aires

Work from Home,
Work from Anywhere,
& Virtual Assignments

December 2020

pulse
survey

Work From Home, Work From Anywhere, and Virtual Assignments

This seventh survey in Aires' COVID-19 series focuses on the type of support offered to employees working from home, working from anywhere, and on virtual assignments.

The incredibly fast transition of entire workforces to be up and running remotely in a few days and weeks at the beginning of the pandemic was a challenge met by many global organizations but at the time was thought to be temporary. Early surveys in Aires' COVID-19 series supported this view, with many employers expecting to return employees by summer or autumn. Now as we face rising numbers of cases globally and see more lockdowns and shutdowns, there is much more discussion about the paradigm shift with remote work that may have long-term impacts.

Prior to the effects of the pandemic, 3.4% of the work force, or 4.7 million people, were working from home full-time according to the Bureau of Labor Statistics. According to a recent study by Stanford University, approximately 42% of employees are now working full-time from home. The same Stanford study also noted only 26% of employees are working on their business premises, and most are considered to be essential service workers.

With rising global cases of COVID-19, are employers able to safely return non-essential employees back to work? For many, it is too soon to tell. In the sixth survey in Aires' COVID-19 series published on November 12, 2020, 96% of respondents collectively noted some, many, or all of their employees were working from home, 78% confirmed delaying their return-to-work plans, and 38% anticipated work-from-home protocols will be in place until at least Q2 2021. Approximately 30% weren't able to provide an estimated return time frame.

The magnitude of these statistics is pretty incredible. Employment norms have gone through a transition during the pandemic. In reaction to working remotely, the employee mobility industry has expanded from the traditional model of moving employees from Point A to Point B, to dealing with work from home (WFH), work from anywhere (WFA), and virtual assignments.

Different Types of Remote Work

Work from Home (WFH) – An employee does not commute or travel to a central place of work; they work from their residence. Also referred to as telecommuting.

Work from Anywhere (WFA) – Like WFH, but an employee does not work from their current residence; they instead may choose to temporarily (or even permanently) move to another location.
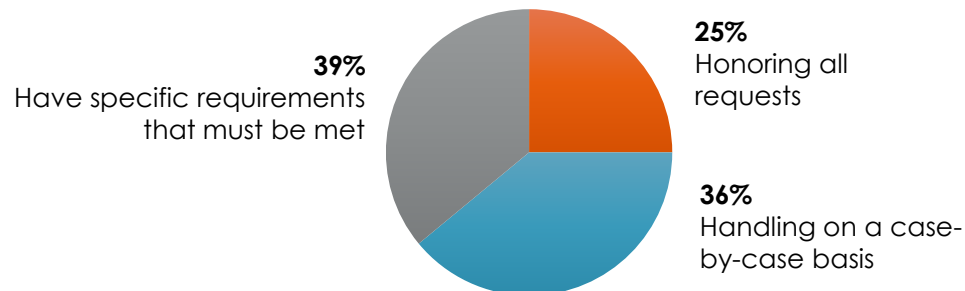
Virtual Assignment – An employee accepts and begins a new position (which otherwise would require them to physically move to the new work location) but does not relocate to the new position. The employee is essentially WFH or WFA.
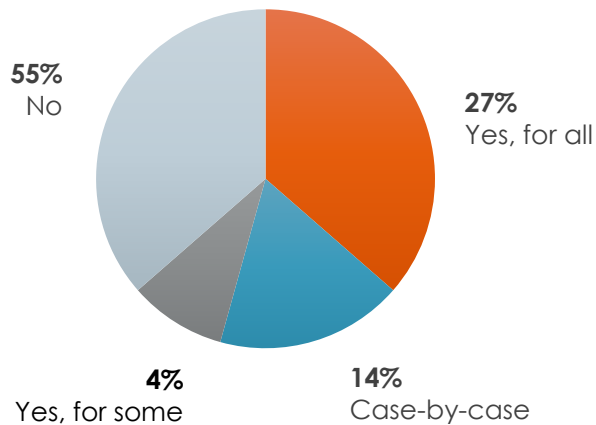
Work from Home

As noted, some employees (often referred to as essential workers) do not have a choice and must report to their worksite. For all others, employers are dealing with requests to continue to work from home and requests from employees to be able to report back to the worksite. Work-from-home survey questions examined the differences in support provided by employers if their offices are open compared to offices that are partially or fully closed.

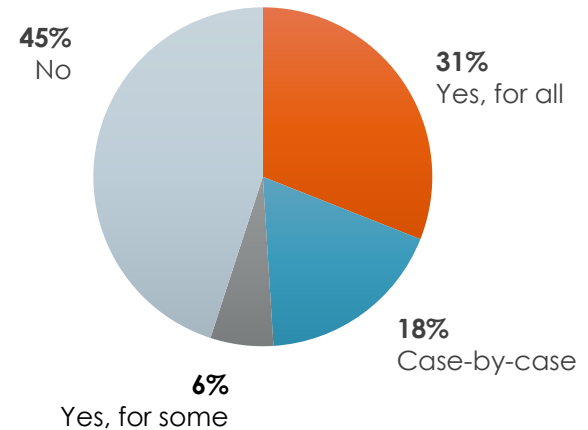### How are employers handling WFH requests if their work locations are open and employees may return?

25% Honoring all requests

36% Handling on a case-by-case basis

39% Have specific requirements that must be met

Are you providing any type of assistance to employees working from home?

Employees who choose/request to work from home

55%
No

27%
Yes, for all

4%
Yes, for some

14%
Case-by-case

Employees whose offices are closed

45%
No

31%
Yes, for all

6%
Yes, for some

18%
Case-by-case

The general similarities in the data for employees choosing to work from home and those who have no choice but to work from home show that employers are taking comparable approaches, regardless of the situation. The similarities continue on the following page with indications of the types of support being offered.

How long will you continue to provide assistance?

Employees who choose to work from home

Until offices are fully reopened	**26%**
Indefinitely	**33%**
Case-by-case	**41%**

Employees whose offices are closed

Until offices are fully reopened	**50%**
Indefinitely	**30%**
Case-by-case	**20%**

What types of support are you offering?

Employees who choose to work from home

Office equipment	**87%**
Phone expenses	**25%**
Stipend to cover expenses	**13%**
Additional utilities	**8%**

Employees whose offices are closed

Office equipment	**87%**
Phone expenses	**25%**
Stipend to cover expenses	**13%**
Additional utilities	**11%**

Work from Anywhere

Remote work has now opened up the possibility that employees are able to move to different locations, either temporarily or permanently, and remain employed. This can create unique challenges that should be addressed from an employment compliance perspective. The survey looked at respondents' handling of employee requests to move for personal reasons but stay employed, all while working remotely. Although employers permit their employees to relocate on their own, there appears to be little relocation support provided in such instances; however, due to the need for employment compliance, there is a fair number of respondents who are reviewing payroll and tax implications with WFA employees.

Are you supporting employees who are currently working from home to move to another state or country, regardless of return-to-work policies?

26%
No

16%
Yes, for all

58%
Case-by-case
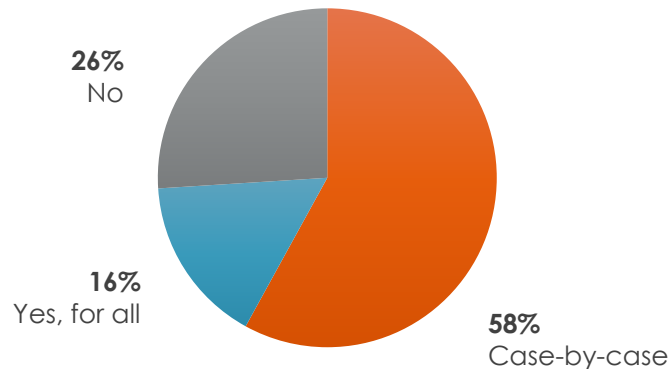
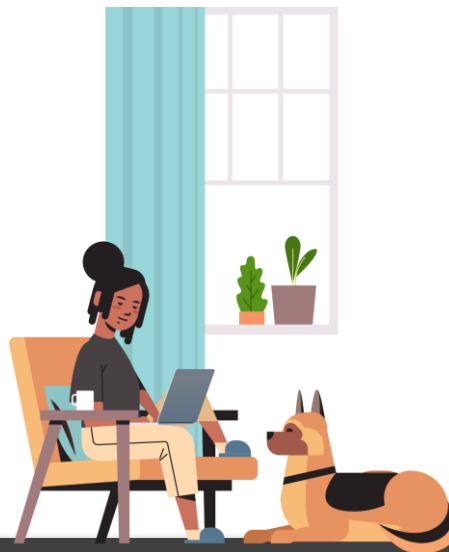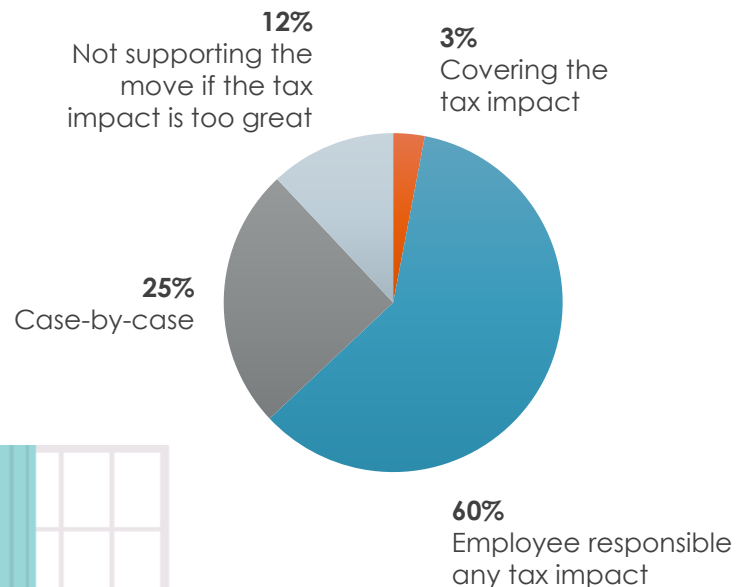| What types of relocation support are you offering?	
No support	86%
Tax assistance	5%
Lump sum only	5%
Travel	3%
Shipment of household goods	3%
Shipment of auto	3%
Lease cancellation	3%
Home sale	3%
Home purchase	3%
Misc. allowance	3%

Comment:

Global Mobility is offering an assessment for immigration, tax, medical, and relocation risks. In some cases, external consultants are engaged. The employee and business must agree to understand their own risk and penalties if they move forward with employee-initiated requests. We are working on a global approach, but all instances are on a case-by-case basis at the moment. If company-initiated, tax, immigration, relocation travel, etc. will be offered."

How are you handling the tax impact this may cause?

12%
Not supporting the move if the tax impact is too great

3%
Covering the tax impact

25%
Case-by-case

60%
Employee responsible any tax impact

What elements are you reviewing to ensure the relocation is reasonable and compliant?

64% Payroll implications

64% Tax implications

36% Return-to-work policies

28% None of these
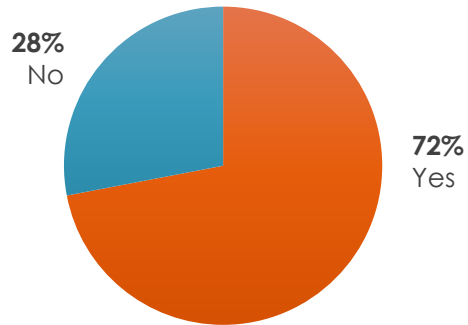
Virtual Assignments

With the pandemic affecting much of the world, employers are faced with decisions on WFH and WFA, but they are also faced with decisions regarding planned relocations and assignments in which the employee needs to be (or should be for various reasons) physically located in the job location. Many relocations and assignments are in flux. Delays, postponements, and cancellations have occurred since the pandemic began; virtual assignments are one solution that have been embraced by some employers.

No respondents in the survey have a defined protocol for virtual relocations or virtual assignments, let alone standard policies which address them. Those that are providing support appear to be evaluating each case independently.

As we see a resurgence of infection rates and locations reinstating lockdowns, how are you handling employees in the midst of their mobility journey?	
Moving forward as planned	22%
Placing on temporary hold	15%
Canceling	8%
Allowance for virtual assignments	35%
Placing the employee in an alternate location temporarily	8%
Case-by-case	70%

Are you allowing employees scheduled to embark on an international/cross-border relocation or assignment to work virtually in their new role (temporarily or indefinitely)?

28%
No

72%
Yes

| What type of support has been offered?	
No support	74%
Determined case-by-case	18%
Travel expenses	4%
Tax assistance/preparation	7%
Cultural training	2%

Administration of WFH, WFA, & Virtual Assignments

There are various factors to consider with WFH, WFA, and Virtual Assignments, such as their assignment duration and expiration. Other considerations include who is responsible for these types of employees and what other nuances impact employees.

As noted, WFH for some companies will be in place for many more months. But those on virtual assignments may be subject to some limitations. The survey finds that 66% of respondents have no limitations. Those that do report having limitations in place state they will follow guidance from local authorities, local regulations, and corporate Tax and Legal teams. Some companies also noted that temporary workers are limited to 180 days, allowing employees to work from another country from two to three weeks up to 30 days, and like most other situations, reviewing on a case-by-case basis to determine what is allowable.

Do you have a limit as to how long you will allow an employee to WFH, WFA, or be on virtual assignment?

11%
N/A

23%
Yes

66%
No
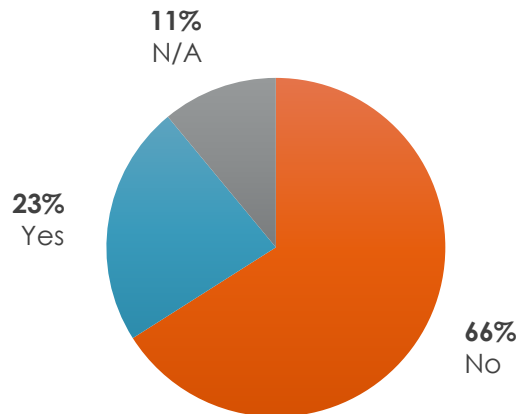
Who within your organization has approval authority for these alternative work requests?

	Manager	HR	Mobility	Other or N/A
Work from Home	76%	4%	8%	12%
Work from Anywhere	30%	35%	13%	22%
Virtual Assignment	30%	18%	26%	26%

"Approvals are required based on type of requests, but Mobility, HRBP, Managers, SVP, and HRVP must all approve."

"Determination is based on compliance risks, not by band level."

"Cross functional team of stakeholders must sign off (Corporate Tax, Legal, Immigration, etc.)"

"Work from Anywhere must be approved by a compliance committee which includes all of the major compliance groups (Tax, Legal, etc.). Virtual assignments are approved by the manager and also the necessary compliance groups."

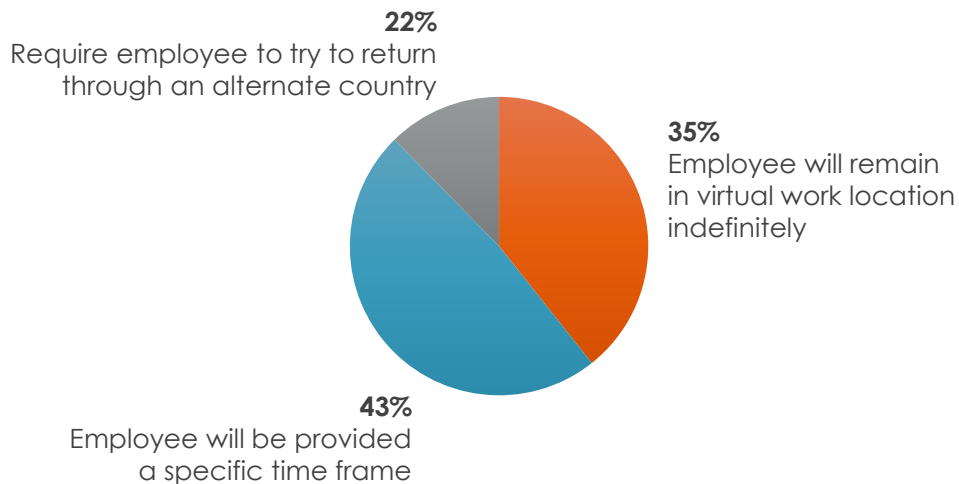**Are you proactively tracking WFH, WFA, and virtual assignees?**

	Yes	No	Certain employees	Case-by-case	Self -reporting
Work from Home	32%	36%	4%	8%	20%
Work from Anywhere	30%	20%	12%	19%	19%
Virtual Assignment	44%	24%	0%	20%	12

**Do you require WFA and virtual assignees
to agree to any terms and conditions?**

|	Yes	No	Case-by-case
Work from Anywhere	40%	32%	28%
Virtual Assignment	38%	33%	29%

What approach are you taking when there are border closures preventing people from returning to their work location?

22%
Require employee to try to return through an alternate country

35%
Employee will remain in virtual work location indefinitely

43%
Employee will be provided a specific time frame

Will you adjust U.S. payroll reporting, tax withholding, or tax remittance for employees working remotely?

22%
Yes, for 2020

52%
No

26%
Yes, for 2020 and 2021
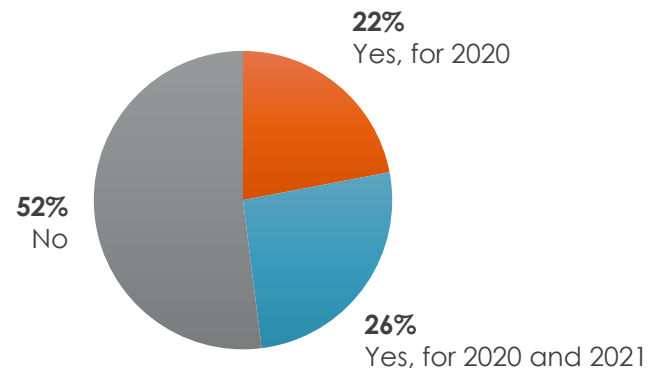
Do you anticipate that you will continue to allow WFH, WFA, and virtual assignment requests in 2021?

	Yes	No
Work from Home	95%	5%
Work from Anywhere	80%	20%
Virtual Assignment	79%	21%

**Do you plan on implementing policies
or guidelines for WFH, WFA, and virtual assignment requests?**

	Yes	No
Work from Home	88%	12%
Work from Anywhere	80%	20%
Virtual Assignment	64%	36%

The data highlights that work-from-home policies are more likely to be implemented than virtual assignment policies. That is not surprising considering much of the support provided for virtual assignments centers around payroll, tax, and – for international assignments – immigration. Employers can elect to have a remote work policy which can encompass each of the possible scenarios.

Communicating the Risks

Eighty percent of respondents confirm they already have, or are working on, a plan to communicate the risks related to WFH, WFA, and virtual assignments to business leaders. The common approaches for doing so is an FAQ document (noted by 42%) or a company-wide meeting (noted by 15%). Only 9% confirmed a formal training program, 15% are not sure of their approach yet, and the remaining 19% said they are handling communication or any risks on a case-by-case basis.

The "new normal" created by the pandemic that has employers dealing with different remote work situations will require collaboration between Compensation, Tax, Mobility, Immigration, Legal, Human Resources, managers, and employees to mitigate employment risks.

Survey Participants

The survey results include input from 65 respondents spanning most industries.

Participant Profile

Industries	Percentage
Aerospace/Defense	1%
Automotive	3%
Biotechnology	1%
Chemicals	1%
Consumer Products	6%
Energy	5%
Financial/Insurance/Investments	20%
Food/Beverage	5%
Legal/Professional/Consulting	8%
Manufacturing/Construction	11%
Media/Entertainment	1%
Pharmaceuticals/Health	6%
Retail/Restaurants	8%
Technology	20%
Telecommunications	1%
Transportation/Distribution	3%

Participant Size

# of Employees	Percentage
100,001 or more	20%
50,001 - 100,000	9%
20,001 - 50,000	24%
5,001 - 20,000	21%
1,001 - 5,000	17%
1,000 or less	9%