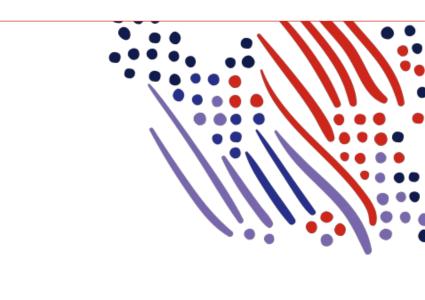
Where you work matters

Getting payroll tax compliance right for remote and hybrid workers



Agenda

Where you work matters.

- The goal: Achieving a solid payroll tax process and empowering payroll professionals to focus on their best work
- The peril:Remote work makes payroll compliance more complex
- The challenge: How to comply (where to withhold, what to file, when to pay) too many steps, too many manual processes
- The solution: Simplify and streamline your payroll tax process
- Q&A



Audience poll



Do you have remote/hybrid workers?



No



Yes



─> Less than 100?

 \rightarrow

100 or more?

The **goal**



Achieving a **solid** process and empowering payroll

Just before I was hired, everything was very paper-oriented and labor-intensive. Technology provides me all the information I need to actually perform the work that we're known for doing well:

- It's user friendly and it's effective
- It helps me stay in compliance
- I have the latest information needed to get the work done
- I've never had a problem with how quickly we receive updates
- Everything is timely and very well organized
- I have one less thing to worry about

ال ال

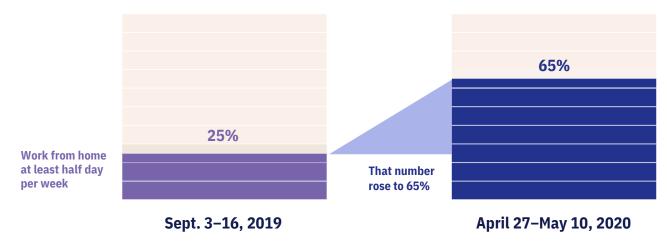
Evelyn Bozeman,

Payroll, Wesleyan; currently oversees payrolls for between 3,800 and 4,000 full-and part-time employees, with the help of two additional staff members.

The **peril**

Remote work makes payroll compliance more complex

An unprecedented shift from office to home in the workplace

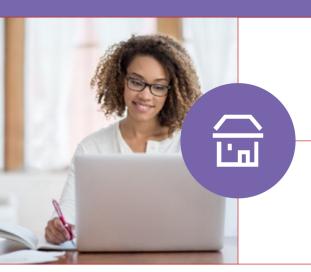


Remote/Hybrid workers





Perform some or all of their regular office job duties outside the company office.



Example:

Payroll manager who worked from office and company allows manager to perform these job duties partially or fully from home office.

Home office could be in another state which can create a new requirement to withhold.

Mobile workers





Job duties require travel to different locations or clients. Not just office duties.



Example:

Sales rep that calls on clients. Can visit multiple states.

Compliance for mobile workers varies depending on state (number of days worked in state).

Efforts at uniform compliance standards





Multi-state Tax Commission (MTC) —The Model Mobile Workforce Statute



Council of State Taxation (COST) State Model Legislation



Multiple bills introduced in Congress over many years



Knowledge check

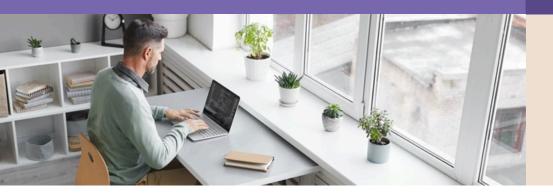


In 2019, what percentage of people worked from home at least half days per week?



→ 30%

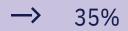
→ 15%

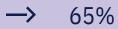


Knowledge check



In 2020, what percentage worked from home at least half days per week?





→ 45%



Audience poll



Are you currently struggling with multi-state payroll compliance issues because of remote/hybrid workers?



→> No

→> Unsure



The **challenge**

Where and how to comply, multiple steps and manual processes



- Where to comply? Is the remote worker working from home in another state? If the state has Income Tax the physical presence of the remote worker creates a Nexus for Withholding
- **How to file?** Different filings by state. Different due dates by states.
- Different methods (paper-electronic)
- **How to pay?** Different due dates. Different methods (check-ACH)
- Penalty risk for non-compliance —not withholding, filing late, paying late or not by proper method results in Penalties.
- Audit risk —under-withholding could lead to audit
- Potential Statute of Limitations issues —remittance to the wrong state and failure to request
 - refund within state statute period will result in lost refund

Other potential "gotchas"





Dealing with the "when did you first conduct business in our state" question

Will it trigger nexus questionnaires?

Will later terminations of filings trigger inquiries/audits?

Nexus for other tax types. It may not be just withholding and payroll taxes

Polling question



Which of the following is your biggest challenge related to remote/hybrid work?



HR challenges related to hybrid workers



The **goal**



Achieving a **solid** process and empowering payroll

Just before I was hired, everything was very paper-oriented and laborintensive. Technology provides me all the information I need to actually perform the work that we're known for doing well:

- It's user friendly and it's effective
- It helps me stay in compliance
- I have the latest information needed to get the work done
- I've never had a problem with how quickly we receive updates
- Everything is timely and very well organized

 I have one less thing to worry about



Evelyn Bozeman,
Payroll, Wesleyan;
currently oversees
payrolls for between
3,800 and 4,000 full
and part-time
employees, with the
help of two additional
staff members.

From over 50 manual tasks...

payroll tax files to XXX

End-to-end tax process

Ο,	<u>[\$]</u>	a	<u> </u>	, 🗐 ,	<u> </u>	<u> </u>
Research	Tax deposits	Reconciliation	Tax filing	Year-end	Agency notice	Amendment filing
Research jurisdiction tax liability Confirm report totals match P/R system report Apply for new EINs Apply for EFT debit/credit Apply for e-file registration	Update EFT setup for any federal or state guidelines changes Manage frequency thresholds for each agency Manage zero deposit/coupon rule Setup EFT payment with bank Create EFT payment transmission as required for federal and state deposits Create NACHA formatted EFT credit file Initiate EFT payments Log on to agency website for debit payments Print and mail check and coupons Call agencies for questions Track frequency and compliance changes	Confirm liabilities match P/R system report Review/Balance variances Post GL tax ledger accounts Relieve GL tax ledger accounts Research SUI rates	File Form 941 Federal Income Tax, FICA, Medicare File FUTA Form 940 File SIT and SUI taxes File local taxes including OPT/EMST/LST File Multiple Worksite Reporting Initiate e-file tax filings Print and mail hardcopy tax filings Create and mail magnetic media filings W2 filing for employer Track tax type, number of notices, year or quarter amount	Review/Balance YTD variances Create and submit electronic W3 Create and submit electronic state W2s Create and submit electronic local W2s Initiate e-file annual tax filings Print and mail hardcopy tax filings Create and mail magnetic media filings Print and mail EE W2s Post W2s online Confirm employee W2 options	Open/Sort/Prioritize mail Image document Research year/quarter amount Research out-of-balance transactions Decide on action correct and/or pay Prepare letter and respond to agency correct and/or pay Disburse payment by check or EFT	Update and prepare corrections File Form 941C Federal Income Tax, FICA, Medicare File amended FUTA Form 940 File amended DIT and SUI forms File amended local forms Disburse payment by check or EFT Image/Store all documents Issue W2C for employer copy Confirm/Approve amendment
	Send	Remot	omplexity.			

Embracing a **solution**

Saving time and creating flow for payroll compliance **anywhere**



Automate the routine

Reduce complexity



Focus on where your team adds the most value



Embrace technology and partnership



... to TWELVE

O,	(\$)	a	<u> </u>	. ₽	<u> </u>	<u> </u>
Research	Tax deposits	Reconciliation	Tax filing	Year-end	Agency notice	Amendment filing
Research jurisdiction tax liability Confirm	Update EFT setup for any federal or state guidelines changes Manage	Confirm liabilities match P/R system report Review/Balance	File Form 941 Federal Income Tax, FICA, Medicare File FUTA	Review/Balance YTD variances Create and submit	Open/Sort/Prioritize mail Image document	Update and prepare corrections File Form 941C
report totals match P/R system report Apply for new EINs	Manage frequency thresholds for each agency Manage	variances Post GL tax ledger accounts	Form 940 File SIT and SUI taxes	electronic W3 Create and submit electronic state W2s Create and submit electronic local W2s Initiate e-file annual tax filings Print and mail hardcopy tax filings Create and mail magnetic media filings Print and mail EE W2s Post W2s online Confirm employee W2 options	Research year/quarter amount Research out-of-balance transactions Decide on action correct and/or pay Prepare letter and respond to agency correct and/or pay Disburse payment by check or EFT	Federal Income Tax, FICA, Medicare File amended FUTA Form 940 File amended DIT and SUI forms File amended local forms Disburse payment by check or EFT Image/Store all documents Issue W2C for employer copy Confirm/Approve amendment
Apply for EFT debit/credit Apply for e-file registration	zero deposit/coupon rule Setup EFT payment with bank Create EFT payment transmission as required	Relieve GL tax ledger accounts Research SUI rates	File local taxes including OPT/EMST/LST File Multiple Worksite Reporting Initiate e-file tax filings Print and mail hardcopy tax filings Create and mail magnetic media filings W2 filing			
	ror federal and state deposits Create NACHA formatted EFT credit file Initiate EFT payments Log on to agency website for debit payments Print and mail check and coupons Call agencies for questions Track frequency and compliance changes Send payroll tax files to XXX					
			for employer Track tax type, number of notices, year or quarter amount			

Flip the script on remote/hybrid work



From risk...

- Reduce payroll complexity by focusing on the process
- Save time and effort tracking and filing payroll taxes
- Reduces errors, penalties and audit risk

... to reward

Focus on...

- Broadening your applicant pool
- Seize a competitive advantage
- Empowers employees to spend more time on personal development, wellbeing, and family

Knowledge check



Typically, how many manual tasks are there in an end-to-end tax process?







Q&A

Thank you!

