Oregon Family, Paid Leave Changes Effective July 1, 2024

By Mark A. Crabtree April 3, 2024

Meet the Authors



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Disability, Leave and Health Management National Compliance and Multi-State Solutions New Oregon law will change the administration of employee leaves for baby bonding and for a serious health condition.

Since 2005, Oregon's Family Leave Act (OFLA) has provided employees protected absences from work for various family- and medical-related reasons. In 2019, the legislature created a new statutory scheme in Paid Leave Oregon (PLO). PLO established a family and medical leave insurance program to provide employees compensated time off from work to care for and bond with a new child, provide care for a family member who has a serious health condition, or recover from the employee's own serious health condition. PLO benefits became available to employees in September 2023, and PLO benefits currently cover many employee absences that are simultaneously covered by OFLA. After July 1, 2024, <u>Senate Bill 1515</u> will significantly change and potentially lessen the burdens on leave administration in Oregon.

The most significant change under the new law concerns leaves for baby bonding and for a serious health condition. Each type of leave will be covered exclusively by PLO (and, perhaps, the federal Family and Medical Leave Act). Employees seeking leave for either baby bonding or their own or a family member's serious health condition are entitled to apply to the Oregon Employment Department for PLO benefits. The Employment Department is responsible for investigating eligibility, awarding benefits, and reporting its decision to the employer. After July 1, 2024, neither leave for baby bonding nor, with two exceptions, leave for a serious health condition is an OFLA-qualifying absence.

The types of absence that will remain covered by OFLA after July 1 include:

- Sick child leave, including time off to care for a child with a serious health condition;
- Leave resulting from a disabling illness, injury, or condition related to an employee's pregnancy or childbirth; and
- Leave to deal with the death of a family member.

The new law also impacts employees' entitlement to use any employer-offered vacation or sick leave accruals while on PLO leave. Previously, employers could decide whether to allow employees to use their paid leave accruals to supplement or top off their PLO benefits. Beginning July 1, 2024, however, employees on PLO leave will be entitled to use any employer-offered paid leave accruals to supplement their PLO benefits up to the employees' full wage replacement. Employers will retain discretion over whether to allow employees to use additional paid leave exceeding their full wage replacement.

The new law specifies that OFLA and PLO will not run concurrently. OFLA coverage is triggered only in some scenarios. First, if PLO does not apply, OFLA protections might

apply. An employee requiring leave for a sick child or a death in the family, for example, would not be eligible for PLO benefits but may be entitled to OFLA benefits.

Second, if an employee exhausted their PLO entitlement, OFLA protections may provide additional (unpaid) leave entitlements. For example, an employee requiring leave for a sick child and who has already used 12 weeks of PLO benefits for a child with a serious health condition would be entitled to 12 weeks of OFLA coverage. Similarly, an employee who uses their full allotment of PLO benefits to accommodate a pregnancy disability would be entitled to an additional 12 weeks of OFLA leave for the same pregnancy-related disability.

The new law removes an existing cap on combined usage. Similarly, it removes the prospect of employees stacking leaves in a way that previously permitted use of up to 36 weeks of OFLA benefits.

The changes noted above are accompanied by additional, more technical changes in the law. Oregon employers should consider updating their policies and procedures to reflect the variety of changes brought about by Oregon's new approach to family and medical leave entitlements.

If you have questions about your leave of absence policies or whether an individual employee's absence is legally protected, please contact your Jackson Lewis lawyer. Jackson Lewis also offers a leave law map database that provides subscribers a detailed explanation of state and local leave laws around the country. The <u>Leave & Accommodation</u> <u>Suite</u> is developed and updated continually by our Disability, Leave & Health Management attorneys.

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