



FOR IMMEDIATE RELEASE

Nov. 15, 2024

Media Contact:

Rebeka Gipson-King

Communications@employ.oregon.gov

Oregon Employment Department announces 2025 rates for Paid Leave Oregon and Unemployment Insurance

SALEM, Ore. — Today, the Oregon Employment Department announced the 2025 contribution rate for Paid Leave Oregon and 2025 tax rate for Unemployment Insurance. The department is mailing each employer their annual notice of the new rates.

2025 Unemployment Insurance Tax Rate

The department uses a statutory formula to establish the annual tax rate for subject employers. Most Oregon employers pay taxes that go into the Unemployment Insurance Trust Fund in Oregon, which is the source of Unemployment Insurance benefits for Oregon workers. Workers do not contribute to this fund or to their unemployment benefits.

As a self-balancing fund, Oregon's Unemployment Insurance Trust Fund was stable through the pandemic and remains one of the healthiest in the country. The trust fund balance also earns interest, which helps keep employers' tax rates lower. The goal of the statutory formula is to reach a balance between revenue and expenditures, where the state takes in about the same amount of money in taxes as it pays out in Unemployment Insurance benefits.

Oregon will remain in Tax Schedule 3 for 2025. For all subject employers, the taxable wage base will rise from \$52,800 per employee for 2024 to \$54,300 for the 2025 calendar year.

For new employers (those with less than 12 months of experience), the Unemployment Insurance payroll tax rate will remain at 2.4% for 2025.

In addition to the tax rate schedule, federal law requires states to use experience ratings to calculate individual tax rates for subject employers with more than 12 months of experience. At a high level, experience ratings are based on how much a business's employees access Unemployment Insurance benefits.

In 2021, the Legislature passed HB 3389 to temporarily freeze employer experience ratings at 2020 levels. This was done to support Oregon businesses who were negatively affected during the pandemic. We estimate it will save Oregon employers subject to UI taxes a total \$2.39 billion in tax contributions through 2029.

For 2025, we are returning to the standard rules that were in place before the pandemic to calculate UI experience ratings. Specifically, 2025 experience ratings will be based on wages and benefit charges from the third quarter of 2021 through the second quarter of 2024.

2025 Paid Leave Oregon Contribution Rate

Both employers and employees pay contributions to the Paid Leave Oregon Trust Fund, which provides benefits for Oregon workers.

The Paid Leave Oregon contribution rate for 2025 is 1% of employee wages and applies to up to \$176,100 of wages. This is the [Social Security taxable maximum wage](#) amount for 2025. Contributions for Paid Leave Oregon are divided between employees and employers, with employees paying 60 percent of the rate and employers paying 40 percent.

“We want to thank Oregon businesses for all they do to promote economic stability in Oregon, even during challenging times,” said Employment Department Director David Gerstenfeld. “We know employers have faced significant challenges the past several years, yet Oregon’s employers continue to focus on job growth, contributing to both our economy and our robust workforce.”

###

Need help?

The Oregon Employment Department (OED) is an equal opportunity agency. OED provides free help so you can use our services. Some examples are sign language and spoken-language interpreters, written materials in other languages, large print, audio, and other

formats. To get help, please call 503-947-1444. TTY users call 711. You can also send an email to communications@employ.oregon.gov.

¿Necesita ayuda?

El Departamento de Empleo de Oregon (OED) es una agencia de igualdad de oportunidades. El OED proporciona ayuda gratuita para que usted pueda utilizar nuestros servicios. Algunos ejemplos son intérpretes de lengua de señas e idiomas hablados, materiales escritos en otros idiomas, letra grande, audio y otros formatos. Para obtener ayuda, por favor llame al 503-947-1444. Usuarios de TTY pueden llamar al 711. También puede enviar un correo electrónico a communications@employ.oregon.gov.