

Employers in line for payroll tax cut

By **PETER WONG**

Oregon Capital Bureau

SALEM — Oregon businesses will have a lower payroll tax rate for the state unemployment trust fund in 2022.

The Employment Department has announced that the average rate will drop from 2.26% this year to 1.97% starting Jan. 1, a move from schedule 4 to schedule 3.

The change was made possible by 2021 state legislation (House Bill 3389), which will enable the trust fund to continued to be replenished from the downturn stemming from the coronavirus pandemic. Employers pay into the fund, from which regular unemployment benefits are drawn for 26 weeks of payments to laid-off workers. Employees do not pay into the fund.

Congress also approved several rounds of federal pandemic benefits, including self-employed and gig workers who had never qualified for regular benefits. But those benefits ended around Labor Day. These do not affect the state fund.

The state bill was negotiated by both parties and signed by Gov. Kate Brown on July 27. It will save employers an estimated \$2.2 billion over a decade.

Oregon, unlike other states, did not borrow from the federal government to pay unemployment benefits during the 2007-10 recession. The state does not anticipate borrowing as a result of the pandemic recession. Borrowing by states must be repaid, and states pass along those costs to employers in the form of higher taxes.

Notices of 2022 tax rates will go out to employers starting Nov. 15.

Oregon's schedules are designed to provide reserves to cover at least 18 months during an economic downturn. The schedules reduce taxes during a downturn and increase during a recovery.

Employers are assigned a tax rate within the annual schedule based on their "experience rating," which hinges on the number of former employees who go on to draw benefits. Normally, when a significant number of employees are laid off, an employer's rating goes up and its unemployment payroll taxes go up the following year.

The 2021 legislation still allows replenishment of the trust fund, but it does these other things to lessen the effects on employers:

- The look-back period for the fund is extended from 10 to 20 years, and it now omits 2020 and 2021 (high-usage years for many employers) from the calculations. Without the changes, the state agency would have had to incorporate 2020 and 2021 into its calculations of trust fund targets for the future.
- Experience ratings of employers for 2020, set before the onset of the pandemic and downturn, will shape their payroll tax rates for 2022, 2023 and 2024. If the agency used 2021 ratings, their tax rates would be far higher in most cases.
- Some employers will be able to defer up to one-third of their 2021 payroll tax liability until June 30, 2022, if they keep current on payments. No penalties or interest will be charged on those deferred amounts.

MORE INFORMATION

Employers who do not receive notice of the payroll tax rates by Nov. 22 are asked to get in touch with the agency tax section at OED_Taxinfo_User@oregon.gov or call 503-947-1488. Due to the projected high call volume, employers may receive a quicker response by emailing the department. More information is on the agency's employer taxes webpage.



Alex Wittwer/The Observer

Customers enter Panda Express on Island Avenue in Island City, Tuesday, Nov. 2, 2021. The California-based Chinese restaurant, which opened Friday with takeout-only options, attracted a large opening crowd over the weekend.

Panda Express off to brisk start

The new restaurant's takeout-only business is a hit

By **DICK MASON**

The Observer

ISLAND CITY — Do not be fooled by the empty dining tables, business at the new Panda Express restaurant in Island City is brisk.

The Chinese American fast food restaurant opened Friday, Oct. 29, with little fanfare, yet it had \$16,000 in sales that day and business is remaining hot, said Jose Ayala, the location's chef.

"The response of the community has been very heartening," Ayala said.

Business is strong even though the restaurant's opening was not advertised extensively.

"We have been busy even though we have taken people by surprise," Ayala said.

Panda Express is off to an encouraging start even though it currently is operating a takeout-only business because of the COVID-19 pandemic.

Customers can come inside to order and pick up meals but they cannot stay inside and eat at its dining tables. A second option is the restaurant's drive-thru, which is proving at least as popular as its indoor service.

Ayala credits the popularity of Panda Express to the fresh vegetables that are an integral part of the chain's entrees. The vegetables include broccoli, red bell peppers and mushrooms.

"All of our vegetables are fresh cut everyday," he said.

The entrees available to customers include black pepper Angus steak, broccoli beef, Beijing beef, mushroom chicken, kung pao chicken, string bean



Alex Wittwer/The Observer

The brand-new construction of Island City's Panda Express in Island City gleams in the autumn sun on Tuesday, Nov. 2, 2021. The Chinese food chain was founded in 1983 and has more than 2,100 locations nationwide.

chicken and honey walnut shrimp. Ayala said the restaurant's most popular entrees during the first week have been the orange chicken, walnut shrimp and broccoli beef.

Ayala knows Panda Express well for he worked at locations in the Tri-Cities area of Washington for the past four years. He said there are few lulls when working for a Panda Express restaurant, which suits him well.

"I like the fast pace and intensity," he said.

Ayala said that customer service is always a focus of the people working at Panda Express restaurants.

"Having great customer service is a priority," he said. "It is our way of showing gratitude for coming."

The restaurant's walls provide customers with a glimpse of Chinese culture. For example, expressions like 'Have you eaten yet?' are displayed in Chinese with English translations under them.

Ancient Chinese proverbs are also displayed, including: "Make happy those who are near and those who are far will come."

Panda Express, 11617 Island Ave., operates in a 2,183-square-foot building constructed over the past year.

Founded in 1983, the chain has more than 2,100 locations nationwide, according to its website.

There are about 20 in Oregon, including restaurants in Hermiston, Ontario, Bend and Redmond.

Deal would overhaul private forest management

Oregon will pursue plan to change how 10 million acres of private forests are managed

By **BRADLEY W. PARKS**

Oregon Public Broadcasting

SALEM — Timber and environmental groups have reached an agreement that sets Oregon on a course to overhaul management of 10 million acres of private forestlands in the state.

The deal, announced Saturday, Oct. 30, by Gov. Kate Brown's office, concludes more than a year of negotiations between often at-odds sides to develop a plan to boost protections for vulnerable fish and wildlife while shielding the timber industry's ability to log.

The deadline for both sides to either reach consensus, abandon the process or move the deadline was Oct. 29. Negotiators worked through the day and wrapped up business shortly after 1 a.m. Oct. 30. Brown and her staff helped push the negotiations to completion.

"Today's historic agreement is a perfect example of the Oregon Way — coming together at the table to find common ground, to the mutual benefit of us all," Brown said in a press release. "Together, this agreement will help to ensure that Oregon continues to have healthy forests, fish, and wildlife, as well as economic growth for our forest industry and rural communities, for generations to come. I would like to thank everyone involved for their role in making this agreement a reality today."

Jim James with the Oregon Small Woodlands Association similarly praised the compromise.

"We were able to put down the contentious situations that we've had in the past and we had a continuous agreement to move forward," James said. "I think that's an extreme positive for the state of Oregon."

In 2020, the sides each



Todd Sonflieth/Oregon Public Broadcasting, File

An undated file photo shows a mosaic of clearcuts and second-growth timber in Oregon.

planned a series of competing ballot measures that could have turned into a costly political fight. Environmental groups sought, among other priorities, strict limits on spraying of aerial pesticides and improved protection for forest waters. Meanwhile, the timber industry sought compensation for private landowners when state regulations limited their ability to log.

Brown instead pushed for the

two sides to negotiate, and their agreement to do so was hailed as historic even then, though it was just a beginning.

Representatives from the timber industry and environmental groups were charged with setting terms to pursue a state-wide habitat conservation plan to safeguard fish, wildlife and water quality. A habitat conservation

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Oregonians quit their jobs by the thousands

By **MIKE ROGOWAY**

The Oregonian

SALEM — Approximately 58,000 Oregonians handed in their notice in August, according to federal data, up 18% in a single month and near an all-time high. Three times more Oregonians quit their jobs that month than were fired or laid off, double the average ratio over the past decade.

Many of Oregon's quitters are leaving for other jobs, but state data for September shows that more than 11,000 of them weren't. They weren't retiring, either, or taking time off to stay home with the kids.

They just quit. The number of people quitting without new jobs is soaring at Oregon's fastest rate in at least two decades, up 40% since July.

There's no definitive explanation for Oregon's sudden exodus. But Gail Krumenauer, economist at the Oregon Employment Department, sees some clues.

The number of Oregonians quitting their jobs actually started picking up in the spring, just as job openings jumped as pandemic-era business restrictions eased.

With employers advertising \$2,000 signing bonuses, raising their wages and advertising for workers on TV, Krumenauer said workers realize there's another job — and maybe a better one — waiting for them if they walk away from their current post.

"I am confident that this is one of those times when you're going to be able to jump back into the labor force and find a job," she said.

While Oregon doesn't have data on which industries are shedding the most workers, Krumenauer said, national figures show hospitality workers were more than twice as likely to leave their jobs as workers overall.

Even with the increase in quitting, the total number of people leaving their jobs is still a little below where it was in 2019.

At the least, Krumenauer said, the sharp increase in people leaving their jobs suggests more workers are feeling good about the economy.

"It's generally been a healthy sign when quits are going up," she said.