

PAID LEAVE OREGON TY25 TAXAIDE JOB AIDE

Paid Leave Oregon is a program that allows Oregon taxpayers to take paid time off for qualifying life events, such as a serious health condition, caring for an ill family member, birth or adoption of a child or recovering from sexual assault or domestic violence.

BENEFIT PAYMENTS

Oregon Paid Leave provides benefits for three kinds of leave: medical leave, family leave, and safe leave. Benefit payments are reported on different tax forms, depending upon the type of leave.

All taxable benefits reflected on the federal return are fully taxable on the Oregon Resident (OR-N), Non-Resident (OR-N) and Part Year (OR-P) returns. A manual entry is required to report as Oregon Source income on the non-resident and part year resident returns.

Benefit payments for Family or Safe Leave are reported on 1099-G

- Income for Family or Safe Leave is fully taxable. In TaxSlayer, go to “Income”>”1099-G Box 1 (Unemployment Compensation)” to enter the payment and any withholding.
- Taxable benefits will flow to OR-N as part of AGI.

Benefit payments for Medical Leave are reported on a 1099-Misc

These payments are handled differently. The 1099-Misc reports the total amount of the benefits received. However, only 40% is usually taxable (see exception below for small employers).

- Enter the payment and any withholding in TaxSlayer in the 1099-Misc section. Enter the full amount of the benefit received in box 3. Enter any federal and/or state withholding in the appropriate boxes.
- A negative entry of 60% of the benefits received is required to reflect the amount of the benefits received that are related to the employee’s contribution. This amount is not taxable. Enter the negative entry in TaxSlayer in “Other Income>Other Income Not Reported Elsewhere.”. Select “Other Income” From the drop-down menu and enter “1099-Misc Empl Cont PML OR”. Multiply the amount in box 3 of the 1099-Misc by .6 and enter the result as a NEGATIVE number.
- Do not check the earned income box.
- Example where the 1099-Misc had \$3,000 reported in Box 3.

Other Income Description *

Other Income

Description of other income *

1099-MISC Emp Cont PML OR

Amount of other income *

-\$1800

☐ Earned Income

- This is how it will look on Schedule 1 of the printer return. The amount on line 8z will be the 40% of the benefits received that is taxable.

z	Other income. List type and amount: _____ SEE STATEMENT	8z	1200	
9	Total other income. Add lines 8a through 8z			9

<u>Description of Income</u>	<u>Amount</u>
1099-MISC EMP CONT PML OR	-1800
OREGON EMPLOYMENT DEPARTMENT	3000
_____	_____
TOTALS	1200

Benefit payments for Medical Leave reported on a 1099-Misc for employees of Small Employers (corner case)

Employers with 25 or less employees can opt out of paying the employer contribution. The employee contribution is still required. If the taxpayer knows their employer is not required to contribute and did not pay the employer contribution, then 100% of medical benefits received is NON-TAXABLE.

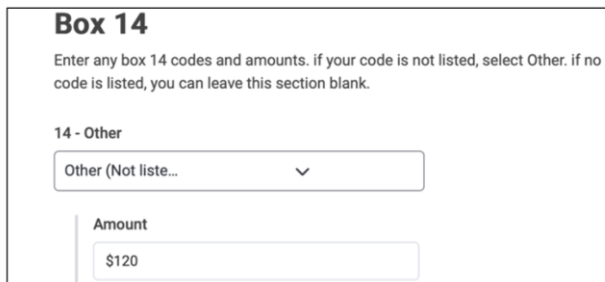
- Create a negative entry for 100% of any medical benefits received and make the entry in the same path as reported previously.

CONTRIBUTIONS

Employee Contributions on the W2 Box 14 labeled “OR PFML” or something similar

Employee Contributions and any employer pick up are considered state and local income taxes paid and are an eligible itemized deduction. They are subject to the SALT limitation. They are not deductible on Oregon Schedule A.

- In TaxSlayer, enter the amount in box 14 in “Other” as you normally would. The amount will be approximately .6% of the wages in box 1. This amount will not carry over to federal schedule A



Box 14
Enter any box 14 codes and amounts. If your code is not listed, select Other. If no code is listed, you can leave this section blank.


14 - Other

Other (Not liste... ▼

Amount

\$120

- If the taxpayer will be itemizing on their federal return, a second entry is required to get the contributions to carry over to Federal Schedule A. Under “Deductions”>”Itemized Deductions”>”Taxes You Paid”, locate the section “State and Local Taxes” and enter the same amount in the box labeled “Additional State and Local Income Tax”. The amount will carry over to the federal Schedule A on the State and Local Income Tax line but will not carry to Oregon Schedule A. No need to make this second entry if the taxpayer is only itemizing for Oregon.



Taxes Paid

Additional State and Local Income Tax
(DO NOT INCLUDE AMOUNTS FROM W-2, 1099, W-2G or Estimates.)

\$120

SELF EMPLOYED TAXPAYERS

Self-employed taxpayers can voluntarily participate in the Paid Leave Oregon Program. They make quarterly contributions.

Contributions – Self Employed Taxpayers

Oregon Paid Leave 2.1.2026 sr

S/E taxpayer's contributions are **not** deductible on federal schedule A nor are they deductible as a business expense on Schedule C.

Benefit Payments – Self Employed Taxpayers

- **Benefit payments for Family or Safe Leave are reported on 1099-G - full taxable**

See the previous description on how to enter into Taxslayer.

- **Benefit payments for Medical Leave are reported on a 1099-Misc.**

Medical benefits for self-employed taxpayers are 100% NON-TAXABLE. Follow the previous explanation on how to enter the negative entry required. Only difference is the negative entry should be for 100% of the benefits received. No taxable amount should appear on Schedule 1 line 8z.