Memo

NOTICE OF PERMANENT RULEMAKING HEARING

DATE: September 27, 2019

TO: Legislators and Interested Parties

FROM: Erin Seiler, Senior Policy Advisor

RE: Permanent Rulemaking amending:

OAR 839-001-0520 Amount of Claim to be Paid from the Wage Security Fund

RULE CAPTION:
Amends Wage Security Fund rules to implement OL CH. 444 (2019)
Not more than 15 words that reasonably identify the subject matter of the agency’s intended action.

NOTICE: On September 26, 2019, the Oregon Bureau of Labor and Industries filed a Notice of Proposed Permanent Rulemaking Hearing, with the Oregon Secretary of State, to amend the above referenced administrative rule regarding the amount of claim to be paid from the Wage Security Fund (WSF).

The WSF was established by the Oregon Legislature in 1985 and is administered by the Bureau of Labor and Industries. The WSF protects Oregon workers from wage loss by paying the final wages of employees when a plant or company closes without sufficient funds to pay final wages.

The labor commissioner may pursue employers for reimbursement of amounts paid from the WSF, in addition to penalties, where appropriate. Workers can qualify for payments of the amount they earned during the 60 days preceding the closure date of the firm or the amount of unpaid wages earned within 60 days of the last day of employment. A maximum of $4,000 may be paid to an individual worker.

In 2019, the Oregon Legislature passed House Bill 3193 raising the cap on amount that a wage claimant can receive from the WSF from $4,000 to $10,000. This change becomes effective January 1, 2020. Since Bureau of Labor and Industries administrative rules regarding the amount that a wage claimant can receive from the WSF aligns with the statute, it is necessary to amend the Bureau of Labor and Industries rule to reflect the statutory change. There are no other rule changes to the administration or governance of the WSF.
A public hearing is scheduled for 9:00 a.m. on October 17, 2019 at the Oregon Bureau of Labor and Industries, 800 NE Oregon St. #1045, Portland, OR, 97232.

**The deadline for public comment on the proposed rules is 5:00 p.m. on October 21, 2019.** Members of the public are welcome to submit comments by mail or email prior to this deadline.

**ATTACHMENTS:** Attached are the Notice of Proposed Rulemaking Hearing, the Statement of Need and Fiscal Impact, and a copy of the rules showing the proposed amendments.

**COMMENTS:** Comments may be emailed to Erin Seiler at erin.seiler@state.or.us or mailed to Erin Seiler c/o BOLI, 800 NE Oregon St. #1045, Portland OR 97232.