



Oregon

Tina Kotek, Governor



Workers'
Compensation
Division

Department of Consumer
and Business Services

August 8, 2025

To: Co-Chair Lewallen, and Co-Chair Strickland

From: Matt West, WCD Administrator

RE: Short (STD) and Long term (LTD) disability options

Thank you for the questions.

First, a few caveats:

- STD and LTD policies have waiting periods,
- maximum benefit durations,
- benefit limits, and
- deductible income provisions (where other income received, like from Paid Leave Oregon, would reduce the benefit amount).
- Finally, all STD and LTD policies are different so there is not a single answer to your question.

In general, STD policies have a minimum and maximum range benefit of 40-60% of the employee's income. Generally, the range is slightly higher for LTD, either 60% or 66%. There are no rules or statutes that regulate STD/LTD, and that it is an employer can offer these benefits to the employee.

These rates are the norm because they are the marketable policies, i.e., what matches with the employers' and employees' values and affordability.

Workers compensation benefits are considered Deductible Income from both STD/LTD policies, and policies also have minimum benefits (for example, if an insured receives WC and that benefit is greater than the LTD benefit, a minimum benefit can still be paid (it's typically a flat dollar amount, around \$25/week for STD and/or \$100/month for LTD, though this, too, can vary).

