

Technical Assistance for Employers

Department

Paychecks

About Us

These regulations apply to all Oregon employers except those in the federal government.

Contact Us

PAYDAYS AND PAY PERIODS

Employer Seminars

On-site Training

Employers must establish and maintain regular paydays. Paydays may not be more than 35 days apart. ORS 652.120(1)&(2). Employers may not withhold or delay paychecks as a form of discipline.

Employer Handbooks & Posters

Underpayments

When the employer has been notified the employee has been underpaid and there is no dispute, the employee must be paid the undisputed underpaid wages regardless of the cause of the underpayment.

Administrative Rules

When the underpayment is less than five percent of the employee's gross wages, the amount may be paid on the next regular payday. If the underpayment is more than five percent of the gross, the amount must be paid to the employee within three business days. ORS 652.120(5).

Oregon Revised Statutes

Government Agency

Contact List

Methods of Payment

Payment of wages must be made in cash or by a negotiable instrument payable on demand without fee or discount at a bank or other place of business in the county where it was issued. An employee may authorize the employer to deposit wages into the employee's account in a bank, credit union, or savings and loan within the state. ORS 652.110.

Related Links

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Direct Deposit and Debit Cards

Oregon law allows employers to pay wages by direct deposit, automated teller machine card, payroll card, or other means of electronic transfer as long as the employee voluntarily agrees. The employee must be able to make an initial withdrawal of the entire amount without cost or be able to choose another means of receiving wages which does not involve any cost to the employee. ORS 652.110.

The agreement regarding the means of payment need not be made in writing but must be made in the language the employer principally uses to communicate with the employee. The employer may want to document the employee's verbal consent prior to instituting a particular means of payment. ORS 652.110(5).

Employers who use the direct deposit, automated teller machine card, or payroll card method of paying wages must still provide an itemized statement and meet the deadlines applicable to final paychecks. The final paycheck may be paid by direct deposit, automated teller machine card, or payroll card with the agreement of the departing employee. ORS 652.140(4).

Q. If an employee fails to submit time sheets as required, may the employer delay payment until the information is received?

A. No, it is the employer's responsibility to track hours worked and to pay all employees on regular paydays. Other disciplinary measures may be taken when employees fail to meet expectations.

FINAL PAYCHECKS

If an employee quits with less than 48 hours notice, excluding weekends and holidays, the paycheck is due within five days, excluding weekends and holidays, or on the next regular payday, whichever comes first. ORS 652.140(2).

Example: An employee quits without notice on Monday, one week before Labor Day. The final check must be paid by the Tuesday after Labor Day, unless a regular payday occurs before that date.

If an employee quits with notice of at least 48 hours, the final check is due on the final day worked, unless the last day falls on a weekend or holiday. In that case, the check is due on the next business day. ORS 652.140(2) &(3).

Example: An employee gives three days notice that Saturday will be the last day worked. The final check is due on Monday.

Example: An employee gives two days notice that Friday will be the last day worked. The final check is due on Friday.

If an employee is discharged, the final paycheck is due not later than the end of the next business day. ORS 652.140(1).

Example: If an employee is discharged on Saturday, the check is due on Monday by the end of the day. If an employee is discharged on Monday, the check is due by the end of the day on Tuesday.

When an employer and employee mutually agree to terminate the relationship, the check is due by the end of the following business day, as in the case of discharge. ORS 652.140(1).

When employment is related to state and county fairs, and employment terminates on weekends or holidays, the check is due by the end of the second business day after the termination. ORS 652.140(3).

Example: If the last day of the Oregon State Fair is on Labor Day Monday, all employees whose employment ends must be paid by the end of the day on Wednesday.

Q. My employee gave a two-week notice. Our company does not allow an employee who has given notice to work the two week period, and we release the employee from work

immediately. Do we have to pay the two-week notice period?

A. Not unless you have an established practice or policy of paying other employees for the remainder of the two-week notice period. Under Oregon's final paycheck law, you will need to pay your employee all wages earned but unpaid by the end of the next business day. ORS 652.140(1).

Collective Bargaining Agreements

The statute allows an exception from the final paycheck requirements if the contract makes provisions for final pay. ORS 652.140(5).

Example: A union contract provides that final paychecks will be paid on the next regularly scheduled payday. Therefore, in all cases of termination, the final check is due on the next regular payday.

Seasonal Farmworkers

When employment of seasonal farmworkers terminates, wages are due immediately. However, if a seasonal farmworker quits without giving at least 48 hours notice, wages are due within 48 hours or at the next scheduled payday, whichever is earlier. ORS 652.145.

Payment in Case of Dispute

If a dispute arises over the amount of wages due an employee, the employer must pay all money the employer agrees is due, without setting any conditions upon payment. The employee retains the right to claim any wages and remedies the employee feels is due through union grievance (if applicable), or by filing an action with the court, or by filing a claim with the Bureau of Labor and Industries. ORS 652.160.

Commissions

Q. When a commission-paid employee is discharged with sales income yet to be received by our company, when is the final paycheck due?

A. The check is due by the end of the next business day. However, if the commission agreement expressly provides that commissions on sales are not "earned" by the employee until payment is received by the company, the company may pay all other earnings to the terminated employee, but exclude commissions on sales not yet earned. These may be paid at a later date, when the amounts due are known.

Civil Penalty for Withholding Final Wages

If an employer willfully fails to pay any part of an employee's final wages when due, then, as a penalty, the compensation of the employee shall continue from the appropriate due date, at the same regular hourly rate, for eight hours per day, until the wages are paid or until an action for collection is filed. The maximum penalty is for 30 days compensation. ORS 652.150.

As of January 1, 2002, the penalty may not exceed 100% of the unpaid wages if the employer pays the wages due within twelve days after written notice of nonpayment is sent to the employer and the employer has not willfully violated the final pay provisions of the law in the preceding year.

DISCLAIMER

Nothing on this website is intended as legal advice. Any responses to specific questions are based on the facts as we understand them, and not intended to apply to any other situations. This communication is not an agency order. If you need legal advice, please consult an attorney. We attempt to update the information on this website as soon as practicable following changes or developments in the laws and rules affecting Oregon employers, but we make no warranties or representations, express or implied, about whether the information provided is current. We urge you to check the applicable statutes and administrative rules yourself and to consult with legal counsel prior to taking action that may invoke employee rights or employer responsibilities or omitting to act when required by law to act.

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THIS INFORMATION IS AVAILABLE IN AN ALTERNATE FORMAT.

OREGON.GOV

- State Directories
- Agencies A to Z
- Oregon Administrative Rules
- Oregon Revised Statutes
- Oregon - an Equal Opportunity Employer
- About Oregon.gov



WEB SITE LINKS

- Text Only Site
- Accessibility
- Oregon.gov
- File Formats
- Privacy Policy
- Site Map
- Web Site Feedback

PDF FILE ACCESSIBILITY

Adobe Reader, or equivalent, is required to view PDF files. Click the "Get Adobe Reader" image to get a free download of the reader from Adobe.

