



TAXABILITY

A 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 pay contributions to Paid Leave Oregon. Paid Leave benefits are taxable. The Oregon Employment Department doesn't automatically withhold taxes from benefits. Employees can ask Paid Leave to withhold taxes to cover taxable benefits.

The Oregon Department of Revenue provides detailed information about the tax treatment for contributions and benefits in a [memo](#) available on the Paid Leave website.

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

Your Paid Leave contributions are taken out after-tax. Paid Leave contributions won't reduce your taxable income.

My employer has chosen to pay some (or all) of the employee contribution. Is the portion that my employer pays for me counted as income?

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

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

Your employer can choose to report the amount of Paid Leave contributions you paid on your paystub. If employers report the total Paid Leave contributions you paid during the year on your Form W-2, it will be in box 14.

Will Paid Leave 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 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 withholding selections through your Frances Online account. An [Authorization for Tax Withholding Form](#) is available on the Paid Leave website.

If I receive benefits through my employer's equivalent plan, will I receive a Form 1099?

No. Your employer or their equivalent plan provider should include these on your Form W-2.

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

Assistance grants are generally taxable and they will need to report them as income for their business. They will receive a Form 1099 by the end of January each year, which will list the total amount they 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.