



Oregon

Kate Brown, Governor

Department of Consumer and Business Services

Workers' Compensation Division

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Industry Notice

April 14, 2020

To: Oregon self-insured employers

Subject: Payments to employees of businesses closed due to pandemics

This notice provides guidance to self-insured employers who are paying employees who are furloughed due to pandemic-related public health measures.

Background

On March 8, 2020, Gov. Kate Brown declared a state of emergency in Oregon to address the spread of COVID-19. State and federal officials have implemented numerous public health measures to slow the spread of COVID-19 and to protect the health and lives of Oregonians.

These measures include the full or partial closure of certain businesses and prohibiting certain types of employees from accessing their places of work.

Some employers have chosen to continue to pay employees who are furloughed or placed on administrative leave as a result of pandemic-related public health measures.

Per the Division of Financial Regulation in [Bulletin No. 2020-10](#), these payments shall be classified as vacation pay.

Under OAR 836-042-0055, vacation pay is not included in the payroll employers report to insurers for premium calculation purposes.

Guidance

ORS 656.612(2) provides that assessments collected from self-insured employers will be based on the premium they would have paid had they been insured employers.

Accordingly, when completing Form 900 or Form 937 to report payroll for premium assessment purposes, self-insured employers should *exclude* payments to employees who have been furloughed or placed on administrative leave due to pandemic-related public health measures.

Vacation pay is not an appropriate classification for payments made to employees teleworking or otherwise incurring risk that would be covered by workers' compensation insurance. When reporting payroll for premium assessment purposes, self-insured employers should include these payments.

However, it may be appropriate to report payroll under a different classification code if an employee's scope of work has changed due to reassignment. Self-insured employers should document the time periods in which employees are reassigned and the changes in their scope of work.

Vacation pay is also not an appropriate classification for sick leave payments. When reporting payroll for premium assessment purposes, self-insured employers should include these payments.

For more information on reporting payroll for premium assessment purposes, please see [Bulletin 381](#).

If you have questions about this notice, please contact Self-Insurance, Registration, and Reimbursements Manager [Jason Cupp](#) at 503-947-7751 or email jason.t.cupp@oregon.gov.

A handwritten signature in blue ink that reads "Sally Coen". The signature is written in a cursive, flowing style.

Sally Coen, Acting Administrator
Workers' Compensation Division

Distribution: GovDelivery (self-insured employers)