

# Two New Oregon Laws Will Soon Change the Way You Hire: Your Compliance Checklists

Insights 6.16.25

Oregon Governor Tina Kotek just signed two bills into law that will soon change employer obligations regarding applicants and new hires. When these new laws take effect, you'll need to rethink how you collect applicant data to strip away age-related information, and share more payrelated information with new hires. Let's look over what we know, what's still up in the air, and best practices for anticipated compliance with these two new laws.

## Restricting Age-Based Inquiries During Hiring (HB 3187)

HB 3187 amends <u>state law</u> to change how and when employers may request age-related information from applicants.

## Requirements

The first new law cracks down on age-related questions early in the hiring process. It will prohibit employers from asking applicants their:

- age
- date of birth
- when the applicant attended or graduated from any educational institution

This prohibition applies to any applicants who have not yet received an initial interview. If an employer does not conduct initial interviews, this information may only be requested after a conditional offer has been made.

While the law provides an exception if such a request is made pursuant to "bona fide occupational qualifications," this exception is very narrow.

## Compliance Methods

Most standard application forms have blank spaces for date of birth and educational history. Employers in Oregon will need to revise their applicant forms to remove date of birth requests and date information regarding an applicant's past education. Employers who use third-party recruiters or websites should coordinate with those providers to ensure compliance. Keep in mind that the law

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only prohibits employers from requesting or requiring disclosure of this information. If applicants voluntarily provide age information, such as on a resume, then there is not a violation.

#### **Enforcement and Penalties**

As part of ORS 659A.030, violations of the above obligations will create exposure to employee lawsuits which allow for recovery of both damages and attorney's fees. As the penalties for noncompliance are steep, employers should ensure appropriate steps are taken to be ready by September.

#### Effective Date

This law is scheduled to take effect 91 days after the current legislative assembly adjourns. As the presently calendared adjournment date is June 29, we expect this law will take effect on September 28, 2025.

## Your Quick Compliance Checklist

In order to prepare for this new law, you should consider the following steps:

- ✓ Be cautious about attempting to apply the bona fide occupational qualification exception given how narrowly this will be applied. Check with your FP attorney before proceeding.
- ✓ Revise your application materials to remove date of birth requests and date information regarding an applicant's past education
- ✓ Coordinate with your third-party recruiters and websites that assist with your hiring to ensure these providers ensure compliance.
- ✓ Train your hiring staff and managers about this new restriction and have them document any voluntary disclosures from applicants
- ✓ Consider advising applicants not to submit resumes or, if they do, not to disclose age or graduation dates on them.

### Transparency About Payroll Practices (SB 906)

The second law takes aim at payroll transparency. SB 906 will amend <u>Oregon state payroll law</u> to require employers to disclose extensive information about payroll practices to new-hire employees.

#### Requirements

SB 906 will require employers to provide written explanations of each of the following to new employees:

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- The employer's regular pay period
- A comprehensive list of:
  - All pay rates that employees *may* be eligible for
  - All benefit deductions and contributions
  - All deductions that may apply
- The purpose of deductions that *may* be made
- Allowances claimed as part of minimum wage
- Employer-provided benefits that may appear on an employee's paystub
- A description and definition of all payroll codes used for pay rates and deductions

#### **Unanswered Questions**

Compliance with the new law will likely require disclosure of significantly more payroll information than most employers currently share. The law's use of the terms "may apply" and "all" necessitates disclosure of information that hypothetically could apply to a specific employee. The language of the law provides a clue, in that descriptions "need not be written in complete sentences." Until we receive further guidance from the Bureau of Labor and Industries (BOLI), however, it is unclear what level of detail this law requires.

## Compliance Methods

Fortunately, SB 906 does not require employers to hand-deliver personalized documents to each individual new hire. The bill specifies that employers can comply with the law by making the information easily accessible to all employees. This could include providing a link to a website with the information or physically posting the documents in a shared workspace area. The bill also instructs BOLI to make available a model compliance document that employers can use as a starting point.

#### **Enforcement and Penalties**

There is no private right of action for violations of this state statute, meaning employees cannot personally sue for breaches. Instead, BOLI may take enforcement action and levy a civil penalty of \$500 for violations of this new law.

#### Effective Date

It takes effect on January 1, 2026.

## Your Quick Compliance Checklist

In order to prepare for this new law, you should consider the following steps:

- ✓ Work with your payroll department to ensure it compiles the additional information before
  January 1, 2026
- ✓ Determine the **best method to deliver the information** to your new hires and to document the delivery so you can prove compliance
- ✓ Track BOLI's releases to see if it provides detail about our unanswered questions about the level of detail required
- ✓ Make sure you are signed up for <u>Fisher Phillips' Insight System</u> so you receive updates when we have more information

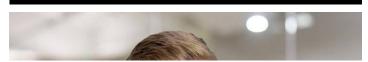
#### Conclusion

We'll monitor developments in this area and provide updates as warranted, so make sure you are subscribed to the <u>Fisher Phillips' Insight System</u> to get the most up-to-date information. If you have any questions about how these issues may impact your business, please contact your Fisher Phillips attorney, the authors of this Insight, any attorney in <u>our Portland, OR, office</u>.

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