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

CHAPTER 150  
DEPARTMENT OF REVENUE

**FILED**

05/31/2022 2:50 PM  
ARCHIVES DIVISION  
SECRETARY OF STATE

FILING CAPTION: Establishes due dates for Paid Family and Medical Leave Insurance contributions required by subject employers.

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 06/22/2022 5:00 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.*

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Salem, OR 97301

Filed By:  
Katie Thiel  
Rules Coordinator

HEARING(S)

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

DATE: 06/22/2022

TIME: 9:00 AM

OFFICER: Joil Southwell

ADDRESS: Virtual Hearing

955 Center Street NE

Salem, OR 97301

SPECIAL INSTRUCTIONS:

Meeting details will be posted here:

<https://www.oregon.gov/dor/about/Pages/rules.aspx>

NEED FOR THE RULE(S)

ORS 657B.150 requires subject employers and self-employed individuals who opt-in to the Paid Family and Medical Leave Insurance (PFMLI) program to pay contributions to DOR. The law also establishes that DOR provide, by rule, the manner in which these contributions are to be paid to DOR.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

The authority for this rule is based in the passage of HB 2005 (2019). HB 2005 created the Paid Family and Medical Leave Insurance (now branded as Paid Leave Oregon) and section 16 of the enrolled bill provides DOR with rule writing authority to determine the manner in which employers are to pay contributions payments. Further, HB 3398 (2021) provided an extension (at the request of the Employment Department) to delay implementation of Paid Leave Oregon to calendar year 2023.

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

The rule establishes due dates for payment of Paid Leave Oregon contributions payments. The base due dates are

established in state law, but clarification is required regarding when payment due dates fall on a weekend day or holiday in addition to the filing frequency for domestic employers. This criterion ensures equity for all employers subject to Paid Leave Oregon by promoting consistent application of the authority granted to DOR in ORS 657B.150.

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#### FISCAL AND ECONOMIC IMPACT:

There is no fiscal or otherwise economic impact related to the proposed rule. The rule, while providing clarification for when Paid Leave Oregon contributions payments are due, doesn't establish additional requirements outside those provided in state law (ORS 657B.150).

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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) DOR will report and transfer Paid Leave Oregon funds paid by subject employers to the Employment Department. The proposed rule will provide clarity for when certain employers are required to pay these contributions to DOR and when those payments will be transferred to the Paid Leave Oregon fund.

(2)(a) As of tax year 2021, there are approximately 115,000 employers registered with DOR that have between 1 and 100 employees. The most common reported industries for these impacted small business groups are private households (domestic employers) and full-service restaurants.

(b) This rule doesn't require additional reporting or recordkeeping to comply with the proposed rule. The rule only clarifies payment due dates, established in state law, for certain situations.

(c) None.

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

We have consulted with interested parties on this proposed amendment.

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#### WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

The proposed rule conforms with current payment due dates for other employer-related tax programs that DOR administers (e.g. Withholding, Statewide Transit Tax, etc.). Employers (both large and small) will not need to adjust the timing of payments to comply with the proposed rule.

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ADOPT: 150-657-0005

RULE SUMMARY: Establishes the due dates for Paid Leave Oregon contributions required by subject employers.

#### CHANGES TO RULE:

##### 150-657-0005

##### Paid Leave Oregon Contributions Payment Due Dates

(1) Paid Leave Oregon contributions payments, required by subject employers, tribal employers who elect coverage, and self-employed individuals who elect coverage under ORS 657B.150, are due on or before the last day of the month following the end of each calendar quarter.¶

Example: The Paid Leave Oregon return for the second quarter of calendar year 2023 (April 1 - June 30) is due on July 31, 2023. Contributions payments for the second quarter of calendar year 2023 are also due on or before July 31, 2023.¶

(2) Domestic employers who file annual returns must pay contributions on an annual basis. Contributions payments are due on or before the last day of January following the end of the calendar year.¶

(3) Each contributions payment must be made with an accompanying payment voucher in a manner as instructed

by the department in forms and instructions.¶

(4) When the due date of a contributions payment falls on a Saturday, Sunday, or a state legal holiday, the contributions payment is due on the next business day following the Saturday, Sunday, or state legal holiday.¶

(5) The provisions of this rule are effective for calendar years beginning on or after January 1, 2023.

Statutory/Other Authority: ORS 305.100, 657B.150

Statutes/Other Implemented: ORS 657B.150