



TAXABILITY Q&A

-What is Paid Leave Oregon?

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 September 1, 2023 and benefits will also 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.

-Are the Paid Leave Oregon benefits I receive taxable?

Yes. Benefits received are considered taxable income.

-Can I elect to have taxes withheld from paid leave benefits?

Yes. You can elect to have 10% federal tax withheld and 8% state tax withheld. More information regarding the taxability of these benefits will be provided during the application process and/or 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.

-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 I receive a Form 1099 showing how much I received in benefits during the year?

Yes. For family and safe leave benefits, you will receive a 1099-G. For medical leave benefits you will receive a 1099-MISC. Tax documents will be sent via USPS by January 30th for benefits and 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.