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HB 3389 passed the Oregon House & Senate with overwhelming bipartisan support.

NFIB testified in strong support.

In total, HB 3389 is estimated to save Oregon businesses \$2.4 Billion through 2029.

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## Unemployment Insurance Tax Relief What Small Businesses Need To Know

### SHORT-TERM RELIEF FOR 2021 UI TAX INCREASES

HB 3389 will allow most employers to defer up to one-third of the taxes due for calendar year 2021 until June 30, 2022 without accruing interest or penalties on the deferred amounts. **Many hardest-hit small businesses will also be eligible for forgiveness of their deferred 2021 UI taxes based on the amount their UI tax rates increased from 2020 to 2021.**

### LOCKS IN PRE-PANDEMIC EXPERIENCE RATINGS

The bill establishes that employers' experience ratings that were used to determine 2020 UI tax rates will be used for 2022, 2023, and 2024. **Effectively, this disregards the impact of the pandemic when determining each employer's experience rating.**

### LONG-TERM UI TAX RELIEF

HB 3389 reduces the UI Trust Fund adequacy ratio targets by about 10% overall and omits calendar years 2020 and 2021 from being considered a "high cost" benefit period. **This avoids using the highest COVID-19 pandemic years when setting the solvency level for the future.**

### PRESERVES UI TRUST FUND SOLVENCY

Critically important, **HB 3389 does not jeopardize the future solvency of the Unemployment Insurance Trust Fund.** Risking the solvency of the fund would negatively impact employers, as that would require the state to borrow money from the federal government to pay benefits to workers, increasing UI tax rates.

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