

PAYROLL OREGON, UNIQUE ASPECTS OF OREGON PAYROLL LAW AND PRACTICE

The Oregon State Agency that oversees the collection and reporting of State income taxes deducted from payroll checks is: Department of Revenue Revenue Bldg. 955 Center St., N.E. Salem, OR 97301 (503) 945-8100 www.dor.state.or.us/ Oregon allows you to use the Federal W-4 form to calculate state income tax withholding. Not all states allow salary reductions made under Section 125 cafeteria plans or 401(k) to be treated in the same manner as the IRS code allows. In Oregon cafeteria plans are not taxable for income tax calculation; not taxable for unemployment insurance purposes if used to purchase medical or life insurance 401(k) plan deferrals are not taxable for income taxes; taxable for unemployment purposes. In Oregon supplemental wages are taxed at a 9% flat rate. W-2s are not required in Oregon unless state requests them. **The Oregon State Unemployment Insurance Agency is:** Employment Department Unemployment Insurance Tax 875 Union St., N.E. Salem, OR 97311 (503) 947-1488 www.emp.state.or.us/ The State of Oregon taxable wage base for unemployment purposes is wages up to \$27,000.00. Oregon has optional reporting of quarterly wages on magnetic media. Unemployment records must be retained in Oregon for a minimum period of three years. This information generally includes: name; social security number; dates of hire, rehire and termination; wages by period; payroll pay periods and pay dates; date and circumstances of termination. **The Oregon State Agency charged with enforcing the state wage and hour laws is:** Bureau of Labor and Industries Wage and Hour Division 800 N.E. Oregon St., Ste. 1070 Portland, OR 97232 (503) 731-4200 www.boli.state.or.us/ The minimum wage in Oregon is \$7.05 per hour. The general provision in Oregon concerning paying overtime in a non-FLSA covered employer is one and one half times regular rate after 40-hour week (10-hour day in some industries). Oregon State new hire reporting requirements are that every employer must report every new hire and rehire. The employer must report the federally required elements of:

- Employee's name
 - Employee's address
 - Employee's social security number
 - Employer's name
 - Employers address
 - Employer's Federal Employer Identification Number (EIN)
- This information must be reported within 20 days of the hiring or rehiring. The information can be sent as a W4 or equivalent by mail, fax or electronically. There is no penalty for a late report in Oregon. The Oregon new hire-reporting agency can be reached at 503-378-2868 or on the web at <http://dcs.state.or.us/employers.htm> Oregon does not allow compulsory direct deposit Oregon requires the following information on an employee's pay stub:
- Gross and Net Earnings
 - straight time and overtime pay
 - hours worked
 - pay period dates
 - employer's name
 - employer's address
 - employer's phone number
 - annual pay statement for previous year by March 10 if employee requests
 - itemized deductions

Oregon requires that employee be paid no less often than every 35 days. In Oregon there are no statutory requirements concerning the lag time between when the services are performed and when the employee must be paid. Oregon payroll law requires that involuntarily terminated employees must be paid their final pay by the end of the first business day after discharge or termination. Voluntarily terminated employees must be paid their final pay earlier of next regular payday or 5 business days; immediately if 48 hours' notice is given. Deceased employee's wages must of \$10,000 be paid to the surviving spouse, children, or guardians (in equal shares). Escheat laws in Oregon require that unclaimed wages be paid over to the state after three years. The employer is further required in Oregon to keep a record of the wages abandoned and turned over to the state for a period of 3 years. Oregon payroll law mandates no more than \$7.05 may be used as a tip credit. In Oregon the payroll laws covering mandatory rest or meal breaks are only that all employees must have 30 minutes rest after five hours of work; 10 minutes rest each 4 hours. Oregon statute requires that wage and hour records be kept for a period of not less than two years. These records will normally consist of at least the information required under FLSA. **The Oregon agency charged with enforcing Child Support Orders and laws is:** Department of Justice Division of Child Support Department of Human Resources 1495 Edgewater St., NW Salem, OR 97304 (503) 986-6090 <http://dcs.state.or.us/> Oregon has the following provisions for child support deductions:

- When to start Withholding? **Next payday after 5 days after receipt.**
- When to send Payment? **Within 7 days of Payday.**
- When to send Termination Notice? **next payday**
- Maximum Administrative Fee? **\$5 per month.**
- Withholding Limits? **50% of disposable earnings.**

Please note that this article is not updated for changes that can and will happen from time to time.