

# Oregon EMPLOYER'S Guide



Corporation Division

Secretary of State

[sos.oregon.gov/business](http://sos.oregon.gov/business)

Dear Oregon Entrepreneur,

Welcome to *The Oregon Employer's Guide*.

The Secretary of State, Corporation Division publishes this guide, but many state agencies worked to provide this information on government registration and licensing requirements for businesses. This guide provides basic information and a general checklist to guide you through the process of hiring employees.

The Corporation Division also publishes a separate guide to help when starting a business. [The Oregon Start a Business Guide](#) provides a general checklist for the process of starting your business, along with information on key contacts and business assistance programs to help you start and operate your business.

Use the guides independently or together, depending on the specific needs of your business.

For further information, contact:

**Secretary of State, Corporation Division**

Public Service Building

255 Capitol St. NE, Ste. 151

Salem, OR 97310-1327

(503) 986-2200

[CorporationDivision.SOS@sos.oregon.gov](mailto:CorporationDivision.SOS@sos.oregon.gov)

[sos.oregon.gov/business](http://sos.oregon.gov/business)

# PUBLICATION LIMITATIONS

The participating government agencies share all information allowed by law and help each other enforce compliance with the individual programs. If you have any questions about the material covered in this booklet, please contact the appropriate agency. Phone numbers are listed in each section along with material provided by the agency. Information in this publication is not a complete statement of laws and administrative rules. No information in this guide should be construed as legal advice.

The State of Oregon has made every effort to ensure accuracy of the information at publication, but it is impossible to guarantee that the information remains continuously valid.

This publication is updated periodically; assistance with corrections and additions is welcome. Please email suggestions to [CorporationDivision.SOS@sos.oregon.gov](mailto:CorporationDivision.SOS@sos.oregon.gov).

## **Secretary of State, Corporation Division**

Public Service Building  
255 Capitol St. NE, Suite 151  
Salem, OR 97310-1327

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# EMPLOYER'S CHECKLIST

Hiring employees requires a great deal of preparation. The following is a basic checklist of recommendations to help you when hiring the first employee for your business.

**1. Starting Out - Determine Employer Status**

Employer

Employee

Independent Contractor

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**2. Obtain Federal and State Tax ID Numbers**

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**3. Obtain Workers' Compensation Insurance**

Who Needs Coverage?

How Do I Get Coverage?

What it Provides

Compliance

Workers' Compensation Assessments

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**4. File Combined Employer Registration Forms**

Who is an Employee?

Due Dates

Requirements

Get a Business Identification Number (BIN)

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**5. State and Federal Withholding Tax**

Who must Withhold?

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**6. State and Federal Unemployment Tax**

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Requirements

Who Pays Federal Unemployment Tax?

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**7. Obtain Immigration & Naturalization I-9 Forms for Each Employee**

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**8. Report New Hires to Department of Justice, Division of Child Support**

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**9. Contact BOLI for Employer Information**

Required Employer Compliance Posters

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## WHO IS AN EMPLOYER?

Oregon law differs from federal law. Some state agencies have different requirements of employers than other state agencies. For more information, contact the Department of Revenue at 503-945-8100, the Employment Department at 503-947-1488, or the Department of Consumer and Business Services at 503-947-7815.

### ***Oregon Withholding Tax Definition:***

If you pay someone to work for you, are in charge of the way the job is done, or have the right to direct and control the worker, the worker is probably your employee (ORS 316.162(3), OAR 150-316-0255, ORS 670.600).

According to Oregon law for withholding tax purposes, **an employer is:**

- A person or an organization for whom a worker performs a service as an employee;
- A person who has the right to hire and fire an employee;
- A person who provides the tools and a place to work;
- A person who directs and controls the work of another person;
- An officer or employee of a corporation or a member, partner, or other employee of a partnership, who is responsible to comply with withholding tax provisions of the income tax law.

An employer may be an individual, corporation, partnership, estate, trust, association, joint venture, or other unincorporated organization. Religious, educational, charitable, and social organizations can also be employers, even though such organizations may be exempt from paying income tax.

### ***Oregon Unemployment Tax Definition:***

Any individual or organization with employees working for pay is an employing unit. Employing units, which meet any of the following criteria, are employers for purposes of Employment Department law:

1. Employers, other than agricultural or domestic employers, who:
  - Pay \$1000 or more to employees in a calendar quarter, or
  - Have one or more employees in each of 18 separate weeks during any calendar year.
2. Employers who employ agricultural workers, and:
  - Pay \$20,000 or more in cash wages in a calendar quarter, or
  - Have 10 or more employees in each of 20 weeks during a calendar year.
3. Employers who employ domestic (in home) workers in a personal residence and pay \$1,000 or more in cash wages in a calendar quarter.

### ***Workers' Benefit Fund (WBF) Assessment Definition:***

You are required to report and pay the WBF assessment if 1) you have workers for whom you are required by Oregon law to provide workers' compensation insurance coverage; 2) you choose to provide workers' compensation insurance coverage for yourself or any others that receive remuneration, even though Oregon law does not require the coverage; or 3) you have any paid individuals performing personal support work who are eligible for workers' compensation insurance coverage under House Bill 3618 (2010).

## WHO IS AN EMPLOYEE?

An employee is anyone who performs services for pay for another person or organization under the direction and control of the person or organization. Even when the employer gives the employee freedom of action, the person performing the service may still be considered an employee.

What really matters is that the employer has the legal right to control the method and the result of the services, even though the employer may not always exercise that right.

Corporate officers, whether a C corporation or an S corporation, who are paid for working for the corporation are considered employees of the corporation and are subject to withholding tax requirements (ORS 316.162, OAR 150-316-0235).

## WHO IS AN INDEPENDENT CONTRACTOR?

In Oregon, workers may only be classified as independent contractors if they meet the provisions of laws and court decisions that define independent contractor and employer-employee relationships.

The provisions vary for some agencies; you should read this entire section and check with agency representatives if you need more information.

### ***Independent Contractor Standard for Oregon Department of Revenue; Employment Department; Architect Examiners; Landscape Architects; Construction Contractors Board and Landscape Contractors Board; Workers' Compensation Division***

For these agencies, independent contractors are defined in ORS 670.600. This law considers service providers to be independent contractors if they:

- Are free from direction and control, subject to the right of the service recipient to specify the desired result.
- Are licensed under ORS 671 or 701 (Construction Contractors Board, Landscape Contractors Board, State Landscape Architect Board, or State Board of Architect Examiners) if required for the service.
- Are customarily engaged in an independently established business (if they meet three out of five requirements listed below):
  1. **Maintain a business location that is:**
    - a. Separate from the business or work location of the service recipient; or
    - b. In a portion of their own residence that is used primarily for business.
  2. **Bear the risk of loss**, shown by factors such as:
    - a. Entering into fixed price contracts;
    - b. Being required to correct defective work;
    - c. Warranting the services provided; or
    - d. Negotiating indemnification agreements or purchasing liability insurance, performance bonds, or errors and omissions insurance.
  3. **Provide contracted services for two or more different persons within a 12-month period;** or routinely engage in business advertising, solicitation, or other marketing efforts reasonably calculated to obtain new contracts to provide similar services.
  4. **Make a significant investment in the business** through means such as:
    - a. Purchasing tools or equipment necessary to provide services;
    - b. Paying for the premises or facilities where the services are provided; or
    - c. Paying for licenses, certificates or specialized training required to provide the services.
  5. **Have the authority to hire and fire other persons to provide assistance in performing the services.**

A person who files tax returns with a Schedule F and performs agricultural services reportable on a Schedule C is not required to meet the independently established business requirements (1 through 5).

Forming a business entity, such as a corporation or limited liability company, does not by itself establish that the individual providing services will be considered an independent contractor. For more information, contact:

Employment Department	503-947-1488
Oregon Department of Revenue	503-945-8100

## ***Independent Contractor Standard for BOLI and US Department of Labor***

The Bureau of Labor and Industries (BOLI) and the US Department of Labor use criteria established through court cases, known as the “economic realities” test, to make determinations whether a worker is an employee or an independent contractor.

### **The Economic Realities Test:**

No single factor is determinative; however, the following factors are used to gauge the degree of the worker’s economic dependency on the employer:

- The degree of control exercised by the alleged employer;
- The extent of the relative investments of the worker and the alleged employer;
- The degree to which the worker’s opportunity for profit and loss is determined by the employer;
- The skill and initiative required in performing the job;
- The permanency of the relationship; and
- The extent to which the work performed by the worker is an integral part of the alleged employer’s business.

If under these criteria a worker is deemed dependent upon the alleged employer in order to be able to provide services, the worker most likely would be classified as an employee.

**NOTE:** The U.S. Department of Labor and Oregon Bureau of Labor and Industries use the above test to determine jurisdiction in wage and hour matters, including minimum wage and/or overtime claims. For a determination of whether a worker is an employee or an independent contractor in discrimination cases, BOLI’s Civil Rights Division applies a “right to control” test. Additional information and guidance relating to making independent contractor classification determinations is available online at [www.oregon.gov/ic](http://www.oregon.gov/ic) or contact BOLI at 971-673-0824.

## ***Independent Contractor Standard for the Internal Revenue Service (IRS)***

The Internal Revenue Service (IRS) looks to common law rules to determine whether an individual is an employee or an independent contractor. IRS Publication 15-A outlines the process for making the proper determination. Please visit <https://www.irs.gov/businesses/small-businesses-self-employed/independent-contractor-self-employed-or-employee> for more information, or call 1-800-829-4933.

**Note:** There is no single factor that controls who is an independent contractor. Before deciding that you or someone else is an independent contractor, it is important to consider all of the facts and the consequences. Failure to do so could lead to fines, penalties, and considerable legal expense. Anyone considering hiring an independent contractor or becoming one, should consult their legal advisor and the appropriate government agencies.

## ***Who to Contact for Help?***

Bureau of Labor and Industries (BOLI)	971-673-0824 or <a href="http://oregon.gov/BOLI">oregon.gov/BOLI</a> (employers)
Employment Department	503-947-1488 or <a href="http://employment.oregon.gov">employment.oregon.gov</a>
Department of Revenue	503-945-8091 or <a href="http://oregon.gov/DOR">oregon.gov/DOR</a>
Internal Revenue Service	1-800-829-4933 or <a href="http://www.irs.gov">www.irs.gov</a>
Workers’ Compensation Division (DCBS)	503-947-7815 or <a href="http://wcd.oregon.gov">wcd.oregon.gov</a>

## ***Independent Contractor Website Information***

Oregon has an independent contractor informational page at [oregon.gov/IC](http://oregon.gov/IC) . You will find information to help you understand more about this issue, including:

- Answers to questions that a business owner or a worker might ask
- Links to individual agencies, contact information, laws, and rules
- Things to consider for specific types of business

# EMPLOYER IDENTIFICATION NUMBERS (EIN)

## *General Information*

All businesses, except certain sole proprietors, are required to obtain a federal employer identification number (EIN).

- [Application for EIN](#) requires identification of responsible party
- [Change in Application](#) for Employer Identification Number
- [Use of Nominees](#) in the EIN Application Process

How to update Incorrect Information

- [Updating Incorrect Business Entity Information](#)

If you have any questions regarding the federal employer identification number, contact your local IRS office or:

**Internal Revenue Service**

1220 SW 3<sup>rd</sup> Avenue

Portland, OR 97204

1-800-829-4933

[www.irs.gov](http://www.irs.gov)

## *Apply for Employer Identification Number (SS-4)*

To obtain a Federal Employer Identification Number, you must complete an SS-4 form. SS-4 forms are available at all IRS offices, or the IRS will send you a form if you call 1-800-829-3676. The application is also [available online](#).

You may either apply online, phone in, fax, or mail the form to the IRS. Be sure you include a daytime phone number on the application, in case additional information is required.

**Online:** A provisional number will be assigned immediately when the form is [submitted online](#). A letter confirming your EIN number will be mailed two to three weeks after the form is processed.

**Phone:** 1-800-829-4933

You will need a completed SS-4 in hand.

**Fax:** You can fax the completed Form SS-4 (PDF) application to your state fax number (see Where to File – Business forms and Filing Addresses), after ensuring Form SS-4 contains all of the required information. If it is determined the entity needs a new EIN, one will be assigned using the appropriate procedures for the entity type. If the taxpayer's fax number is provided, a fax will be sent back with the EIN within four (4) business days.

**Mail:** **Internal Revenue Service**

Attn: EIN Operation

Cincinnati, OH 45999

Fax: 855-641-6935

You will receive your EIN number by mail in four to five weeks.

# OBTAIN WORKERS' COMPENSATION INSURANCE

## *Who Needs Coverage?*

All employers doing business in Oregon, with very few exceptions, are subject to the Oregon Workers' Compensation Law. Employers must obtain workers' compensation insurance before they employ. Failing to

provide workers' compensation coverage will subject employers to penalties and liability for all claims costs if an employee is injured on the job.

This section provides you with basic information on who must have workers' compensation insurance, how to obtain it, and how the workers' compensation programs are financed.

For general questions regarding workers' compensation insurance, or if you know of a potential non-complying employer, contact:

Department of Consumer and Business Services  
Workers' Compensation Division, Employer Compliance Unit  
PO Box 14480  
Salem, OR 97309-0405  
503-947-7815

Email: [workcomp.questions@dcbs.oregon.gov](mailto:workcomp.questions@dcbs.oregon.gov)

Internet site: [wcd.oregon.gov](http://wcd.oregon.gov)

## ***Who is an Employer?***

If you pay someone to work for you and that person is not an independent contractor, you are probably an employer. You don't have to provide workers' compensation coverage to independent contractors, though you may choose to do so.

If you are trying to determine whether you need workers' compensation insurance for a specific work situation, contact the Employer Compliance Unit at 503-947-7815.

## ***Exempt Employees***

Some workers do not have to be covered by workers' compensation. These workers are usually called "exempt" or "nonsubject" workers. Here are some of the most common exemptions:

- **Sole proprietors.** If you are a sole proprietor, you don't need workers' compensation coverage for yourself.
- **Partners.** Partners don't need to be covered by workers' compensation insurance, unless the partnership is in the construction industry. However, the partners must have the right to make business decisions to be exempt.

In the construction industry, exemptions are only allowed if the partnership is registered with the Construction Contractors Board or Landscape Contractors Board. If the partnership is registered, and all partners are part of the same family, then all partners may elect to be exempt. Otherwise, the number of exempt partners is limited to:

1. Two partners, or
  2. One partner for each 10 employees, whichever is more.
- **Private residence workers.** Private residence workers are people working for you in or around your home. This includes workers doing cleaning, home health care, gardening, maintenance, and even remodeling. It does not include laborers constructing a new home. **NOTE:** This exemption might not apply if you run a business out of your home.
  - **Casual labor.** Casual labor is labor that costs less than a certain amount in any 30-day period. Before Jan. 1, 2020, this amount was \$500. As of Jan.,1 2022, the amount is \$1,000. The amount changes every July 1 based on Oregon's average weekly wage. **NOTE:** This is *total payroll*, not the payroll for each individual worker.

If an employer's total payroll is always below this amount within any 30-day period, its workers are "casual" and do not have to be covered by workers' compensation. However, if its total payroll is equal to or greater than the total amount within any 30-day period, the employer must provide workers' compensation coverage.

Employers in the construction industry should be aware that Construction Contractors Board (CCB) and Landscape Contractors Board (LCB) rules don't allow a licensee to hire even casual labor while it is registered as not having workers.

- **Some corporate officers.** Corporate officers don't need to be covered by workers' compensation if they are:
  - 1) on the board of directors, and
  - 2) own at least 10 percent of the stock or an amount equal to the average held by all stockholders. The ownership requirement does not apply to most family-run farms.

In the construction and timber industries, this same rule applies if all corporate officers are family members. Otherwise, the number of exempt officers is limited to:

- 1) two corporate officers, or
- 2) one corporate officer for each 10 employees, whichever is more.

- **Most limited liability company members.** Members of an LLC don't need to be covered by workers' compensation unless they are in the construction industry. Most members are exempt, except in the construction trade.

In the construction industry, exemptions are only allowed if the company is registered with the CCB or LCB, and the member must have a substantial ownership interest in the company. If an LLC is registered, and all members are part of the same family, then all members are exempt. Otherwise, the number of exempt members is limited to:

1. Two members, or
2. one member per 10 employees, whichever is more.

- **Workers from out-of-state.** Employers from other states who temporarily bring their out-of-state employees into Oregon don't always need Oregon coverage. However, coverage is required if you hire any Oregon workers or if you come from a state that does not recognize Oregon's coverage in that state.

If sole proprietors, partners, corporations, or limited liability companies are working under a contract, they must also qualify as independent contractors in order to be exempt. For more information, contact the Workers' Compensation Division, Employer Compliance Unit at 503-947-7815.

## ***What Workers' Compensation Coverage Provides***

Costs of injured workers' claims are paid by the insurer or directly by employers who are certified as self-insured. Claims costs include all medical expenses related to compensable accepted claims for injury, as well as payments to workers while temporarily or permanently disabled. It also provides payments to dependents if the worker dies as a result of occupational injury or disease.

## ***How do I get Workers' Compensation Insurance Coverage?***

In Oregon there are three methods to get workers' compensation insurance coverage: 1) through an insurance company, 2) by self-insurance, or 3) through a worker leasing company (also known as a professional employer organization, or "PEO.")

**Insurance Companies:** You can obtain insurance from any insurer authorized to provide workers' compensation in Oregon, of which there are over 300. Many of these insurers sell policies through agents. Often the agency that handles your other business insurance will also write your workers' compensation insurance. Some insurers will deal directly with you, and a few have made special arrangements to provide workers' compensation through business organizations or associations. The Department of Consumer and Business Services has a Small Business Ombudsman who will be glad to discuss different options with you. Call 971-673-2895 for assistance.

**The Oregon Assigned Risk Plan:** The Oregon Assigned Risk Plan is a mechanism to allow all Oregon employers who have been denied coverage by at least one insurer the ability to obtain workers' compensation insurance. The National Council on Compensation Insurance (NCCI) administers the plan. If you are turned down by at least one

insurer and you do not owe another workers' compensation insurer money, you can apply for coverage through NCCI. NCCI will make an assignment of your account to one of the Oregon assigned risk insurers. It is advisable to continue to "shop" for better rates after obtaining an assigned risk policy. You can start the application process through NCCI by calling toll free 1-800-622-4123 and asking for the Oregon desk. You can also visit NCCI's website at [www.ncci.com](http://www.ncci.com).

**Self-insurance:** You may be able to qualify as a self-insured employer. This option is usually only available to very large employers, because the employer must have the financial resources to pay for major claims.

You must be certified by the Workers' Compensation Division (WCD) to be self-insured. To find out about the requirements for being certified as a self-insured employer, contact the WCD Self-Insurance Certification Program at 503-947-7057.

**Worker Leasing:** Some employers opt to contract with a worker leasing company (also known as a PEO) to obtain their workers' compensation coverage. By contract, the worker leasing company will take over your payroll, workers' compensation insurance, and most other paperwork. Worker leasing companies must be licensed with the Workers' Compensation Division of the Department of Consumer and Business Services to do business in Oregon. There are potential liabilities for your business when a worker leasing company is not licensed in Oregon. To ensure you are utilizing the services of a licensed worker leasing company, view the list of actively licensed companies by visiting the Worker Leasing Program web page at [wcd.oregon.gov/employer/worker-leasing/](http://wcd.oregon.gov/employer/worker-leasing/) and then selecting the link on the right side of the page under "Resources." If you do not have access to the website, you can call the Workers' Compensation Division's Employer Compliance Unit at 503-947-7815 to confirm a license.

## ***Notice of Compliance***

Once you purchase workers' compensation insurance, is there anything else you need to do? Yes--Oregon law requires that the employer take a second step after buying the insurance. The employer must be sure the insurance company files proof of coverage with the Workers' Compensation Division.

When proof of coverage has been filed, the Workers' Compensation Division mails the employer a Notice of Compliance certificate. The employer must post this notice where employees will see it. If an employer does not properly post this notice, the employer can be fined.

When you receive your Notice of Compliance, you know you have valid workers' compensation insurance in force. If you pay for your insurance and do not receive a Notice of Compliance within 30 days, check to be sure your insurance company has filed your workers' compensation insurance proof of coverage. If you have questions about your proof-of-coverage filing or the Notice of Compliance, call 503-947-7814.

## ***Penalties for Noncompliance***

If the Workers' Compensation Division discovers you do not have required workers' compensation coverage, you will be subject to a fine. The penalty for a first offense is two times the amount of premium you should have paid for insurance, with a minimum of \$1,000. If you continue to employ without coverage, the penalty could be up to \$250 per day of noncompliance with no limit on the total fine. The Workers' Compensation Division may seek a court injunction to force you to stay in compliance; if you disobey the injunction, you are subject to additional sanctions including possible jail time.

The expenses that result when a worker is injured can be even more costly than the penalties. By law, a noncomplying employer is financially responsible for the same benefits insured workers receive. The law requires that a certified claims agent process the claim and you pay the fee for this processing on top of the claim benefit costs. The total bill can be hundreds of thousands of dollars. Bankruptcy cannot protect you from certain noncomplying employer obligations. Business owners cannot avoid personal liability by forming a corporation or limited liability company, because corporate officers, directors, limited liability company members, and managers are personally liable for penalties and claim expenses. In addition, lawsuit protection does not apply to a noncomplying employer; an injured worker can also file civil suit against a noncomplying employer and collect whatever amount the court awards.

## ***Workers' Compensation Assessments***

Employers pay an assessment on workers' compensation insurance premiums through their insurer to the Department of Consumer and Business Services. This premium assessment pays certain costs of the department's operations.

Another assessment, the Workers' Benefit Fund (WBF) assessment, is used to fund the Workers' Benefit Fund maintained by the department. The WBF assessment rate is determined annually, and employers are notified by mail during the fall of the rate for the upcoming year. The total WBF assessment is calculated based on the number of hours or part of an hour each employee works. Half is withheld from the employee's wages and half is paid by the employer. The employer reports and pays the total amount with other state payroll taxes through Oregon's Combined Payroll Tax Reporting System.

The WBF assessment is used to fund programs that assist workers and the dependents of those workers. Part of this money is used to increase monthly payments to workers who are permanently and totally disabled and to surviving spouses and children of workers who have died as the result of an occupational injury or illness.

The WBF assessment is also used to encourage the employment or reemployment of previously injured or disabled workers. The Workers' Compensation Division offers two programs through its Employment Services Team to encourage and support the reemployment and early return to work of injured workers. The Employer-at-Injury and Preferred Worker programs offer work site modification, wage subsidy, premium exemption relief, and subsidy of the cost of tools, equipment, and other related items required for employment. Employers interested in hiring employees who qualify for the Preferred Worker Program (PWP) can contact the program directly by phone at 503-947-7588 or 1-800-445-3948 (toll-free), or email [pwf.oregon@dcbs.oregon.gov](mailto:pwf.oregon@dcbs.oregon.gov).

## ***Reports Due Each Quarter***

All employers who are required by law or elect to carry workers' compensation insurance are required to report and pay the Workers' Benefit Fund assessment. You report and pay this assessment using Oregon combined payroll tax forms (Form OQ and Form OTC), along with other State payroll taxes administered by the Oregon Department of Revenue and Employment Department.

If you must report and pay withholding, unemployment, or transit taxes, see the section "File Combined Employer's Registration Form" for information on registering for this combined filing. If you are not subject to these other payroll taxes, but carry workers' compensation insurance in Oregon, the Workers' Compensation Division will register you for a State business identification number (BIN) and send you Oregon combined payroll tax forms for reporting and paying the Workers' Benefit Fund assessment. Employers generally must file these reporting forms quarterly by the last day of the month following the end of each calendar quarter. Some agricultural and domestic (in-home) employers are eligible to report their payroll taxes, including the WBF assessment, annually. See section, "Workers' Benefit Fund (WBF) Assessment" in this guide for more information.

The total assessment amount is due by the quarterly reporting date. Payments can be made electronically by logging into Revenue Online at [www.oregon.gov/dor](http://www.oregon.gov/dor). Log in, select "Withholding Payroll," and click on "I want to make an OTC payment." To pay by mail, use paper Form OR-OTC-V. To order OR-OTC-V forms, go to <https://www.oregon.gov/employ/businesses/tax> or call 503-378-4988. Submit Form OR-OTC-V and payment to: Oregon Department of Revenue, PO Box 14800, Salem, OR 97309. Employers who file reports after the due date or who fail to pay their assessments on time may be subject to penalties, in addition to interest and assessment owed.

For more information on reporting and paying the WBF assessment, write or call:

Department of Consumer and Business Services  
CSD Assessments Unit  
PO Box 14480  
Salem, OR 97309-0405  
503-378-2372

Email: [wbfassess.fabs@dcbs.oregon.gov](mailto:wbfassess.fabs@dcbs.oregon.gov)

Internet site: [oregon.gov/DCBS/Pages/wbf.aspx](http://oregon.gov/DCBS/Pages/wbf.aspx)

## ***Business Assistance***

The Secretary of State's Small Business Advocates assist small businesses and nonprofits with questions, concerns, and complaints about state or local government. Contact the advocates through their toll-free number, 1-844-469-5512, via email at [Business.SOS@sos.oregon.gov](mailto:Business.SOS@sos.oregon.gov), or on the internet at [sos.oregon.gov/BusinessSOS](http://sos.oregon.gov/BusinessSOS).

The Small Business Ombudsman for Workers' Compensation serves as an independent advocate for small businesses by providing information and assistance regarding workers' compensation insurance and claims processing matters. Contact the ombudsman in Salem by calling 971-673-2895, or visit [oregon.gov/DCBS/SBO/Pages/sbo.aspx](http://oregon.gov/DCBS/SBO/Pages/sbo.aspx)

The U.S. Small Business Administration National Ombudsman's mission is to assist small businesses when they experience excessive or unfair federal regulatory enforcement actions, such as repetitive audits or investigations, excessive fines, penalties, threats, retaliation, or other unfair enforcement action by a federal agency. Contact the SBA Ombudsman by calling 888-734-3247 (888-REG-FAIR), or on the web page of the SBA Ombudsman: [www.sba.gov/about-sba/oversight-advocacy/office-national-ombudsman](http://www.sba.gov/about-sba/oversight-advocacy/office-national-ombudsman)

# **REGISTERING FOR PAYROLL TAX REPORTING**

## ***File Combined Employer's Registration***

Before issuing any Oregon paychecks, an employer is required to register with the State of Oregon by filing a Combined Employer's Registration form with the Oregon Department of Revenue to receive a Business Identification Number (BIN). **If you are not an employer and have no imminent plans to hire, you do not need a BIN.** The Combined Employers Registration Form (Form 150-211-055) can be found in [PDF format](#). An EIN is required in order to get a BIN. **Incomplete registrations will not be processed.** If you do not have access to a computer, you can call the Department of Revenue at 503-945-8100 to request a copy of the form. Fax or mail the registration to the address at the bottom of the form (ORS 316.202 or OAR 150-316-0355).

**Note:** Employers must complete a new Combined Employer's Registration form (as well as a Business Change in Status Form) if the structure of the business changes from a sole proprietorship to corporation or partnership, if the business ceases to be an employer or closes altogether.

Within three weeks, the Department of Revenue will assign your business a Business Identification Number (BIN). The BIN is the employer's account number used for all payroll taxes that are a part of the Oregon Combined Payroll Tax Reporting System. The Employment Department will send you information on options to file your quarterly payroll reports. Oregon payroll taxes include withholding, transit district taxes, the statewide transit tax administered by the Department of Revenue, unemployment insurance taxes administered by the Employment Department, and the Workers' Benefit Fund assessment administered by the Department of Consumer and Business Services.

Read the separate sections in this guide on withholding (see [Oregon Withholding Tax](#)), unemployment insurance (see [Oregon Unemployment Insurance Tax](#)), and transit taxes (see [Transit District Taxes](#)) to determine if wages you are paying are subject to these taxes. There are differences among each taxing agency in who is considered an

employer and an employee. Some wages may be subject to one tax, but not to another. A reference chart (see [Tax Liability Reference Chart](#)) compares the liability for withholding, unemployment insurance, and transit taxes for certain types of wages.

In addition, read the sections in this guide on workers' compensation insurance (see [Obtain Workers' Compensation Insurance](#)) and the Workers' Benefit Fund assessment (see [Workers' Benefit Fund \(WBF\) Assessment](#)) to determine whether you need workers' compensation insurance and are subject to the Workers' Benefit Fund assessment. Even though the law may not require you to carry workers' compensation insurance, if you choose to carry coverage or your workers are provided with coverage under House Bill 3618 (2010), you and your covered workers are subject to the Workers' Benefit Fund assessment.

**For State Withholding, TriMet Transit, Lane Transit, or Statewide Transit payroll tax information, contact:**

**By mail:**

Oregon Department of Revenue  
PO Box 14800  
Salem, OR 97309-0920

**In person:**

955 Center Street NE, Room 135  
Salem, OR 97301-2555  
503-945-8100

**On the internet:**

[www.oregon.gov/DOR](http://www.oregon.gov/DOR)

**Email questions answered at:**

[payroll.help.dor@dor.oregon.gov](mailto:payroll.help.dor@dor.oregon.gov)

The **Payrolltax-News** email list provides employers with complete and up-to-date payroll tax information. Employers can [subscribe to this email list](#). Representatives in the Business Division will send information to employers through this list.

**For Unemployment Insurance tax information, contact:**

**By mail:**

Oregon Employment Department  
875 Union Street NE  
Salem, OR 97310  
503-947-1488

**On the internet:**

[www.oregon.gov/EMPLOY/TAX](http://www.oregon.gov/EMPLOY/TAX)

**For Workers' Benefit Fund assessment information, contact:**

**By email:** [WBFAssess.Fabs@dcbs.oregon.gov](mailto:WBFAssess.Fabs@dcbs.oregon.gov)

**By phone:** 503-378-2378

**By mail:**

Department of Consumer and Business Services  
CSD Assessments Unit  
PO Box 14480  
Salem, OR 97309-0405

**On the internet:**

[oregon.gov/DCBS/Pages/wbf.aspx](http://oregon.gov/DCBS/Pages/wbf.aspx)

**Note:** Most corporations, whether they are C or S corporations, are required to file the Combined Employer's Registration form for purposes of withholding and unemployment insurance taxes. Why? Because corporate officers receiving any remuneration for their services to the corporation are considered employees of the corporation.

## Oregon Business Identification Number (BIN)

Complete the Combined Employers Registration form to obtain a Business Identification Number (BIN). **You do not need a BIN unless you are an employer, have imminent plans to hire employees, or have active workers' compensation insurance in Oregon.**

The BIN is used when reporting, paying, or making inquiries about your withholding, unemployment insurance, transit taxes, Workers' Benefit Fund assessment, and the statewide transit taxes.

It is important that you include your BIN on all correspondence, returns, and payments that you file with the Department of Revenue, Employment Department, and the Department of Consumer and Business Services.

If you do not know your BIN, contact the Department of Revenue at 503-945-8100 or toll free in Oregon at 1-800-356-4222.

**Note:** Your Oregon Business Identification Number (BIN) is not the same as your registry number issued by the Oregon Secretary of State, Corporation Division.

## REPORTING AND PAYING COMBINED PAYROLL TAXES

### Reporting Requirements

You must file Oregon combined payroll taxes by the due date for as long as you maintain an account (have an active BIN) as an employer with the Oregon Department of Revenue, Employment Department, or Department of Consumer and Business Services, even if you had no payroll for the reporting period. Payroll reports must be filed if you had payroll, even though there may not have been any tax withheld (ORS 316.202 or OAR 150-316-0355).

How to determine which filing requirement applies to your situation:

- **Quarterly reporting due dates.** Due dates are the same for your Oregon report as for the federal quarterly return (federal Form 941). If the due date falls on a weekend or a holiday, you may file by the following day that is not a weekend or holiday:

Quarter	Period Ending	Return Due date
1 <sup>st</sup> Jan-Feb-Mar	March 31	April 30
2 <sup>nd</sup> Apr-May-Jun	June 30	July 31
3 <sup>rd</sup> Jul-Aug-Sep	Sept. 30	Oct. 31
4 <sup>th</sup> Oct-Nov-Dec	Dec. 31	Jan. 31

- **Quarterly filing requirement.** Most Oregon employers are required to file and pay their Oregon payroll taxes quarterly. However, certain smaller agricultural and domestic (in-home) employers are eligible to file annually. (See below.)
- **Filing requirements for agricultural employers.** Agricultural employers who file federal Form 943 (Employer's Annual Tax Return for Agricultural Employees) may file their Oregon withholding tax reports quarterly. To report withholding taxes annually, an agricultural employer may not have any employees who are not classified as agricultural. State withholding tax deposits are due the same time as federal deposits.

Even when an agricultural employer reports withholding taxes annually, whether that employer reports other payroll taxes annually or quarterly depends on the following:

- If the employer is subject to transit taxes or the Unemployment Insurance tax, all state payroll taxes other than state withholding must be reported quarterly.
- If the employer reports withholding taxes annually, and is not subject to transit taxes or the Unemployment Insurance tax, but is subject to the WBF assessment, the WBF assessment may be reported annually.

- **Filing requirements for domestic (in-home) employers.** Many domestic employers are subject only to the Unemployment Insurance tax, and may file quarterly using Form OQ or annually using Form OA Domestic. If you wish to change your filing method from quarterly to annually (or vice versa), a written request is required. While Oregon income tax withholding is not required for household employees, this tax may be withheld if the household employee requests this of their employer and the employer agrees. In addition to domestic employers (e.g. sororities, fraternities, and in-home care providers) who are required by law or who choose to provide workers' compensation insurance for their workers, employers of all personal support workers who are eligible for workers' compensation insurance coverage under House Bill 3618 (2010) must report and pay the WBF assessment on whatever schedule is used for Unemployment Insurance taxes.
- **Annual reporting due date.** Form WA, Form STT-A, Form OA Domestic, and Form OQ for agricultural annual filers of the WBF assessment are due January 31 after the tax year.
- **Annual reconciliation (Form WR) due date.** Form WR is due January 31<sup>st</sup> and is required to be filed electronically through Revenue Online.
- **Statewide Transit Tax.** Most employers and payers are required to file the STT-1 and STT-2 quarterly. However, agricultural workers can file this form annually, and if some employers have a total tax for the year of \$50.00 or less, they can request to file annually. For more information, please visit [oregon.gov/DOR/programs/businesses/Pages/statewide-transit-tax.aspx](http://oregon.gov/DOR/programs/businesses/Pages/statewide-transit-tax.aspx).

## Reporting Options

- **Telephone (IVR)** - If you have no payroll or subject hours to report for all payroll tax programs, you can file a “no payroll/no hours worked” report by telephone, 24 hours a day, 7-days-a-week. Call 503-378-3981. The system does not issue a confirmation number and only accepts your report after you complete the entire call.
- **Paper** - Oregon Combined Payroll Tax Reports – If you do not have access to a computer and need to request a paper Oregon Combined Payroll Tax Report packet, call the Oregon Employment Department at 503-947-1488, or go to <http://findit.emp.state.or.us/tax/forms.cfm>.
- **Oregon Payroll Reporting System (OPRS)** File your combined payroll taxes using the Oregon Payroll Reporting System (OPRS) until Fall 2022. Beginning September 2022, Oregon Employment Department’s new, modernized system, Frances, will replace the Oregon Payroll Reporting System (OPRS) providing one account to manage payroll reporting for both UI Tax and PFMLI contributions. More information is available at [www.oregon.gov/employ/Businesses/Tax](http://www.oregon.gov/employ/Businesses/Tax).

## Forms

Forms and filing instructions for filing payroll taxes can be ordered from the [Oregon Employment Department website](#). If you use a payroll service, you may not be familiar with this information. Lack of familiarity with this information is not a good reason for failure to file a report or failure to pay the tax by the due date. If you need filing information, call the Oregon Employment Department at 503-947-1488.

## Payment Address

Every December, the following year’s supply of Form OTC (Oregon Combined Tax Payment Coupon) is mailed to registered employers who are not paying electronically. Send all payments directly to the Oregon Department of Revenue, PO Box 14800, Salem, OR 97309-0920. Send a coupon with every payment, including payments you make with reports. Do not substitute Form OTC with Form OQ. To learn more about paying electronically, see the Electronic Funds Transfer (EFT) section below.

## Electronic Funds Transfer (EFT)

If you have an existing account set up with EFT you can pay through this process. We are not accepting new accounts. You can pay electronically through Revenue Online. You can make EFT payments through Revenue

Online, DOR's self-service site, or through your financial institution. To learn more about Revenue Online or to make an EFT payment, visit [www.oregon.gov/dor](http://www.oregon.gov/dor).

You must pay your Oregon combined payroll taxes electronically if you pay your federal tax liability electronically. If you do not meet the federal requirements for mandatory participation in the EFT program, you may participate voluntarily.

## ***Final Payroll***

If you have stopped doing business or no longer have employees, you can close your Oregon combined payroll tax account. To close your account for withholding, unemployment insurance, and transit tax purposes, you must fill out the [Business Change in Status Form](#) and fax to 503-947-1700 or mail it to Employment Department, 875 Union Street NE Room 107, Salem, OR 97311-0030. The form is available online at [oregon.gov/DOR/programs/businesses](http://oregon.gov/DOR/programs/businesses).

Filing the Business Change in Status Form alone will not close your combined payroll tax account for purposes of the WBF assessment. You remain liable for reporting the WBF assessment so long as you have active workers' compensation insurance in Oregon. Not all businesses choose to cancel their workers' compensation insurance when they cease to have payroll (particularly if they anticipate it being temporary). Therefore, the Department of Consumer and Business Services cannot rely on the Business Change in Status Form alone to close your WBF assessment account.

If you have closed your business or no longer have employees and wish to cancel your workers' compensation insurance policy, you must contact your workers' compensation insurance company. Your WBF assessment account will remain open for as long as your workers' compensation insurance coverage is active and on file with the state of Oregon. If you have canceled your coverage or maintain coverage with no covered individuals, you can expedite termination of your WBF assessment reporting liability while you have no coverage or no covered workers by completing the "Corrections and Changes Notification for WBF Assessment" form. This form is available from DCBS by calling 503-378-2372 or by going to [wcd.oregon.gov/WCDForms/211\\_158.pdf](http://wcd.oregon.gov/WCDForms/211_158.pdf).

## ***Keep Your Records***

Workers' Benefit Fund assessment-related payroll records must be kept for the current and three previous years. All other payroll records (including withholding tax information) must be kept for at least six years after you file the reports.

# OREGON WITHHOLDING TAX

The Oregon Department of Revenue is responsible for administering the state's withholding tax program. The department understands that the many withholding laws, regulations, and requirements can be confusing for employers. The following information is intended to answer employers' questions and concerns about withholding taxes. The department encourages you to call 503-945-8100 if you need additional information, or you may email questions to [payroll.help.dor@dor.oregon.gov](mailto:payroll.help.dor@dor.oregon.gov).

## **Employers with employees who live or work in Oregon must:**

- Withhold tax from employee wages at the time the wages are paid.
- Make payments using the same due dates for federal withholding tax and FICA tax deposits.
- File combined tax returns in addition to making the required payments.

## ***If You Are an Employer***

If you pay someone to work for you, are in charge of the way the job is done, and have the right to direct and control the worker, the worker is probably your employee.

### **According to Oregon law for withholding tax purposes, an employer is defined as:**

- A person or an organization for whom a worker performs a service as an employee, or
- A person who has the right to hire and fire an employee, or
- A person who provides the tools and a place to work, or
- A person who directs and controls the work of another person, or
- An officer or employee of a corporation who is responsible to comply with withholding tax provisions of the income tax law, or
- A member or employee of a partnership who is responsible to comply with withholding tax provisions of the income tax law.

An employer may be an individual, corporation, partnership, estate, trust, association, joint venture, or other unincorporated organization. Religious, educational, charitable, and social organizations can also be employers, even though such organizations may be exempt from paying tax. Government agencies—federal, state, or local—are required to withhold tax, file reports, and make payments the same as any other employer.

Oregon withholding tax law does not specifically exempt any type of employer, but it does exempt certain types of wage payments, (see Oregon Withholding Tax/Exempt Wages in this guide).

**Oregon requires some employers to withhold state tax even though they do not have to withhold federal tax.** For example, a worker may be recognized by the federal government as an independent contractor. However, that same individual may be regarded by the state as an employee, and the worker's employer is required to withhold state income tax.

To determine payment dates for Oregon withholding tax, these employers need to figure their federal withholding tax as if they were required to withhold it. To avoid calculating federal tax, employers may elect to pay Oregon withholding tax after each payroll.

## ***Oregon-Based Employers***

You must withhold tax from all wages paid to Oregon resident employees, including wages earned outside of Oregon.

You must also withhold tax from all wages paid to non-resident employees for work performed in Oregon. No Oregon withholding is required when a non-resident employee performs work outside of Oregon.

Employers who pay wages to Oregon residents may be relieved of the duty to withhold where it can be shown to the satisfaction of the department that each employee will receive \$300.00 or less from that employer in a calendar year (ORS 316.167 or OAR 150-316-0255).

## ***Out-of-State Employers***

You must withhold tax from all wages paid to Oregon residents earned in the state of Oregon.

Employers must also withhold tax from all wages earned by non-resident employees for services performed in Oregon, unless the earnings for the year will be less than the standard deduction for their filing status. (Non-resident employees earning over their standard deduction are required to file an Oregon Tax return).

Non-resident employees may earn less than the standard deduction in wages but still request withholding because they have additional Oregon income from other sources.

The Oregon Department of Revenue cannot require withholding when the services are performed for an out of state employer who does not have employees working in Oregon. However, we ask employers to register and withhold tax from wages paid to Oregon residents as a courtesy (ORS 316.167 or OAR 150-316-0255).

## ***Taxable Wages***

Employers must report all taxable wages on Oregon combined payroll tax reports. Wages subject to Oregon withholding tax include salaries, commissions, bonuses, wages, tips, fees, or any other item of value paid to an individual for services as an employee. Property or services you give to an employee may also be taxable. Taxable items include; merchandise, stocks, bonds, room, board, or other considerations given in payment for the employee's services.

The value of meals or lodging furnished for the convenience of the employer is not taxable. In addition, a dwelling furnished to a minister or a rental allowance, if the allowance is used to rent or to provide a home for the minister, is exempt from withholding tax.

### **Also, an employer must withhold tax:**

- On wages paid when an employer-employee relationship exists between a married couple.
- On wages paid to minors for bona fide personal services rendered to their parents.
- On payments by a corporation, including S corporations and professional corporations, to a corporate officer for services, including guaranteed wage payments for services.

## ***Reimbursable Expenses***

Reimbursable expenses paid to an employee are not subject to withholding tax, but you must specifically identify such payments when wages and reimbursement of expenses are in a single payment. If an employee received a definite hourly, weekly, or monthly salary, you must withhold tax on the entire amount, even though the amount includes an estimate of expenses. Only reimbursement based on actual expenses is exempt from withholding tax.

## ***Withholding on Distributions from IRAs, Annuities, and Compensation Plans***

The withholding of taxes from commercial annuities, employers, deferred compensation plans, and individual retirement plans is mandatory. However, an individual may elect to have no withholding, unless the payments are wages (ORS 316.189).

The payee gives a completed Form OR-W-4 showing Oregon withholding exemptions to the payer. The payer treats the payments as wages and figures Oregon withholding using the tax tables furnished by the Oregon Department of Revenue. The amount of withholding per payee must be \$10 or more. Withholding rate for lump sum distributions (this is a one-time only distribution) is eight percent. The payer will issue 1099Rs to payees at the end of the year.

Payers of a plan must register to withhold by completing the "Registration Report, Withholding on IRAs, Annuities, and Compensation Plans" form (150-211-054). If you have a business identification number for employee payroll, you will need a separate BIN to report and pay withholding on your distributions. You can download the Registration Report from [www.oregon.gov/DOR](http://www.oregon.gov/DOR).

## ***What about Farm Workers?***

Employees, who plant, cultivate, or harvest seasonal agricultural crops, are subject to withholding once they earn \$300 in a calendar year from a single employer. When the amount is \$300 or more, the entire amount, including the first \$300, is subject to withholding tax. A seasonal agricultural crop requires an annual, or less-than-annual, season to mature. The crop is harvested at the end of its season.

### **Seasonal agricultural crops include:**

- a. Field and forage crops;
- b. Seed of grasses, cereal grains, vegetable crops, and flowers;
- c. Bulbs and tubers of vegetable crops;
- d. Any vegetable or fruit used for food or feed; and
- e. Holly cuttings harvested annually for Christmas sale. NOTE: Christmas trees are not considered seasonal agricultural crops.

Employers must withhold tax on all wages of regular farm employees, even though part of their work may involve planting, cultivating, or harvesting. Employers must withhold tax on all wages paid for such seasonal activities as canning or other food processing, logging, and sheep shearing. Those activities are not connected with planting, cultivation, or harvesting seasonal agricultural crops.

### **Labor connected with the following is not considered seasonal agricultural crops:**

- a. Forest products;
- b. Landscaping;
- c. Nursery stock as defined in ORS 571.005 unless planted, cultivated, and harvested within an annual period;
- d. Raising, shearing, feeding, caring for, training, or management of livestock, bees, poultry, fur bearing animals, or wildlife.

## ***Exempt Wages***

The withholding law exempts wages paid for certain kinds of services and labor. **However, the wages may be subject to Oregon income tax.** If you are not sure whether the wages you pay are exempt from withholding, call the Oregon Department of Revenue, 503-945-8100, option 2, option 1. The following is a list of the kinds of services and labor specifically exempted.

- a. Domestic services in a private home, local college club, or local chapter of a college sorority or fraternity. Write clearly “domestic” on the wage statement (Form W-2, copy 1). This exemption does not apply to wages paid to an employee who performs both domestic and business services for the same employer.
- b. Casual labor that is not in the regular course of the employer’s business. You are required to withhold tax for substantial labor that is not related to your business, such as the construction of a private home.
- c. Persons temporarily employed as emergency forest firefighters.
- d. Employee trusts exempt from tax under provisions of the federal Internal Revenue Code.
- e. Seamen who are exempt from garnishment and attachment under Title 46 of the United States Code.
- f. Active service in armed forces.
- g. Employees of air carriers who earn less than 50 percent of their compensation in Oregon, unless they are Oregon residents.
- h. Nonresident employees engaged in interstate commerce (e.g. railroad, trucking, or bus employees) having regularly assigned duties in more than one state.
- i. Services real estate salespeople provide to real estate brokers. Oregon follows federal law in permitting real estate brokers to treat salespeople as self-employed individuals. However, the broker and salesperson must have a contract that provides that the individual is not an employee for Oregon tax purposes. A real estate salesperson’s income from commissions on sales is not subject to withholding by the broker.
- j. Services provided by direct sellers of consumer products. See ORS 316.209.

- k. A seasonal farm laborer whose total annual income from a single employer is less than \$300. When the amount is \$300 or more, the entire amount, including the first \$300, is subject to withholding tax. The employer may elect to withhold 2 percent of the total wages without considering any withholding exemptions.
- l. Duly ordained, commissioned, or licensed ministers of a church, when performing the duties of the ministry, and members of a religious order when performing religious duties required by the order.
- m. To or on behalf of an employee, a beneficiary of an employee or an alternate payee under or to an eligible deferred compensation plan that, at the time of the payment, is a plan described in section 457(b) of the Internal Revenue Code and that is maintained by an eligible employer described in section 457(e)(1)(A) of the Internal Revenue Code.
- n. Nonresident individual working on one of the following hydroelectric dams: The Dalles, McNary, John Day, or Bonneville.
- o. Nonresident individual working on a vessel operating on the navigable waters of more than one state.
- p. Independent contractors as defined in ORS 670.600. See the section “Who Is An Independent Contractor?” for independent contractor standards. For additional information go to [oregon.gov/IC/](http://oregon.gov/IC/).

## ***How to Compute Withholding Tax***

The Oregon Department of Revenue reviews withholding tables annually. To figure the amount of tax to withhold from an employee’s wages:

- Use the Oregon Withholding Tax Tables. This information is available online at [oregon.gov/DOR/forms/](http://oregon.gov/DOR/forms/). If you do not have internet access, you may call 503-945-8091 or 503-378-4988.
- For computer payroll systems, use the percentage formula in the Oregon Withholding Tax Tables, available on the internet at [oregon.gov/DOR/forms/](http://oregon.gov/DOR/forms/).

## ***Allowances***

When figuring withholding tax, use the number of allowances claimed by an employee on Form OR-W-4 or IRS Form W-4 or W-4P. If an employee did not file a Form W-4 or W-4P, use single -0- allowances.

**Do not use the allowances on Form OR-W-4 or W-4** if the Oregon Department of Revenue or the IRS tells you not to use the allowances.

The law requires employers to send a copy of Form OR-W-4 to the Oregon Department of Revenue, PO Box 14560, Salem, OR 97309, within 20 days after receiving it if the employee claims:

- More than 10 allowances for federal or state purposes, or
- Exemption from withholding, and the employee’s income is expected to exceed \$200 per week for both federal and state purposes, or
- Exemption from withholding for state purposes but not federal purposes.

**Note:** You must honor the Form OR-W-4 or W-4 filed by the employee until you receive a determination letter from the Department of Revenue or the IRS.

## ***Voluntary Withholding for Civil Service Annuitants***

Civil Service annuitants who prefer voluntary withholding of state income tax from their retirement pay may make the request in writing to: Office of Personnel Management, PO Box 961, Washington, DC 20044-0001.

Alternatively, civil service annuitants may call 1-800-409-6528 and use the Interactive Voice Response unit to execute the request. The amount of withholding per annuitant must be \$10 or more, per payment period.

## ***Voluntary Withholding for Retired Members of the Armed Forces***

Members of the armed services may elect to have state income taxes withheld from their retirement pay. State taxes will be withheld upon request to the appropriate retirement pay office of a service branch. The amount of withholding per retiree must be \$10 or more per payment period. For more information, call 503-945-8100. Refer to OAR 150-316-0320.

## ***Common Pay Agent***

Oregon law does not allow combined payroll taxes to be reported by a Common Pay Agent as defined in IRC Section 3504.

## ***Payment Due Dates***

Due dates for paying Oregon withholding tax are the same as due dates for depositing your federal tax liability. New employers must deposit monthly until they have a lookback period.\*

### **GUIDELINES FOR OREGON WITHHOLDING PAYMENT DUE DATES**

<b>If your total federal tax liability is:</b>	<b>Oregon withholding tax payments due:</b>
• Less than \$2,500 for the quarter	➔ within 30 days after the end of the quarter
• \$50,000 or less in the lookback period*	➔ by the 15 <sup>th</sup> of the month following payroll
• More than \$50,000 in the lookback period*	➔ <b>Semiweekly Deposit Schedule</b> <b><u>If the day falls on a:.....Then pay taxes by:</u></b>  Wednesday, Thursday, <u>and/or Friday .....the following Wednesday</u>  Saturday, Sunday, <u>Monday, and/or Tuesday .....the following Friday</u>
• \$100,000 in a single pay period*	➔ within one banking day

\*The lookback period is the 12-month period that ended the preceding June 30. The lookback period for agricultural employers is the calendar year prior to the year just ended.

## ***Alternate Payment Method***

Multi-state employers who find federal withholding methods create a burden for them that other similar employers do not share, may request a different method of withholding tax payments in writing to Withholding Manager, Department of Revenue, 955 Center Street NE, Salem, OR 97301-2555. Include the following information: business name of employer, Oregon business identification number, nature of burden, remedy requested, and proposed effective date of modified withholding method. You cannot use the proposed alternative withholding method until the Department of Revenue approves the request in writing and designates a date of a change. Refer to ORS 316.191.

## ***Annual Withholding Reconciliation Report***

All Oregon employers must electronically file an Oregon Annual Withholding Reconciliation Report (Form OR-WR). This report is due by the last day of January after the tax year. If you stop doing business during the year, this report is due within 30 days from your final payroll. ORS 316.202(3) and OAR 150-316-0359(3)

## ***W-2 Forms***

Employers must prepare the annual wage and tax statement (Form W-2) on the combined six-part federal-state form or an approved substitute form. Employers must give each employee three copies of the W-2 Form no later than January 31 of the next year.

If an employee leaves the service of an employer before the close of the calendar year and the employee requests a copy of the wage statement, the employer must provide that wage statement to the employee within 30 days from the last payment of wages.

If you need to correct a W-2 Form after it has been distributed, you must distribute the corrected statement and all copies the same way you distributed the original. If a W-2 Form is destroyed or lost, give the employee a substitute copy and clearly write on the form “**Reissued by employer.**”

## ***Reporting W-2 information***

All business and payroll service providers are required to report W-2 information electronically. Refer to OAR 150-316-0359.

The Oregon Department of Revenue will follow the same file specification for the W-2 information as the Social Security Administration. You can prepare and file W-2 forms or check names and social security numbers online with the [Social Security Administration](#).

The transmittal due date is January 31 of the current year. Form W-2 must be filed electronically only; paper W-2s or other forms of media are not accepted. The Oregon Department of Revenue will assess penalties against an employer if W-2 information isn't received in a timely fashion by the department or if the Form W-2 is submitted with incorrect or incomplete information.

The department may grant an exception to the filing requirement if the payer can prove undue hardship. Undue hardship is based on the facts and circumstances specific to each payer and determined on a case-by-case basis.

You can [view more information online](#).

## ***Reporting 1099 Information***

Businesses with one or more of any one type of information return (1099-MISC, 1099-K, 1099-NEC, 1099-G, 1099-R, and W-2G) are required to file electronically (OAR 150-314-0140).

The Oregon Department of Revenue will follow the same file specification for the 1099 information as the Internal Revenue Service. View information on [Filing Information Returns Electronically](#).

The transmittal due date is January 31 of the current year for W-2s and 1099s with information in Box 7; all other 1099s are due by March 31. The forms are filed electronically only; paper returns or other media are not accepted. The Oregon Department of Revenue will assess penalties against an employer if an information return isn't received in a timely fashion by the department or if an information return is submitted with incorrect or incomplete information.

You can [view more information online](#).

## ***Penalty and Interest***

Employers act as trustees for their employees' withheld taxes. As a trustee, you are subject to the same penalty and interest for late payments or for failure to file personal income tax that applies to individuals. To avoid penalty and interest, make your withholding payments when they are due and file your Oregon combined tax reports by the due date.

### **Interest:**

- You will be charged interest on any remaining tax not paid by the due date. Interest rates are subject to change annually.

### **Penalties:**

- You will be charged a 5 percent late-payment penalty on any unpaid tax after the payments due date.
- You will be charged an additional 20 percent penalty on any unpaid tax as of the due date and if FORM OQ is filed more than one month late.
- You will be charged an additional 25 percent penalty if DOR determines and assesses the tax that should have been reported by the due date.
- You will be charged a 100 percent penalty on unpaid tax due if Forms OQ are not filed for three consecutive years, or 12 consecutive quarters depending on how you file.

## ***Failure to File***

Only numerical information entered in the state withholding tax column on the Oregon combined payroll tax report will be considered a filed return for that tax by the Oregon Department of Revenue. If you enter something other than a number in a state withholding tax column or leave that column blank, we will conclude you are not filing a return for purposes of state withholding tax.

If an employer is subject to, but does not file a return for, state withholding, the Oregon Department of Revenue will assess tax based on the best information available for the period. Penalty and interest will be charged on the amount assessed. The department may issue a warrant and garnishment to enforce collection. The amount may become a lien against any property you own or purchase.

## ***Dishonored Checks or Electronic Payments***

The Oregon Department of Revenue may assess a penalty of \$25 up to \$500 on dishonored checks or electronic payments. This is in addition to all other penalties. This penalty shall be imposed only if the employer has submitted a prior dishonored check or electronic payment. Refer to ORS 305.228.

## ***Bonding Requirements***

An employer whose withholding tax payment is delinquent may be required for one year to post a bond in an amount equal to the amount of tax due. The Department of Revenue may file a motion with the Oregon Tax Court to revoke business licenses of companies or individuals who refuse to comply with filing and payment requirements. For more information on bonding requirements, refer to OAR 150-316-0250.

The Director of the Department of Revenue may ask other state agencies to suspend licenses per ORS 305.385.

## ***Liability***

Employers are liable for the tax required to be withheld from wages. Corporate officers, partners, or responsible employees may be personally liable for any withholding tax a corporation or partnership fails to pay. Closing a

business does not end an individual's liability; individuals may remain liable for the periods during which the business paid wages even after the business has closed.

A lender, surety, or other person supplying funds to an employer to pay employee wages also may be liable for the withholding tax under certain conditions.

## ***Need More Information***

If you have questions about Oregon withholding tax payments or returns, contact:

Oregon Department of Revenue  
Business Division  
PO Box 14800  
Salem, OR 97309-0920

Internet: [oregon.gov/DOR/programs/businesses/](http://oregon.gov/DOR/programs/businesses/)

Email: [payroll.help.dor@dor.oregon.gov](mailto:payroll.help.dor@dor.oregon.gov)

Phone: 503-945-8100

## ***DEPARTMENT OF REVENUE OFFICES***

<u>Office</u>	<u>Office Address</u>
Bend	951 SW Simpson Ste. 100
Eugene	1600 Valley River Dr. Ste. 310
Gresham	1550 NW Eastman Pkwy. Ste. 220
Medford	3613 Aviation Way Ste. 102
Portland	800 NE Oregon St. Ste. 505
Salem Field	955 Center Street NE

## **OREGON UNEMPLOYMENT INSURANCE CONTRIBUTIONS**

### ***Employers Who Must Pay Unemployment Insurance (UI) Tax***

The entire cost of unemployment insurance is supported by employers. It is based on the contributions levied on their subject payrolls. Certain nonprofit organizations and governmental units may reimburse instead of paying the contributions. Funds collected by the Employment Department to finance unemployment insurance are designated by law as "taxes" or "contributions." All contributions collected from Oregon employers are deposited in a trust fund exclusively to pay for benefits to unemployed workers. Special Payroll Tax Offsets may be authorized by the Oregon Legislature. These are not deposited as contributions in the Unemployment Insurance (UI) Trust Fund, but rather are collected as part of the UI Tax rate.

#### **Subject employers must:**

- Get a Business Identification Number (BIN):
- Complete and send a [Combined Employer's Registration Form](#) to the Oregon Department of Revenue.
- File quarterly reports. Employers who employ domestic (in-home) workers may file annual reports.
- Pay contributions when due.
- Maintain adequate payroll records.
- Inform the Employment Department of any change in status.
- Inform the Employment Department of any change in address using the Business Contact Change Form.

## ***Who is an Employee?***

An employee is any person including aliens and minors employed for remuneration or under any contract of hire unless the services are specifically excluded from coverage under the law. The definition of “employee” for this tax comes from Oregon Revised Statute 657, which differs from common law and federal law.

Individuals who meet the statutory definition of an independent contractor are not employees and their compensation for services is not taxable wages. The definition of an independent contractor recognized by the Employment Department, Department of Revenue, Construction Contractors Board, and Landscape Contractors Board is in Oregon Revised Statute 670.600, which lists standards that must be met to be considered an independent contractor. Individuals who do not meet the standards are employees, and their compensation for services is taxable wages. See the section, “Who is an Independent Contractor?” in this guide for more information, or visit [www.oregon.gov/IC](http://www.oregon.gov/IC).

If you are uncertain whether to report a worker, call the Employment Department at 503-947-1488.

## ***Taxable Payroll***

For current information, contact the Employment Department at 503-947-1488, or visit the website at [www.oregon.gov/EMPLOY/TAX](http://www.oregon.gov/EMPLOY/TAX). Taxable payroll is determined by law and may change from year to year.

## ***Tax Rates***

Unemployment Tax Rates are assigned in accordance with Oregon Law. New employers are assigned a “base rate” until they have had sufficient “experience” to qualify for an “experience rate”-based tax rate. This usually takes about three years. The 2021 Oregon Legislature passed House Bill 3389, which holds experience ratings for employers to their established 2020 experience rate for years 2022, 2023, and 2024. If an employer was at the base rate in 2020, they will retain that rate through the 2024 cycle.

Taxable payroll includes payroll for a maximum of 12 calendar quarters proceeding July 1 of each year. The first two quarters for which the employer is subject are not included in this computation.

Taxable payroll and the amount of unemployment benefits paid directly affect the tax rate. Each time a former employee collects unemployment insurance benefits, the employer account is charged, unless charges are “relieved.” Lower tax rates are assigned to employers whose unemployment charges are low in comparison to taxable payroll. Request a quarterly statement of charges from the Employment Department by calling 503-947-1488.

An employer’s experience rate may include the charges and payroll of all or part of any business or trade that has been transferred, sold or acquired. Tax rates are transferred from a former business if the new owner obtains all or part of a trade or business including employees; such transactions must be reported to the Employment Department, Contributions Section within 60 days of the date that the transaction became final.

## ***Nonprofit Organizations***

Nonprofit organizations are subject to Employment Department law. Each account is established as taxpaying. If the organization qualifies under Section 501(c)(3) of the Internal Revenue Code (IRC), it may choose to reimburse the trust fund for the amount of benefits paid instead of paying tax on its payroll.

A nonprofit organization that qualifies and elects to reimburse must post a bond or deposit with the Employment Department in an amount determined by statute (ORS 657.505). Once a nonprofit employer has exercised either option, it must remain in effect for two full calendar years. After that time period, a nonprofit employer may change options by filing a written request by January 31 of the year in which they wish to change their option.

If you would like more information about differences between the two programs, you should contact the Employment Department at 503-947-1488.

## ***Religious Organizations***

Religious organizations including schools, churches, and religious orders that qualify as subject employers under Employment Department law must pay state unemployment contributions on compensation paid to lay employees and clergy. As nonprofit organizations, religious organizations may elect to reimburse the fund instead of paying contributions if they qualify under section 501(c)(3) of the Internal Revenue Code.

## ***Corporations***

Corporations must pay unemployment insurance contributions on all compensation for services, including compensation received by corporate officers and shareholders. S corporations and professional corporations (PCs) are like all other corporations for unemployment insurance purposes.

Family-owned corporations may elect not to pay unemployment insurance contributions on corporate officers who are directors, have a substantial ownership interest, and are members of the same family. A single member corporate officer/director is eligible for the exclusion. To elect the exclusion, a Corporate Officer Exclusion (Form 2578) must be submitted to the Employment Department. If approved, the exclusion will be effective the first day of the calendar quarter in which the request is submitted.

## ***Limited Liability Companies and Limited Liability Partnerships***

Employment Department law excludes limited liability companies (LLCs) and limited liability partnerships (LLPs) from paying unemployment insurance contributions on compensation paid to their members and partners, regardless of their filing status with the IRS as a disregarded entity. LLC members may elect for UI coverage by submitting a written [Election to Cover](#) form or reporting their wages on their quarterly payroll report.

## ***Government Units and Political Subdivisions***

Governmental entities and political subdivisions generally reimburse the Employment Department for any benefits paid that are based on wages paid. There are other options they may elect. For additional information regarding these options, please call the Employment Department at 503-947-1488.

## ***Reports Due Each Quarter***

In addition to the Oregon Combined Payroll Tax report, employers subject to the Unemployment Insurance contributions must report employee wage detail information. Reports are due by the last day of the month following the end of each calendar quarter.

## ***Domestic (In-Home) Employer Reports***

Employers of domestic (in-home) employees may file either annually or quarterly. Instructions on how to file payroll reports are sent to the employers by the Employment Department.

Domestic employers filing quarterly are encouraged to file electronically by secure server using the computer-based OTTER software program.

## ***Delinquent Contributions and Late Reports***

Employers who file reports after the due date, who file incorrectly formatted reports, or who fail to pay contributions in a timely manner may be subject to various penalties. These penalties are in addition to interest and contributions owed.

The reimbursement payments are due by the last day of the month following the month in which the statement is mailed. Those employers on the reimbursing basis are subject to the same penalties and interest as taxpaying employers.

### ***Change in Organization or Sale***

Employers must notify the Employment Department of any change in the ownership of a business. Changes included in this requirement are sale of a business, dissolution of a partnership, formation of a new partnership, discontinuance of a corporation, dissolving of a corporation, death of an owner or partner, closing of a business, or any other type of change. The [Business Change in Status Form](#) should be completed and mailed in when a change of this nature occurs.

### ***Employer Ceases to be Subject to UI Contributions***

An employer who is subject to Unemployment Insurance (UI) contributions and ceases to have sufficient employment or payroll to meet the requirements of ORS Chapter 657, may file a [Business Change of Status Form](#) to close the account and discontinue reporting and paying UI contributions. The exemption will continue until the employer again qualifies as an employer as defined in ORS 657.

### ***Outreach and Education***

Outreach and Education programs can be scheduled for groups of employers or tax preparers. These seminars are designed to increase knowledge of the tax programs administered by the Employment Department (Unemployment Insurance Contributions), the Department of Revenue, and the Department of Consumer and Businesses Services. For more information on scheduling a seminar, call 503-947-1544.

### ***Need More Information?***

Visit the website at [www.oregon.gov/EMPLOY/TAX](http://www.oregon.gov/EMPLOY/TAX), call us at 503-947-1488, TTY: 771, or fax 503-947-1487.

## **OREGON PAID FAMILY LEAVE AND MEDICAL LEAVE INSURANCE CONTRIBUTIONS**

In 2019, the Oregon State Legislature passed HB 2005 to establish the Oregon Paid Family and Medical Leave Insurance (PFMLI) program, to be developed and administered by the Oregon Employment Department. Required contributions will start January 2023.

The Employment Department is developing a program for all Oregon employers and employees that will provide easily accessible benefits to help our state, and each of us, maintain quality of life, economic stability, and peace of mind.

The PFMLI program will serve Oregonians by providing paid leave during life's important moments, whether it's the birth or adoption of a child, yours or a loved one's serious illness, or if you have experienced domestic violence, sexual assault or harassment.

The Employment Department is responsible for developing and administering this program. We are in the early stages of this process and will provide more information as it becomes available. We will request input from workers and businesses as we move forward with the planning, and we expect to work closely with those impacted by this new program to make sure it meets the diverse needs throughout the state.

You can find the latest information about this program on the Oregon Employment Department website at [paidleave.oregon.gov](http://paidleave.oregon.gov).

Sign up for updates about the PFMLI program at [public.govdelivery.com/accounts/OREMPDEPT/subscriber/new](http://public.govdelivery.com/accounts/OREMPDEPT/subscriber/new).

# TRANSIT DISTRICT TAXES

## General Information

Transit district tax programs are administered by the Oregon Department of Revenue for the Tri-County Metropolitan Transportation District (TriMet) and the Lane County Mass Transit District (LTD). They provide revenue for mass transit (ORS Chapter 267). Transit payroll (excise) tax is imposed on nearly every employer who pays wages for services performed in the TriMet or LTD districts. A self-employment tax is imposed on self-employment earnings within the TriMet and LTD districts. If you are an employer and self-employed you might be subject to both the transit tax on payroll and the transit self-employment tax on your self-employment earnings.

## Service Areas

The TriMet district includes parts of three counties in the Portland area: Multnomah, Washington, and Clackamas. LTD serves the Eugene-Springfield metro area.

## TriMet Transit District ZIP Code List

To help you determine if you have employees or business activity in the TriMet Transit District, use this ZIP code list. Some ZIP codes may not coincide with the district boundaries. For TriMet boundary questions, call TriMet at 503-962-6466 or visit [www.trimet.org/taxinfo](http://www.trimet.org/taxinfo).

### ZIP Codes Completely in TriMet Transit District

97003 97005 97006 97008 97024 97027 97030 97034 97035 97036 97068 97077  
97201 97202 97203 97204 97205 97206 97209 97210 97211 97212 97213  
97214 97215 97216 97217 97218 97219 97220 97221 97222 97223 97225  
97227 97229 97230 97232 97233 97236 97239 97256 97258 97266 97267

### ZIP Codes Partially in TriMet Transit District

97007 97009 97015 97019 97022 97023 97045 97060 97062 97070  
97078 97080 97086 97089 97113 97116 97123 97124 97140 97224 97231

## Lane Transit District ZIP Code List

This list is a guide to help determine if you have employees in the Lane Transit District. Some ZIP codes may not coincide with the district boundaries. For Lane Transit boundary questions call 541-682-6100 or visit [www.ltd.org](http://www.ltd.org).

City	Zip Code	City	Zip Code
Blue River	97413	Junction City	97448
Coburg	97408	Lancaster	97448
Cottage Grove	97424	Leaburg	97489
Creswell	97426	Lowell	97452
Dexter	97431	Maywood	97413
Elmira	97437	McKenzie Bridge	97413
Eugene	97401-97405	Pleasant Hill	97455
Eugene	97408	Springfield	97475, 97477-97478
Eugene	97440	Thurston	97482
Fall Creek	97438	Trent	97431
Finn Rock	97438	Veneta	97487

Goshen	97405	Vida	97488
Jasper	97438	Walterville	97488

## ***Who Must File and Pay a Transit Tax on Payroll?***

All employers who are paying wages in the TriMet or LTD districts and who are not exempt (see “Exempt Payroll” below) must register and file with the Oregon Department of Revenue. City, county, and local government units are subject to TriMet payroll taxes, if located or performing services within the TriMet boundaries.

Payments to deferred compensation plans are subject to TriMet and Lane Transit District Taxes, ORS 267.380(4)(a). The specific types of payments that are subject include:

- Contributions to a Simplified Employee Pension (SEP) made at the election of the employee.
- Payments for the purchase of IRC section 403(b) annuities under salary reduction agreements.
- Contributions to 401(k) retirement plans made at the election of the employee, including employer-matched contributions.
- Pick-up payments to governmental retirement plans under salary reduction agreements.
- Amounts deferred under governmental deferred compensation plans.
- Any amount deferred under a nonqualified deferred compensation plan.
- Payments to an IRC 408 Individual Retirement Account under salary reduction agreements.

## ***Exempt Payroll***

**The following are exempt from TriMet and LTD payroll excise taxes:**

- Federal credit unions.
- Public school districts or Public Education districts (i.e. – Charter schools).
- Internal Revenue Code Section 501(c)(3) - nonprofit and tax exempt institutions, except hospitals.
- All foreign insurers are exempt, including all insurance adjusters, agents, and agencies, as well as their office support staff.
- Domestic service in a private home.
- Casual labor.
- Services performed outside the transit district.
- Seamen who are exempt from garnishment.
- Employee trusts that are exempt from taxation.
- Federal government units.
- Religious organizations, including churches.
- Wages paid to employees whose labor is solely connected to the planting, cultivating, or harvesting of seasonal agricultural crops.
- Wages paid to persons temporarily employed as emergency fire fighters.

**The following are exempt from LTD, but are subject to TriMet payroll excise taxes:**

- Public education districts.
- Public special service and utility districts.
- Port authorities.
- Fire districts.
- City, county and other local government units.

**NOTE:** For definitions of employer and wages, see “[Oregon Withholding Tax](#)” in this guide.

## ***How to Register***

If you are subject to transit payroll taxes, complete the transit payroll tax section of the Employer's Combined Registration Report. This is the same form used to register as an employer for withholding and unemployment insurance tax purposes.

You may register online using the [Oregon Business Registry](#), or complete the paper form and mail it to **Oregon Department of Revenue, PO Box 14800, Salem, OR 97309-0920**. The Department of Revenue will assign you a TriMet or LTD account number. Your transit payroll tax account number will be the same business identification number you use for your Oregon Quarterly Tax Reports.

## ***How to Figure the Transit Payroll Excise Tax***

The transit payroll tax is employer-paid and based on the gross amount of payroll paid for services performed within the TriMet or Lane Transit districts. This includes traveling sales representatives and employees working from home. Transit payroll tax is not deducted from employee wages. Multiply the gross taxable payroll by the current tax rate. Current tax rates are shown on the TriMet/LTD portion of the Oregon Quarterly Tax Report.

## ***When and How to File***

Report and pay transit payroll taxes quarterly on the Oregon Quarterly Tax Report (Form OQ), in the identified area (s). Notify the Department of Revenue immediately of any change of address.

## ***Penalty and Interest***

Penalty and interest for delinquent transit tax are the same as the penalty and interest for delinquent withholding tax. For more information about penalty and interest rates, see page 22 in this guide.

## ***How to Close Your Transit Payroll Tax Account***

If you have stopped doing business or no longer have employees working within the TriMet or Lane Transit districts, you can close your Oregon TriMet or LTD payroll tax account. Fill out the Business Change in Status Form included in your quarterly reporting booklet and mail it to **Oregon Department of Revenue, P.O. Box 14800, Salem OR 97309-0920**. This form also is [available online](#).

## ***For More Transit Payroll Tax Information***

For more information about the TriMet or LTD payroll excise tax, contact the Department of Revenue in Salem at 503-945-8100, by email at [payroll.help.dor@dor.oregon.gov](mailto:payroll.help.dor@dor.oregon.gov), or visit [our website](#).

## ***Who Must File and Pay a Transit Self-Employment Tax?***

Anyone who has self-employment earnings from business or service activities conducted in the TriMet or Lane transit district must pay this tax.

### **People who must pay the transit self-employment tax include:**

- Anyone who does business or provides services in the district, regardless of where they live, and whose earnings are not subject to Oregon withholding.
- Compensation received for performing religious services independently.
- Real estate sales people. Federal laws generally treat real estate sales people as self-employed, including those who provide services to real estate brokers under contract. This means that commissions on sales are subject to the transit tax.

A partnership as an entity is not subject to transit district self-employment tax. However, each partner is subject to the transit district self-employment tax, and the partnership may file and pay for all the individual partners.

### ***For More Transit Self Employment Tax Information***

For more information on Tri Met or LTD self-employment tax, call Tax Help at the Oregon Department of Revenue at 503-378-4988, 1-800-356-4222, or visit our [website](#). To order forms, write to:

Forms, Oregon Department of Revenue  
PO Box 14999  
Salem, OR 97309-0990

## **STATEWIDE TRANSIT TAXES**

### ***General Information***

The 2017 Oregon Legislature passed House Bill (HB) 2017, which included the new statewide transit tax. Parts of HB 2017 related to the statewide transit tax were amended in the 2018 session.

On July 1, 2018, employers began withholding the tax (one-tenth of 1 percent or .001) from:

- Wages of Oregon residents (regardless of where the work is performed).
- Wages of nonresidents who perform services in Oregon.

The statewide transit tax is calculated based on the employee's wages as defined in ORS 316.162. Employees who aren't subject to regular income tax withholding due to high exemptions, wages below the threshold for income tax withholding, or other factors **are subject to statewide transit tax withholding**.

### ***Who Must File and Pay Statewide Transit Tax?***

Oregon employers are responsible for:

- **Withholding** the tax from employees' wages.
- **Reporting** taxes withheld on a quarterly or annual return.
- **Remitting** taxes withheld quarterly or annually.
- **Reconciling** quarterly or annual reports on the annual reconciliation return.

If you don't withhold this tax appropriately or file and pay on time, you may be subject to penalties and interest. We can assess penalties for knowingly failing to deduct and withhold the tax of \$250 per employee, up to \$25,000 for each tax period, in addition to other penalties and interest authorized by state law.

Oregon residents who perform services outside of Oregon can ask their out-of-state employer to withhold the tax from their wages as a courtesy—similar to income tax withholding. However, we can't require out-of-state employers to do so, as they're outside Oregon's taxing jurisdiction.

**Agricultural employers** may file returns and make payments for this tax annually, as they do with their income tax withholding.

Oregon employers must report withheld amounts of statewide transit tax in Box 14 of the employee's W-2.

## ***Exempt Payroll***

### **The following are exempt from statewide transit tax:**

- q. Domestic services in a private home, local college club, or local chapter of a college sorority or fraternity. Write clearly “domestic” on the wage statement (Form W-2, copy 1). This exemption does not apply to wages paid to an employee who performs both domestic and business services for the same employer.
- r. Casual labor that is not in the regular course of the employer’s business. You are required to withhold tax for substantial labor that is not related to your business, such as the construction of a private home.
- s. Persons temporarily employed as emergency forest firefighters.
- t. Employee trusts exempt from tax under provisions of the federal Internal Revenue Code.
- u. Seamen who are exempt from garnishment and attachment under Title 46 of the United States Code.
- v. Active service in armed forces.
- w. Employees of air carriers who earn less than 50 percent of their compensation in Oregon, unless they are Oregon residents.
- x. Nonresident employees engaged in interstate commerce (e.g. railroad, trucking, or bus employees) having regularly assigned duties in more than one state.
- y. Services real estate salespeople provide to real estate brokers. Oregon follows federal law in permitting real estate brokers to treat salespeople as self-employed individuals. However, the broker and salesperson must have a contract that provides that the individual is not an employee for Oregon tax purposes. A real estate salesperson’s income from commissions on sales is not subject to withholding by the broker.
- z. Services provided by direct sellers of consumer products. See ORS 316.209.
- aa. A seasonal farm laborer whose total annual income from a single employer is less than \$300. When the amount is \$300 or more, the entire amount, including the first \$300, is subject to withholding tax. The employer may elect to withhold 2 percent of the total wages without considering any withholding exemptions.
- bb. Duly ordained, commissioned, or licensed ministers of a church, when performing the duties of the ministry, and members of a religious order when performing religious duties required by the order.
- cc. To or on behalf of an employee, a beneficiary of an employee or an alternate payee under or to an eligible deferred compensation plan that, at the time of the payment, is a plan described in section 457(b) of the Internal Revenue Code and that is maintained by an eligible employer described in section 457(e)(1)(A) of the Internal Revenue Code.
- dd. Nonresident individual working on one of the following hydroelectric dams: The Dalles, McNary, John Day, or Bonneville.
- ee. Nonresident individual working on a vessel operating on the navigable waters of more than one state.
- ff. Independent contractors as defined in ORS 670.600. See the section “Who Is An Independent Contractor?” for independent contractor standards. For additional information go to [www.OregonIndependentContractors.com](http://www.OregonIndependentContractors.com).

## ***When and How to File***

Report and pay statewide transit payroll taxes quarterly on the Oregon Quarterly Statewide Transit Tax Withholding Return (STT-1) and the Statewide Transit Tax Employee Detail Report. The quarterly due dates are the same as the Withholding and Transit taxes. Notify the Department of Revenue immediately of any change of address.

Note: State transit taxes will be filed on the updated Oregon Quarterly Statewide Transit Tax Withholding Return beginning in the first quarter of 2023.

## ***Penalty and Interest***

Penalty and interest for delinquent statewide transit tax are the same as the penalty and interest for delinquent withholding tax. For more information about penalty and interest rates, see page 20 in this guide.

## ***How to Close Your Payroll Tax Account***

If you have stopped doing business or no longer have employees fill out the Business Change in Status Form found at [www.oregon.gov/dor](http://www.oregon.gov/dor) and mail it to **Oregon Department of Revenue, P.O. Box 14800, Salem OR 97309-0920.**

## TAX LIABILITY REFERENCE CHART

These tax liability tables are provided as a quick reference for determining the tax liability for state unemployment tax, state withholding tax, and transit district tax for certain types of wages. This chart is not all-inclusive and should be used as a reference only. **Note:** Because it is based on hours worked, not wages, this table does not address liability for the Workers' Benefit Fund assessment. See the section on [Workers Benefit Fund \(WBF\) Assessments](#) for more information.

<b>WAGES PAID FOR</b>	<b>STATE UNEMPLOYMENT INSURANCE TAX</b>	<b>STATE WITHHOLDING TAX</b>	<b>TRANSIT TAX FOR WAGES PAID IN DISTRICT</b>
<b>Agricultural Labor</b>	<p>Subject if the employer paid cash wages of \$20,000 or more in any calendar quarter to workers doing agricultural labor, or</p> <p>Subject if the employer has 10 or more workers doing agricultural labor on 20 days during a calendar year, each day being a different week.</p> <p>See ORS 657.045 for the definition of agricultural labor.</p>	<p>A farm laborer whose total annual income from a single employer is less than \$300 is not subject. When the amount exceeds \$300, the entire amount, including the first \$300, is subject to withholding. ORS 316.162 OAR 150-316-0237</p> <p>The employer may elect to withhold 2 percent of the total wages without considering any withholding exemptions. ORS 316.167</p>	<p>Wages paid for such seasonal activities as canning or other food processing, logging, and sheep shearing which are performed within the transit districts are subject.</p> <p>Wages paid to employees, whose labor is <b>solely</b> connected to the planting, cultivating or harvesting of seasonal agricultural crops are exempt. ORS 267.380</p>
<b>Cafeteria Plans</b>	<p>Reported quarterly. Payment made through cafeteria plans are considered wages, unless specifically excluded under Oregon law. See other specific payment references made in this table.</p>	<p>Not subject ORS 316.162(2) (L)</p>	<p>Not subject ORS 267.380</p>
<b>Corporation (compensation)</b>	<p>Corporations must report and pay taxes on compensation for services including services performed by corporate officers and shareholders (see pages 18-19 for exceptions)</p> <p>S corporations and professional corporations are treated the same as other corporations.</p> <p>Dividends are reportable to the extent they are reasonable compensation for services.</p>	<p>Compensation for services is subject to withholding, including services performed by corporate officers and shareholders. ORS 316.162</p> <p>S corporations and professional corporations are treated the same as other corporations.</p> <p>Dividends are not subject to withholding.</p>	<p>Compensation for services is subject to transit taxes, including services performed by corporate officers and shareholders. ORS 267.380</p> <p>S corporations and professional corporations are treated the same as other corporations.</p> <p>Dividends are not subject to withholding.</p>
<b>Dismissal/Severance Pay</b>	<p>Subject</p>	<p>Subject ORS 316.162</p>	<p>Subject ORS 267.380</p>
<b>Domestic Service in a Private Home, Fraternity or Sorority</b>	<p>Subject if employer paid cash wages of \$1,000 or more in any calendar quarter to workers doing domestic service. Reported quarterly or annually. See ORS 657.050 for the domestic service definition.</p>	<p>Not subject. However, Oregon income tax can be withheld if the household employee asks you to withhold and you agree. ORS 316.162(2) (c) OAR 150-316-0237(3)</p>	<p>Not subject ORS 267.380</p>
<b>Family Employee: son or daughter under 18 employed by parent; spouse employed by spouse; parent employed by son or daughter</b>	<p>Not subject. ORS 657.060</p>	<p>Subject. ORS 316.162 OAR 150-316-0237</p>	<p>Subject ORS 267.380</p>

<b>WAGES PAID FOR</b>	<b>STATE UNEMPLOYMENT INSURANCE TAX</b>	<b>STATE WITHHOLDING TAX</b>	<b>TRANSIT TAX FOR WAGES PAID IN DISTRICT</b>
<b>Fishing (Commercial)</b>	Exempt if crew is normally fewer than 10 <u>and</u> paid a share of the catch or share of the proceeds from the sale of the catch.  ORS 657.053	Employees engaged in fishing as defined by Title 46 of the United States code, are exempt.  ORS 316.162(2)	Employees engaged in fishing as defined by Title 46 of the United States code, are exempt.  ORS 316.162(2)
<b>Insurance Agents or Solicitors</b>	Not subject to the extent that the person is compensated by commissions. ORS 657.085	Not subject if self-employed and paid solely by commissions.  OAR 150-316-0237	Only domestic insurance companies (insurers actually underwriting policies), health care service clubs are subject.  All foreign insurers are exempt, including all insurance adjusters, agents and agencies, as well as their office support staff.
<b>Interstate Common Carriers (for hire)</b>	Transportation performed by motor vehicle for a for-hire carrier and who personally operates, furnishes, and maintains the equipment and provides the services, is exempt.  In addition, the person who furnishes, and maintains the vehicle is deemed the employer of others who operate it.  ORS 657.047	Nonresident employees engaged in interstate commerce, (e.g., railroad, trucking, or bus employees) having regularly assigned duties in more than one state are not subject to Oregon tax. ORS 316.162  OAR 150-316-0237  Nonresident employees of interstate common air carriers having regularly assigned duties on aircraft are not subject to Oregon tax if scheduled flight time in Oregon is less than 50% of the total scheduled flight time.	Nonresident employees engaged in interstate commerce, (e.g., railroad, trucking, or bus employees) having regularly assigned duties in more than one state are not subject to Oregon tax.  Nonresident employees of interstate common air carriers having regularly assigned duties on aircraft are not subject to Oregon tax if scheduled flight time in Oregon is less than 50% of the total scheduled flight time
<b>Meals and Lodging</b>	Subject except when paid for agricultural labor or domestic service, or for employee travel expenses excluded under OAR 471-31-0020	Meals – subject unless furnished for employer’s convenience and on the employer’s premises  OAR 150-316-0237  Lodging – subject unless furnished on employer’s premises, for the employer’s convenience and as condition of employment	Meals – subject unless furnished for employer’s convenience and on the employer’s premises  Lodging – subject unless furnished on employer’s premises, for the employer’s convenience and as condition of employment
<b>Newspaper Carrier Delivering to Customers</b>	Not subject. ORS 657.080	Not subject. ORS 657.080	Not subject. ORS 657.080
<b>Real Estate Broker, or Principal Real Estate Brokers</b>	Not subject if paid solely by commissions. ORS 657.085	Oregon follows federal law in permitting real estate salespeople to be treated as self-employed individuals if they have a contract with a broker that provides that the individual will not be treated as an employee with respect to the services for Oregon tax purposes. Income from commissions on sales is not subject to withholding by the broker.  OAR 150-316-0237	If not subject to state withholding, not subject to transit taxes.

<b>WAGES PAID FOR</b>	<b>STATE UNEMPLOYMENT INSURANCE TAX</b>	<b>STATE WITHHOLDING TAX</b>	<b>TRANSIT TAX FOR WAGES PAID IN DISTRICT</b>
<b>Religious Organizations Including Churches</b>	Pay for services (including fair market value of housing) to lay employee or clergy by a religious organization including a church or religious order is subject.  OAR 471-31-090	Duly ordained, commissioned or licensed ministers of a church, when performing the duties of the ministry, and members of a religious order, when performing religious duties required by the order are exempt.  OAR 150-316-0237	Not subject
<b>Retirement and Pension Plans:</b>			
<b>Employer contributions to individual retirement account</b>	Not subject	Not subject ORS 316.162	Not subject
<b>Employer contributions to qualified cash or deferred compensation plan</b>	Employer-paid contributions to 401(k) plans are excluded	Not subject ORS 316.162	Not subject unless employer is making a matching 401(k) contribution (see page 28)
<b>Retirement and pension payments</b>	Not subject if from qualified plan. ORS 657.115	Not subject if qualified plan ORS 316.189	Not subject
<b>Contributions to deferred compensation plans at election of employee</b>	Employee-paid contributions to 401(k) plans are subject	Not subject ORS 316.162	Subject ORS 267.3840(4)(a)
<b>Securities Salesperson</b>	Not subject if paid solely by commissions. ORS 657.085	Subject ORS 316.162	Subject
<b>Sickness or injury payments:</b>			
<b>Worker's compensation</b>	Not subject	Not subject ORS 316.162	Not subject
<b>Employer payment of sick pay (voluntary or mandatory)</b>	Subject	Subject OAR 150-316-0239	Subject
<b>Third-party payment of sick pay</b>	Subject	Not subject	Not subject
<b>Tips</b>	Subject, for all tips reported in writing to employer.  ORS 657.117	Tips reported to the employer whether cash or credit card are subject to withholding. All tips are subject to income tax.	Subject
<b>Wages</b>	Wages are subject when paid and include all cash and non-cash remuneration for employment.  Agricultural and domestic wages include only cash	Employers must withhold tax from employees' wages at the same time employees are paid.  ORS 316.162  Draws/Advances on salary or employee wages are subject at the time they are paid.	Subject ORS 267.380

# WORKERS' BENEFIT FUND (WBF) ASSESSMENT

One of the responsibilities of the Department of Consumer and Business Services (DCBS) is to administer Oregon's workers' compensation laws and system. As part of this role, DCBS is responsible for administering the Workers' Benefit Fund. This fund pays for programs that encourage the employment and re-employment of previously injured or handicapped workers, offers Oregon employers monetary incentives to hire or rehire Oregon injured workers, and pays monthly cost-of-living increases to permanently and totally disabled workers and to the spouses and children of workers who have died as the result of an occupational injury or disease. The WBF assessment, paid jointly by workers and employers, funds the Workers' Benefit Fund. Employers contribute half of the WBF assessment and deduct half from their workers' wages.

## *Who Reports and Pays the WBF Assessment*

Oregon law links who is subject to the WBF assessment to employers and workers who have (or, by law, *should* have) workers' compensation insurance coverage. Individuals subject to the WBF assessment are 1) all paid workers for whom the employer is required by Oregon law to provide workers' compensation insurance coverage (see section, "[Obtain Workers' Compensation Insurance](#)" in this guide); 2) all paid individuals (workers, owners, officers) that may otherwise be non-subject, but whom the employer chooses to cover under workers' compensation insurance; and 3) all paid individuals performing personal support work who are eligible for workers' compensation insurance coverage under House Bill 3618 (2010).

Employers are not required to report the hours worked or pay the WBF assessment for volunteer workers even when they are covered by workers' compensation insurance. Volunteers are workers who receive no money for the work they perform.

**IMPORTANT:** The WBF assessment is separate from workers' compensation insurance and does not provide coverage to employees. You must obtain a workers' compensation policy to provide coverage for your workers.

## *How to Calculate the WBF Assessment*

The WBF assessment is based on the total number of hours and partial hours worked by all paid workers (whether paid by the hour or on a basis other than by the hour). These hours are multiplied by a "cents per hour" rate that is determined and set annually by the Department of Consumer and Business Services. Employers contribute at least half of the assessment and deduct no more than half from their workers' wages.

## *Reporting and Paying*

Employers report and pay the WBF assessment with Oregon withholding tax, unemployment insurance tax, and applicable transit taxes using the Oregon Combined Payroll Tax report (Form OQ) and payment coupon (Form OTC). If you report and pay quarterly any of the other payroll taxes to which you are subject, you also report and pay the WBF assessment quarterly. If the only other payroll tax to which you are subject is reported and paid annually, you report and pay the WBF assessment annually.

Annual reporting of the WBF assessment generally applies only to agricultural employers who are not subject to unemployment insurance or transit taxes and report withholding taxes annually, and to domestic employers that report all their payroll taxes annually.

Employers with "ghost" or "if any" policies may be exempted from reporting and paying the WBF assessment for as long as they continue to have no covered workers. To obtain a WBF assessment reporting exemption, complete a Corrections and Changes Notification Form. This form is available at [oregon.gov/DCBS/Pages/wbf.aspx](http://oregon.gov/DCBS/Pages/wbf.aspx) or by calling 503-947-7589.

## ***Late or Incorrect Payments and Reports***

Employers may be subject to a late filing penalty and interest on unpaid balances, if the WBF assessment report is filed or payment is received after the due date. In addition, DCBS audits accounts that appear to report incorrectly. DCBS has the authority to assess civil penalties, to estimate WBF assessments owed, and to enforce those estimations by order. If you fail to pay, DCBS will exercise legal rights to collect the delinquent debt. This may result in warrants, garnishments, offsetting your tax refund, or assigning the debt to DOR or a collection agency. If your debt is assigned to collections, you will be charged nine percent interest on overdue balances. You may also be charged a fee totaling 28 percent of your debt (ORS 293.231).

## ***How to Update or Close Your WBF Assessment Account***

The process to update or close an employer's WBF Assessment account is different from other payroll tax accounts in the Combined Payroll Tax Reporting System. If you change ownership, discontinue business, or cease to employ workers, contact your workers' compensation insurance company with the corrected information. Filing a Business Change in Status Form will not close the WBF Assessment account. You remain liable for reporting the WBF assessment as long as you have active workers' compensation insurance in Oregon. Not all businesses choose to cancel their workers' compensation insurance when they cease to have payroll, particularly if they envision the situation to be temporary.

If you have cancelled your coverage, you can expedite closure of your WBF Assessment account by completing the "Corrections and Changes Notification for WBF Assessment" form, located online at [https://wcd.oregon.gov/WCDForms/211\\_158.pdf](https://wcd.oregon.gov/WCDForms/211_158.pdf).

## ***Need More Information?***

For more information about the WBF assessment, contact the Department of Consumer and Business Services, Central Services Division, Assessments Unit, by email at [wbf.assessments@dcbs.oregon.gov](mailto:wbf.assessments@dcbs.oregon.gov), by phone in Salem at 503-378-2372, by email at [wbf.assessments@dcbs.oregon.gov](mailto:wbf.assessments@dcbs.oregon.gov), or visit at [oregon.gov/DCBS/Pages/wbf.aspx](http://oregon.gov/DCBS/Pages/wbf.aspx). The website includes information about programs funded by the Workers' Benefit Fund, how to update or close your WBF assessment account, and detailed answers to the most frequently asked questions about how to calculate, report, and pay the WBF assessment.

# **EMPLOYEE FEDERAL WITHHOLDING FORMS (W-4 FORM)**

## ***W-4 Form***

Employers are required to have each employee complete a W-4 Form. The information on this form is necessary to determine the amount of withholding tax for an employee. For a supply of forms, contact your local Internal Revenue Office or call toll-free 1-800-829-3676, or [go online](#).

## ***Internal Revenue Service***

The federal tax information provided in this publication is by no means all-inclusive. For complete requirements and responsibilities, contact the Internal Revenue Service.

Internal Revenue Service  
1220 SW Third Avenue  
Portland, OR 97204  
[www.irs.gov](http://www.irs.gov)

For tax assistance, call 1-800-829-1040.

To order forms or publications, call 1-800-829-3676.

## ***Who Must Withhold Federal Taxes?***

The criteria for defining an employer for federal purposes are similar to those used for state withholding tax purposes. For income tax withholding purposes, the term “employer” also applies to organizations that may be exempt from income tax, such as religious, educational, charitable, and government organizations. Certain nonprofit and tax-exempt organizations, previously exempt from Social Security withholding, are now required to withhold Social Security tax from employees for wages earned. Most employers must withhold and pay their share of Social Security tax. For more information, consult [IRS Publication 15 - Employers Tax Guide](#).

## ***Social Security and Medicare Taxes***

The computation of Social Security tax is separated into two parts. The old age, survivors, and disability insurance part is referred to as Social Security. The hospital insurance part is referred to as Medicare. You must report each of these items separately on Forms 941 and W-2.

The tax rate for Social Security is 6.2 percent each for employers and employees (12.4 percent total). The tax rate for Medicare is 1.45 percent each for employers and employees (2.9 percent total). All wages will be subject to the 2.9 percent total Medicare tax. Employers must also withhold a 0.9% Additional Medicare tax from wages paid to an employee in excess of \$200,000 in a calendar year. For more information on wages that are subject to Social Security and Medicare taxes, please consult [IRS Publication 15 - Employers Tax Guide](#).

## ***Reporting Requirements***

Agricultural employers must now withhold federal income tax on cash wages that are subject to FICA. Employers (other than agricultural and household) are required to report withholding taxes (federal income and Social Security) quarterly, using Form 941. Due dates for the form are April 30, July 31, October 31, and January 31. Payment of withheld taxes is determined by the amount of the tax liability incurred. Liability for payment (and reporting) is incurred on the date wages are paid, regardless of when they were earned.

Tax liability consists of the federal income tax withholding, 12.4 percent of Social Security wages (subject to wage base limitations) and 2.9 percent of Medicare wages for the calendar year.

## ***Deposit Schedules & Electronic Federal Tax Payment System (EFTPS)***

**The paperless way** to make your federal tax deposit is the **Electronic Federal Tax Payment System**.

EFTPS is an electronic service of the U.S. Dept. of the Treasury that allows online or by phone federal tax payments without the hassle and expense of the manual process that use paper coupons. [Visit us online](#).

**To enroll online**, at least 15 to 20 days prior to your tax payment due date, you will need to go to the EFTPS website and select the enrollment tab. You will need to provide the following information:

- An employer identification number (EIN) for a business, or a Social Security number (SSN) for an individual.
- A check or deposit slip for the account to debit your government tax payment. Use the check or deposit slip to identify the bank’s Routing Transit Number and your account number.

While your account is being set up, a temporary password is sent to you by mail that you will use (together with your EIN or SSN and the personal identification number (PIN) you selected) to login or call to make a payment.

**To enroll by paper**, at least 23-30 days prior to your tax payment due date, call the IRS Distribution Center at 1-800-829-3676 to request enrollment forms, and mail the appropriate business or individual enrollment forms to: EFTPS, PO Box 173788, Denver, CO, 80217-3788.

The forms require your employer identification number (EIN) for business or Social Security number (SSN) for individuals. Refer to the check or deposit slip for the account from which you wish to debit your government tax payment. Use the check or deposit slip to identify the bank's Routing Transit Number and your account number.

While your account is being set up, a temporary password is sent to you by mail that you will use together with your EIN or SSN and the personal identification number (PIN) you selected, to login or call to make a payment.

### **How do I make a payment?**

At least one day prior to your tax payment due date (before 8 a.m. Eastern time), visit the EFTPS website and select login or call 1-800-555-3453 for a business payment or 1-800-315-4829 for an individual's tax payment. You'll be prompted for your EIN or SSN, your PIN, and your password. You'll then provide the information necessary to complete the transaction.

### **Where can I get more information online?**

The EFTPS website has a FAQ section located in the left-hand menu, which covers a variety of topics. In addition, you can download the EFTPS instruction booklet.

### **Who can I call for more information?**

EFTPS Customer Service by phone for businesses: 1-800-555-4477

EFTPS Customer Service by phone for individuals: 1-800-316-6541

### **Am I protected?**

Yes. Visit the EFTPS website and select the Help & Information tab for security and disclosure/privacy statement information.

### **Payment is required as follows:**

There are two deposit schedules—monthly or semiweekly—for determining when you deposit Federal employment and withholding taxes (other than FUTA taxes). The deposit schedule for a calendar year is determined from the total taxes reported on Form 941 in a four-quarter look back period (July 1 of the second preceding calendar year through June 30 of last year).

- If \$50,000 or less of employment taxes has been reported for the look back period, you are a monthly depositor;
- If more than \$50,000 was reported, you are a semiweekly depositor.

There are two exception rules, the \$2,500 rule and the \$100,000 one-day rule (see below):

**New employers during the first calendar year of business have a look back period of zero. Therefore, new employers are monthly depositors for the first year of business (however, see the \$100,000 one-day rule exception).**

Under the **monthly rule**, employment taxes withheld on payments made during the calendar month must be deposited by the 15<sup>th</sup> day of the following month. Monthly depositors should not file Form 941 on a monthly basis; it remains quarterly.

Under the **semiweekly rule**, employment taxes withheld on payments made on Wednesday, Thursday, and/or Friday must be deposited by the following Wednesday. Amounts accumulated on payments made on Saturday, Sunday, Monday and/or Tuesday must be deposited by the following Friday.

<b>PAYMENT DAYS/DEPOSIT PERIOD</b>	<b>DEPOSIT BY</b>
Wednesday, Thursday and/or Friday	following Wednesday
Saturday, Sunday, Monday and/or Tuesday	following Friday

### ***\$2,500 Rule***

If an employer accumulates less than a \$2,500 tax liability during a quarter, no deposits are required, and this liability may be paid with the tax return for the quarter.

## ***\$100,000 One-Day Rule***

If the total accumulated tax reaches \$100,000 or more on any day during a deposit period, it must be deposited by the next banking day, whether an employer is a monthly or semiweekly depositor.

If a monthly depositor accumulates a \$100,000 employment tax liability on any day, the employer becomes a semiweekly depositor on the next day and remains so for at least the remainder of that calendar year and for the following calendar year.

## ***Agricultural Employers***

Agricultural employers are required to report withholding taxes (federal income, Social Security, and Medicare) annually, using Form 943. For more information on special rules for agricultural employers and deposit requirements, consult IRS Publication 51.

## ***Non-Payroll Items***

Non-payroll items (including withholding for pension, annuities, IRAs, and gambling winnings) will be reported on Form 945, Annual Return of Withheld Federal Income Tax. Form 945 is an annual tax return and the return is due on or before January 31 of the following year.

## ***Electronic Deposit of Taxes***

The IRS has issued regulations that significantly increase the number of electronic transactions between taxpayers and the federal government. The regulations (REG 153340-09) eliminate the rules for making federal tax deposits by paper coupon. The proposed regulations generally maintain existing rules for depositing federal taxes through the Electronic Federal Tax Payment System (EFTPS). Using EFTPS to make federal tax deposits provides substantial benefits to both taxpayers and the government. EFTPS users can make tax payments 24 hours a day, seven days a week, from home or office. Deposits can be made online with a computer or by telephone. EFTPS also significantly reduces payment-related errors that could result in a penalty. The system helps taxpayers schedule dates to make payments even when they are out of town or on vacation when a payment is due. EFTPS business users can schedule payments up to 120 days in advance of the desired payment date. Information on EFTPS, including how to enroll, [is found online](#), or by calling Customer Service at 1-800-555-4477.

Some businesses paying a minimal amount of tax may make their payments with the related tax return, instead of using EFTPS. More details regarding taxes required to be deposited using EFTPS, dollar thresholds, and other specific requirements are in the proposed regulations.

### **Additional Information:**

- Publication 4132 explains the process of enrolling and paying via Internet.
- Publication 966, The Secure Way to Pay Your Federal Taxes for Businesses and Individuals.
- Publication 4169, Tax Professional Guide to Electronic Federal Tax Payment System.
- Publication 4320, the EFTPS Toolkit, contains PDF(s) and descriptions of EFTPS educational materials and their intended target audience, and is for use by tax professionals and financial institutions to assist in educating their clients on the benefits of EFTPS.
- Publication 4275, Express Enrollment for New Businesses.
- Electronic Payment Options Home Page.

If you are required to make deposits by electronic funds transfer and fail to do so, you may be subject to a 10% penalty. Use EFTPS to deposit taxes reported on any of the following tax forms: 720, 940 or 940-EZ, 941, 943, 945, 990-C, 990-PF, 990-T, 1041, 1042, 1120 or 1120-A, and CT-1.

Employers who are not required to make electronic deposits may voluntarily participate in EFTPS. For information on EFTPS, call 1-800-945-8400 or 1-800-555-4477. These numbers are for EFTPS information only. To enroll and use EFTPS-online, go to [www.eftps.gov](http://www.eftps.gov).

## ***Annual and Final Reporting***

File Forms W-2 and W-3, Transmittal of Income and Tax Statements, with the Social Security Administration. The IRS does not require annual reporting. An employer who is terminating business or who will have no employees in the future should check the final return box and enter the date the final wages were paid on Form 941.

## ***Penalties and Interest***

Interest is charged on all taxes not paid by the due dates of Form 941. The interest rate varies. Penalties are assessed for failure to report, failure to file, and failure to pay. Employers who incur a liability in excess of \$2,500 per quarter are required to make federal tax deposits. For more information, consult IRS Publication 15.

## ***Who Pays Federal Unemployment Tax?***

Generally, any employer who in the current or preceding year paid wages of \$1,500 or more in any calendar quarter, or at any time had one or more employees in any of 20 calendar weeks, must pay federal unemployment tax. The federal unemployment tax rate is 6.2 percent of the first \$7,000 of each employee's wages. The employer is allowed a 5.4 percent tax credit, regardless of the applicable experience rate, for timely payment of state unemployment tax.

## ***Reporting***

Federal Unemployment Tax Returns are due on or before January 31st of the following year. Employers whose federal unemployment tax liability equals or exceeds \$100 per quarter must make federal tax deposits. The amount to be deposited is computed by multiplying .008 by the first \$7,000 of each employee's wages paid during the quarter.

## ***How to get Forms***

To get forms, publications, or answers to questions, contact your local IRS office. Once an employer begins to file Form 941 and make federal tax payments, the forms will be mailed automatically. Forms can also be obtained by calling 1-800-829-3676, or going to [www.irs.gov](http://www.irs.gov).

# IMMIGRATION & NATURALIZATION I-9 FORMS

## *General Information*

Employers are required to have each employee complete an employment eligibility verification form (I-9 Form) supplied by the U.S. Citizenship and Immigration Services. Unlike tax forms, for example, I-9 forms are not filed with the U.S. government. The requirement is for employers to maintain I-9 records in its own files for 3 years after the date of hire or 1 year after the date of the employee's employment is terminated, whichever is later. This means that Form I-9 needs to be retained for all current employees, as well as terminated employees whose records remain within the retention period. Form I-9 records may be stored at the worksite to which they relate or at a company headquarters (or other) location, but the storage choice must make it possible for the documents to be transmitted to the worksite within 3 days of an official request for production of the documents for inspection.

When filling out an I-9 Form, employees must show their employer proof that they are a United States citizen or that they have permission to work in the United States. *A Handbook for Employers: Instructions for Completing Form I-9* provides complete instructions for the verification process and completing the forms, and is available [on the internet](#).

You may request both the forms and the handbook explaining the rules and regulations regarding I-9 Forms by leaving a request on the forms line listed below. If you have other questions, call the general information number.

US Citizenship & Immigration Services  
511 NW Broadway, Room 17  
Portland, OR 97209

1-800-375-5283 (general information)

1-800-870-3676 (to request blank forms)

# OREGON CHILD SUPPORT PROGRAM

## *New Hire Reporting*

Oregon law (ORS 25.790) requires all Oregon employers to report new and rehired employees to the Oregon Department of Justice, Division of Child Support:

- within 20 days of hire, if submitting (the W-4 or new hire form) data by mail, fax or online;
- within 12 to 16 days of hire or rehire, if transmitting the data by magnetic or electronic means;
- including the first work date.

“Rehire” means to re-employ any individual who was laid off, separated, furloughed, granted a leave without pay, or terminated from employment for more than 60 days.

This information is used nationwide to match employment for non-custodial parents with a child support case. It is also a tool to detect fraud in public assistance cases, workers' compensation cases, and unemployment benefits.

Reporting new hires helps in collection of child support by allowing timely issuance of Automatic Orders to Withhold Income (AOW) for child support and National Medical Support Notices (NMSN). New Hire reporting can now be completed through the secure, [online Oregon Employer Services Portal](#).

For questions about new hire reporting, contact [emplnewhire.help@doj.state.or.us](mailto:emplnewhire.help@doj.state.or.us).

## ***Electronic Funds Transfer (EFT)***

Employers doing business in Oregon and employers with registered agents in Oregon who have received an Order/Notice to Withhold Income for Child Support must send child support payments to the Department of Justice, Division of Child Support by EFT (OAR 137-055-5035).

There are two methods to send payments electronically:

- ACH Credit - An employer authorizes a bank-to-bank transaction between themselves and the Oregon Child Support Program. Financial institutions may charge a fee when using the ACH option.
- ACH Debit (Oregon Employer Services Portal) – The business authorizes the Division of Child Support to debit its bank account using a secure web-based debit transaction process.

For questions about electronic funds transfer, contact [EFTHelp@doj.state.or.us](mailto:EFTHelp@doj.state.or.us).

For additional information on the laws pertaining to employers and their obligations, contact:

Employer Services

Oregon Department of Justice, Division of Child Support

4600 25<sup>th</sup> Avenue NE, Suite 180

Salem, OR 97301-0026

Phone: toll-free 866-907-2857 or from the Salem area 503-378-2868

Fax: toll-free 877-877-7415 or from the Salem area 503-378-2863

Email: [ead.staff@doj.state.or.us](mailto:ead.staff@doj.state.or.us)

Web: [www.doj.state.or.us/child-support/for-employers](http://www.doj.state.or.us/child-support/for-employers)

## **CONTACT BUREAU OF LABOR AND INDUSTRIES (BOLI)**

### ***Services Offered***

The Bureau of Labor and Industries (BOLI) provides resources to help Oregon employers understand and follow employment and civil rights laws. This includes information on wage and hour laws, the employment of minors, various leave laws, discrimination protections, and disability law.

BOLI's web address is [www.oregon.gov/boli](http://www.oregon.gov/boli). Employers can find answers to their questions, and download forms and applications. Click the "For Employers" tab for information about BOLI seminars, publications, laws and regulations, and answers to the most frequently asked questions.

BOLI's Technical Assistance for Employers Program (TA) provides support to employers by phone and email: 971-673-0824 or [ta.email@boli.oregon.gov](mailto:ta.email@boli.oregon.gov). TA also offers a regular seminar schedule on various employment law topics. Employers can contract with TA for customized trainings direct to their organizations. Topics include Effective Supervision; Wage and Hour Laws; Oregon and Federal Leave Laws; Workplace Harassment; Recordkeeping Requirements; Payroll Issues; Legal Hiring Practices; Policy Writing; Documentation, Discipline and Discharge; and a New Supervisor Training series. **Note:** there are fees for the seminars and direct-to-business training services. View seminar schedules and descriptions, as well as costs and registration information, on BOLI's [Training for Employers](#) page.

BOLI also provides information on [using or setting up apprenticeship programs](#) for your business through the Apprenticeship and Training Division, or you can call 971-673-0760.

## Resource Materials

BOLI publishes several employer handbooks that are excellent resources for Oregon businesses:

<i>Civil Rights Laws</i> .....	\$50
<i>Documentation, Discipline &amp; Discharge</i> .....	\$50
<i>Employee Classification and Wage &amp; Hour Exemptions</i> .....	\$39
<i>Employment Leave Laws</i> .....	\$50
<i>Legal Hiring Practices</i> .....	\$39
<i>Policy Writing Guidelines</i> .....	\$50
<i>Wage and Hour Laws</i> .....	\$50
<i>Commonly Required Posters in Oregon</i> .....	\$17
<i>Postings for Agricultural Employers</i> .....	\$22

The availability and cost of these materials is subject to change. Employers can get information about the latest version, cost, and how to purchase [on the website](#), or by calling 971-673-0824.

### OREGON MINIMUM WAGE

In 2016, the Oregon Legislature made significant changes to the state minimum wage law effective July 1, 2016. In addition to a new “standard” state minimum wage rate, the law sets out separate wage rates that apply to employers who employ employees in an urban growth boundary (UGB) of a metropolitan service district in the state (currently, only the Portland metropolitan area has such an urban growth boundary), and employers who employ employees in specific “nonurban” counties identified in the law. Minimum wage rates have been established for the three minimum wage regions, increasing July 1 of each year through June 30, 2022. Effective July 1, 2023, the state “standard” minimum wage rate will be adjusted annually based on any increase to the U.S. City Average Consumer Price Index for All Urban Consumers, with the UGB rate set at \$1.25 per hour over the standard minimum wage rate and the “nonurban county” rate at \$1.00 per hour less than the standard minimum wage. For information on the current or scheduled minimum wage rates, contact the Bureau of Labor and Industries (BOLI) at 971-673-0824 or see BOLI’s online [fact sheet](#).

## POSTERS REQUIRED FOR EMPLOYERS

### Background

Oregon employers are required to display certain informational posters for their employees. **Required employment posters are available for free, if you contact the appropriate agency.** For your convenience, BOLI has combined commonly required postings into one 2’ by 3’ wall chart which can be [purchased online](#) for \$17. For more information, contact Technical Assistance for Employers (TA) at 971-673-0824 or [TA.Email@boli.oregon.gov](mailto:TA.Email@boli.oregon.gov) . Please note that certain employers may have additional posting requirements.

### Bureau of Labor and Industries Required Posters

Required posters issued by the Bureau of labor and Industries (BOLI) include:

- Oregon Minimum Wage (updated each July)
- Oregon Breaks/Overtime

- Oregon Equal Pay
- Oregon Family Leave Act (employers with 25 or more employees)
- Oregon Protection for Victims of Domestic Violence, Harassment, Sexual Assault and Stalking

Employers may [download and print](#) each of these publications from BOLI's website, or purchase posters and publications from BOLI area offices in the following locations:

**Eugene**

1400 Executive Pkwy Ste 200  
Eugene, OR 97401  
541-686-7623

**Portland**

800 NE Oregon St Ste 1045  
Portland, OR 97232  
971-673-0761

**Salem**

3854 Wolverine St NE Bldg. E-1  
Salem, OR 97305-1268  
503-378-3292

## ***U.S. Department of Labor Posters***

The U.S. Department of Labor has produced required posters on the [federal minimum wage](#) and the [Polygraph Protection Act](#). Employers must also notify their employees of rights under the [Uniformed Services Employment and Reemployment Rights Act](#). All public agencies, all public and private elementary and secondary schools, and companies with 50 or more employees, must also display the Family and Medical Leave Act poster. For additional information contact:

U.S. Department of Labor  
Wage and Hour Division  
620 SW Main St, Room 423  
Portland, OR 97205  
503-326-3057 or 1-866-4-USWAGE (1-866-487-9243)

## ***Equal Employment Opportunity Commission Poster***

Employers with 15 or more employees, employment agencies, and labor organizations must display this poster, which is available in English or Spanish. The notice for the new Americans with Disabilities Act (ADA) is included. For information, write or call:

Equal Employment Opportunity Commission (EEOC)  
Federal Office Building  
909 First Ave Ste 400  
Portland, OR 97201  
503-326-3057

## ***Safety and Health Poster***

All employers with one or more employees must display this poster, which is available at no cost in English and Spanish. For information write, call, or download from the Web:

Department of Consumer & Business Services  
Oregon OSHA  
350 Winter Street NE  
PO Box 14480  
Salem, OR 97309-0405  
503-378-3272 or 1-800-922-2689  
[osha.oregon.gov](http://osha.oregon.gov)

## ***Workers' Compensation Notice of Compliance***

This notice is issued by the Workers' Compensation Division (WCD) upon receipt of a proof of coverage filing from the employer's insurer. Every employer with one or more subject workers must obtain insurance and post the notice in a place where the workers can see the notice. You should automatically receive this notice after purchasing worker's compensation insurance. If you do not receive this notice or need a duplicate, write or call:

Department of Consumer & Business Services  
Workers' Compensation Division  
PO Box 14480  
Salem, OR 97309-0405  
503-947-7814  
[www.wcd.oregon.gov](http://www.wcd.oregon.gov)

## ***Unemployment Insurance Notice (Form 11)***

Employers subject to Employment Department law must post this notice. The Employment Department will automatically send you this notice when processing your registration. If needed, you can obtain a duplicate or Spanish version. Have your state business identification number ready when you call to obtain this notice. For information, write or call:

Employment Department  
Tax Section Room 107  
875 Union Street NE  
Salem, OR 97311  
503-947-1488  
[www.oregon.gov/EMPLOY/TAX](http://www.oregon.gov/EMPLOY/TAX)

# **COMPLY WITH AMERICANS WITH DISABILITIES ACT**

## ***Background***

The American with Disabilities Act (ADA) is a federal law that prohibits discrimination against disabled persons in the areas of employment, public accommodation, and public services.

Title III of the ADA requires that public accommodations make facilities and services accessible to the disabled. Many private businesses are considered public accommodations under this law. The ADA specifies twelve types of entities that, regardless of size, are public accommodations: places of lodging, exhibition or entertainment, public gathering, public display or collection, recreation and exercise; private educational institutions; establishments serving food or drink; sales or rental establishments; service establishments; stations used for specific public transportation; and social service center establishments.

Title I of the ADA deals with private employment and prohibits discrimination against "any qualified individual with a disability" in all aspects of employment. Title I applies to employers who have 15 or more employees.

### **General information on the ADA is available from:**

Northwest ADA & Information Technology Center  
CDRC/OHSU  
PO Box 574  
Portland, OR 97207  
1-800-949-4232 (Voice and TDD)

**For additional information on Title III of the ADA (public accommodation issues), contact:**

Office on ADA, Civil Rights Division  
U.S. Department of Justice  
950 Pennsylvania Ave NW  
Disability Rights Section – NYAV  
Washington DC 20530  
1-800-514-0301 (Voice) or 1-800-514-0383 (TDD)  
[www.ada.gov](http://www.ada.gov)

**For additional information on Title I of the ADA (private employment issues), contact:**

Equal Employment Opportunity Commission  
909 First Avenue Suite 400  
Seattle, WA 98104-1061  
1-800-669-4000 (Voice) or 206-220-6882 (TDD)

Employers with six or more employees are subject to the state disability law and should contact the Bureau of Labor and Industries for information at 971-673-0824 or [TA.Email@boli.oregon.gov](mailto:TA.Email@boli.oregon.gov).

## CONTACT OREGON OSHA

### *General Information*

All Oregon businesses with employees must comply with the state's occupational safety and health standards set and enforced by Oregon OSHA.

Please note that all employers are required to have safety committees or safety meetings. Tools are available from Oregon OSHA for developing your program.

### *Services Offered*

The Oregon OSHA Resource Center has a lending library offering hundreds of videos and an extensive collection of books and journals covering all aspects of workplace safety and health. The Resource Center, in the Labor and Industries Building in Salem, is available to the public 8 a.m. to 5 p.m. Monday through Friday. Printed publications can be ordered online at any time.

Oregon OSHA offers free online training on a number of safety and health topics, including some in Spanish. General classes cover basic safety and health management, safety committee activities, recordkeeping and accident investigation. Technical classes include topics such as ergonomics, hazard communication, fall protection, and lockout/tagout. To take an online course, register for classes, or get training materials, visit our website at [osha.oregon.gov](http://osha.oregon.gov).

Employers may take advantage of Oregon OSHA's consultation program to have a free worksite evaluation to help identify hazards and keep employees safe. The assistance is confidential and no cost to employers in Oregon. Call 1-800- 922-2689 (toll-free), call one of our office locations, or email [consult.web@dcbs.oregon.gov](mailto:consult.web@dcbs.oregon.gov) to make a consultation request. Experienced consultants will offer suggestions and options for eliminating hazards.

To get information on the regulations that apply to your business and to learn more about Oregon OSHA services, contact:

Department of Consumer and Business Services  
Oregon OSHA  
350 Winter Street NE  
PO Box 14480  
Salem, OR 97309-0405

## Field Office Numbers

Information is also available from the Oregon OSHA field offices in the following locations:

Office	Information	Consultations
Bend .....	541-388-6066 .....	541-388-6068
Eugene.....	541-686-7562 .....	541-686-7913
Medford.....	541-776-6030 .....	541-776-6016
Pendleton.....	541-276-9175 .....	541-276-2353
Portland .....	503-229-5910 .....	503-229-6193
Salem.....	503-378-3274 .....	503-373-7819

## EMPLOYEE HEALTH INSURANCE ASSISTANCE

Through special benefits and reforms, the State of Oregon is making health insurance more available and affordable for employers, their employees, and employees' dependents.

### Oregon Health Insurance Marketplace

The first step to considering whether to offer health coverage to your employees is to understand the health coverage options available in Oregon:

- **Employer-sponsored group coverage**
  - Small employers with 50 or fewer employees may be eligible for small group coverage.
    - If you have fewer than 25 FTE (full-time equivalent), you may be eligible for the Small Business Health Care Tax Credit (see below).
  - Large employers with more than 50 FTE must offer employer-sponsored health coverage to their employees that meets the [employer shared responsibility provisions](http://go.usa.gov/xt335) ([go.usa.gov/xt335](http://go.usa.gov/xt335)).
- **Individual health coverage**
  - Oregon Health Plan
    - Individuals and families who work part time may qualify for Oregon's Medicaid program, also called Oregon Health Plan, which is free coverage for low-income Oregonians.
    - To find out more about the Oregon Health Plan visit [OHP.Oregon.gov](http://OHP.Oregon.gov).
  - Private health insurance
    - People who are not offered employer-sponsored health coverage, Oregon Health Plan, or Medicare can purchase health coverage through a health insurance company or through the Marketplace.
    - Financial help is available through the Marketplace to reduce the monthly premium and out-of-pocket costs.
    - American Indians and Alaskan Natives may qualify for [additional savings and protections](http://go.usa.gov/xt339) ([go.usa.gov/xt339](http://go.usa.gov/xt339)) through the Marketplace.
    - Oregonians can preview plans and savings available to them at [OregonHealthCare.gov/WindowShop](http://OregonHealthCare.gov/WindowShop).
  - Medicare
    - Federal health coverage program through Social Security for people who are 65 or older, are on Social Security Disability for 24 months, or have end-stage renal disease (ESRD).

- For assistance with Medicare, contact the Oregon Senior Health Insurance Benefits Assistance (SHIBA) program at 800-722-4134 (toll-free) or visit [SHIBA.Oregon.gov](http://SHIBA.Oregon.gov).
- **Association health plans**
  - Allow many small- to medium-sized companies the ability to come together under one health plan, potentially reducing costs and increasing benefit options.
  - There are regulations around these entities and criteria to participate, but coverage is not regulated or guaranteed for essential health benefits or pre-existing conditions.
- **Health reimbursement arrangements**
  - HRAs allow employers to contribute pre-tax funds to help employees pay for medical expenses.

### ***Small-group coverage***

Small-group coverage is available year-round, unlike individual health insurance, which has a set enrollment window.

If you have at least one employee who receives a W-2, you can purchase coverage for yourself and your workers at any time. Small businesses with one to 50 employees can purchase a plan from any insurer offering a small-group plan in Oregon.

\*\*Employees who are offered employer-sponsored coverage likely are not eligible for financial assistance through HealthCare.gov.

If you are not currently offering health insurance, but want to get an estimate of what offering coverage through a Marketplace certified plan may cost, use our [premium calculator \(go.usa.gov/xt33K\)](http://go.usa.gov/xt33K). You can then use that information to use the [tax credit estimator \(go.usa.gov/xt33D\)](http://go.usa.gov/xt33D).

If you need help getting more information about these plans or other available options, please contact a licensed agent. You can find a local agent at [OregonHealthCare.gov/GetHelp](http://OregonHealthCare.gov/GetHelp).

### ***Coverage for family members***

Can your organization sponsor health coverage for additional family members? If not, the family may get a better deal through HealthCare.gov (possibly getting financial assistance) or if they are eligible for the Oregon Health Plan, rather than being offered full-cost coverage through a family member's employer. Being offered full-cost coverage through an employer would make the family members ineligible for any financial help through the Marketplace.

### ***Don't have employees?***

An individual can apply for financial help and enroll in individual coverage through HealthCare.gov:

- During open enrollment, Nov. 1 to Dec. 15.
- Year-round through the Oregon Health Plan.
- During a special enrollment period. This is a 60-day period that can be triggered by certain life events, such as getting married, having a baby, or losing other health insurance coverage.

### ***Health Care Tax Credit***

Small businesses with fewer than 25 full-time employees may be eligible for the Small Business Health Care Tax Credit if they choose one of the small-group plans certified by the Oregon Health Insurance Marketplace. If your business qualifies, the tax credit may cover up to 50 percent of the employer paid premiums.

**Tax-exempt nonprofits** also qualify for a tax credit up to 35 percent of premiums paid. For nonprofits, the credit is actually a refund on quarterly payments made to the IRS for income tax withholdings or Medicare withholdings from employee wages.

## ***Get free expert help***

Health coverage experts are available to assist individuals and employers evaluate their health coverage options, apply for coverage and financial help, and enroll in health coverage. Find an expert near you at [OregonHealthCare.gov/GetHelp](http://OregonHealthCare.gov/GetHelp) or contact the Oregon Health Insurance Marketplace at 855-268-3767 (toll-free).

## ***If employees have questions about Medicare or related insurance***

The Senior Health Insurance Benefits Assistance (SHIBA) program is a joint federal and state program that provides free statewide personalized counseling assistance to people with Medicare and their caregivers.

Call toll free 800-722-4134 (toll-free) or visit [oregonshiba.org](http://oregonshiba.org)

The Division of Financial Regulation's Consumer Advocacy unit has advocates that answer other health insurance questions and complaints such as claim payments. Call 888-877-4894 (toll-free) or visit [dfr.oregon.gov](http://dfr.oregon.gov).

## ***Small Business Guide to Insurance and Worksite Safety***

The Department of Consumer and Business Services regulates areas that are important to small employers, ranging from insurance to worksite safety. As a business owner, understanding the types of insurance that can protect your investment and what you can do to promote worksite safety is key to your success. The [Oregon Small Business Guide to Insurance and Worksite Safety](#) provides an overview of these topics, along with contact information so you can easily obtain more detailed information.

# **EMPLOYEE RETIREMENT SAVINGS**

## ***Oregon Retirement Savings Program***

OregonSaves is the state of Oregon's retirement savings program that provides Oregonians with an easy and automatic way to save for the future. Employers that do not offer a workplace retirement plan now have an easy way to help their employees save for retirement, with no employer fees, no fiduciary responsibility, and minimal ongoing responsibilities (just add employees and submit employee payroll contributions). The program can also help level the playing field when you compete to attract and retain employees.

Eligible employers of all sizes can register for OregonSaves at any time. All Oregon employers must either register, if they don't already offer a workplace retirement plan, or certify their exemption before their deadline.

<b>Size of business</b>	<b>Deadline</b>
4 or fewer employees	Targeted for 2022
5-9 employees	November 15, 2019
10-19 employees	May 15, 2019
20-49 employees	December 15, 2018
50+ employees	May 15, 2018
100+ employees	November 15, 2017

For more information, to register your business, or claim exemption, go to [www.oregonsaves.com](http://www.oregonsaves.com) or call 844-661-1256.

# WORKSOURCE OREGON

The Employment Department, through its Workforce Operations Division, manages a statewide system of 38 field offices and one-stop partnerships to provide services to employers and job seekers. It serves job seekers by providing them with resources and job referrals that result in employment. Services are delivered in partnership with Workforce Innovation and Opportunity Act (WIOA) agencies and other community-based organizations under the WorkSource Oregon Brand. Some partners include regional and local training providers (Workforce Innovation and Opportunity Act Title 1B), the Oregon Workforce Investment Board, local Workforce Investment Boards, Higher Education Coordinating Commission (HECC), the Oregon Department of Human Services, local economic development organizations, the seventeen Oregon community colleges, and others. The Employment Department is an active partner in WorkSource Oregon, a network of public and private partners working together for businesses and workers. WorkSource Oregon partners connect businesses with the local resources they need to grow their businesses and train their workforce. Employment's job listings service generates and maintains the largest pool of job openings and job seekers in Oregon.

Business and Employment Services (B&ES) connects Oregon Employers and job seekers through [iMatchSkills®](#) (an online job matching tool where employers match job requirements to qualified candidates, and job seekers match their skills and experience to available jobs), and other programs that represent almost one third of all job listings in the state. WorkSource Oregon serves employers by providing qualified applicants for employers and supplying statewide and local labor market information.

These services can reduce recruitment costs, save valuable time and money, stabilize local economies during times of economic slowdown, and provide quality labor market information to inform decisions. The department recognizes and appreciates the contributions employers make to the development of Oregon's workforce. The services outlined in this section are mostly funded and supported by employer payroll taxes.

## ***Recruitment Services at No Additional Charge***

Businesses can reduce personnel recruitment costs, gain job listing exposure, and find top quality candidates by using WorkSource Business Services. All services are prepaid through the Federal Unemployment Tax Act (FUTA) and State Unemployment Tax Act (SUTA) taxes paid by employers.

Through local Business Services Teams (BST), your company will gain access to industry experts who are experienced in recruitment, training and development, and labor market conditions, to help inform decision making and craft a recruitment strategy that works for you. Whether you need assistance with a recruitment (i.e., a staff-assisted recruitment) or want to just do it yourself (i.e., a self-assisted recruitment), our dedicated teams are here to help you through the process.

If your business needs assistance with recruitment, a BST representative will partner with you to develop your job description (if needed), listen to have a full understanding of your ideal employee(s), and conduct an onsite visit in person or virtually to understand your company and culture. To support your recruitment, we will:

- Post the position on our online job board called [iMatchSkills®](#) while maintaining employer confidentiality.
- If appropriate, post to our local Facebook page, Twitter and/or LinkedIn accounts with employer permission to recruit potential candidates.
- Run a match to filter through thousands of job seeker profiles registered within [iMatchSkills®](#) that potentially match the job description, experience, education, etc. set by the employer.
- Notify potential candidates of the position while maintaining employer confidentiality.
- Conduct pre-screen and first round interviews either in-person or virtually to validate candidate skills as requested by employer.
- Refer the most qualified candidates to meet the employer's needs for consideration.

If your business would like to develop your own recruitment, you can use [iMatchSkills®](#) independently of our BST. Employers can post a job listing online and choose to have it automatically open so it is live and ready for

applicants to view. Employers can also run matches to find potential candidates. WorkSource staff can assist employers with setting up an [iMatchSkills®](#) account and entering job listings into the system.

WorkSource can also help employers set up and promote job fairs and hiring events. In some cases, local WorkSource Centers can host these events and provide space for interviewing candidates.

Business Services Teams can also assist with other business needs such as resource development, network connections, training dollars, and more. WorkSource Oregon has helped thousands of Oregon businesses reduce their recruitment costs and save time. Give them a call today to see how they can help your business succeed. [Visit them online](#) to find your local WorkSource Center.

## ***Work Opportunity Tax Credit (WOTC)***

The WOTC program provides businesses with a federal tax credit when they hire certain target group members. For most WOTC certified new hires, an employer claims a credit of up to \$2,400; however, this may go up to \$9,600 for some service-connected disabled veterans.

### **How can you participate?**

To qualify for the tax credit, an employer must apply for and receive an employer certification.

1. Have the potential new hire complete page one of the Pre-Screening Notice (IRS Form 8850) during the application process and before a job offer is made.
2. If the new employee indicates potential WOTC eligibility on page one of Form 8850, complete page two of this form.
3. Complete the ETA-9061 form.
4. Submit the forms via the Oregon WOTC online portal, or:
5. Mail the completed forms 8850 and 9061 and any supporting documents to:  
Oregon Employment Department  
WOTC Unit, Room 201  
875 Union Street NE  
Salem, OR 97311

**Important!** These forms **must be submitted online, or mailed within 28 calendar days** of the employee start date.

The timeliness of the request is determined by postmark date if mailed, or submission date if completed online. If the request is timely and the applicant is eligible, an Employer Certification will be returned to the business authorizing the tax credit. At the end of the tax year, claim the credit on your WOTC certified employee(s) by completing IRS Form 5884.

The general information below is broken into two areas, Veterans and Non-Veterans.

New hires from one of these **Veteran** groups may qualify you for the WOTC. The maximum tax credit for these target groups ranges from \$2,400 to \$9,600.

- Veterans receiving Supplemental Nutrition Assistance Program (SNAP).
- Veterans unemployed for any 4 weeks in the year prior to hire.
- Veterans with a service-connected disability.

New hires from one of these **Non-Veteran** groups may qualify you for the WOTC. The maximum tax credit for these target groups ranges from \$1,200 to \$9,000.

- Member of family receiving Temporary Assistance for Needy Families (TANF).
- Member of family receiving Supplemental Nutrition Assistance Program (SNAP).
- Summer Youth from 16 to 17 years old living in an enterprise zone.
- Vocational Rehabilitation referrals.
- Ex-felons recently convicted or released.
- Supplemental Security Income (SSI) recipients.

For more information and required forms, please contact the Oregon Employment Department at 1-800-237-3710 and ask for the Work Opportunity Tax Credit Coordinator.

You may also [visit us online](#) to access detailed information and required forms.

## ***Foreign Labor Certification Program***

Employers who cannot find sufficient able, willing, and qualified U.S. workers to fill their labor needs can contact the Oregon Employment Department Labor Certification Unit for assistance. This program is operated in conjunction with the U.S. Department of Labor to certify workers for temporary agriculture and non-agriculture labor needs. The process assures that adequate recruitment has been done to find qualified U.S. workers and that the hiring of foreign-national workers will not adversely affect wages and working conditions of U.S. workers. Please visit the [US Department of Labor](#) for program details and forms. For staff assistance, call 1-800-237-3710 and ask for the Foreign Labor Certification Unit.

## ***Veteran Services for Employers***

### **What does the Veteran's Program offer?**

As veterans leave the armed forces, thousands of highly trained and qualified workers are coming back into the civilian labor pool. The WorkSource Oregon Employment Department's Local Veteran's Employment Representatives (LVERs) work with employers who want to hire the best-trained workforce in the country. Additionally, each of the Oregon WorkSource offices have staff who assist employers in recruiting veterans for their positions. Veterans seeking work apply for services with the Employment Department and their information is placed into **iMatchSkills®**. By law, veterans are given priority service. They are the first considered for openings and the best-qualified veteran applicants are referred to employers. Additionally, veteran representatives may also contact employers to talk about veterans gaining skills through an on-the-job training program.

### **Veterans Administration Vocational Rehabilitation Programs**

Your business may be eligible for Veterans Administration Vocational Rehabilitation approved on-the-job training or apprenticeship programs. The on-the-job training program reimburses you for wages paid to qualified veterans who are in training. The Employment Department also offers recruiting assistance to federal contractors to meet veteran-related affirmative action plans. For more information, visit [www.vba.va.gov](http://www.vba.va.gov).

### **Who can I contact to hire a veteran or list a job opening?**

To contact your nearest WorkSource Oregon office, [visit the Employment Department online](#). Check out their [Recruiting Resources](#) for Veteran Employment Services and other Job Accommodation Resources or look in the government section of your phone directory.

## ***Special Requirements for Federal Contractors***

Federal contractors (for procurement of personal property or non-personal services including construction) who have a federal contract of at least \$100,000 with the federal government must take affirmative action to hire and promote qualified special disabled veterans and any other veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized. This requirement is covered under Title 38 chapter 42 of the US Code. It is called the Federal Contractor Job Listing (FCJL) requirement.

## ***Work Share Program***

The Work Share program offers an alternative to laying off employees. Under the program, instead of being laid off, employees work reduced hours and receive reduced unemployment insurance benefits. You may request to participate if you reduce your employees' workweek between 20% and 40%. Work Share can affect your tax rates. For more information, call 1-800-436-6191; or in Salem, 503-947-1800. For more information, visit [www.oregonworkshare.com](http://www.oregonworkshare.com).

# UNDERSTAND UNEMPLOYMENT INSURANCE BENEFITS

Unemployment Insurance benefits replace part of the income lost when a person becomes unemployed. This softens the impact job losses have on communities. Workers maintain purchasing power to support businesses in the area where they live.

## *Qualifying*

A claim is based on a one-year period known as the base year. The base year is the first four of the last five calendar quarters completed at the time the initial claim is filed. Claimants who do not qualify using the above base year, may use a base year consisting of the last four completed quarters.

### **There are two ways to qualify:**

**First:** claimants qualify if they have employment and wages of at least \$1,000 in employment subject to unemployment insurance law AND total base year wages equal to at least one and one-half times the wages in the highest quarter of the base year. **OR**

**Second:** if an individual does not qualify the first way, a person may qualify for benefits if the individual has wages and worked at least 500 hours of employment subject to unemployment insurance law during the base year.

Benefit amounts are set by law as a percentage of the wages received during the base year. The weekly benefit amount is 1.25% of the total base year wages but with a fixed lower limit of 15% and an upper limit of 64% of the state average weekly wage in covered employment.

A claim lasts for 52 weeks that make up the benefit year. This is the 12-month period beginning with the week they first file for benefits to set up a claim.

Claimants may receive up to 26 weeks of benefits within the benefit year. Minimum claims may have fewer than 26 weeks available. Extended benefits may be paid beyond the 26 weeks during periods of high unemployment.

## *Disqualifications and Penalties*

Receipt of unemployment insurance is based on eligibility, not need. A worker who worked enough during the base year may receive benefits if out of work through no fault of their own. The person must be able, available and actively seeking work.

### **Some reasons for disqualification, denial, or reduction of benefits are:**

1. Voluntarily leaving work without good cause, discharge or suspension for misconduct connected with work, or failing to accept a job offer or referral to a job without good cause. If disqualified, claimants must work and earn at least four times their weekly benefit amount before they may receive benefits. In addition, the total benefits a person can receive are reduced. As a general rule, the total reduction is eight times the person's weekly benefit amount for each disqualification.
2. Discharge because of a felony or theft connected with work. If disqualified, all benefit rights based on the wages earned before the date of discharge are canceled.
3. Being involved in a labor dispute. The claimant may be disqualified as long as the labor dispute continues.
4. Not being able to work, not being available for work, and/or not actively seeking work. This is a week-to-week denial. The disqualification ends when the claimant is able, available, and actively seeking work.
5. Receipt of retirement pay from a base year employer. Retirement is deducted dollar for dollar from the weekly benefit payment.
6. School employees between terms and school years. Generally, school employees do not receive benefits based on school wages if they have reasonable assurance of returning to work when school re-opens.
7. Not having authorization to work in the United States. Benefits will not be paid unless a person has authorization to work in this country.

8. Fraudulently receiving benefits. Misrepresentation in order to receive benefits may result in a disqualification of up to 26 weeks and criminal prosecution.

## ***Working and Receiving Benefits***

Under unemployment insurance law, workers are “unemployed” when working less than full-time and earning less than their weekly benefit amount. A person may earn up to 10 times Oregon’s minimum wage or one-third of the weekly benefit amount (whichever is greater) before benefits are deducted dollar for dollar from the weekly benefit amount. When working full time or earning more than the weekly benefit amount, the individual is not “unemployed” and not eligible for benefits.

## ***Notice of Claim Filed (Form 220)***

When a person files or restarts a claim, the most recent employer receives a Notice of Claim Filed, Form 220. If a claimant did not work and earn four times the weekly benefit amount from their last employer, the Employment Department will also mail a Form 220 to the next-to-last employer. Mail or fax Form 220 to the Employment Department within ten days after the date the form was mailed to you to protect your appeal right.

Employment Department adjudicators investigate separation and eligibility issues and rely on you, the employer, for much of the information about a claimant’s eligibility. Your timely response to the Notice of Claim Filed Form 220 entitles you to a decision you can appeal if an issue exists that may affect the claimant’s eligibility for benefits. If a claimant stopped working for you for any reason other than lack of work, provide details of the separation in the space provided on the form and use the back, if necessary. Please be sure your information is correct and true.

Willful false statements can result in additional charges against your account. It is important that you respond to requests for separation information on former employees. The facts surrounding an employee’s separation can directly affect your tax rate because we decide to pay or deny claimants based, in part, on this information. If you do not provide any information, the Employment Department will make a decision based on available information. Decisions to allow benefits affect all base year employers as their accounts may be subject to charges for benefits paid as a result of the person’s most recent separation.

## ***Inquiries from Other States***

All states, the District of Columbia, Puerto Rico, the Virgin Islands, and Canada have unemployment insurance programs. People who work in one state often file for unemployment in another state. If you receive forms from another state or agency about a former employee, it is to your advantage to reply. UI payments can affect charges to your account no matter where the claimant lives or files his or her claim.

## ***Reporting a Job Refusal***

A worker who refuses suitable work without good cause will be disqualified. The Employment Department has no way of discovering these issues unless you or the worker tells us. If you offer a job to someone who is claiming benefits, please let your local UI Center know at once if that person fails to accept the job or behaves in a way that causes you to withhold a job offer. [View the link](#) for telephone numbers for all three UI Centers. You can also go to our website to report a job refusal at <https://app.smartsheetgov.com/b/form/7a927a47c1cf46059ea48cf5155164ca>.

## ***Fraud***

The Employment Department compares quarterly wage reports to records of unemployment benefit payments to find those people who work without reporting their earnings on their claims. This is called the cross-match system. Employment also looks into issues brought to their attention from any other source. They publicize their cross-match system, the penalties for fraud, and individual court convictions. This public information is an effort to discourage fraud. They credit the accounts of tax-paying employers for any benefits paid because of fraud. They credit reimbursing employers when the Employment Department recovers the benefits paid because of fraud. When

claimants are denied for fraud, they may be disqualified for up to 52 weeks (per occurrence) and are required to repay the money. If prosecuted and found guilty, the individual could be fined, jailed, or both.

## HEARINGS

### *Purpose and Process*

Every year the Employment Department issues thousands of administrative decisions. The decisions may concern unemployment taxes or the payment of unemployment insurance benefits to current or former employees. If you receive a decision and you believe it to be contrary to law and rule, you may request a hearing. Hearing requests must be filed with the Employment Department within the 20-day time limit or within ten days if you are appealing a claim determination. The Office of Administrative Hearings (OAH) will mail to you notice of the date, time, and place of the hearing along with a pamphlet titled “*How to Prepare and Present Your Case.*” Hearings are held by telephone conference call. Administrative law judges with the Office of Administrative Hearings (OAH) conduct the hearings.

The hearing process is simple. Individuals can represent themselves. During a hearing, both sides have a chance to present their cases and ask questions of any witnesses that appear. All testimony is taken under oath or affirmation. The decision of the administrative law judge is based solely on the facts presented at the hearing, so it is important you participate in the hearing to make certain your side of the story is told. If you cannot participate in the scheduled hearing to tell your side of the story, contact the Office of Administrative Hearings immediately. If you ask for a hearing but then fail to participate, your appeal will be dismissed. You will receive the administrative law judge’s written decision approximately 14 days after the hearing.

You may also appeal the administrative law judge’s decision. Unemployment benefit cases are appealed to the Employment Appeals Board, a three-person panel appointed by the governor. Tax cases are appealed to the Oregon Court of Appeals. These appeals are a review of the administrative law judge’s decision based on the evidence presented at the first hearing. This is another reason it is so important to attend a hearing to represent your case. If you have questions regarding a hearing, contact the OAH at 503-947-1515 or 1-800-311-3394 or 1-888-577-2422 (IVR) or email [OAH@Oregon.gov](mailto:OAH@Oregon.gov).

## LABOR MARKET INFORMATION

The Oregon Employment Department’s Workforce & Economic Research Division has a team of Workforce Analysts who collect and analyze labor market information for individual businesses, who can then apply that information to their everyday business decisions. The Workforce Analysts are available to provide concise, up-to-date information about the local, state, and national economies; on the population trends for those areas; and their effects on Oregon’s workforce. Their focus is to provide information, as requested by Oregon businesses, related to the labor market in general, and can provide specific occupational supply and demand data, or do an analysis of a business’s wage levels relative to the labor market. Workforce Analysts are also available to create customized reports for specific businesses when the data is available. The research division also publishes and distributes information that has been gathered through surveys sent to employers. Businesses can then use this labor market information to identify challenges and opportunities. Economic development planners, educators and training providers, job applicants, legislators, and the news media also regularly rely on this information to learn about workforce issues that affect Oregonians.

### *Information on the Internet*

The Oregon Employment Department maintains a nationally recognized website where employers can find local, regional, and statewide labor market information. This information includes business ownership characteristics,

competitive wage rates, inflation indexes, projected future employment for jobs, and how changes in the economy affect them. Research staff are on hand to show businesses how to retrieve such data – and how to apply it directly to their venture. [Visit them online.](#)

## ***Labor Market Information Publications***

Oregon Employment Department staff prepare and distribute thousands of publications to schools, businesses, planners, and the public. A complete list of [labor market information publications](#) is available online.

# **UNCLAIMED PROPERTY**

## ***Complying with Oregon's Unclaimed Property Law***

Unclaimed property is any amount of money owed by a business, nonprofit, or government agency to someone who cannot be found. Oregon law (ORS 098) requires businesses, public agencies, and other types of organizations to report all unclaimed assets each year to [Oregon State Treasury](#).

Common types of unclaimed property include:

- Uncashed checks, including payroll checks.
- Refunds and other deposits.
- Accounts receivable – credit balances.
- Stocks and securities.

Treasury hosts free annual training seminars on how and when to remit unclaimed property. Additional information can be found at [unclaimed.oregon.gov](http://unclaimed.oregon.gov), Treasury's comprehensive website for searching for and reporting unclaimed property.

# OREGON CONSUMER INFORMATION PROTECTION ACT

Oregon law requires individuals, businesses, and organizations that own, license, maintain, store, manage, collect, process, acquire, or possess personal information to follow requirements that help protect consumers from identity theft.

Personal information is a consumer's name combined with one or more of the following data elements, if the data elements are not encrypted, redacted, or rendered unusable or if the data elements are encrypted and the encryption key has been acquired:

- Social Security number;
- Driver license or state identification card number issued by the Department of Transportation;
- Passport or other identification number issued by the United States;
- Financial account, credit card, or debit card number combined with any security code, access code, or password that would allow access to a consumer's financial account;
- Data from automatic measurements of a consumer's physical characteristics, such as an image of a fingerprint, retina, or iris, that are used to authenticate a consumer's identity;
- Health insurance policy or subscriber identification number along with any other unique identifier that a health insurer uses to identify the consumer; and
- Information about a consumer's medical history or mental or physical condition or about a health care professional's medical diagnosis or treatment of the consumer.

Any data element or combination of data elements is also personal information even without the consumer's name, if the information has not been encrypted, redacted, or rendered unusable and the information would enable a person to commit identity theft against the consumer.

Finally, a username or other identification method together with any authentication method is also personal information.

If you handle personal information in the course of your business, you must protect it by developing, implementing, and maintaining reasonable safeguards, including the proper disposal of personal information. If you are an owner of a small business (100 or fewer employees), you already comply with the reasonable safeguard requirements if your information security and disposal program contains the administrative, technical, and physical safeguards and disposal measures appropriate to the size and complexity of your business, the nature and scope of its activities, and the sensitivity of the personal information it collects.

Oregon law prohibits the printing of Social Security Numbers (SSNs) on any documents mailed to but not requested by the consumer. If the consumer requests mailed documents that contain an SSN, you must redact the number. Further, you cannot print an SSN on a card used by the consumer to access products or services, nor can you publicly display or post (such as on a website) an SSN unless you redact it.

When disposing of, or transferring to another person for disposal, material or media that display a consumer's SSN, you or the person who ultimately disposes of the material or media must make the SSN unreadable or unrecoverable.

If you experience a data security breach, you must notify affected consumers of the breach within 45 days of discovering or receiving notification of the breach. If the breach affects over 250 people, you must also notify the Attorney General in writing or electronically. These notification requirements, however, do not apply to certain businesses and organizations, including those who are subject to and comply with regulations under the federal Gramm-Leach-Bliley Act or the Health Insurance Portability and Accountability Act (HIPAA), though they must still provide the Attorney General a copy of the notice sent to consumers or other regulators for breaches affecting over 250 people.

Anyone who violates the OCIPA may incur a civil penalty of up to \$1,000 for each violation and up to \$500,000 for a continuing violation.

For further information contact:

**Department of Consumer and Business Services**  
Division of Financial Regulation  
350 Winter St. NE  
Salem OR 97301-3881  
503-378-4140 or 1-866-814-9710 (toll-free in Oregon)  
Visit [dfr.oregon.gov](http://dfr.oregon.gov)

## OFFICE OF SMALL BUSINESS ASSISTANCE

### *Fostering Collaboration for Better Business*

Created by the Oregon Legislature in 2013, the Office of Small Business Assistance is housed in the Secretary of State's Corporation Division. The Small Business Assistance team provides an objective voice for entrepreneurs within the halls of government. When problems arise, the team works collaboratively with small businesses and state agencies to help resolve issues and facilitate communication.

### *Get Help*

The mission of the Office of Small Business Assistance is to assist entrepreneurs who believe they've been subjected to unreasonable or unfair state regulatory actions, such as investigations, excessive fines, penalties, threats, or other enforcement by a state agency. The team investigates complaints and works toward a mutually acceptable resolution.

If you feel your business has been aggrieved by an Oregon agency and you've tried to resolve the issue without success, [request assistance online](#) or phone the Office of Small Business Assistance toll free at 1-844-469-5512.

## OFFICE OF THE TAXPAYER ADVOCATE

The Taxpayer Advocate, whose office was created in 2021 and is housed in the Department of Revenue, is a voice and a resource for taxpayers. The Advocate will serve taxpayers whose problems are not resolved through ordinary channels; receive and evaluate complaints of improper, abusive, or inefficient service by agency employees; Promote taxpayer issues and concerns to department policymakers and state legislators; and problem-solve and suggest options to taxpayer dilemmas through normal channels of which the taxpayer may not have been aware. For more information visit the Office website at [oregon.gov/dor/Pages/Taxpayer-Advocate.aspx](http://oregon.gov/dor/Pages/Taxpayer-Advocate.aspx).

**Corporation Division**  
**Office of the Secretary of State**

Public Service Building, Suite 151  
255 Capitol Street NE  
Salem, OR 97310-1327  
(503) 986-2200

[CorporationDivision.SOS@oregon.gov](mailto:CorporationDivision.SOS@oregon.gov)

[sos.oregon.gov/business](https://sos.oregon.gov/business)

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