



Work Anywhere Checklist for your Mobility Program

Thank you for downloading our Work Anywhere Checklist for your Mobility Program.

There can be significant tax compliance considerations for companies that have plans to allow employees to work remotely. To guide your company in determining the next steps to address potential issues, we have prepared a comprehensive Work Anywhere Checklist.

By completing this checklist, your company can:

- Understand the key issues that should be considered in preparing a Work Anywhere or Remote Worker policy.
- Identify potential areas of tax compliance gaps that may need to be addressed.
- Determine the next steps for your company's Work Anywhere plans.

This is a complex area which may require significant analysis. Accordingly, we would like to offer you a free consultation to walk you through our Work Anywhere Checklist. Please send us an email at freeconsultation@gtn.com to schedule your complimentary session.

1. Who will own your remote worker program?

Without a definitive owner for your remote worker program, it may be difficult to keep the company compliant with all payroll and tax reporting obligations.

- HR
- Corporate Tax
- Global Mobility
- Combination of departments
- Other

Additional Comments:

2. Will your remote worker program be temporary (i.e., while COVID-19 restrictions are in effect), or will this policy allow for indefinite remote worker arrangements?

The payroll structure for remote workers can vary significantly based on a number of factors, including whether or not the change in work location for the employee is temporary in nature or permanent. Accordingly, it is important to define what the company will allow for remote work.

- Temporary
- Permanent
- Both
- Other

Additional Comments:

3. What is your planned approach for identifying which employees will be covered by your remote worker program?

A policy is only effective if the company has a process to determine which employees will be working remotely.

- We plan to use corporate data to determine where our employees are located.
- We plan to have employees self-report where they are located.
- We plan to use a combination of corporate data and employee self-reporting to determine where employees are located.
- We do not have a plan to identify where our employees are physically working.
- Other

Additional Comments:

4. Will your company consider implementing “virtual assignments” whereby an employee will remain in their current location, but will take a job that is based in another tax jurisdiction?

As a result of COVID-19 related issues, travel restrictions, or the fact that working remotely has been successful, companies may start to consider if it is necessary to send employees “on assignment” to take on roles in other tax jurisdictions.

- Yes, if assignment cannot begin due to COVID-19 restrictions.
- Yes, if it is deemed that the role can be done remotely.
- No, we are not considering virtual assignments.
- Other

Additional Comments:

5. Will your company consider a split working option where your employees work partially from home and partially from an office?

Due to COVID-19 health and safety protocols, some companies may need to limit the number of employees onsite at any given time, so a partial work from home/partial office option may be a viable strategy.

- Yes
- No
- Other

Additional Comments:

6. Will your remote worker program allow for remote work "anywhere" (as defined by your company’s policy) or must the employee remain in a single location for work?

As employees recognize the freedom associated with not working from an office, it is likely that some employees will want to move about.

- Work anywhere (as defined by company’s policy)
- Work from one remote location
- Other

Additional Comments:

7. Will your remote worker program allow employees to work remotely from other countries or will it be limited to remote work within their current country of employment?

Allowing employees to work remotely in another country can result in increased complexity and risks for the company and employee.

- International and domestic policies
- Domestic only policy
- Other

Additional Comments:

If you selected "Domestic only policy" in question 7, please skip to question 14.

8. Will you provide assistance in obtaining a work permit for a remote worker to work in another country, or will you only allow remote workers to work from another country if they already have the right to work there (i.e., they are a citizen of that country)?

Once employees hear of a remote worker policy, they may expect that the company will provide support to allow them to work in any country, not just their country of citizenship. We recommend that you make it clear how far you are willing to go to provide support.

- Provide assistance for a work permit.
- No assistance provided for a work permit.
- Other

Additional Comments:

9. If you will not provide assistance in obtaining a work permit, will you require the remote workers to prove they have authorization to work in that country?

Without requiring employees to provide documentation that they have authorization to work, the company could be exposed to legal risks. It may still be necessary to obtain guidance from immigration and/or employment counsel to verify an employee is authorized to work in that country.

- Yes, and we will seek counsel to verify the employee is authorized to work in that country.
- Yes, and we will rely on employee-provided documentation and certification that they are allowed to work in that country.
- No, we will not request that remote workers prove they are authorized to work in that country.
- Other

Additional Comments:

10. Under which of the following scenarios will you allow employees to work remotely in a country that is different than their country of employment?

In determining how long you will allow remote workers to work from another country, you need to be aware that the “183-day rule” is often a myth, as payroll tax obligations can occur even if there is only one workday in the country. Also, in some cases, having remote workers in another country could result in the company being deemed to have a permanent establishment in that country which could result in additional corporate administration and tax costs.

- Allowed if there are no employer reporting obligations or if the length of stay is under the employer’s threshold for reporting.
- Allowed if there are employer reporting obligations, but no tax withholding obligations.
- Allowed even if there are employer payroll reporting and withholding obligations.
- Allowed even if the company does not currently have payroll reporting and withholding capabilities in that country.
- Allowed even if the presence of the remote employee may create a permanent establishment for the company in that country.
- Other

Additional Comments:

11. If there is an employer payroll reporting or withholding obligation in the country where the remote worker is working, will you keep the employee on the payroll in the country where the employee is employed and run a shadow payroll in the country where the employee is working? Or will you require that the remote worker switch payroll and be paid solely from the country where the employee is working?

If the type of remote worker arrangement is temporary in nature (e.g., assignment), then a shadow payroll arrangement may be best. However, if the type of remote worker arrangement is indefinite in nature (e.g., permanent transferee), then it may be best to have the remote worker on the payroll in the location where the employee is working.

- Shadow payroll in work country.
- Move payroll to work country.
- Will depend on the scenario and location.
- Other

Additional Comments:

12. Will you provide health care coverage or other benefits (e.g., disability, life, accidental insurance) for a remote worker that works in another country?

If the remote worker will be staying on the payroll in their country of employment, it is possible they will need additional medical coverage for the location where they are working.

- Yes, in all cases.
- Yes, if required under local laws.
- No.
- Other

Additional Comments:

13. If you provide health care coverage or other benefits (e.g., disability, life, accidental insurance) for a remote worker, will the company pay the tax on any benefits that are deemed taxable in either the Home or Host country, or will the employee be responsible for any tax on the taxable health benefits?

In some cases, providing additional medical coverage may be deemed to be taxable income in either the country of employment and/or the country where the employee is working.

- Company to pay tax.
- Employee to pay tax.
- Other

Additional Comments:

14. Under which of the following scenarios will you allow employees to work remotely in a state/province that is different than their state/province of employment?

If your company does not currently have payroll capabilities in all states/provinces within a country where you have employees, then you need to consider the administrative costs of setting up payroll capabilities in other states. Also, in some cases, having remote workers in another state/province could result in the company being deemed to have a nexus in that state, which could result in additional corporate administration and tax costs.

- Allowed if there are no employer reporting obligations or if the length of stay is under the employer's threshold for reporting.
- Allowed even if there are employer reporting obligations, but no tax withholding obligations.
- Allowed even if there are employer payroll reporting and withholding obligations.
- Allowed even if the company does not currently have payroll reporting and withholding capabilities in that state/province.

- Allowed even if the presence of the remote employee will create a nexus for the company in that state/province.
- Other

Additional Comments:

15. If you will consider allowing remote workers in a state/province and there is no employer payroll reporting and withholding obligation (i.e., no corporate nexus in that state/province), but there is an individual state/provincial tax, will you adjust the payroll reporting to report and withhold in the state/province where they are working? Or will you require your remote workers to pay their state/provincial tax in their work location on their own?

If you do not provide payroll support in the location of the remote worker's state/province, it could be a significant challenge for the remote worker to pay their state/provincial taxes on their own.

- Provide payroll support for work state.
- No payroll support provided if not required by law.
- Other

Additional Comments:

16. Will the company monitor the travels of the remote worker to the state of their employment?

As remote worker programs expand, especially from companies with a large number of employees in high tax and high density states like California and New York, it is likely that such states will increase their scrutiny for non-resident wage reporting because they are positioned to lose significant tax revenues associated with employees in those states working remotely in other locations.

- Yes
- No
- Other

Additional Comments:

17. For temporary remote workers, will the company report and withhold in both their work state and their state of residency, if different, or will they only report in their work or residency state?

Many payroll systems are not set up to allow for payroll reporting in both a work state and a state of residency.

- Work state and state of residency.

- Work state only.
- State of residency only.
- Other

Additional Comments:

18. Will the company pay for the travel costs associated with the employee traveling to the physical office where they were employed?

In most scenarios, companies do not pay travel costs for employees to be present at their primary place of employment. However, remote workers might expect that the company will pay for travel costs, especially if their place of remote work requires significant travel or overnight accommodation.

- Company will pay travel costs.
- Employee will pay travel costs.
- Other

Additional Comments:

19. If the company will pay for the travel costs associated with the employee traveling to their physical office of employment, will the company analyze such payments to determine if any benefits are taxable? If so, who will pay the tax costs on the taxable travel benefits—the company or the employee?

The tax law in this area can be complicated. For example, in the US, if an employee visits a single job location for more than 35 workdays in a calendar year and that travel pattern is expected to last for more than one year, then the travel costs are deemed to be taxable. Additional complexities may apply if the employee is deemed to be an itinerant.

- Not applicable; company will not pay travel costs.
- Yes, will analyze taxability and company to pay any related taxes.
- Yes, will analyze taxability and employee to pay any related taxes.
- No, will not analyze taxability of travel.
- Other

Additional Comments:

20. Will the company consider reducing the salary for remote workers that work in another location due to differences in market conditions in the remote work location or to offset potential increases in administrative and payroll costs (and possible travel costs) associated with the employee's choice of work location?

If an individual is working remotely in a lower cost region than where they were originally located, it might be appropriate to consider reducing their salary to be aligned with local market conditions.

- Yes, consider reducing salary.
- No, leave salary the same regardless of work location.
- Other

Additional Comments:

21. Does your company have equity awards? If so, do you already have a process in place for tracking the trailing equity obligations?

From a tax perspective, equity awards and remote employees both have their own complexity, and combined, they create an exponential level of complexity. Accordingly, your company should be prepared to increase the focus on compliance obligations if you have equity awards and remote workers.

- Not applicable; our company does not have equity awards.
- Yes, we do have equity awards and we have a plan in place to track trailing equity for our employees.
- Yes, we do have equity awards, but we do not have a plan in place to track trailing equity for our employees.
- Other

Additional Comments:

22. If your company has equity awards but not a plan to track the trailing equity obligations, will you consider implementing a plan to track the trailing obligations for remote workers?

If you do not currently have a plan for tracking the trailing equity obligations, you may want to [consider reviewing this matter further](#), particularly due to the shift in allowing remote workers at your company.

- Not applicable; our company does not have equity awards.
- Yes, we will consider implementing a plan to track equity obligations for remote workers.
- No, we will not consider implementing a plan to track equity obligations for remote workers.
- Other

Additional Comments:

23. What is your company's risk tolerance level? Specifically, do you strive for 100% payroll compliance, or do you work to achieve payroll compliance only if there is a high risk associated with non-compliance?

In the global mobility space, it is nearly impossible for any company to be 100% globally payroll compliant. Accordingly, many companies set internal thresholds for when they will be compliant for mobile employees. This same methodology may apply to your remote workers, particularly if the remote workers have short stints of work in a given location.

- We are very concerned about payroll compliance and strive to be as compliant as possible. Our goal is to have 100% payroll compliance.
- We generally try to be payroll compliant as much as possible but understand we will not achieve 100% payroll compliance.
- We like to be in the "middle" of our competitors when it comes to payroll compliance.
- Our company is comfortable with the risks associated with not complying with all payroll obligations, as we want to ensure there is an ROI for compliance.
- Other

Additional Comments:

24. Does your company's payroll department have the expertise to deal with the complex payroll reporting and withholding obligations that will arise from having remote workers?

Although remote workers will impact many areas of a company, it appears that the department that will feel the most impact from a tax compliance perspective will be the payroll department.

- We have an experienced payroll team with significant experience in mobile issues.
- We have a payroll team with some experience in mobile issues.
- This is all new to us; we have never had remote workers in the past.
- Other

Additional Comments:

25. Does your company's HR, tax, stock administration, and payroll departments have the bandwidth to deal with the tax compliance issues that will arise due to having remote workers?

The phrase "the new normal" is perhaps overused, but one recurring theme seems to be that companies are relying on their external vendors more in "the new normal."

- Our company does have the bandwidth to take on additional compliance work due to remote workers.

- Our company is staffed fairly lean and we do not have the bandwidth to take on additional compliance work due to remote workers. We will need to rely on our vendors to be tax compliant.
- Other

Additional Comments:

Thank you for completing the Work Anywhere Checklist for your Mobility Program.

As reflected above, companies that have plans to allow employees to work remotely need to consider the tax compliance issues that may arise. It is a complex area which will likely require significant analysis.

If you would like further assistance in understanding the key issues that should be considered, identifying potential areas of tax compliance gaps that may need to be addressed, or in determining the next steps for your company's Work Anywhere plans, please send us an email at freeconsultation@gtm.com to schedule your complimentary consultation. Together, we will review this checklist and address any additional questions or areas of concern.