



Commissioner Brad Avakian
Bureau of Labor and Industries

Press Release

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In Tough Times, Wage Security Fund Protects Displaced Oregon Workers

After Roseburg Company Closes Without Means to Pay Almost 100 Workers, State Wage Security Fund Provides Nearly \$100,000 to Guarantee Final Paycheck.

Roseburg, OR- In April, Roseburg-based North River Boats closed its doors without the means to deliver nearly 100 workers a final paycheck. Oregon's Wage Security Fund (WSF) protects workers in these unfortunate instances and ensures payment of final wages when a company closes and does not have sufficient funds to fully and promptly pay final wages owed to employees. The WSF, established in 1985, is unique to Oregon.

In the case of North River Boats, as of Monday, May 18, more than 80 former employees have filed WSF claims with the Oregon Bureau of Labor and Industries (BOLI). This occurred only after both the company's retail operations and its manufacturing facility shut down and its remaining assets were exhausted. To date, 72 workers have been paid a total of \$79,524.18 from the WSF, with the remaining claims bringing the potential payout to nearly \$100,000.

"The Wage Security Fund is a vital tool in keeping our State running through difficult economic times and higher unemployment," noted State Labor Commissioner Brad Avakian. "If a company is forced to close its doors without the ability to pay its workers their final salary, then the WSF steps in. These one-time payments ensure Oregon's displaced workers can continue to pay the rent, keep food on the table, and support their families."

Since its inception in July 1986, the WSF has paid over \$14 million in benefits to more than 14,000 displaced Oregon workers. Money for the fund comes from a small diversion from the state's employment tax paid by employers for one quarter of every odd-numbered year. Moreover, with every WSF claim filed, BOLI continues to seek reimbursement from the employer. In many cases, BOLI succeeds in recovering tens of thousands of dollars for the WSF and future displaced workers. This prevents the Fund from being tapped unnecessarily and ensures repayments are made by employers whenever possible.

Displaced workers can qualify for WSF payments of the amount they earned during the 60 days preceding the closure date of the firm or the amount of unpaid wages earned within 60 days of the last day of employment, to a maximum of \$4,000. The Fund pays amounts equal to unpaid wages only and does not cover vacation, sick leave or other accrued compensatory time or benefits. BOLI receives all WSF claims and processes the payments.

For more information about the Wage Security Fund and filing a claim, please visit:

<http://www.oregon.gov/BOLI/WHD/docs/wsf120506.pdf>

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