



## SENATE MAJORITY OFFICE

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### NEWS RELEASE

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#### **Oregon Senate prioritizes wage transparency**

*SB 1587 protects some of Oregon's most vulnerable workers*

SALEM – The Oregon Senate today voted to pass a bill combatting wage theft in Oregon.

Senate Bill 1587 – which passed the Senate by a 21-7 vote – specifies information that must be included on itemized paystubs and requires employers to maintain time and pay records of employees for at least the time period required by the Fair Labor Standards Act. It also requires employers to provide these documents within 45 days of an employee's request.

“It is expected that all employees are paid the agreed upon amount for their work and that when prevailing wages apply, they are compensated by that standard,” said Sen. Michael Dembrow (D-Portland), who carried the bill. “But many workers in Oregon are taken advantage of and this bill provides the transparency necessary for workers to be able to see on their paystubs exactly how much they earned for the work they performed, as well as the deductions that were taken out of their pay.”

Victims of wage theft can be some of the most vulnerable workers in Oregon. Victims can file a wage complaint with the Bureau of Labor and Industries and, for certain violations, pursue civil action. The Bureau has seven staff members who investigate wage claims, which is a reduction from previous years. SB 1587 authorizes the Wage Security Fund to add three additional full-time investigator positions in the Wage and Hour Division to investigate and enforce claims of underpaid and unpaid wages. Under current law, the Wage Security Fund may be used only to pay wage claims against a closed or insolvent business. Employers pay into the Wage Security Fund through a payroll tax.

The bill also prohibits employers from failing to pay prevailing wage rates and taking other actions to intentionally avoid paying the required prevailing wage. One of the purposes of the prevailing wage laws is to ensure that contractors on public works contracts maintain community-established compensation standards. SB 1587 makes a violation of prevailing wage statutes a Class C felony punishable by a maximum 5 years in prison, a fine up to \$125,000 or both. Prevailing wage provisions in SB 1587 become effective Jan. 1, 2017.

SB 1587 now goes to the House of Representatives for consideration.

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