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NOTICE OF PROPOSED RULEMAKING

INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 436

DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
WORKERS' COMPENSATION DIVISION

FILED: 08/24/2026 11:45 AM
ARCHIVES DIVISION SECRETARY OF STATE

FILING CAPTION: 2027 Workers' Benefit Fund Assessment Rate

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 09/24/2026 5:00 PM
The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

CONTACT:
Teri Watson
503-947-7514
WCD.Policy@dcbs.oregon.gov
350 Winter Street NE
Salem, OR 97301

Filed By:
Teri Watson
Rules Coordinator

HEARING(S)
Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 09/17/2026
TIME: 4:00 PM - 4:30 PM
OFFICER: Barb Belcher

REMOTE HEARING DETAILS
MEETING URL: Click here to join the meeting
PHONE NUMBER: 1-503-446-4951
CONFERENCE ID: 728502949

NEED FOR THE RULE(S):

The Workers' Benefit Fund (WBF) assessment rate has been established through rulemaking, and this rulemaking is needed to adjust the rate applied to hours worked in 2026. The WBF supports several important programs, including return-to-work incentive programs and a program that provides cost-of-living increases for some worker benefits. ORS 656.506(5), states in part, "The Legislative Assembly intends that the department set rates for the collection of assessments . . . in a manner so that at the end of the period for which the rates are effective, the balance of the Workers'

Benefit Fund is an amount of not less than 12 months of projected expenditures from the fund in regard to the department's functions and duties . . . ." The agency will propose an assessment rate it projects will continue to fund the WBF to a level exceeding 12 months of projected expenditures. Additionally, HB 4027 (2026) establishes a new BOLI Expenses Fund, which requires additional language in rule.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

"Workers' Benefit Fund Assessment Rate Recommendation for CY 2027" (to be available by mid-September). These documents are available for public inspection upon request to the Workers' Compensation Division, 350 Winter Street NE, Salem, Oregon 97301-3879. Contact Barb Belcher, Operations Manager, WCD.Policy@dcbs.oregon.gov.

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE:

The Workers' Compensation Division does not collect data about race or ethnicity related to workplace injuries and illness in Oregon, but the United States Bureau of Labor Statistics publishes lists of occupations and numbers of Americans employed broken down by race. Black/African Americans and Hispanic/Latino workers are represented in some of the more dangerous occupations in higher numbers than their respective shares of the U.S. workforce. To the extent Oregon workers in these racial groups suffer more on-the-job injuries and illnesses, increased or decreased workers' compensation benefits may impact these racial groups more than others. The agency does not have sufficient data needed to estimate specific effects on racial equity in Oregon, but invites public input.

FISCAL AND ECONOMIC IMPACT:

The agency director is required to maintain sufficient funds in the Workers' Benefit Fund (WBF) for not less than 12 months of projected expenditures. The agency will propose a rate it estimates will be sufficient to maintain at least a 12-month fund balance. The proposed WBF assessment rate will be announced by mid-September.

COST OF COMPLIANCE:
(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

The Workers' Benefit Fund (WBF) supports several agency programs that benefit Oregon workers, employers, and insurers. Sufficient funding of the WBF ensures these benefits continue as provided by statutes and rules.

The WBF assessment is calculated by multiplying the number of hours worked by an employee by a fixed amount – 1.8 cents per hour in 2026. The employer deducts one-half of that amount from the employee's wages and contributes an equal amount along with a combined tax and assessment report form prescribed by the Oregon Department of Revenue.

The assessment rate needed to maintain sufficient moneys in the WBF is determined in part by the number of hours worked by Oregon workers. The agency relies on economic forecasts in its estimates of revenues to the WBF, as well as expenditures. The agency's review of economic forecasts cannot be completed before this filing. "Workers' Benefit Fund Assessment Rate Recommendation for CY 2027" will be available at the public rulemaking hearing, and will include forecasts of WBF revenues and expenditures.

The proposed WBF assessment rate will be announced by mid-September.

All subject employers are required to pay the Workers' Benefit Fund (WBF) assessment. Approximately 135,000 Oregon employers are subject to the WBF assessment. About 90 percent of employers are small businesses (50 or fewer employees).

The agency projects a small cost for employers to adjust payroll systems to reflect any increase or decrease in the Workers' Benefit Fund assessment rate. The agency does not have data it can use to estimate the specific dollar impact of this adjustment.

The agency projects that there will be no impact on equipment, supplies, labor, or increased administration required for compliance, with or without any adjustment in the Workers' Benefit Fund assessment rate.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

Small businesses have not been involved in determining whether to propose a change in the assessment rate. Any proposed revision will be based on an actuarial analysis of income to the Workers' Benefit Fund relative to outflows and the statutory requirement under ORS 656.506 to maintain funds sufficient for not less than 12 months of projected expenditures.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

The agency did not consult an advisory committee because any proposed change (re: assessment rate) will be based on an actuarial analysis of income to the Workers' Benefit Fund relative to outflows and the statutory requirement under ORS 656.506 to maintain funds for no less than 12 months of projected expenditures. The proposed changes regarding the addition of the BOLI Expenses Fund are based in legislation (HB 4027 (2026)); the agency is obligated to align with statute and has little discretion over these additions.

RULES PROPOSED:
436-070-0003, 436-070-0005, 436-070-0010

AMEND: 436-070-0003

RULE SUMMARY: Revise the effective date for OAR 436-070 from Jan. 1, 2026, to Jan. 1, 2027, and include reference to the BOLI Expenses Fund.

CHANGES TO RULE:

436-070-0003
Purpose and Applicability ¶

(1) Purpose. These rules prescribe the rate of the combined Workers' Benefit Fund and BOLI Expenses Fund assessment under ORS 656.506 effective Jan. 1, 202~~6~~7, the method and manner for calculating the combined assessment rate, and the method and manner in which employers are to pay the assessment.¶
(2) Applicability.¶
(a) These rules apply to all employers.¶
(b) The director may waive procedural rules as justice requires, unless otherwise obligated by statute.
Statutory/Other Authority: ORS 656.506, ORS 656.726(4)
Statutes/Other Implemented: ORS 656.506

AMEND: 436-070-0005

RULE SUMMARY: Includes a definition for “Director” and removes the definition of “Fund”.

CHANGES TO RULE:

436-070-0005
Definitions ¶

Unless a term is defined elsewhere in these rules, the definitions of ORS chapter 656 are incorporated by reference and made a part of these rules. For the purpose of these rules, unless the context requires otherwise:¶
(1) "Assessments" means the funds due from employees and employers under ORS 656.506.¶
(2) "Board" means the Workers' Compensation Board and includes its Hearings Division.¶
(3) "Director" means the Director of the Department of Consumer and Business Services or the director's designee.¶
(4) "Division" means the Workers' Compensation Division of the Department of Consumer and Business Services.¶
(~~4~~5) "Employee" means an Oregon subject worker as defined in ORS 656.005 and any otherwise nonsubject worker for whom coverage is elected under ORS 656.039.¶
(~~5~~6) "Employer" means a subject employer as defined in ORS 656.005, including an employer that elects coverage for an otherwise nonsubject worker under ORS 656.039.¶
~~(6) "Fund" means the Workers' Benefit Fund as created in ORS 656.506.¶~~
(7) "Fund balance" means the balance of the fund after revenue and investment income has been added and expenditures have been subtracted.
Statutory/Other Authority: ORS 656.506
Statutes/Other Implemented: ORS 656.506

AMEND: 436-070-0010

RULE SUMMARY: Includes reference to the BOLI Expenses Fund.
Sets the combined 2027 Workers' Benefit Fund and BOLI Expenses Fund assessment rate. Analysis to determine the rate is ongoing. The proposed assessment rate will be announced by mid-September.
Includes additional factors considered when developing the assessment rates.

CHANGES TO RULE:

436-070-0010
Assessment Rate: Method and Manner of Determining ¶

(1) The assessment owed by an employer under this rule division and ORS 656.506 must be calculated using the method in OAR 436-070-0020 and based on a ~~rate of 1.8~~combined rate of #.# cents per hour. The combined rate is the sum of:¶
(a) A Workers' Benefit Fund Assessment Rate of #.# cents per hour; and¶
(b) A BOLI Expenses Fund Assessment Rate of #.# cents per hour. ¶
(2) Factors considered by the director in developing the ~~r~~Workers' Benefit Fund Assessment Rate include, but are not limited to:¶
(a) The estimated annual ~~fund~~ expenditures and revenues of the Workers' Benefit Fund;¶
(b) The fund balance requirements of ORS 656.506(5);¶
(c) The estimated ~~annual hours worked per employee~~number of employees covered by workers' compensation insurance; ¶
(d) The estimated annual hours worked per employee; and¶
(e) Other records relating to fund expenditures and revenues.¶
(3) Factors considered by the director in developing the BOLI Expenses Fund Assessment Rate include, but are not limited to:¶
(a) The estimated annual fund expenditures and revenues of the BOLI Expenses Fund;¶
(b) The reserve amount requirements of ORS 656.506(6); ¶
(c) The terms of the agreement between the director and the Commissioner of the Bureau of Labor and Industries under Chapter 30, Oregon Laws 2026;¶
(d) The estimated number of employees covered by workers' compensation insurance; ¶
(e) The estimated annual hours worked per employee; and¶
(~~e~~f) Other records relating to fund expenditures and revenues.
Statutory/Other Authority: ORS 656.506, ORS 656.726(4)
Statutes/Other Implemented: ORS 656.506