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Senate approves changes to overtime laws in some industries

HB 3458 result of bipartisan effort to be fair to employees and flexible for business

SALEM – The Oregon Senate voted to support paying workers fairly for their extra hours at work and establish consistency for how employers pay for employee overtime.

House Bill 3458 – which passed the Senate today on a bipartisan vote – directs employers in manufacturing, seafood and food processing sectors to pay the greater of daily or weekly overtime when the employee is eligible for both in the same work week.

“Previously, we had two statutes that did not work together,” said Sen. Kathleen Taylor (D-Portland), who co-carried the bill in the Senate with Sen. Tim Knopp (R-Bend). “With language around both weekly and daily overtime, employers and employees did not have clarity over how to calculate hourly rates when an employee worked overtime, which meant employees were often uncertain if they were receiving the fair amount. This fixes that by requiring the employer to pay the greater amount to the worker.”

The bill also prohibits these employers from requiring workers to work more than 55 hours in a work week, but also permits employees to work up to 60 hours in a work week, if it’s requested and consented to in writing.

Employees engaged in the manufacturing and food processing sectors can work up to 84 hours per work week for no more than four work weeks and up to 80 hours for no more than 17 work weeks each year, if the employer is eligible for a hardship exemption. An undue hardship exemption is available to businesses working in the processing of perishable products after harvest, catch or slaughter, when notice is filed with the Oregon Bureau of Labor and Industries and the employee provides written consent.

Paying overtime is required by both federal and state laws. The Bureau of Labor and Industries administers Oregon's wage and hour statutes, including provisions concerning overtime payments, and provides guidance to employers. Oregon law requires most employers pay overtime to eligible employees at one-and-a-half times the employee's regular rate of pay for all hours worked beyond 40 in a work week. Special rules provide for paying overtime as a daily basis for working longer than eight hours in a day at government agencies, hospitals, canneries and manufacturing facilities.

"When an employee goes above and beyond the normally expected call of duty by working overtime, they deserve to be compensated fairly and adequately for those extra hours that they could be using to rest, spend time with their families or handle personal business," Taylor said. "This bill also provides important workforce protections by penalizing employers if they require an employee to work overtime or coerce an employee into working beyond the maximum allowed hours provided in House Bill 3458."

House Bill 3458 now goes back to the House of Representatives for concurrence on amendments. If the House concurs, it will go to Gov. Kate Brown for her signature.

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