

PAID LEAVE OREGON TY2025

Paid Leave Oregon is a program that allows Oregonians 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. The program is supported by contributions from employers and employees. This guideline explains how to handle Paid Leave Oregon contributions and benefit payments on the federal tax return.

Contributions

Employee Contributions on the W-2 box 14 labeled “OR PFML” or something similar

- In TaxSlayer, enter the amount in Box 14 as “Other.” The amount will be approximately 0.6% of the wages in Box 1.

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 listed...)

Amount

\$120

- Under “Deductions” > “Itemized Deductions” > “Taxes You Paid,” locate the section for “State and Local Taxes” and enter the same amount in the box labeled “Additional State and Local Income Taxes Paid.” The amount should carry to federal Schedule A, but not Schedule OR-A. (This step is optional if the client isn’t itemizing for their federal return.)

Taxes Paid

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

\$120

Self-Employed Contributions

If a self-employed taxpayer opted to participate in Paid Leave Oregon, they will have made quarterly contributions to the program. These contributions were calculated using the rate set for employee contributions, 0.6% (in 2025) of their Oregon net self-employment income on their previous tax return. Since these payments are considered employee (not employer) contributions, they should be deducted on Schedule A, not Schedule C.

- In TaxSlayer, go to “Deductions” > “Itemized Deductions” > “Taxes You Paid.” Enter the amount paid in the box labeled “Additional State and Local Income Tax.” The amount should carry to federal Schedule A, but not Schedule OR-A.

Taxes Paid

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

\$120

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 on the type of leave.

Benefit payments for Family or Safe Leave are reported on Form 1099-G (fully taxable).

- In TaxSlayer, go to “Income” > “1099-G Box 1 (Unemployment Compensation)” to enter the payment and any withholding. The income received is fully taxable.

Benefit payments for Medical Leave are reported on Form 1099-MISC. (40% is taxable as other income.)

These payments are handled differently. Sixty percent of the benefit (related to the employee contribution to the fund) is treated as amounts received through accident or health insurance and is not taxable. The amount related to the employer contribution (40%) is taxable.

- 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 or state taxes withheld in the appropriate boxes.
- To subtract the employee contributions by the 60% that the taxpayer contributed, go to “Other Income” > “Other Income Not Reported Elsewhere.” Select “Other Income” from the drop-down menu and enter “1099-MISC Emp Cont PML OR” in the text box. Multiply the amount in box 3 of the 1099-MISC by 0.6 and **enter the result as a negative number.**
- Do not check the earned income box.

Other Income Description *
Other Income
Description of other income *
1099-MISC Emp Cont PML OR
Amount of other income *
-\$1800
<input type="checkbox"/> Earned Income

- This is how it will look on Schedule 1 of the printed return.

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