

Secretary of State
NOTICE OF PROPOSED RULEMAKING FILING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

Oregon Employment Department, Paid Leave Oregon Division			471
Agency and Division Name		Administrative Rules Chapter Number	
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RULE CAPTION

Amend and adopt Paid Leave Oregon administrative rules.

☐ Last Date and Time for Public Comment: December 4, 2026, at 11:59 PM

November 16 (1-2 PM), and November 18 (10-11 AM)	Virtual via Zoom	Jacob Parpart
☐ Hearing Date	Time	Hearings Officer

RULEMAKING ACTION

List each rule number separately (000-000-0000) below. Attach proposed, tracked changed text for each rule at the end of the filing.

- ☐ **In the matter of:**
Adopting: OAR 471-070-1207, 471-070-1525, and 471-070-3005,
- Amending:** OAR 471-070-1010, 471-070-1100, 471-070-1110, 471-070-1120, 471-070-1205, 471-070-1210, 471-070-1300, 471-070-1310, 471-070-1480, 471-070-1500, 471-070-1510, 471-070-1520, 471-070-2100, 471-070-3850, and 471-070-5200
- ☐ **Statutory Authority:** ORS 657B.090, 657B.100, 657B.130, 657B.150, 657B.200, 657B.332, 657B.340, 657B.430, and 657B.440
- ☐ **Stats. Implemented:** ORS 293.250, 657B.010, 657B.015, 657B.020, 657B.030, 657B.040, 657B.050, 657B.070, 657B.090, 657B.100, 657B.130, 657B.200, 657B.320, 657B.332, 657B.335, 657B.336, 657B.337, 657B.338, 657B.340, 657B.430, 657B.440
- ☐ **RULE SUMMARY:** *Include a summary for **each** rule included in this filing.*

Adopting:

Secretary of State
**NOTICE OF PROPOSED RULEMAKING FILING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT**

OAR 471-070-1207: This rule is being proposed for adoption to establish a consistent good-cause standard for late benefit applications and late weekly claims, including a clear timeframe for filing after the circumstances causing the delay have ended.

OAR 471-070-1525: This rule is being proposed for adoption to clarify when overpayments become uncollectible and authorize delegated staff to cancel unrecoverable overpayments.

OAR 471-070-3005: This rule is being proposed for adoption due to changes made by SB 1520 (2026), which amended ORS 657B.430 to allow the director to adopt rules that establish an accounting system for the purpose of complying with the tax reporting and withholding requirements. These proposed changes do not allow the director to change the employee/employer split of the contribution rate or the percentage of total contributions beyond what is stated in ORS 657B.150.

Amending:

OAR 471-070-1010: This rule is being amended to align with ORS 657B.030 to clarify that eligibility for any federal or state wage-replacement unemployment benefits will disqualify a claimant from Paid Leave Oregon benefits.

OAR 471-070-1100: This rule is being amended to clarify how claims submitted outside the required filing timeframe are handled, including when only part of the requested leave is late.

OAR 471-070-1110: This rule is being amended to update the verification documents for family leave claims to care for and bond with a child. Additionally, the amended language updates the timeframe for signing certain documents for this leave type.

OAR 471-070-1120: This rule is being amended to update the verification documents for serious health condition claims by adding and removing certain requirements, as well as updating what documents can be used to confirm a family relationship and the timeframe in which certain documents may be signed.

OAR 471-070-1205: This rule is being amended to clarify when weekly claims may be submitted and how claims filed after the required timeframe are handled.

OAR 471-070-1210: This rule is being amended to align with ORS 657B.030 to clarify that eligibility for any federal or state wage-replacement unemployment benefits will disqualify a claimant from Paid Leave Oregon benefits.

OAR 471-070-1300: This rule is being amended to require employers to update their Paid Leave model notice posters within their workplace whenever a new poster becomes available.

OAR 471-070-1310: This rule is being amended to clarify the timeframe for providing notice to an employer when circumstances beyond the employee's control prevented timely notice, and to align that timeframe with the good cause standard for late application and weekly claims.

OAR 471-070-1480: This rule is being amended to clarify that, as of January 1, 2027, voluntary income tax withholding will be available only for benefits paid for family and safe leave, in response to IRS Revenue

Secretary of State
NOTICE OF PROPOSED RULEMAKING FILING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

Ruling 2025-4 and the passing of SB 1520 (2026) as medical leave and additional pregnancy leave will no longer be funded by employer contributions or considered taxable wages.

OAR 471-070-1500: This rule is being amended to include statutory references to ORS 657B.336 and 657B.337. Additionally, it clarifies the department's ability to cancel a benefits overpayment.

OAR 471-070-1510: This rule is being amended to align the timeline to recover overpayment benefits with statutory language, clarifying that the Department of Revenue performs the offset of benefits, not Paid Leave, and explicitly lists civil action as a method of recovery.

OAR 471-070-1520: This rule is being amended to ensure statutory compliance under ORS 657B.332. Additionally, this rule clarifies the timeline for a claimant to request a waiver of recovery of an overpayment.

OAR 471-070-2100: This rule is being amended to include references to ORS 657B.335 and 657B.336, clarifying the department's authority to recover overpayments it mistakenly makes to claimants, including employees of tribal governments.

OAR 471-070-3850: This rule is being amended to clarify that repayments of employer assistance grants shall be made in accordance with ORS 657B.320.

OAR 471-070-5200: This rule is being amended in accordance with SB 912 (2023) to clarify that the department may make any deductions from future benefit payments within five years, except as otherwise specified in statute. Additionally, this rule is being amended to reference ORS 657B.320, which modified the statute to provide the department with the authority to include the repayment of assistance grants with its existing authority to collect employer contributions owed to Paid Leave.

☐ **Need for Rule(s):** Why do we need these rules?

To effectively administer Paid Leave Oregon, the Oregon Employment Department is adopting or amending 18 administrative rules relating to benefits, tribal governments, contributions, and assistance grants, in accordance with Oregon Revised Statute (ORS) chapter 657B. The adoption and amendments include statutory changes made by Senate Bills (SBs) 913 (2023), 858 (2025), and 1520 (2026). Rulemaking is also being conducted to clarify and update various permanent rules based on research and analysis that identified needed amendments.

OED is adopting three new rules relating to creating a consistent standard for good cause for late applications and weekly claims, when overpayments become uncollectible, and the director's authority to adopt accounting rules for the allocation of contributions.

The department is seeking to amend multiple rules, including allocating contributions for medical and additional pregnancy leave in accordance with IRS Revenue Ruling 2025-4. Additionally, clarification is being added to provide that any federal or state wage-replacement unemployment benefits will disqualify a claimant from Paid Leave benefits. The department is amending rules related to benefits and benefit claims, including how the department will handle claims submitted outside the filing timeframe, specifically regarding what constitutes good cause for late applications and late weekly claims. Additionally, the proposed rules clarify the timeframes for employees who provide late notice to their employers for good cause. Leave verification rules are being amended to clarify the document requirements for bonding leave and serious health condition leave.

Secretary of State
**NOTICE OF PROPOSED RULEMAKING FILING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT**

The written notice poster rule for state-program employers is being updated to require updates when new posters become available, aligning this rule with the equivalent plan employers' rule, which was updated in January of 2026. Another benefits rule being amended concerns the department's ability to cancel an overpayment, the timeline for recovering overpayments, and clarifying the timeline to request the waiving of a non-claimant caused overpayments.

The remaining rules that the department is seeking to amend include rule changes clarifying the department's authority to include the repayment of grants with its existing authority to collect contributions for Paid Leave, and to make any benefit deductions from non-claimant caused overpayments within 5 years.

□ Racial Equity Impact:

Paid Leave Oregon provides individuals with the ability to take job-protected and compensated time off work to bond with new children in their family, to care for themselves or their ailing family members, and to recover after experiencing domestic violence, sexual assault, harassment, bias crimes, and stalking. This program provides a much-needed benefit to historically underserved populations who may not otherwise have access to time off work or be able to afford it. Consequently, the program addresses some of the detrimental impacts of historical and ongoing injustices and inequities that families and individuals of color face when accessing government programs.

The department and the program's commitment to equity acknowledges that not all people or communities start from the same place due to historical and ongoing systems of oppression. Equity is the effort to provide different levels of support based on an individual's or group's needs to achieve fairness in outcomes. Equity actionably empowers communities most impacted by systemic oppression and requires redistributing resources, power, and opportunity to those communities.

The division recognizes that racial disparities, discrimination, and inequities across society are evidence of institutional racism that is an often invisible and sometimes unintentional, but an inherent element of policy development. We recognize the importance of acknowledging and understanding racial and ethnic disparities in access to and use of Paid Leave in developing inclusive administrative rules and policies. During the application process, Paid Leave Oregon asks applicants for information about their age, race, ethnicity and gender identity to better understand who is using the program and identify any gaps the program may need to address. This information allows the program to adjust outreach, application processes, and operations. The demographics of Paid Leave Oregon customers show that the program is reaching and serving a diverse range of employees from various backgrounds. In addition to the program's ongoing efforts to collect measurable data, we continue to gather relevant information and data from other sources, including other states with Paid Leave programs and employer data from comparable plans, to mitigate unintended and unforeseen consequences.

While conducting rulemaking, the program considered the racial equity impacts of newly adopted and amended rules and answered the following questions.

What are the racial equity impacts of this particular rule, policy, or decision and who will benefit from or be burdened?

Paid Leave Oregon's proposed January 2027 batch of administrative rules regarding benefits, tribal governments, contributions, and assistance grants is intended to provide clarity and guidance on different

Secretary of State
**NOTICE OF PROPOSED RULEMAKING FILING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT**

aspects of the Paid Leave Oregon program, as transparency is vital to making the program more inclusive. The program also seeks to reduce bureaucratic burdens and barriers wherever possible. We have identified several racial equity impacts across the January 2027 rule batch and discuss several of them below. Some of the proposed amendments are not discussed below as Paid Leave did not identify any specific racial equity impacts. However, it is important to note that the program was unable to consult with all potentially affected communities during the rule drafting process. Moreover, several of the proposed amendments are the result of statutory changes from (Senate Bill) SB 913, passed in the 2023 legislative session, SB 858, passed in the 2025 legislative session, and SB 1520, passed in the 2026 legislative session. While Paid Leave must amend these administrative rules to maintain compliance, equity impacts were considered when drafting language.

When employers fail to meet model notice requirements, the impact is felt most by workers who depend on employer communication to understand their rights, particularly immigrants and low-income earners. By establishing a requirement that employers update their workplace notice posters, the department hopes to provide greater clarity for workers seeking to understand their rights under the program and promote equitable access to information. Ensuring that employers provide employees with the most recent information about Paid Leave Oregon in the language they communicate in may positively impact claimants who have less access to information about government programs outside of their workplace. Paid Leave provides updated model notices for employers to download and print in seven languages on the Paid Leave Oregon website, reducing the financial and administrative burden on small employers while promoting racial equity for workers.

Establishing a unified standard for accepting late applications and weekly claims and providing additional examples for the circumstances under which late submission may qualify as “good cause,” will promote more consistent decision-making from the department and provide more clarity to claimants. One additional example is good cause for extraordinary circumstances, such as natural disasters, war, or pandemics, which often impact communities of color and rural communities. Another example includes good cause for delays caused by the health care provider, which may impact people of color who experience discrimination and bias from health care providers. While a streamlined process and additional examples promote racial equity, documentation requirements associated with good-cause evaluations may still create challenges for individuals who struggle to obtain employer cooperation or navigate complex administrative processes.

While the rules aim to ensure equitable access to benefits for employees, the requirements established in these rules could have an equity impact for employee access to the state Paid Leave Oregon plan; particularly impacting Black, Indigenous, Latin/o/a/x, Asian, Pacific Islander, women, people with disabilities, LGBTQIA2S+ communities, undocumented workers, migrant communities, people working to meet the minimum income standard, individuals whose first language is not English, and individuals with limited or non-technical experience or resources to navigate these requirements due to systemic and institutional barriers.

Are there strategies to mitigate the unintended consequences?

It is important to recognize that complex bureaucratic processes often have built-in barriers, such as legal language, that disproportionately impact those whose first language is not English and individuals experiencing economic hardship. Furthermore, due to historical exclusion and systemic racism, communities of color, in particular Black, Latino/a/x or Indigenous persons in the U.S may not fully trust the legal system and government processes.¹ However, as Paid Leave considers administrative rules, the program can help mitigate

¹ <https://www.politico.com/news/magazine/2022/12/18/black-mistrust-healthcare-00060324>

Secretary of State
NOTICE OF PROPOSED RULEMAKING FILING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

some of these concerns. Increased access to paid family, medical, and safe leave requires addressing disparities in access and enhancing racial equity by broadening worker coverage, expanding eligibility criteria, increasing wage-replacement rates, and ensuring job protections and anti-retaliation protections.²

Paid Leave Oregon's goal is to ensure that there is equitable access to the program for businesses and eligible employees in Oregon. The division places a high priority on ensuring equitable access to the program for businesses and employees who pay Paid Leave Oregon contributions. We believe that these rule amendments will enhance the program's effectiveness and better serve both employees and employers by improving access to information and supporting consistent compliance. However, we recognize that each change may introduce unintended consequences that affect one group more than another, particularly when employers or employees face resource or communication challenges. To mitigate these effects and ensure the program continues to operate equitably and transparently, Paid Leave will undertake the following efforts:

- Adhering to Paid Leave Oregon's values by centering the most impacted, those who have been historically underserved and under-resourced, by addressing practices, cultural norms, and structural barriers that create inequities;
- Examining factors that produce or perpetuate racial inequities to better understand potentially negative impacts and gaps in the program and how to best address them when drafting policy papers that serve as the basis for rule language;
- Provide clear, plain-language guidance to employers on model notice requirements and good-cause provisions to reduce misunderstandings and help ensure more consistent compliance.
- Committing to open, ongoing, and transparent dialogue with invested community members and policy makers, including small employers and underrepresented communities;
- Providing supplemental materials to assist in understanding how the program functions, including continually updating the information available on our website and ensuring front-line staff have up-to-date information to verbally assist customers who utilize our phone lines.
- Provide technical assistance or optional training for employers, including small employers, to help ensure comprehension and compliance with Paid Leave Oregon's expectations established by law and rule.
- Using the department's established Equity Framework to standardize review processes to ensure that all new and ongoing processes, procedures, administrative rules, and related communications are furthering program equity;
- Reduce documentation burdens for workers by clarifying acceptable forms of evidence for good-cause evaluations and streamlining the submission process where possible.
- Strengthen outreach to workers, particularly immigrants and low-income earners, through multilingual materials, partnerships with community organizations, and targeted communications explaining their rights and responsibilities regarding Paid Leave Oregon.

☐ **Fiscal and Economic Impact:**

<https://www.mprnews.org/story/2019/12/16/native-american-leaders-work-to-overcome-community-mistrust-of-census>

² [https://www.urban.org/sites/default/files/2022-](https://www.urban.org/sites/default/files/2022-07/Access%20to%20Paid%20Leave%20Is%20Lowest%20among%20Workers%20with%20the%20Greatest%20Needs.pdf)

[07/Access%20to%20Paid%20Leave%20Is%20Lowest%20among%20Workers%20with%20the%20Greatest%20Needs.pdf](https://www.urban.org/sites/default/files/2022-07/Access%20to%20Paid%20Leave%20Is%20Lowest%20among%20Workers%20with%20the%20Greatest%20Needs.pdf)

Secretary of State
NOTICE OF PROPOSED RULEMAKING FILING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

Any fiscal or economic impact of Paid Leave Oregon results from the statute's implementation or from updated requirements based on research and the program's identified needs. Impacts may include additional costs for employers relating to implementing the updated notice poster requirements. Claimants may experience a positive impact as access to benefits for late applications is being clarified and expanded. Additionally, changes related to non-claimant-caused overpayments, the limitation of the recovery timeframe, and the implementation of overpayment waivers may have a positive financial impact on claimants.

☐ **Statement of Cost of Compliance:**

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):

The administrative rules for Paid Leave Oregon benefits will likely affect state agencies, local governments, and other public bodies because their employees (claimants) may be eligible for Paid Leave Oregon benefits. The state agencies, units of local government, and the public must ensure that they have an updated notice poster in place in their capacity as employers. Additionally, state agencies, local governments, public bodies, and the public may have a reduced cost because they will not be required to determine additional employee taxes due to the change to the contributions accounting method to pay serious health condition and additional pregnancy leave claims with only employee contributions. A large number of the administrative rules included in this batch will not have a direct impact on state agencies or units of local governments as most of the rules, unless noted prior, impact claimants mostly. The public will have an identifiable impact due to the department updating and streamlining the non-claimant-caused overpayments, the timeframe in which the department can collect on these overpayments, and the updating of the regulations involving the waiver process.

2. Cost of compliance effect on small business (ORS 183.336):

a. Estimate the number and type of small businesses subject to the rule:

This batch of administrative rules applies to all small businesses, of every type, that have employees. Small employers who utilize assistance grants may experience an impact due to the department updating its collection ability for contributions owed. Additionally, small employers will be required, just as a large employer, to update their workplace notice poster – This may impact small employers in a larger capacity due to the need for having an individual responsible for updating the notice poster while working with a smaller number of staff.

In the first quarter of 2026, Oregon had 105,594 small businesses with fewer than 50 employees that employed 38.7 percent of the state's workforce. Of the 105,594 small employers, 98,190 had fewer than 20 employees, employing 25.3 percent of the state's workforce. *

* Source: Oregon Employment Department, Quarterly Census of Employment and Wages

b. Projected reporting, recordkeeping, and other administrative activities required for compliance, including costs of professional services:

There may be additional administrative activities required for small businesses as a result of the requirement that employers ensure they have an up-to-date model notice poster in place in addition to the previously established requirements of employers who have employees within Oregon. Although the rules included with this batch of rulemaking is more directed towards individuals who are claiming benefits from the program, the

Secretary of State
**NOTICE OF PROPOSED RULEMAKING FILING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT**

employers of these individuals may also have additional unidentified costs associated with their own recordkeeping relating to their employees being on leave.

c. Equipment, supplies, labor and increased administration required for compliance:

There may be minimal equipment, supplies, labor, or administrative effort required to comply with the Paid Leave Oregon benefit administrative rules. As noted above, small employers utilizing the state-offered program will be required to update their workplace notice posters whenever the department revises the current version. Employers may also be required to implement additional administrative measures to ensure that employees who take leave following a late claim submission are properly covered by job protections established under ORS chapter 657B.

☐ **Describe how small businesses were involved in the development of these rule(s).**

The Paid Leave Oregon Advisory Committee, which serves as the Rulemaking Advisory Committee (RAC), is statutorily required to have four members representing employers, at least one of whom represents employers with fewer than 25 employees. A RAC meeting is scheduled for October 7, 2026, at 10:00 am, and the members will be consulted on the development of these rules.

We are also preparing for two public hearings, for which there will be advanced warning and invitations for the public to attend. Attendees are invited to provide feedback on the proposed rules, either during a public hearing or afterward, during the public comments period.

☐ **Documents Relied Upon, and where they are available:**

- Paid Leave Oregon statute – ORS chapter 657B
(https://www.oregonlegislature.gov/bills_laws/ors/ors657B.html);
- Electronic Transactions – ORS chapter 183
(https://www.oregonlegislature.gov/bills_laws/ors/ors183.html)
- Senate Bill 913 (2023)
<https://olis.oregonlegislature.gov/liz/2023R1/Downloads/MeasureDocument/SB0913/Enrolled>
- Senate Bill 858 (2025)
<https://olis.oregonlegislature.gov/liz/2025R1/Downloads/MeasureDocument/SB858/Enrolled>
- Senate Bill 1520 (2026)
<https://olis.oregonlegislature.gov/liz/2026R1/Downloads/MeasureDocument/SB1520/Enrolled>

☐ **Was an Administrative Rule Advisory Committee consulted?: YES**
If no, why not? n/a

PROPOSED RULE LANGUAGE

☐ **Final Draft of Rule Language to be filed:** The rule language is on individual documents due to the length of the draft rules.