

CHAPTER 76

AN ACT

HB 4035

Relating to unemployment insurance taxes; creating new provisions; amending ORS 652.409, 657.462 and 657.783; repealing ORS 657.439 and 657.463; and prescribing an effective date.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 657.462 is amended to read:

657.462. (1)(a) The Director of the Employment Department or the director's authorized representative shall, for each calendar year, compute a benefit ratio for each employer who meets the requirements of this section.

(b)(A) For an employer whose record has been chargeable with benefits throughout the 12 preceding calendar quarters ending on the computation date, the benefit ratio shall be a quotient obtained by dividing the total benefit charges to the employer's record in the 12 calendar quarters by the total of the employer's taxable payrolls for the same 12 calendar quarters.

(B) For an employer whose record has been chargeable with benefits for at least four or more consecutive calendar quarters but less than 12 consecutive calendar quarters and ending on the computation date, the benefit ratio shall be the quotient obtained by dividing the total benefits charged to the employer's record for the consecutive calendar quarters by the total of the employer's taxable payrolls for the same period.

(C) Benefit ratios shall be carried out to the sixth decimal place.

(2)(a) A *[listing]* list shall be prepared of all employers meeting the requirements of this section *[and whose account is]* **whose accounts are** open according to Employment Department records as of August 31 following the computation date.

(b) *[This listing shall start with]* **Employers shall be listed in ascending order from the** employer having the lowest benefit ratio *[and progress through]* **to** the employer having the highest benefit ratio.

(c) The *[listing]* list shall show for each employer:

[(a)] (A) The benefit ratio;

[(b)] (B) The **employer's** taxable payroll for the four calendar quarters immediately preceding the computation date; and

[(c)] (C) A cumulative total consisting of the sum of the employer's taxable payroll and the taxable payroll of all other preceding employers on the list.

(3)(a) The department shall group all employers in accordance with the cumulative taxable payroll percentage limits for the schedule in effect under Table A.

(b)(A) All employers who fall within the same group *[will]* **shall** be assigned the tax rate for that group.

(B) *[However,]* **Notwithstanding subparagraph (A) of this paragraph**, if the grouping results in the taxable payroll of an employer falling in two groups, the employer and any other employer with the same benefit ratio shall be assigned the lower of the two applicable rates.

(c) Fractions of a cent *[will]* **shall** be dropped in computing taxable payroll limits used in Table A.

(d) The schedule in effect shall be in accordance with the Fund Adequacy Percentage Ratios set forth in Table A.

TABLE A

(Taxable Payroll referred to is the total for all the eligible firms for the four calendar quarters preceding and ending on the computation date)

Fund Adequacy Percentage Ratio I 190% and Over	
Tax Rate	Cumulative Taxable Payroll Limits (Percentage of Total Taxable Payroll)
0.5%	0.00% but less than 10.00%
0.6%	10.00% but less than 15.00%
0.7%	15.00% but less than 20.00%
0.8%	20.00% but less than 25.00%
0.9%	25.00% but less than 30.00%
1.0%	30.00% but less than 35.00%
1.1%	35.00% but less than 40.00%
1.2%	40.00% but less than 45.00%
1.3%	45.00% but less than 50.00%
1.4%	50.00% but less than 55.00%
1.5%	55.00% but less than 60.00%
1.6%	60.00% but less than 65.00%
1.7%	65.00% but less than 69.00%
1.8%	69.00% but less than 73.00%
1.9%	73.00% but less than 77.00%
2.0%	77.00% but less than 80.00%
2.1%	80.00% but less than 83.00%
2.2%	83.00% but less than 86.00%
2.3%	86.00% but less than 89.00%
2.4%	89.00% but less than 91.00%
2.5%	91.00% but less than 93.00%
2.6%	93.00% but less than 95.00%
2.7%	95.00% but less than 96.00%
2.8%	96.00% but less than 96.90%
2.9%	96.90% but less than 97.70%
3.0%	97.70% but less than 98.40%
3.1%	98.40% but less than 98.90%
3.2%	98.90% but less than 99.30%
3.4%	99.30% but less than 99.54%
3.6%	99.54% but less than 99.63%
3.8%	99.63% but less than 99.71%
4.0%	99.71% but less than 99.78%
4.2%	99.78% but less than 99.84%
4.4%	99.84% but less than 99.89%
4.6%	99.89% but less than 99.93%
4.8%	99.93% but less than 99.96%
5.0%	99.96% but less than 99.98%
5.2%	99.98% but less than 99.99%
5.4%	99.99% to 100.00%

Fund Adequacy Percentage Ratio II 170.00% but less than 190%	
Tax Rate	Cumulative Taxable Payroll Limits (Percentage of Total Taxable Payroll)

0.7%	0.00% but less than 10.00%
0.8%	10.00% but less than 15.00%
0.9%	15.00% but less than 20.00%
1.0%	20.00% but less than 25.00%
1.1%	25.00% but less than 30.00%
1.2%	30.00% but less than 35.00%
1.3%	35.00% but less than 40.00%
1.4%	40.00% but less than 44.00%
1.5%	44.00% but less than 48.00%
1.6%	48.00% but less than 52.00%
1.7%	52.00% but less than 56.00%
1.8%	56.00% but less than 60.00%
1.9%	60.00% but less than 64.00%
2.0%	64.00% but less than 68.00%
2.1%	68.00% but less than 72.00%
2.2%	72.00% but less than 76.00%
2.3%	76.00% but less than 79.00%
2.4%	79.00% but less than 82.00%
2.5%	82.00% but less than 85.00%
2.6%	85.00% but less than 88.00%
2.7%	88.00% but less than 90.00%
2.8%	90.00% but less than 92.00%
2.9%	92.00% but less than 93.50%
3.0%	93.50% but less than 94.90%
3.1%	94.90% but less than 96.20%
3.2%	96.20% but less than 97.40%
3.4%	97.40% but less than 98.54%
3.6%	98.54% but less than 99.54%
3.8%	99.54% but less than 99.63%
4.0%	99.63% but less than 99.71%
4.2%	99.71% but less than 99.78%
4.4%	99.78% but less than 99.84%
4.6%	99.84% but less than 99.89%
4.8%	99.89% but less than 99.93%
5.0%	99.93% but less than 99.96%
5.2%	99.96% but less than 99.98%
5.4%	99.98% to 100.00%

Fund Adequacy Percentage Ratio III
145.00% but less than 170%

Tax Rate	Cumulative Taxable Payroll Limits (Percentage of Total Taxable Payroll)
0.9%	0.00% but less than 10.00%
1.0%	10.00% but less than 15.00%
1.1%	15.00% but less than 20.00%
1.2%	20.00% but less than 24.00%
1.3%	24.00% but less than 28.00%
1.4%	28.00% but less than 32.00%
1.5%	32.00% but less than 36.00%
1.6%	36.00% but less than 40.00%
1.7%	40.00% but less than 44.00%
1.8%	44.00% but less than 48.00%
1.9%	48.00% but less than 52.00%
2.0%	52.00% but less than 56.00%
2.1%	56.00% but less than 60.00%
2.2%	60.00% but less than 64.00%
2.3%	64.00% but less than 68.00%
2.4%	68.00% but less than 72.00%
2.5%	72.00% but less than 76.00%
2.6%	76.00% but less than 80.00%
2.7%	80.00% but less than 84.00%
2.8%	84.00% but less than 87.00%
2.9%	87.00% but less than 90.00%
3.0%	90.00% but less than 93.00%
3.1%	93.00% but less than 95.00%
3.2%	95.00% but less than 97.00%
3.4%	97.00% but less than 98.20%
3.6%	98.20% but less than 99.00%
3.8%	99.00% but less than 99.43%
4.0%	99.43% but less than 99.63%
4.2%	99.63% but less than 99.72%
4.4%	99.72% but less than 99.79%

4.6%	99.79% but less than 99.85%
4.8%	99.85% but less than 99.90%
5.0%	99.90% but less than 99.94%
5.2%	99.94% but less than 99.97%
5.4%	99.97% to 100.00%

Fund Adequacy Percentage Ratio IV
125.00% but less than 145%

Tax Rate	Cumulative Taxable Payroll Limits (Percentage of Total Taxable Payroll)
1.2%	0.00% but less than 10.00%
1.3%	10.00% but less than 15.00%
1.4%	15.00% but less than 20.00%
1.5%	20.00% but less than 24.00%
1.6%	24.00% but less than 28.00%
1.7%	28.00% but less than 32.00%
1.8%	32.00% but less than 36.00%
1.9%	36.00% but less than 40.00%
2.0%	40.00% but less than 44.00%
2.1%	44.00% but less than 48.00%
2.2%	48.00% but less than 52.00%
2.3%	52.00% but less than 56.00%
2.4%	56.00% but less than 60.00%
2.5%	60.00% but less than 64.00%
2.6%	64.00% but less than 68.00%
2.7%	68.00% but less than 72.00%
2.8%	72.00% but less than 76.00%
2.9%	76.00% but less than 80.00%
3.0%	80.00% but less than 84.00%
3.1%	84.00% but less than 88.00%
3.2%	88.00% but less than 92.00%
3.3%	92.00% but less than 95.00%
3.4%	95.00% but less than 97.00%
3.6%	97.00% but less than 98.20%
3.8%	98.20% but less than 99.00%
4.0%	99.00% but less than 99.40%
4.2%	99.40% but less than 99.60%
4.4%	99.60% but less than 99.70%
4.6%	99.70% but less than 99.78%
4.8%	99.78% but less than 99.85%
5.0%	99.85% but less than 99.91%
5.2%	99.91% but less than 99.96%
5.4%	99.96% to 100.00%

Fund Adequacy Percentage Ratio V
110.00% but less than 125%

Tax Rate	Cumulative Taxable Payroll Limits (Percentage of Total Taxable Payroll)
1.5%	0.00% but less than 10.00%
1.6%	10.00% but less than 15.00%
1.7%	15.00% but less than 20.00%
1.8%	20.00% but less than 24.00%
1.9%	24.00% but less than 28.00%
2.0%	28.00% but less than 32.00%
2.1%	32.00% but less than 36.00%
2.2%	36.00% but less than 40.00%
2.3%	40.00% but less than 44.00%
2.4%	44.00% but less than 48.00%
2.5%	48.00% but less than 52.00%
2.6%	52.00% but less than 56.00%
2.7%	56.00% but less than 60.00%
2.8%	60.00% but less than 64.00%
2.9%	64.00% but less than 68.00%
3.0%	68.00% but less than 72.00%
3.1%	72.00% but less than 76.00%
3.2%	76.00% but less than 80.00%
3.3%	80.00% but less than 84.00%

3.4%	84.00% but less than 88.00%
3.5%	88.00% but less than 92.00%
3.6%	92.00% but less than 95.00%
3.7%	95.00% but less than 97.00%
3.8%	97.00% but less than 98.20%
3.9%	98.20% but less than 99.00%
4.0%	99.00% but less than 99.40%
4.2%	99.40% but less than 99.60%
4.4%	99.60% but less than 99.70%
4.6%	99.70% but less than 99.78%
4.8%	99.78% but less than 99.85%
5.0%	99.85% but less than 99.91%
5.2%	99.91% but less than 99.96%
5.4%	99.96% to 100.00%

3.3%	68.00% but less than 72.00%
3.4%	72.00% but less than 76.00%
3.5%	76.00% but less than 80.00%
3.6%	80.00% but less than 84.00%
3.7%	84.00% but less than 88.00%
3.8%	88.00% but less than 92.00%
3.9%	92.00% but less than 95.00%
4.0%	95.00% but less than 97.00%
4.2%	97.00% but less than 98.20%
4.4%	98.20% but less than 99.00%
4.6%	99.00% but less than 99.50%
4.8%	99.50% but less than 99.70%
5.0%	99.70% but less than 99.84%
5.2%	99.84% but less than 99.93%
5.4%	99.93% to 100.00%

Fund Adequacy Percentage Ratio VI
100.00% but less than 110%

Tax Rate	Cumulative Taxable Payroll Limits (Percentage of Total Taxable Payroll)
1.8%	0.00% but less than 10.00%
1.9%	10.00% but less than 15.00%
2.0%	15.00% but less than 20.00%
2.1%	20.00% but less than 25.00%
2.2%	25.00% but less than 30.00%
2.3%	30.00% but less than 35.00%
2.4%	35.00% but less than 40.00%
2.5%	40.00% but less than 44.00%
2.6%	44.00% but less than 48.00%
2.7%	48.00% but less than 52.00%
2.8%	52.00% but less than 56.00%
2.9%	56.00% but less than 60.00%
3.0%	60.00% but less than 64.00%
3.1%	64.00% but less than 68.00%
3.2%	68.00% but less than 72.00%
3.3%	72.00% but less than 76.00%
3.4%	76.00% but less than 80.00%
3.5%	80.00% but less than 84.00%
3.6%	84.00% but less than 88.00%
3.7%	88.00% but less than 92.00%
3.8%	92.00% but less than 95.00%
3.9%	95.00% but less than 97.00%
4.0%	97.00% but less than 98.20%
4.2%	98.20% but less than 99.00%
4.4%	99.00% but less than 99.50%
4.6%	99.50% but less than 99.70%
4.8%	99.70% but less than 99.79%
5.0%	99.79% but less than 99.87%
5.2%	99.87% but less than 99.94%
5.4%	99.94% to 100.00%

Fund Adequacy Percentage Ratio VIII
Under 90%

Tax Rate	Cumulative Taxable Payroll Limits (Percentage of Total Taxable Payroll)
2.2%	0.00% but less than 10.00%
2.3%	10.00% but less than 15.00%
2.4%	15.00% but less than 20.00%
2.5%	20.00% but less than 25.00%
2.6%	25.00% but less than 30.00%
2.7%	30.00% but less than 35.00%
2.8%	35.00% but less than 40.00%
2.9%	40.00% but less than 45.00%
3.0%	45.00% but less than 50.00%
3.1%	50.00% but less than 55.00%
3.2%	55.00% but less than 60.00%
3.3%	60.00% but less than 65.00%
3.4%	65.00% but less than 70.00%
3.5%	70.00% but less than 75.00%
3.6%	75.00% but less than 80.00%
3.7%	80.00% but less than 84.00%
3.8%	84.00% but less than 88.00%
3.9%	88.00% but less than 92.00%
4.0%	92.00% but less than 95.00%
4.2%	95.00% but less than 97.00%
4.4%	97.00% but less than 98.20%
4.6%	98.20% but less than 99.00%
4.8%	99.00% but less than 99.50%
5.0%	99.50% but less than 99.80%
5.2%	99.80% but less than 99.92%
5.4%	99.92% to 100.00%

Fund Adequacy Percentage Ratio VII
90.00% but less than 100%

Tax Rate	Cumulative Taxable Payroll Limits (Percentage of Total Taxable Payroll)
2.0%	0.00% but less than 10.00%
2.1%	10.00% but less than 15.00%
2.2%	15.00% but less than 20.00%
2.3%	20.00% but less than 25.00%
2.4%	25.00% but less than 30.00%
2.5%	30.00% but less than 35.00%
2.6%	35.00% but less than 40.00%
2.7%	40.00% but less than 45.00%
2.8%	45.00% but less than 50.00%
2.9%	50.00% but less than 55.00%
3.0%	55.00% but less than 60.00%
3.1%	60.00% but less than 64.00%
3.2%	64.00% but less than 68.00%

(4) Except as provided in subsection (6)(c) of this section:

(a) For each calendar quarter, of each rate determined under Table A, one hundred and nine one-thousandths of a percentage point of the rate shall be used to determine an amount of the wages subject to tax under this chapter for that calendar quarter to be disposed of in accordance with this subsection.

(b) After withholding the actual shared costs of the department in collecting the amount of wages determined under paragraph (a) of this subsection, the director or the director's authorized representative shall pay the amount of wages into the Supplemental Employment Department Administration Fund established under ORS 657.783.

(5) Except as provided in subsection (6)(c) of this section:

(a) For the first calendar quarter of each odd-numbered year, in addition to the rate determined under subsection (4) of this section, of each rate determined under Table A, three one-hundredths of a percentage point of the rate shall be used to determine an amount of the wages subject to tax under this chapter for that calendar quarter to be disposed of in accordance with this subsection.

(b) After withholding the actual shared costs of the department in collecting the amount of wages determined under paragraph (a) of this subsection, the director or the director's authorized representative shall pay the amount of wages into the Wage Security Fund established under ORS 652.409.

(c) Except as provided in subsection (4) of this section, moneys due pursuant to this section but not received by the department for payment to the Wage Security Fund by June 30 of each odd-numbered year shall be paid into the Unemployment Compensation Trust Fund created under ORS 657.805.

(6)(a) All amounts of wages determined for disposition under subsections (4) and (5) of this section shall be paid and collected in the same manner and at the same time as unemployment compensation taxes under this chapter, unless the director prescribes otherwise.

(b) In no case shall the rates imposed on wages under subsections (4) and (5) of this section cause the total rate imposed on the wages under this section to exceed the rate determined under Table A for any employer.

(c) Subsections (4) and (5) of this section do not apply to the wages of employers whose assigned tax rate is 5.4 percent.

SECTION 2. ORS 652.409 is amended to read:

652.409. (1) The Wage Security Fund is established separate and distinct from the General Fund. After *[deduction of the amounts provided in ORS 657.439 (2)(a)]* **withholding the actual shared costs of the Employment Department under ORS 657.462 (5)(b),** all *[moneys]* **amounts** received by the *[Employment Department]* **department** pursuant to ORS *[657.439 (2)(a)]* **657.462 (5)(a)** shall be paid into the State Treasury and credited to the Wage Security Fund. All income earned on moneys in the Wage Security Fund invested by the State Treasurer shall accrue to the fund.

(2) All income earned on moneys in the Wage Security Fund, and all other moneys in the fund, are appropriated continuously to the Commissioner of the Bureau of Labor and Industries primarily to carry out the provisions of ORS 652.414. Moneys in the fund may also be used, within the divisions of

the Bureau of Labor and Industries that enforce wage and hour laws and state laws concerning civil rights, to investigate and enforce claims of underpaid and unpaid wages under this chapter and ORS chapter 653 and to investigate conduct that may constitute an unlawful practice under ORS chapter 659A.

SECTION 3. ORS 657.783 is amended to read:

657.783. (1) There is established in the State Treasury, separate and distinct from the General Fund, the Supplemental Employment Department Administration Fund. The Supplemental Employment Department Administration Fund shall consist of moneys collected or received by the Employment Department pursuant to *[section 3, chapter 449, Oregon Laws 1987, and ORS 657.439 and 657.463]* **ORS 657.462.**

(2) Except as provided in subsection (3) of this section, all income earned on moneys in the Supplemental Employment Department Administration Fund invested by the State Treasurer shall accrue to the fund. Any balance in the fund shall not lapse at any time. All moneys in the fund are appropriated continuously to the department for the payment of expenses of administration of this chapter for which federal funding has been reduced, eliminated or otherwise is not available, and which has been authorized in the legislatively approved budget of the department.

(3) As determined on June 30 of each odd-numbered year, moneys in the Supplemental Employment Department Administration Fund that are in excess of 150 percent of the amount collected pursuant to ORS *[657.463 (2)]* **657.462 (4)** for the first quarter of the previous even-numbered year shall be transferred to the Unemployment Compensation Trust Fund. The transfer required by this subsection shall be made by December 31 of the odd-numbered year.

SECTION 4. ORS 657.439 and 657.463 are repealed.

SECTION 5. The amendments to ORS 652.409, 657.462 and 657.783 by sections 1 to 3 of this 2024 Act and the repeal of ORS 657.439 and 657.463 by section 4 of this 2024 Act apply to calendar quarters beginning on or after January 1, 2024.

SECTION 6. This 2024 Act takes effect on the 91st day after the date on which the 2024 regular session of the Eighty-second Legislative Assembly adjourns sine die.

Approved by the Governor April 4, 2024

Filed in the office of Secretary of State April 4, 2024

Effective date June 6, 2024