



OREGON WAGE AND HOUR LAWS PERTAINING TO DEDUCTIONS FROM WAGES

Deductions from the wages of employees are permitted under the following circumstances:

- The employer is required to do so by law;
- *The deductions are authorized in writing by the employee, are for the employee's benefit, and are recorded in the employer's books;*
- *The employee has voluntarily signed an authorization for a deduction for any other item, provided that the ultimate recipient of the money withheld is not the employer, and that such deduction is recorded in the employer's books;*
- The deduction is made from the payment of wages upon termination of employment and is authorized pursuant to a written agreement between the employee and employer for the repayment of a loan made to the employee by the employer if certain conditions are met (see ORS 652.610(3)(e)).

Deductions may **not** be made from the wages of employees for the following items:

- Uniforms, tools, and transportation that are required to do the job (or “draws” for the purchase of such items)
- Deposits for equipment, shortages, breakages, losses, or theft
- Meals and lodging if they are required by the employer

An employee may be required to pay for these items (so long as a deduction is not made from the employee's wages) if the amount paid by the employee does not have the effect of reducing the employee's earnings below the applicable wage rate (i.e., state minimum wage, federal minimum wage, Service Contract Act, or Migrant and Seasonal Agricultural Worker Protection Act wage rate) for all hours worked and the requirement to pay for such items is disclosed in advance to the employee.

Payroll deductions **may** be made for items such as raingear, gloves and hats, meals and lodging **only** if they are not required, are for the private benefit of the employee, and are authorized in writing by the employee and recorded in the employer's books.

If you have any questions regarding permissible deductions from employee wages, contact the Bureau of Labor and Industries' Employer Assistance Unit at (971) 361-8400 or U.S. Department of Labor, Wage and Hour Division at (503) 326-3057.