

September 3, 2025

The Honorable Lori Chavez-DeRemer
Secretary, United States Department of Labor
200 Constitution NW, Suite 200
Washington, DC 20001

Dear Secretary Chavez-DeRemer:

Please accept this letter as a request that the United States Department of Labor notify Oregon Governor Tina Kotek, the Oregon Legislative Assembly, and the Oregon Employment Department of conformity and compliance concerns with respect to Senate Bill (S916) as enacted and signed into law by Governor Kotek.

S916 as enacted would permit individuals who voluntarily become unemployed due to a strike and who are not available to work to be paid unemployment compensation. The Act is contrary to Section 303(a)(12) of the Social Security Act and is not in compliance with federal law as prescribed in Section 303(a) of the Social Security Act.

The federal-state unemployment insurance system is financed by employer-paid Federal Unemployment Tax Act (FUTA) taxes and state-level contributions, which fund unemployment compensation to individuals who meet the terms of state law that conforms and complies with federal Law.

Employer FUTA tax payments are deposited into unemployment trust funds maintained under Title IX of the Social Security Act. Regulation of these trust fund accounts is provided by the US Department of Labor and the US Treasury.

State laws must meet the requirements of Section 303(a) of the Social Security Act to be certified to receive federal funding for state administration.

S916 as enacted and signed into law includes the following provisions that are contrary to federal requirements.

Specifically, Section 1 of S916 amends ORS 657.200 to read:

“Notwithstanding the provisions of this chapter relating to availability for work, actively seeking work or refusal to accept suitable work, an individual who is otherwise eligible for benefits is not disqualified for benefits or waiting week credit for any week with respect to which the Director of the Employment Department finds that the unemployment of the individual is due to a [*labor dispute*] **lockout that is in active progress at the factory, establishment or other premises at which the individual is or was**

last employed or at which the individual claims employment rights by union agreement or otherwise.”

This language “notwithstanding” the very language in Oregon law that meets the federal requirements that individuals be able to work, available to work and actively seeking work. In addition to this language being contrary to federal law, the Act further provides that:

“(b) Notwithstanding the provisions of this chapter relating to availability for work, actively seeking work or refusal to accept suitable work, after the first week, an individual described in paragraph (a) of this subsection who is otherwise eligible for benefits is not disqualified for benefits or waiting week credit for:

(A) If the tax schedule in effect on the date on which the strike begins is Fund Adequacy Percentage Ratio I, II, III or IV, any of the subsequent 10 weeks of unemployment due to the strike.

(B) If the tax schedule in effect on the date on which the strike begins is Fund Adequacy Percentage Ratio V, VI, VII or VIII, any of the subsequent eight weeks of unemployment due to the strike.”

This language creates an exception to the able to work, available to work and actively seeking work requirement that is contrary to Section 303(a)(12) of the Social Security Act. It not only removes the disqualification for striking after the first week of unemployment but also repeals the requirement that individuals may not refuse work. As a result, individuals would be paid unemployment compensation for weeks in which they were not able to work, not available to work, not actively seeking work, and refusing work offered to them. This is flatly contrary to federal law. It is axiomatic that a state law permitting payment of unemployment compensation to individuals who are not able to work, not available to work, nor actively seeking work is contrary to federal law that prohibits individuals from being paid unemployment compensation for a week or weeks if the individual is not able to work, available to work and actively seeking work. The Act is contrary to federal law on its face.

S916 as enacted also raises an issue with 26 USC 3304(a)(4) in the Internal Revenue Code as it permits the payment of unemployment compensation from the unemployment trust fund to individuals who are prohibited from being paid unemployment compensation from the unemployment trust fund.

We therefore respectfully request that the Secretary of Labor notify Governor Kotek, the Oregon Legislative Assembly and the Oregon Employment Department of these concerns and require as a condition of meeting federal law that the state of Oregon take the following steps.

1. The Oregon Employment Department provide written assurances that the provisions in S916 as enacted permitting individuals who become unemployed voluntarily due to a strike, and the provisions that permit claimants to be paid unemployment compensation for weeks in which they are not able to work, available to work and actively seeking work, shall not be administered as effective, and
2. The State of Oregon shall amend the non-conforming and non-complying provisions in S916 as enacted before the end of the next legislative session of the Oregon General Assembly.

Sincerely,

Alaska Chamber

AGC Oregon-Columbia Chapter

Associated General Contractors of America

Association of Unemployment Tax Organizations

California Manufacturers and Technology Association

Connecticut Business and Industry Association

Experian Employer Services

Florida Chamber of Commerce

HR Policy Association

Illinois Manufacturers' Association

Illinois Retail Merchants Association

Indiana Manufacturers Association

Iowa Association of Business & Industry

The Kansas Chamber of Commerce

Kentucky Chamber of Commerce

Louisiana Association of Business and Industry

Retailers Association of Massachusetts

Michigan Chamber of Commerce

Michigan Hospital Association Unemployment Compensation Program

Michigan Manufacturers Association

Associated Industries of Missouri

National Association of Wholesaler-Distributors

National Retail Federation

National Utility Contractors Association

Nebraska Chamber of Commerce and Industry

New Jersey Business & Industry Association

New Jersey Chamber of Commerce

New Mexico Business Coalition
North Carolina Chamber
Ohio Chamber of Commerce
The Ohio Manufacturers' Association
State Chamber of Oklahoma
Society for Human Resource Management (SHRM)
Oregon Business & Industry
Unemployment Tax Management Corporation
UWC – Strategic Services on Unemployment & Workers' Compensation
Association of Washington Business
Washington Food Industry Association
Washington Retail Association
Wisconsin Manufacturers & Commerce