Oregon House Passes COVID-19 Unemployment Insurance Relief Bill

House Bill 3389 would provide an estimated $2.4 billion in relief over 10 years

SALEM, OR—In response to the ongoing economic fallout from the global COVID pandemic, the Oregon House tonight passed House Bill 3389, which will provide $2.4 billion in unemployment insurance relief to small businesses who have been impacted the most.

The bill recognizes that because of the impact of necessary public health responses to the pandemic, Oregon businesses faced unprecedented levels of layoffs. Normally, such a jump in unemployment claims would trigger increases in UI tax rates, at a time when small businesses are struggling to get back on their feet. HB 3389 will remedy that by adjusting how UI rates are calculated and excluding 2020 and 2021 from businesses’ “experience ratings.” HB 3389 provides nearly $100 million in relief this year and has the long-term goal of reducing taxes collected by $2.4 billion while maintaining the solvency of the unemployment insurance trust.

“I really appreciate the bipartisan work that went into developing this bill.” says Rep. Paul Holvey (D-Eugene), co-sponsor of the bill. “As we continue our economic recovery, the legislature is looking to do everything we can to help businesses that have been disproportionately impacted by the pandemic.”

To limit spikes in unemployment insurance tax rates, HB 3389 makes changes regarding the calculation and payment of unemployment insurance taxes to provide employers immediate and longer-term relief.

The bill codifies a policy the Oregon Employment Department has in place allowing employers to defer up to one-third of their 2021 tax obligation without accruing interest or...
penalties until June 30, 2022. It also forgives those deferred payments up to 100% for some businesses most affected by COVID-19 closures.

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