no later than November 30, 2022. (D) The employer must submit an equivalent plan application no later than the May 31, 2023, deadline as described in section (3) of this rule.

(b) If an equivalent plan application is not received by the department by May 31, 2023, the Declaration of Intent is cancelled and no longer effective. The employer is then responsible for paying all unpaid employer contributions and remitting all unpaid employee contributions that were held in trust for the State of Oregon for periods beginning on or after January 1, 2023, and is subject to penalties and interest as described in section (6) of this rule.

(5) An employer that submitted an equivalent plan application or a Declaration of Intent as described in sections (3) and

(4) of this rule, may cancel the request for approval or the Declaration of Intent by contacting the department. The employer is then responsible for paying and remitting all unpaid employer and employee contribution payments due for periods beginning on or after January 1, 2023 and is subject to penalties and interest as described in section (7) of this rule.

(6) The department may cancel the approval of an equivalent plan or Declaration of Intent prior to September 3, 2023 for reasons that include, but are not limited to:

(a) Misuse of employee contributions withheld or retained by the employer;

(b) Failure to adhere to applicable PFMLI program requirements, including but not limited to OAR 471-070-2220;

(c) Withheld employee contributions that were greater than the employee contributions that would have been charged to the employees under ORS 657B.150; or

(d) Failure to respond timely to the department's reasonable inquires for information about the equivalent plan or Declaration of Intent.

(7)(a) As of the date the equivalent plan approval or the Declaration of Intent is canceled or denied, the employer must pay and remit immediately to the department all unpaid contributions due for periods beginning on or after January 1, 2023, and is subject to penalties and interest in accordance with ORS 657B.320, 657B.920, and related administrative rules.

(b) An employer that is required to pay or remit contributions, penalties, and interests, in accordance with this section or sections (4), (5), or (6) of this rule may remit employee contributions previously withheld, that were held in trust for the payment of employee contributions due, but the employer is prohibited from withholding additional contributions from employees retroactively to pay any other amounts due. Employee contributions may not be used to pay penalties and interest imposed on the employer.

(8) An employer that has received approval of an equivalent plan application by one of the deadlines in section (3) of this rule may withhold employee contributions in accordance with ORS 657B.210 beginning January 1, 2023, but the employer will not be required to pay employer contributions or remit employee contributions in accordance with ORS 657B.150, unless the equivalent plan application approval is subsequently canceled as described in sections (5) and (6) of this rule.

(9) Section (3) of this rule is in effect until September 3, 2023.

[Publications: Contact the Oregon Employment Department for information about how to obtain a copy of the publication referred to or incorporated by reference in this rule.]

Statutory/Other Authority: ORS 657B.340

Statutes/Other Implemented: ORS 657B.210

AMEND: 471-070-2220

RULE SUMMARY: Plan Requirements- Amends the administrative rule to require equivalent plan employers to let employees know how they can contact the department to acquire the eligible employee's average weekly wage amount. Clarifies that generally benefit payments must be provided weekly by a fully insured equivalent plan, unless the benefit payments are paid at the same time as the established paycheck from the employer.

CHANGES TO RULE:

471-070-2220

Equivalent Plans: Plan Requirements

In order for an equivalent plan to be approved by the department, the plan must at a minimum:

(1) Cover all Oregon employees who have been continuously employed with the employer for at least 30 calendar days, regardless of hours worked, including full-time, part-time, temporary workers hired by the employer, and replacement employees hired to temporarily replace eligible employees during PFMLI leave. Any employees who were eligible for benefits under their previous Oregon employer's equivalent plan, who begin working for a new employer with an approved equivalent plan must be automatically covered for benefits under the equivalent plan offered by the new employer as described in ORS 657B.250;

(2) Provide family leave as described in ORS 657B.010(17) and applicable administrative rules;

(3) Provide medical leave as described in ORS 657B.010(19) and applicable administrative rules; (4) Provide safe leave as described in ORS 657B.010(21) and applicable administrative rules;

(5) Allow eligible employees to take family leave, medical leave, or safe leave in a benefit year for periods of time equal to or longer than the duration of leave provided under ORS 657B.020;

(6) Provide eligible employees weekly benefit amounts equal to or greater than benefits provided under ORS 657B.050;

(7) Allow family leave, medical leave, or safe leave to be taken in increments or nonconsecutive periods as provided under ORS 657B.090;

(8) Impose no additional conditions or restrictions on the use of family leave, medical leave, or safe leave beyond those explicitly authorized by ORS chapter 657B and applicable administrative rules;

(9) Provide that the employee contributions withheld by an equivalent plan shall not be greater than the employee contributions that would be charged to employees under ORS 657B.150 and determined annually under OAR 471-070-3010;

(10) Ensure employee contributions that are received or retained under an equivalent plan are used solely for equivalent plan expenses, are not considered part of an employer's assets for any purpose, and are held separately from all other employer funds;

(11) Meet all equivalent plan requirements provided in ORS 657B.210 and applicable administrative rules;

(12) Provide for decisions on benefit claims, to be in writing, either in hard copy or electronically if the employee has opted for electronic notification. Decisions on benefit claim approvals must include the amount of leave approved and the weekly benefit amount, or, the weekly benefit amount, and a statement indicating how the employee may contact the department to request the eligible employees average weekly wage amount if the employee believes the benefit amount may be

Exhibit 014

incorrect. Denial decisions must include the reason(s) for denial of benefits along with an explanation of an employee's right to appeal the decision and instructions on how to submit an appeal.

(13) Provide an appeal process to review benefit decisions when requested by an employee that also requires the employer to issue a written decision. The employee must have at least 20 days from the date of the written denial to request an appeal with the employer or equivalent plan administrator, if applicable, or as soon as practicable if there is good cause for the delay beyond the 20 days as described in OAR 471-070-2400(7). The employee, and the employer, or administrator have 20 days from the date the appeal is received, or as soon as practicable if there is good cause as described in OAR 471-070-2400(7), to resolve the appeal and for the employer or administrator to issue a written appeal determination letter along with an explanation of the department's dispute resolution process as described in OAR 471-070-2400 if an appeal is denied;

(14) Provide that the equivalent plan employer or administrator must make all reasonable efforts to make a decision on whether to allow the claim and issue the first payment of any benefits to an employee within two weeks after receiving the claim or the start of leave, whichever is later. Subsequent benefit payments must be provided weekly by the fully insured equivalent plan and benefit payments may be paid according to the existing paycheck schedule for employees under an employer administered equivalent plan; and

(15) Ensure a written policy and procedure for the equivalent plan as described in ORS 657B.210(11)(c), will be given to all eligible employees, at the time of hire and each time the policy or procedure changes, in the language that the employer typically uses to communicate with the employee.





Statutory/Other Authority: ORS 657B.340  
Statutes/Other Implemented: ORS 657B.210

**RULE SUMMARY:** Clarifies the requirement for reporting of subject wages on the Oregon Quarterly Tax Report, filing annual aggregate benefit usage reports and annual financial reports if the employee pays contributions to the employer, and requires a 10 calendar day timeframe for the equivalent plan employer to respond to the department's notices.

**CHANGES TO RULE:**

**471-070-2230**

**Equivalent Plans: Reporting Requirements**

(1) Employers with an approved equivalent plan are required to file the Oregon Quarterly Tax Report detailing all Paid Family and Medical Leave Insurance (PFMLI) subject wages and the employee count as defined in OAR 471-070-3150 and the Oregon Employee Detail report detailing PFMLI subject wages for each employee in accordance with OAR 471-070-3030.

(2) Employers with an approved equivalent plan must also file annual aggregate benefit usage reports with the department online or in another format approved by the department. The report is due on or before the last day of the month that follows the close of the calendar year or along with the application for reapproval process. The report shall include, but is not limited to, the following:

(a) Number of benefit applications received during the year and the qualifying leave purpose;

(b) Number of benefit applications approved during the year, the qualifying leave purpose, and total amount of leave; and

(c) Number of benefit applications denied during the year and the qualifying purpose and the number of appeals made on denials and the outcome of the appeals.

(3) If the employer assumes only part of the costs of the approved equivalent plan and withholds employee contributions as described in ORS 657B.210(5) the employer must additionally report the aggregate financial information with the department online or in another format approved by the department. That report is due on or before the last day of the month that follows the close of the calendar year or along with the application for reapproval process. The report shall include, but is not limited to, the following:

(a) Total amount of employee contributions withheld during the year;

(b) Total plan expenses paid during the year, including total benefit amounts paid, and total administrative costs, as applicable;

(c) Balance of employee contributions held in trust at end of the year;

(d) Balance of benefits approved but not yet paid, if plan is an employer-administered plan; and (e)

Administrative costs due for the year but not yet paid.

(4) Employers or administrators must respond within 10 calendar days from the date of any notice from the department requesting information about current or prior employees employed by an equivalent plan employer in the base year. The employer or administrator must respond to the department's notice either online or by another method approved by the department. The notice may request but is not limited to the following:

(a) If a benefit year was established;

(b) The start and end date of the established benefit year; (c)

Total amount of benefits paid in the benefit year; and

(d) The duration of leave remaining in the benefit year.

(5) Employers must provide the reports required under sections (2) and (3) of this rule to report following withdrawal or termination of an approved equivalent plan.

[Publications: Contact the Oregon Employment Department for information about how to obtain a copy of the publication referred to or incorporated by reference in this rule.]

Statutory/Other Authority: ORS 657B.340

Statutes/Other Implemented: ORS 657B.210, 657B.250

**RULE SUMMARY:** Clarifies the details of when an employee is covered under an equivalent plan.

**CHANGES TO RULE:**

**471-070-2250**

**Equivalent Plans: Employee Coverage Requirements**

(1) An employer with an approved equivalent plan is required to cover all employees under the plan as follows:

Exhibit 014

- (a) All employees previously covered under the Oregon Paid Family and Medical Leave Insurance (PFMLI) program established under ORS 657B.340, must be covered by the employer's equivalent plan within 30 days of their start date.
  - (b) All employees previously covered by an employer that had an equivalent plan approved under ORS 657B.210, must be covered by the new employer's equivalent plan immediately as of their start date.
  - (c) All employees who were not previously covered as described under subsections (a) or (b) of this section, such as employees new to the workforce, relocating from another state, or with a gap in coverage exceeding 30 days must be covered by the employer's equivalent plan within 30 days of their start date.
- (2) An employer must specify in their equivalent plan when employees are covered under the plan, which must be in accordance with section (1) of this rule.
- (3) An employee described in subsection (1)(a) of this rule, who is not covered under an equivalent plan for any portion of time within the employee's first 30 days, maintains coverage under the Oregon PFMLI program established under ORS chapter 657B for that 30 day period.
- Statutory/Other Authority: ORS 657B.340  
 Statutes/Other Implemented: ORS 657B.210

RULE SUMMARY: Clarifies how benefits are calculated for an employer's equivalent plan and what information the equivalent plan may request from the department for the benefit calculation and benefit year.

CHANGES TO RULE:

471-070-2260

Equivalent Plans: Benefit Amounts and Claims

(1) Employers with an approved equivalent plan are required to provide covered employees with benefits that are equal to or greater than benefits provided under the Oregon Paid Family and Medical Leave Insurance (PFMLI) program, including, but not limited to:

(a) The duration of leave for qualifying purposes as established in ORS 657B.020 and related administrative rules; and

(b) The amount of benefits established in ORS 657B.050 and related administrative rules.

(2) Benefits under an approved equivalent plan shall be administered using the benefit year defined in OR Laws 2022, Chapter 24, Section 1 and related administrative rules.

(3) When an employee applies for benefits under an equivalent plan, the employer or administrator may request consent from the employee to obtain benefit information from the department in order to ensure benefits are provided in accordance with section (1) of this rule.

(a) If consent is given by the employee, the employer or plan administrator may request from the department the benefit information online or by another method approved by the department. The request shall include:

(A) The employee's name;

(B) The employee's Social Security Number or Individual Taxpayer Identification Number; (C) The employee's contact information;

(b) The request to the department may be submitted online or by another method approved by the department. (c) If consent is not given by the employee, the employee may also request the benefit information from the department online or by another method approved by the department.

(4) If the department receives a request for benefit information in accordance with section (3) of this rule, the department will respond to the request for information within 10 calendar days of the date of the request. If the department is not able to provide information for any reason, the department may contact the employee directly to seek the necessary information. This includes, but is not limited to:

(a) Requesting missing subject wage information; (b)

Correcting subject wage information; or

(c) Correcting taxpayer identification number information.

Statutory/Other Authority: ORS 657B.340, ORS 657B.210

Statutes/Other Implemented: ORS 657B.210

RULE SUMMARY: Clarifies how the weekly benefit amount will be prorated when an employee is simultaneously covered by more than one equivalent plan or the Paid Family and Medical Leave Insurance program.

CHANGES TO RULE:

471-070-2270

Equivalent Plans: Proration of Benefit Amounts for Simultaneous Coverage

(1) An employee is considered to have simultaneous coverage when the employee is covered by more than one employer's equivalent plan at the same time or is covered by the Oregon Paid Family and Medical Leave Insurance (PFMLI) program established under ORS chapter 657B and at least one employer with an equivalent plan, at the same time. An employee does not have simultaneous coverage if they work for multiple employers covered by the Oregon PFMLI program.

Exhibit 014

(2) An employee with simultaneous coverage at the start of a leave event shall apply separately under all plans they are covered under and from which they are taking leave by following the respective application guidelines for each plan. An equivalent plan employer may ask an employee whether the employee has additional PFMLI coverage but may not require that the employee provide details on the other employers or the plans. The employer, employee, or administrator may request information from the department as described in OAR 471-070-2260.

(3) Each equivalent plan is required to pay benefit amounts that are equal to or greater than the benefits offered under the Oregon PFMLI program as described in OAR 471-070-2260 and ORS 657B.050 and applicable administrative rules. The department may provide information to equivalent plan employers or administrators regarding prorated benefits. Benefit amounts shall be prorated under each respective plan by prorating by the current days worked for each respective plan. The Oregon PFMLI program shall pay benefits based on the prorated amount and equivalent plans shall pay benefits equal to or greater than the prorated amount.

(4) The department shall calculate prorated benefit amounts when:

(a) The department receives an application for an employee that provides current employment information from an Oregon PFMLI program employer(s) and one or more equivalent plan employer(s). The department shall verify coverage under the equivalent plan as described in OAR 471-070-2230 to determine a prorated benefit amount for benefits offered under the Oregon PFMLI program.

(b) The department receives a request from an equivalent plan employer or administrator for an employee's benefit information in accordance with OAR 471-070-2260. The department shall verify whether the employee has coverage under more than one equivalent plan and, if covered, include the prorated benefit amounts to the employer. The department will provide prorated benefit amounts to any other equivalent plan employer or administrator that covers the employee also.

(5) Should the department receive information about changes in simultaneous coverage after information is provided to an equivalent plan employer or administrator in accordance with OAR 471-070-2260 and under this rule, the department shall calculate or re-calculate the proration, as applicable, and notify all employers, administrators, or employees of the change. Any overpayments made by the Oregon PFMLI program shall be recovered in accordance with OAR 471-070-1510.

Statutory/Other Authority: ORS 657B.340, ORS 657B.210

Statutes/Other Implemented: ORS 657B.210

**RULE SUMMARY:** Clarifies an equivalent plan employer's responsibility to include certain information in the written notice poster to employees and describes when the written notice poster must be displayed by the employer and in what language.

**CHANGES TO RULE:**

471-070-2330

Equivalent Plans: Written Notice Poster to Employees of Rights and Duties

(1) The director shall make available to all employers offering an approved equivalent plan, a Paid Family and Medical Leave Insurance (PFMLI) notice poster template that meets the requirements under this rule.

(2) An employer that offers a plan approved under ORS 657B.210 shall provide a written notice poster to employees that includes:

(a) Information about benefits available under the approved plan, including the duration of leave;

(b) The process for filing a claim to receive benefits under the plan, including any employee notice requirements and penalties established by the employer in accordance with ORS 657B.040, if applicable;

(c) The process for an employee to appeal to the employer or administrator based on a decision made by their employer or administrator as described in OAR 471-070-2220(13);

(d) The process for employee deductions used to finance the cost of the plan, if any;

(e) An employee's right to dispute a benefit determination after the appeal with the employer or administrator in the manner determined by the director under ORS 657B.420 and OAR 471-070-2400;

(f) A statement that discrimination and retaliatory personnel actions against an employee for inquiring about the family and medical leave insurance program established under ORS 657B.340, giving notification of leave under the program, taking leave under the program or claiming family and medical leave insurance benefits are prohibited;

(g) The right to job protection and benefits continuation under ORS 657B.060;

(h) The right of an employee to bring a civil action or to file a complaint for violation of ORS 657B.060 or 657B.070; and

(i) A statement that any health information related to family leave, medical leave or safe leave provided to an employer or plan administrator by an employee is confidential and may not be released without the permission of the employee unless state or federal law or a court order permits or requires disclosure.

(3)(a) Each employer must display the notice poster in each of the employer's buildings or worksites in an area that is accessible to and regularly frequented by employees; and

(b) An employer with employee(s) assigned to remote work must provide, by hand delivery, regular mail, or

Exhibit 014

through an electronic delivery method, a copy of the notice poster to each employee assigned to remote work. The notice poster must be delivered or sent to each employee assigned to remote work upon the employee's hire or assignment to remote work.

(4)(a) For employers that have employee(s) working in buildings or worksites, the notice poster displayed under (3)(a) of this rule by the employer must be displayed in the language the employer typically uses to communicate with the employee. If the employer uses more than one language to communicate with employees assigned to a building or worksite, then the employer must display copies of the notice poster in each of the languages that the employer would typically use to communicate with the employees assigned to that building or worksite; And

(b) For employers that have employee(s) assigned to remote work, the notice poster provided under (3)(b) of this rule by the employer must be provided in the language the employer typically uses to communicate with each employee assigned to remote work.

(5) An employer with an equivalent plan that does not provide coverage on the employee's first day of employment must additionally provide written notice poster to newly hired employees as described in OAR 471-070-1300.

[Publications: Contact the Oregon Employment Department for information about how to obtain a copy of the publication referred to or incorporated by reference in this rule.]

Statutory/Other Authority: ORS 657B.340

Statutes/Other Implemented: ORS 657B.210, 657B.070

Cindy Goff

Vice President, Supplemental Benefits and Group Insurance  
101 Constitution Ave. NW, Suite 700  
Washington, DC 20004

August 1, 2022

Oregon Employment Department/Paid Leave Oregon  
P.O. Box 14151  
Salem, OR 97311  
via email: to [OED\\_Rules@employ.oregon.gov](mailto:OED_Rules@employ.oregon.gov).

**RE: Comments regarding Paid Leave Oregon's draft PFML Regulations – Batch 4 Parts 1 and 2**

To whom it may concern,

I am writing on behalf of the American Council of Life Insurers and our member companies that are stakeholders in the development of paid family and medical leave programs in Oregon and throughout the country. ACLI is the leading trade association representing the life insurance industry in the United States. Financial security is ACLI members' core business. 90 million families rely on the life insurance industry for financial protection and retirement security. We offer the following comments regarding Batch 4 Parts 1 and 2 for your consideration.

In this letter, we offer the top two priority comments and then include other recommendations to clarify and offer best practices based on experience in other states.

- **471-070-2205 (4)(a)(A) Payroll Deduction Requirement**
  - This section indicates that employers are required to withhold employee contributions beginning January 1, 2023 until the equivalent plan application is approved. As ORS 657B.150(5) allows employers to pay all or part of the employee contributions, and some employers may wish to pay the full cost of the program, we suggest that the requirement that the employer “shall” withhold employee contributions be changed to “may”. Suggested language changes are below:

(4)(a) If an employer is unable to submit an equivalent plan application by the dates described in section (3)(a) of this rule, the department is allowing an interim solution under which the employer may submit a signed and certified Declaration of Intent acknowledging and agreeing to the following conditions:

(A) Beginning January 1, 2023, and continuing until the department has approved the equivalent plan application, the employer ~~shall~~ **may** deduct employee contributions from the subject wages of each employee in an amount that is equal to 60 percent of the total contribution rate determined in OAR 471-070-3010.

American Council of Life Insurers | 101 Constitution Ave, NW, Suite 700 | Washington, DC 20001-2133

The American Council of Life Insurers (ACLI) is the leading trade association driving public policy and advocacy on behalf of the life insurance industry. 90 million American families rely on the life insurance industry for financial protection and retirement security. ACLI's member companies are dedicated to protecting consumers' financial wellbeing through life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, and dental, vision and other supplemental benefits. ACLI's 280 member companies represent 94 percent of industry assets in the United States.

- (B) The employer shall hold any moneys collected under this section in trust for the State of Oregon but will not be required to pay employer contributions or remit the withheld employee contributions to the department, unless the department does not receive an equivalent plan application as described in section (3) of this rule or the Declaration of Intent is cancelled as described in this subsection and sections (5) and (6) of this rule.
- (C) The employer must submit the Declaration of Intent to the department no later than November 30, 2022.
- (D) The employer must submit an equivalent plan application no later than the May 31, 2023, deadline as described in section (3) of this rule.

(b) If an equivalent plan application is not received by the department by May 31, 2023, the Declaration of Intent is cancelled and no longer effective. The employer is then responsible for paying an amount equal to the sum of all unpaid employer contributions and ~~remitting~~ all unpaid employee contributions ~~due that were held in trust for the State of Oregon~~ for periods beginning on or after January 1, 2023, and is subject to penalties and interest as described in section (6) of this rule.

(5) An employer that submitted an equivalent plan application or a Declaration of Intent as described in sections (3) and (4) of this rule, may cancel the request for approval or the Declaration of Intent by contacting the department. The employer is then responsible for paying and remitting an amount equal to the sum of all unpaid employer and employee contribution payments due for periods beginning on or after January 1, 2023 and is subject to penalties and interest as described in section (7) of this rule.

- **471-070-2205(3)(a): Equivalent plan availability and application**
  - We first want to express our gratitude for the inclusion of the ability of employers to submit a Declaration of Intent according to the outline you have specified in the proposed rule. We believe this option demonstrates recognition to those employers interested in maintaining or accessing private options that their preferences are important.
  - To that end we have made suggestions to the Oregon Department of Financial Regulation (DFR) on other ideas to speed up the filing and approval process such as not requiring rate filings (which are not required on disability income products in OR and are not necessary as a consumer protection mechanism for PFML equivalent plans since the employee contribution is capped and rates will closely align with the state rate), and ideas for standardization of filing checklists to make it easier for the DFR to review filings for inclusiveness of all PFML requirements.
  - One area of remaining concern in the timing process is related to exemption from quarterly contribution payments for those opting for equivalent plans. To be exempt from paying required quarterly contribution payments to the Oregon PFML program in accordance with ORS 657B.150 and OAR 471-070-3030(6), an employer that is going to provide its employees with an equivalent plan as of September 3, 2023, must receive approval of an equivalent plan application. The equivalent plan application must be submitted to the department by November 30, 2022 and approved by December 31, 2022. We understand that the equivalent plan



application will need to be supported by a copy of the fully insured policy for a fully insured equivalent plan or the plan document for an employer-administered equivalent plan. Typically, carriers are not expected to issue policies until the plan is effective, or until 9/3/23. It would be a significant challenge for a carrier to issue a policy first to support an employer's equivalent plan application since the policy is typically among the last steps in the implementation process. This is to avoid a misimpression that coverage is in effect prior to the policy effective date. Also, carriers have to gather plan parameters and other structure to be able to accurately build the policy. As a result, it's commonplace for a policy to not be issued until right before the plan is active.

- We therefore recommend that employers be allowed to submit a sample policy as supporting documentation for an equivalent plan application until 9/3/23.

### Clarifying Recommendations

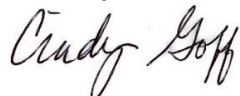
To enhance clarity of other rules in Batch 4, we offer the following recommendations in the order in which they appear in the proposed rule.

- **471-070-1500 Benefits: Review of Overpaid Benefits**
  - We request confirmation that equivalent plans will be able to use a similar process that is no more restrictive to recuperate overpayments (regardless of whether that is clarified in the benefits or equivalent plan sections).
- **471-070-1560(1) Applicability of claimant misrepresentation provision to equivalent plans**
  - This section states that it is unlawful for a claimant to willfully make false statements or fail to report material facts. Because employers with equivalent plans should have recourse to report claimants who fraudulently obtain PFML benefits we recommend adding a provision that explicitly specifies that this section applies to equivalent plans and that employers may report fraudulent claims to Paid Leave Oregon for further investigation.
- **471-070-2200: Definition of “administrative costs” and 741-070-2230(3): Employer Reporting Requirements for administrative costs**
  - We recommend that this requirement only be placed on employer-administered equivalent plans since the state will be receiving quarterly reports showing the employee contributions taken, if any. We submit that this is unnecessary for an employer using a fully insured equivalent plan as they are not bearing the financial risk for that plan, only paying premium. Whereas the relevant administration fees would only be charged for an employer taking on the responsibility in an employer-administered equivalent plan.
- **471-070-2205(7)(b): Penalties and Interest**
  - For the sake of transparency and predictability for the employer, we recommend that Paid Leave Oregon specify what penalties and interest will be charged for failure to secure an equivalent plan and how such penalties will be applied.

- **471-070-2220(13): Equivalent Plan Requirements**
  - We recommend adding the words “or administrator” after the words “also requires the employer ...”. This recognizes that often an employer is relying on an administrator to perform these functions.
  
- **471-070-2230(2): Employer Reporting Requirements**
  - We recommend the annual claims report be submitted by March 31 of each respective year. Currently, the rules require reports to be submitted 30 days after the year end but that does not provide employers with enough time to coordinate payments for opened but time not yet reported and therefore benefits not yet paid. We recommend following a similar timeframe as other states by requiring that all of these reports be filed at the end of the quarter following the close of the calendar year.
  
- **471-070-2250(1)(c) Employee Coverage Requirements**
  - We request clarification as to whether and how contributions would be made to the state program for any employee who would need state coverage from hire date to day 30 if the employee does not qualify for equivalent plan for 30 days per (1)(c). All employees who were not previously covered as described under subsections (a) or (b) of this section must be covered by the employer’s equivalent plan within 30 days of their start date. Will the state be foregoing contributions for that 30-day period similar to Washington?
  
- **471-070-2260 Benefit Amounts**
  - We request confirmation that removing the language regarding the establishment of a benefit year gives equivalent plans the option of having their own benefit year versus reaching out to the state regarding prior claims, since it can be perceived as a better plan if the equivalent plan offers more time than the state’s minimum weeks of coverage.
  
- **471-070-8030(2): Appeals – Notice of Hearing**
  - We request that Equivalent Plan Administrators be added to the list of parties to be notified of a hearing.

We want to thank you again for your inclusive process and for the many opportunities you have given us to comment. Please don’t hesitate to contact me if you need more information or would like to ask me or the ACLI members any questions. We look forward to our continued participation in this important work.

Sincerely,



Cindy Goff  
(612) 242-3390

cc: John Mangan, ACLI  
Steve Clayburn, ACLI  
Jill Rickard, ACLI



**From:** Aruna Masih <aruna@bennetthartman.com>  
**Sent:** Monday, August 1, 2022 4:55 PM  
**To:** OED\_RULES \* OED <OED\_RULES@employ.oregon.gov>  
**Cc:** Karl Koenig (karlk@osffc.org) <karlk@osffc.org>  
**Subject:** PFMLI Batch 4 Rules - OSFFC Comments

Dear Rules Coordinator,

I am writing on behalf of the Oregon State Fire Fighters Council (OSFFC) to provide input regarding Batch 4 of the proposed rules regarding Equivalent Plans, Contributions, and Appeals for the Paid Family and Medical Leave Insurance. The OSFFC supports the comments submitted by others in the Time to Care coalition.

In addition, OSFFC offers the following input which may not have been addressed by others:

Contributions:

471-070-3040(4) - should clarify that nothing in this section is intended change any obligations employers may have under the Public Employee Collective Bargaining Act (PECBA)

471-070-3040(5) - should not reduce any rights employees may currently have under ORS 652.610 which does not allow an employer to make deductions from employee wages based solely on an "employer policy."

471-070-8540 - should be amended to cover a failure to file contributions and any penalties for that violation as provided for in ORS 657B.910.

Equivalent Plans:

471-070-2205(4)(a)(A) – mandatory deduction does not take into account a situation in which a labor organization may have bargained a pick-up of the contribution under ORS 657B.210(5)(a)

471-070-2230(2)and (3) – the word “and” should replace “or” in the phrase “calendar year or along with application for reapproval process.”

471-070-2250(1)(c) – does not appear to cover the situation when the whole group starts off as being covered under an “equivalent plan”

471-070-2260(3)(a) – appears to include information that should already be in the possession of the employer and may create some opportunity to for intimidation of employees early in the process.

471-070-2270(2) – there may be legitimate reasons why an employee would only file with one but not all plans and the rule should account for that. Examples include “own-occupation” disability.

Appeals:

471-070-8010(2) –the ALJ should not be permitted to dismiss if there is new evidence that wasn’t available before

471-070-8030 –While it may be rare, opportunity for employee labor organization to intervene should be provided.

471-070-8035 –There doesn’t appear to be any reference regarding the right to go to circuit court to enforce subpoenas.

471-070-8045 (4) – If a party has to get their exhibits in to everyone 7 days before the hearing, and they only get the hearing notice 14 days before the hearing under 471-070-8030(1), they will only have 7 days to prepare their evidence. While such tight timelines might be acceptable in an unemployment hearing, employees in need of leave may not be able to meet these tight timelines.

471-070-8050(5)(d) – the ALJ’s explanation of the issues should be “on the record” so that the rights on appeal are protected if the ALJ makes an error that causes harm to the employee

471-070-8050(6) –Reference to in camera review on privilege issues should be made.

471-070-8050(7) – What does it mean that the ALJ “may offer” evidence; they are the decision-maker

471-070-8065 (4) – the ALJ decision should include a section on evidentiary rulings.

471-070-8070(3)(a) – Cross-reference should be made to good cause; dismissal should only be permitted upon a finding that the party failed to timely file AND there is no good cause for that failure. This is especially important if the timelines will be short.

Thank you for your attention this matter and to the concerns of the community.



Aruna A. Masih (she/her)  
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**From:** Lisa Kwon <lisakwon@familyforward.org>  
**Sent:** Monday, August 1, 2022 5:45 PM  
**To:** OED\_RULES \* OED <OED\_RULES@employ.oregon.gov>; BALL Shannon L \* OED <Shannon.L.BALL@employ.oregon.gov>; HUMELBAUGH Karen M <karen.m.humelbaugh@employ.oregon.gov>  
**Cc:** Courtney Helstein <courtney@familyforward.org>  
**Subject:** Batch 4 Rules Written Comments from Time to Care Oregon

Good evening,

Please see attached the Time to Care coalition's written feedback to the Batch 4 rules. I am happy to answer any follow up questions-- thank you.

Best,  
Lisa



Lisa Kwon (she/her)  
Policy Manager  
Family Forward Oregon & Family Forward Action  
PO Box 15146, Portland, OR 97293  
Cell: 971-295-9463



Join our Facebook group, [Movement for Mamas & Caregivers](#), where we are sharing resources and working together to fight for racial, gender, and economic justice.

# Time *to* Care OREGON

August 1, 2022

To: Karen Humelbaugh and PFMLI Policy Team, Oregon Employment Department

From: Time to Care Oregon Coalition

RE: PFML Batch 4 Draft Rules

Thank you for the opportunity to provide feedback on Batch 4 of proposed rules regarding Equivalent Plans, Contributions, and Appeals for Paid Leave Oregon. Family Forward Oregon is submitting this feedback on behalf of Time to Care Oregon, a coalition of community based organizations and labor unions serving low wage workers, caregivers, families, and immigrant communities, who worked to pass our state's historic paid family and medical leave program in 2019.

We acknowledge and appreciate the changes the department has made to this current batch of rules based on our previous written feedback. However, we continue to have serious concerns over the multiple exceptions for employers under equivalent plans, specifically regarding declaration of intents and reporting requirements. We strongly suggest that the equivalent plan reporting requirements rules align with the same reporting requirements for the state program, which means that employers must report *quarterly* aggregate financial and benefit usage reports. This information around accessibility will be crucial to collect especially in the beginning stages of the program.

Thank you for your consideration of our coalition's feedback.

## **Equivalent Plans**

### 471-070-2200 – Equivalent Plans: Definitions [Amended]

We support the proposed definitions as written. As previously flagged, Declaration of Intent is not a defined term in the PFMLI statute but is fine as proposed. We are concerned, however, with the function of declarations of intent, as explained below.

### 471-070-2205 – Equivalent Plans: Declaration of Intent to Obtain Approval of Equivalent Plan

We are glad that the department clarified that approved equivalent plans that are approved prior to September 3, 2023 become effective on September 3, 2023, as previously suggested.

We appreciate the amendments to paragraph (3)(a) because the PFMLI statute is clear that only employers with *approved* equivalent plans do not have to pay contributions to the PFMLI fund (ORS § 657B.210(4)); all other employers, including those who have applied for approval of an

# Time *to* Care OREGON

equivalent plan but have not yet had their plan approved by the department, are required to remit contributions pursuant to ORS § 657B.150(1)(a).

We appreciate the amendment to paragraph (3)(b) to make it clear that employers that submit an equivalent plan application on or after June 1, 2023 are liable for all contributions required prior to the effective date of the equivalent plan.

**We strongly advise deleting paragraph (4) in its entirety.** There should be no work-around solution for employers who fail to timely submit their applications for equivalent plans—employers who fail to comply with deadlines should not be entrusted with operating equivalent plans that provide such vital benefits to workers.

- We are vehemently opposed to paragraphs (4)(a)(1), (2) which requires employers who have submitted a declaration of intent to withhold contributions from employees without submitting employee or employer contributions to the department. This is contrary to the statute, which requires that all employers submit employer and employee contributions once contributions are required unless and until they have an *approved* equivalent plan. ORS §§ 657B.210 (4), 657B.150(1)(a). The submission of a declaration of intent does not equate to approval of an equivalent plan—this paragraph should be deleted pursuant to the PFMLI statute.
- Additionally, (4)(a)(2) states that contributions collected by an employer who has merely submitted a declaration of intent “will not be required to . . . [be] remit[ted] . . . to the department, unless the department does not receive an equivalent plan application . . . or the Declaration of Intent is cancelled . . . .” As a bare minimum, we urge the department to amend this paragraph to require contributions to be paid to the PFMLI fund if the application for an equivalent plan is not approved.
- It is extremely concerning that paragraph (4)(b) has been amended so that employers whose applications for equivalent plans are denied are no longer required to remit contributions owed to the department. At minimum, this requirement should be included in the regulations so that employers whose applications are denied or have not been approved by the department, in addition to employers who never submit an application for an equivalent plan, must also remit all contributions owed.

**As previously explained, we advise amending paragraph (6) to read “shall cancel” rather than “may cancel” in accordance with ORS 657B.220(2), which states that the director**

# Time *to* Care OREGON

**“shall” terminate a plan that is not compliant with the law.** All of the grounds for cancellation listed in paragraph (6) would be in violation of the requirements for approved equivalent plans, and therefore the department is required to cancel or terminate them pursuant to the PFMLI statute.

We strongly approve of paragraph (7), which requires that employers with approved private plans that are cancelled must remit contributions due for periods beginning on or after January 1, 2023 and explicitly states that employers cannot charge said contributions to employees. These are important safeguards to include in these regulations.

**We strongly advise deleting paragraph (9), which would delay the effective date of section (3) until Sept. 3, 2023, rendering the compliance dates moot.**

## 471-070-2230 – Equivalent Plans: Reporting Requirements

**Throughout the amended language in this section, we strongly advise specifying that the department means employers with approved equivalent plans.** We are particularly concerned about instances where “approved” has been deleted, such as in paragraph (4). Under no circumstances should an equivalent plan be operating without the department’s approval.

**We strongly recommend reverting paragraph (2) to as it was before. Reporting should be quarterly instead of annually, as it is for all other employers.**

- Additionally, the contents of the report at (2)(a)-(c) should be amended to require detailed information about each individual claimant, including those who are denied by the private plan, as was required from a previous batch of regulations in September 2021. This information will be extremely valuable to the department in overseeing the equivalent plans to ensure they are fulfilling their obligations to workers.

**Similarly, in paragraph (3), we strongly recommend requiring reporting quarterly.**

Additionally, this information should be required even if the employer is covering the full cost—the department must monitor all private plans to ensure that workers under the plan have access to paid family and medical leave as provided pursuant to the statute.

**In paragraph (4), we strongly recommend including “amount of leave taken during that benefit year and the qualifying leave purpose, if applicable,” as included in the previous batch of regs, in place of “the duration of leave remaining in the benefit year,” which is currently used.** This’ll be important so that the department ensures that workers are able to take

# Time *to* Care OREGON

the full amount of leave to which they are entitled in instances where workers transition from coverage under an approved equivalent plan to state plan coverage.

## **471-070-2250 – Equivalent Plans: Employee Coverage Requirements**

**We strongly recommend reinserting paragraph (4) as drafted in the previous draft rules, so that employees have coverage under a private plan as soon as they are statutorily required to have coverage.** That paragraph importantly provided that employers with an approved equivalent plan that does not immediately cover all employees must request information from the department regarding a new employee’s previous PFMLI coverage—this information can then be used by the employer to determine whether they must immediately cover the employee under the equivalent plan pursuant to ORS 657B.250(2)(b). At the very least, we recommend specifying that the department will give this information to employers with an approved private plan.

**We strongly suggest reinserting the paragraphs labeled as (5) and (6) in the previous batch of regulations, which explain that employers with private plans may still have contributions due to the PFMLI fund under certain circumstances.**

## **471-070-2270 – Equivalent Plans: Proration of Benefit Amounts for Simultaneous Coverage**

**We strongly recommend that paragraphs (3) and (4) be amended to clarify that a worker may take leave from one employer, while still working for another.** Thus, whether a worker’s benefits are “prorated” will differ depending on an employee’s specific leave circumstances. With this amendment incorporated, an example of a worker’s benefits while on leave from one job but not another would be helpful.

**Additionally, in instances where a worker has simultaneous coverage and takes leave from more than one employer, we recommend prorating benefits based on the proportion of a worker’s wages yielded from each employer.** For example, if Worker A works for Employer 1 during the day where she earns most of her income, and she works for Employer 2 on the weekends for supplemental income, and Employer 1 has an approved equivalent plan while Employer 2 is covered by the state PFMLI plan, then the majority of Worker A’s benefits should be paid for by Employer 1. Prorating benefits in proportion to the worker’s wages yielded from each employer will prevent a burdensome drain on the PFMLI fund.

## **471-070-2330 – Equivalent Plans: Written Notice Poster to Employees of Rights and Duties**



# Time *to* Care OREGON

Generally, this section closely matches the requirements of the proposed regulations at OAR 471-0700-1300 regarding written notice to employees for employers covered under the state plan. We appreciate subsection (3)(b), which requires that notice for remote employees be delivered via hand delivery or regular mail to each employee's individual worksite.

**We recommend restoring the provision from paragraph (4) that explained that electronic posting is supplemental but does not satisfy posting requirements.** This closely matched the posting regulations for OFLA at OAR 839-009-0300(2).

**We strongly recommend bringing back paragraph (7), which clarifies that failure to display or provide notice under this rule is an “unlawful employment practice” pursuant to ORS § 657B.070.** The department's understanding that failure to provide notice is equivalent to interference with a right to which workers are entitled under the PFMLI law is important.

## Contributions

### 471-070-0400 Wages: Definitions

The impact of the “agricultural labor” definition means that many agricultural workers will be treated worse than any workers in the context of this leave program. Other workers, like construction workers, will have the value of any non-cash remuneration, such as housing provided by the employer, included in their wages such that their potential benefit level would be higher. Agricultural workers who fall within the definition will not have any non-cash remuneration included as wages so their potential benefit levels will not reflect these values.

Historically, our laws include many incidences of treating agricultural workers and domestic workers differently than other workers, which is rooted in racism. **We oppose treating agricultural workers differently than other workers, except in situations where specific support or assistance is being provided to agricultural workers to work to overcome or remedy past harm and exclusion.** At this time, we understand the statutory constraints and understand that the department needs to define ‘agricultural labor’. We note that there are many different definitions of agriculture or agricultural worker throughout state and federal laws and regulations. **We support the most restricted definition of agricultural worker such that it negatively impacts as few workers as possible.**

**In addition, we strongly suggest that the rules clarify that an employer may not evict an employee from employer-provided housing during that employee's approved leave.** If it were to be allowed, it would serve as a form of prohibited retaliation and have negative impacts on the employee's safety and health and that of his or her family.

### 471-070-0010 Contributions: Definitions

# Time *to* Care OREGON

We support the proposed definitions of “Paid Leave Oregon” and “Paid Leave” as written.

471-070-2100 Tribal Government: Election Requirements and Effective Date

471-070-2180 Tribal Government: Termination

We appreciate that the agency has accepted our suggestion and added paragraph 4 to specify the state the effective date of tribal government coverage in the first section.

471-070-3040 Contributions: Withholding of Employee Contributions

In paragraph (2), the date should be changed from January 1, 2024 to January 1, 2023.

We strongly approve of the proposed regulations at paragraph (2), (3), and (4). These provisions will prevent employers from unfairly charging employees for employee contributions that they failed to timely collect.

**We strongly recommend deleting paragraph (5), which would potentially allow employers to deduct more than 60% of the total contribution rate from employee wages, which is the maximum deduction pursuant to the PFMLI statute at ORS 657B.150(2)(b). We believe that under no circumstances should the maximum deduction allowed pursuant to the statute be waived.** Paragraph (5), would also concerningly allow employers to recoup contributions paid by the employer on the employee’s behalf “until the proper employee contribution amount is collected.” This language could set employees up to be financially liable for contributions well past the pay period in which the contributions should have been collected. **At minimum, we suggest revising this second sentence of paragraph (5) to make it clear that employers cannot collect employee contributions for a pay period more than a month beyond that pay period.** To ensure that employees never have to contribute more than the statutorily required rate, and can reliably understand their PFMLI contributions, we strongly advise the department to delete paragraph (5), or revise it as we suggest.

471-070-3100 Contributions: Place of Performance

Paragraph (1) matches the PFMLI statute at ORS 657B.175 and paragraph (2) closely aligns with the unemployment insurance statute at ORS 657.035(1). We support this section as written. Similar standards for determining which work is sufficiently connected to the state are used in many other state paid leave programs. We urge the adoption of a matching standard for work qualifications for the purpose of benefit determinations.

471-070-3130 Contributions: Successor in Interest Unpaid Contribution Liability

We support paragraphs (1) to (5) as written and have no concerns.

# Time *to* Care OREGON

## 471-070-3340 Contributions: Overpayment Refunds

We support this section as written.

## 471-070-8540 Penalty Amount When Employer Fails to File Report

**We strongly recommend amending paragraph (1) so that it is clear that the department may assess late filing penalties when employers fail to timely pay their contributions.**

Specifically, we recommend amending paragraph (1) to read as follows:

*(1) If an employer fails to file all required reports or pay all required contributions within the time period described in ORS 657B.920(2), the department may assess a late filing penalty in addition to any other amounts due.*

Pursuant to the PFMLI statute (ORS §§ 657B.150(12)), reports and contributions are to be submitted together to the department, so employers who do not timely pay contributions should be subject to fines, just as employers who fail to timely submit reports are under the proposed regulations. This amendment would also match the text of the previous draft of proposed regulations.

## **Appeals**

### Appeals: Request for Hearings

In paragraph (1), we appreciate that a form may not be needed to request a hearing in certain circumstances. This exception will increase access to hearings on appeal.

In paragraph (2), we are glad to see that requests for a hearing pursuant to ORS §§ 657B.100 and 657B.120 can be filed for up to 60 days after the administrative decision is filed. We are also pleased to see that requests for a hearing can also be filed through the department's website, which is an acceptable method for filing different requests for hearing under this section of the proposed regulations.

We are also glad to see that pursuant to paragraph (5), non-contested benefit payments will not be stayed following a request for hearing. This will ensure that workers still have access to benefits to which they are entitled while matters in dispute are settled.

### Appeals: Assignment to Office of Administrative Hearings

**Throughout this section, we strongly recommend revisiting which parties may request hearings pursuant to the PMFLI statute and clarifying that the parties to a hearing will**

# Time *to* Care OREGON

**differ depending on the grounds for the hearing.** Specifically, the PFMLI statute at ORS 657B.410 dictates instances where employers may request hearings and instances where a covered individual may request hearings. For example, pursuant to ORS 657B.410, only a covered individual—not an employer—may request a hearing regarding a PFMLI claim determination. In addition to being contrary to the statute, and as explained below, it would be both unusual and extremely concerning to allow employers to request a hearing regarding a worker’s PFMLI benefit determination. Unlike, for example, unemployment insurance, where employers have a stake in the process because of the impact of UI claims on the rates they must pay for coverage, employer rates do not change because of PFMLI claims. Revising this section to be in line with the statute will ensure that the regulations are applied as intended by the law.

## Appeals: Contested Case Proceedings Interpretation for Non- English speaking persons

**In subsection (2)(a), we recommend amending the definition of “non-English-speaking person” to also include a person who prefers to speak another language.** While we understand that the proffered definition is based off of the definition of a “limited English proficient person” in the unemployment insurance appeals regulations at OAR 471-040-0007(2)(a), this amendment will ensure that whether workers have an “adequate ability to communicate effectively in the proceedings” is not a barrier that workers must overcome before having access to a hearing in their preferred language. We appreciate the comprehensive definition of “qualified interpreter” at subsection (2)(b).

In paragraph (3), the proposed rules state that for conducting contested case proceedings under this rule, the department will “comply with the applicable provisions of ORS §§ 45.272 to 45.292.” The statutory provisions seem fine and are mostly captured within these proposed regulations.

**We are concerned about paragraph (4)(f), which would burden a worker with additional out of pocket costs for the purposes of hiring a substitute interpreter if the substitute interpreter is used for reasons beyond “good cause”.** If a non-English speaker is dissatisfied with an interpreter originally appointed by the judge, all costs to work with a substitute interpreter should be covered by the department. There may be many various reasons as to why an interpreter appointed by a judge won’t be a good fit for the individual needing interpretation services, and the individual requesting a hearing should not bear the financial burden.

Pursuant to subsection (7)(b), the request for an interpreter must be made no later than 14 calendar days before the proceeding. **We strongly recommend amending this requirement so that an interpreter must be requested no later than 7 calendar days before the proceeding by the non-English-speaking person, rather than requiring adherence to the current requirement of no later than 14 calendar days before the proceeding.** This is a needed

# Time *to* Care OREGON

change because pursuant to the proposed rule at 471-070-8030, workers may only receive 14 days' notice of a hearing, and in some cases, they may receive less than 14 days' notice.

We are very glad to see that paragraph (7) requires the department to provide OAH notice of a non-English-speaking persons in need of an interpreter when the department is on notice of the need. **We recommend clarifying what it means for the department to be “on notice” that someone needs an interpreter.** The department should be responsible for proactively ensuring that all those who need language assistance receive it. The department is especially well-suited to understand a worker's language access needs after presumably having corresponded with the worker while the worker's application for benefits was under review.

## Appeals: Contested Case Proceedings Interpretation for Individuals with a Disability

**Here, we recommend adding a requirement, as provided pursuant to 471-070-8015(7), that the department provide OAH notice of a person with a disability's need for an interpreter when the department is on notice of the need, coupled with a clarification of what it means for the department to be “on notice” that someone needs an interpreter.** The department should be responsible for proactively ensuring that all those who need interpretive assistance receive it. The department is especially well-suited to understand a worker's language access needs after presumably having corresponded with the worker while the worker's application for benefits was under review.

Currently, under subsection (3)(a), any party or witness may request proceeding with an interpreter who is not certified under ORS § 45.291. **We strongly recommend amending this subsection so that only the requesting party may waive their right to a certified interpreter.** This is especially important here, as persons with disabilities should have access to certified interpreters unless they otherwise desire. **Similarly, we recommend amending subsection (3)(c) so that only the person who requested an interpreter can request a different interpreter if dissatisfied with an interpreter.**

As above at 471-070-8015(7)(b), pursuant to subsection (6), the request for an interpreter must be made no later than 14 calendar days before the proceeding. **We strongly recommend amending this requirement so that an interpreter must be requested no later than 7 calendar days before the proceeding by the person with a disability, rather than requiring adherence to the current requirement of no later than 14 calendar days before the proceeding.** This is a needed change because pursuant to the proposed rule at 471-070-8030, workers may only receive 14 days' notice of a hearing, and in some cases, they may receive less than 14 days' notice.

## Appeals: Late Request for Hearing

# Time *to* Care OREGON

We appreciate that the definition of “good cause” has been amended to include a person's inability to meet a deadline for health reasons or due to incapacity. We recommend that the draft rules also provide examples or references to other potential sources of good cause (for example, a worker who does not see a denial of a claim because the worker has gone to another state or country to urgently care for an ill loved one).

## Appeals: Notice of Hearing

We appreciate and strongly support that the agency has removed paragraph 2(c), which included the employer as a party that should be notified of a hearing. The benefits appeals process should be between the worker and the state (or equivalent plan) and the employer should have *no* role.

**We recommend amending paragraph (3), which incorrectly suggests that other than for hearings in relation to “a benefit claim” pursuant to paragraph (2)(c), only the director and the employer are parties to all other hearings.** According to ORS 657B.410, covered individuals are a party to a hearing with the director in relation to a claim or benefits decision as well as a determination in relation to disqualification for benefits or repayment of benefits. For example, if a covered individual is disqualified from benefits because the director has determined that they willfully made a false statement pursuant to ORS 657B.120(3), the individual is entitled to appeal their disqualification pursuant to ORS 657B.410. Thus, we strongly recommend that this provision be amended to recognize the full scope of a covered individual’s rights to appeal pursuant to the statute.

## Appeals: Subpoenas

Paragraphs (2) through (7) of this section are substantively identical to existing Employment Department regulations for unemployment insurance appeals at OAR 471-040-0020(2)-(7) and are fine as written.

## Appeals: Individually Identifiable Health Information

We support these proposed rules as written.

## Appeals: Postponement of Hearing

We support these proposed rules as written.

## Appeals: Telephone and Video Conference Hearings

We appreciate specifying in rule that hearings may be held over telephone or virtually, as opposed to being held solely in-person. We support these proposed rules as written.

## Appeals: The Hearing

# Time *to* Care OREGON

We support these proposed rules as written.

## Appeals: Continuance of Hearing

We support these proposed rules as written.

## Appeals: Office of Administrative Hearings Transmittal of Questions

We support these proposed rules as written.

## Appeals: Administrative Law Judge's Decision

**We strongly recommend amending paragraph (4) to also require that the ALJ's decision, or notice of the ALJ's decision, include notice to the parties that the ALJ's decision is subject to judicial review within 60 days pursuant to ORS § 657B.410(2).** Workers should be informed of their access to judicial review in instances where the ALJ's determination is undesirable.

## Appeals: Dismissals of Requests for Hearing

Pursuant to both paragraph (4) and subsection (6)(a), a party whose request for a hearing has been dismissed has 20 days to request to reopen the hearing. While we understand that this timeline is based off of existing Employment Department regulations for unemployment insurance appeals at OAR 471-040-0040, **we recommend extending this timeline to at least 60 days, as covered individuals who may wish to reopen a hearing may be unable to respond within such a short timeline given the circumstances for which they need paid family or medical leave.**

## Appeals: Reopening of a Hearing

We suggest considering in this section, whether excluding the failure to understand the implications of a decision or notice from the definition of good cause pursuant to subsection (2)(b)(B) is appropriate in the context of paid family and medical leave. Particularly in the case of workers on medical leave, there may be legitimate medical reasons why a worker would fail to comprehend a decision or notice. **To ensure that no worker is unable to claim benefits for failure to understand a decision or notice, we recommend striking subsection (2)(b)(B).** Alternatively, if striking subsection (2)(b)(B) is not possible, we recommend amending it to read as follows:

- (b) Good cause does not include: . . .
- (B) Not understanding the implications of a decision or notice when it is received, unless, at the time of receipt, the party has or is recovering from a serious health



# Time *to* Care OREGON

condition that might impair their ability to understand the implications of a decision or notice.

We appreciate that the definition of “good cause” in paragraph (2) has been amended to include a person’s inability to meet a deadline for health reasons or due to incapacity. Paragraph (2) should also provide at least examples or references to other potential sources of good cause (for example, a worker who does not see a denial of a claim because the worker has gone to another state or country to urgently care for an ill loved one).

## Appeals: Late Request to Reopen Hearing

We suggest considering in this section, whether excluding the failure to understand the implications of a decision or notice from the definition of good cause pursuant to subsection (2)(b)(B) is appropriate in the context of paid family and medical leave. Particularly in the case of workers on medical leave, there may be legitimate medical reasons why a worker would fail to comprehend a decision or notice. **To ensure that no worker is unable to claim benefits for failure to understand a decision or notice, we recommend striking subsection (2)(b)(B).** Alternatively, if striking subsection (2)(b)(B) is not possible, we recommend amending it to read as follows:

(b) Good cause does not include: . . .

(B) Not understanding the implications of a decision or notice when it is received, unless, at the time of receipt, the party has or is recovering from a serious health condition that might impair their ability to understand the implications of a decision or notice.

We appreciate that the definition of “good cause” in paragraph (2) has also been amended here to include a person’s inability to meet a deadline for health reasons or due to incapacity.

Thank you for your consideration of our feedback.

Sincerely,

(Signed organizations below)



# Time *to* Care OREGON

