Date prepared: February 3, 2026

Summer Tucker
Return to Work & Claims Administration Policy Analyst
Workers' Compensation Division
971-286-0308

SB 1519-2

Brief summary

Modifies workers' compensation law to increase the temporary disability benefit rate and permanent total disability rate.

Analysis

What the law currently does

Temporary disability benefits (ORS 656.210)

- If a worker is temporarily unable to work due to their injury, Oregon's workers' compensation law provides that they may receive temporary disability (TD) benefits based on their weekly wage. TD benefits are paid at the rate of 66 2/3% of the worker's gross weekly wage.
- TD benefits are subject to a maximum and a minimum. The maximum benefit is 133% of the state average weekly wage (SAWW). The minimum payment amount is 90% of wages a week, or the amount of $50 a week, whichever amount is less.
- Workers who are receiving TD benefits are eligible for an annual cost of living increase on July 1, based on any increase in the SAWW.

Permanent total disability benefits (ORS 656.206)

- If a worker is permanently incapacitated from regularly performing work at a gainful and suitable occupation, Oregon's workers' compensation law provides they may receive permanent total disability benefits (PTD). PTD benefits are paid at the rate of 66 2/3% of the worker's gross weekly wage.
- PTD benefits are subject to a maximum and a minimum. The maximum benefit is 133% of the SAWW. The minimum payment amount is 33% of the SAWW.

State average weekly wage (SAWW)

The SAWW is calculated annually by the Employment Department, and is the Oregon average weekly wage of workers in covered employment.

What will change if the bill is enacted

TD

The TD benefit rate would change from a flat rate to a tiered rate. Under SB 1519, a worker's TD benefit would be:

- 75% of the worker's wage that is equal to or less than 75% of the SAWW, ***and***
- 65% of the worker's wage that is greater than 75% of the SAWW.

For example, if a worker's weekly wage is $1,250, and 75% of the SAWW is $1,000, the worker's benefit would be $912.50. (75% of $1,000 added to 65% of $250.)

PTD

The PTD rate would change from a flat rate to a tiered rate. Under SB 1519, a worker's PTD benefit would be:

- 75% of the worker's wage that is equal to or less than 75% of the SAWW, ***and***
- 65% of the worker's wage that is greater than 75% of the SAWW.

The changes in the TD and PTD rates would be effective January 1, 2027, but would not be applied retroactively. The new rates would only apply to claims with a date of injury on or after January 1, 2027.

Likely impacts, results, or consequences if the bill is enacted

- TD and PTD benefits paid to injured workers would increase.
- Claim costs for insurers and self-insured employers would increase due to the higher benefit payments, which could result in an increase in workers' compensation insurance rates paid by employers.
- Overall, workers' compensation system costs would increase, and the higher TD and PTD rates will be an ongoing cost. In a draft analysis, the National Council on Compensation Insurance (NCCI) estimated that shifting to a tiered benefit would increase workers' compensation system costs by 3.1% ($25 million).[1]

Questions/relevant information for the bill sponsor or primary proponent

None.

---

[1] This estimate is based on NCCI's October 6, 2025 analysis, provided to the Management-Labor Advisory Committee. The analysis estimates the impact of a scenario that "…*would increase the compensation rate from 66 2/3% to 75% of the injured worker's wage, for all workers' wages up to 75% of the State Average Weekly Wage (SAWW). For any portion of wages above 75% of the SAWW, the compensation rate would decrease from 66 2/3% to 65%.*"

Legislative history

Has this bill been introduced in a prior session?

☐ No ☒ Yes Senate Bill 705 (2025)

Does this bill amend current state or federal law or programs?

☐ No ☒ Yes ORS 656.210, ORS 656.206

Is this bill related to a legal decision?

☒ No ☐ Yes

Should another DCBS division review this measure?

☐ No ☒ Yes Division of Financial Regulation

Other impacts

Does this bill have a fiscal impact to DCBS?

☐ No ☒ Yes ☐ Unknown

WCD has online calculators available to stakeholders for calculating TD and PTD payments. If SB 1519 is passed, DCBS will need to update the programing for this calculator. Additionally, some of the programming for the division's technical systems and resources will need to be updated. WCD will also need to update bulletins and webpages to reflect the new rates.

If Yes or Maybe, which section(s) of the bill trigger the fiscal impact?

Sections 1, 2 and 4.

Does this bill have an economic impact to stakeholders?

☐ No ☒ Yes ☐ Unknown

SB 1519 would apply to claims with a date of injury on or after January 1, 2027. For these claims, compared to current law, all workers would receive a higher TD or PTD benefit, if eligible for those benefits.

Claims costs for insurers and self-insured employers would increase due to higher benefit payments. This could result in an increase in workers' compensation insurance rates paid by employers.

Overall, workers' compensation system costs would increase, and the higher TD and PTD rates will be an ongoing cost. In a draft analysis, the National Council on Compensation Insurance (NCCI) has estimated that shifting to a tiered TD and PTD benefit would increase workers' compensation system costs by 3.1% ($25 million).[2]

Sponsors

Senator Taylor, American Federation of State, County and Municipal Employees (AFSCME), Associated General Contractors (AGC)

Possible interested stakeholders

Workers, employers, insurers and self-insured employers, service companies, and attorneys.

Public policy topics

☐ Agency operations
☐ Building codes
☐ Financial institutions and lending
☐ Health insurance
☐ Involvement with other agencies
☐ Licensure
☐ Manufactured structures
☒ MLAC legislative review
☐ New program
☐ Nondepository programs
☐ Other lines of insurance
☐ Prescription drugs
☐ Property and casualty insurance
☐ Public records/public meetings law
☐ Rulemaking
☐ Securities
☐ Task force/reports
☐ Worker safety
☒ Workers' compensation system
☐ Other

---

[2] This estimate is based on NCCI's October 6, 2025 analysis, provided to the Management-Labor Advisory Committee. The analysis estimates the impact of a scenario that "…*would increase the compensation rate from 66 2/3% to 75% of the injured worker's wage, for all workers' wages up to 75% of the State Average Weekly Wage (SAWW). For any portion of wages above 75% of the SAWW, the compensation rate would decrease from 66 2/3% to 65%.*"