

A new program that allows employees in Oregon to take paid time off for some of life's most important moments that impact our families, health and safety.

Oregon employees and employers will pay contributions to Paid Leave Oregon starting Jan. 1, 2023. Benefits start in September 2023. Paid Leave Oregon benefits are taxable. Taxes will not be automatically withheld from benefits. Employees can ask for taxes to be withheld to cover taxable benefits. The Oregon Department of Revenue provided detailed information about the tax treatment for contributions and benefits in [a memo, posted on the Paid Leave website](#).

Are the Paid Leave Oregon benefits I receive taxable?

Yes, the Paid Leave Oregon benefits **are taxable** and must be reported on your personal income tax return. The taxable amount varies depending on the type of leave you took. More information regarding the taxability of these benefits will be provided when benefits are paid.

Are my Paid Leave Oregon contributions taken out before-tax or after-tax?

Your Paid Leave Oregon contributions are taken out after-tax. Paid Leave contributions will not reduce your taxable income.

My employer has elected to pay some (or all) of the employee contribution of 60% (of 1%). Is the portion that my employer is paying for me counted as income?

Yes, the amount your employer is paying to cover your Paid Leave contribution is considered income and will be added to your taxable wages. However, the amount will not increase your wages for Paid Leave Oregon.

Where do I find the amount of my Paid Leave contributions for the year?

Your employer should report the amount of Paid Leave contributions you paid during the year in box 14 of your Form W-2.

Will Paid Leave Oregon send me a Form 1099 showing how much I received in benefits during the year?

Yes, you will receive a Form 1099 by the end of January each year. Form 1099 will include how much you received in benefits and any federal or state tax withholding from the prior year. The Internal Revenue Service and the Oregon Department of Revenue also receive a copy of Form 1099.

Since Paid Leave Oregon is not automatically withholding federal and Oregon income taxes, how can I ask for them to be withheld?

You may ask for federal and state tax withholding through your application for Paid Leave benefits or update your withhold through your account in Frances Online. A withholding form will also be available in September 2023 when benefits are available.

If my business receives an assistance grant to help cover the cost of hiring a temporary employee or other wage-related costs while the employee is out on leave, is the assistance grant taxable?

Assistance grants are generally taxable and will need to be reported as income for your business. You will receive a Form 1099 by the end of January each year, which will list the total amount you received in assistance grants from the prior year. The Internal Revenue Service and the Oregon Department of Revenue also receive a copy of Form 1099.