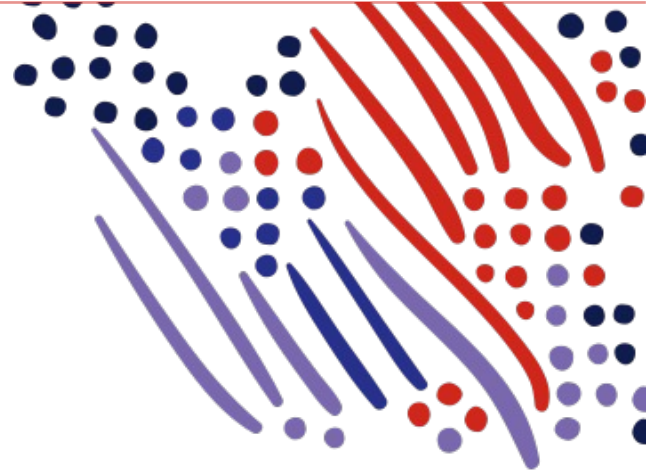


Where you work matters

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**





Do you have
remote/hybrid
workers?

→ No

→ Yes

→ Less than 100?

→ 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



Evelyn Bozeman,

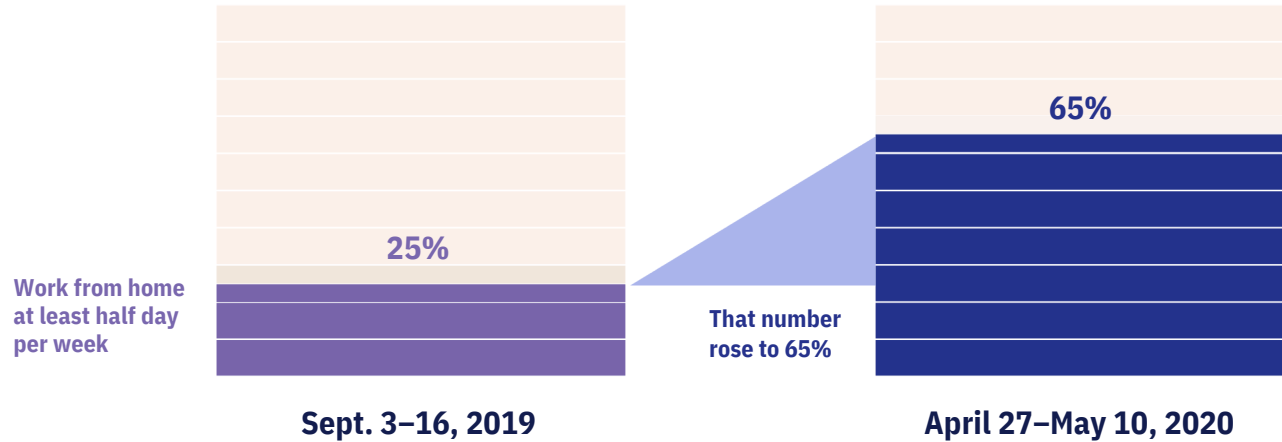
Payroll, Wesleyan;
currently oversees
payrolls for between
3,800 and 4,000
full-and part-time
employees, with the
help of two additional
staff members.

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



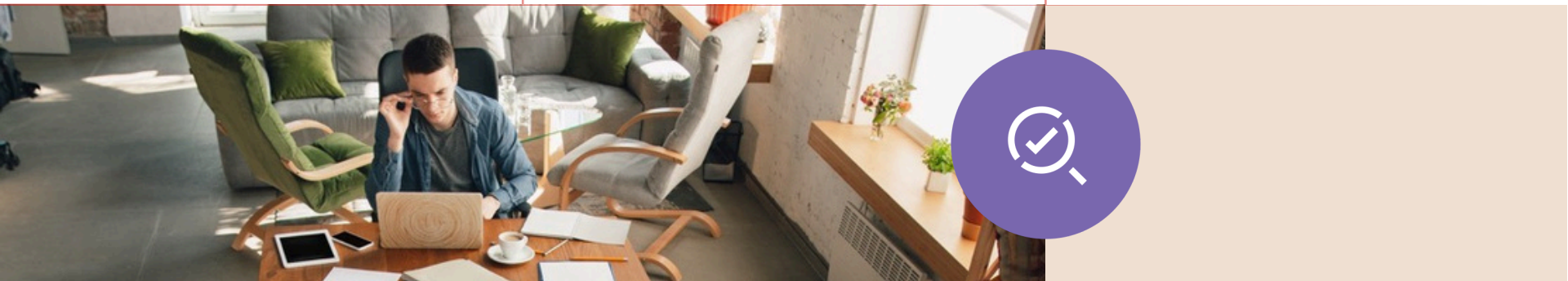
Multi-state Tax Commission
(MTC) —The Model Mobile
Workforce Statute



Council of State Taxation
(COST) State Model Legislation



Multiple bills introduced in
Congress over many years





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

→ 25%

→ 30%

→ 15%



Knowledge check

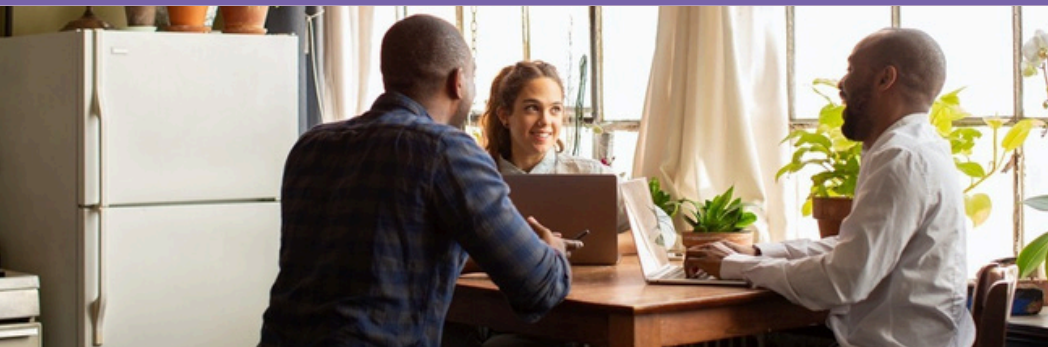


In 2020, what percentage worked from home at least half days per week?

→ 35%

→ 65%

→ 45%





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

→ Yes

→ 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?

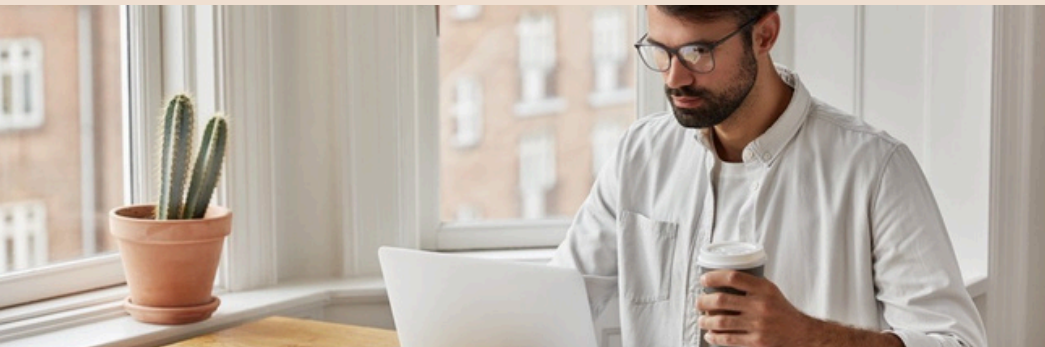


Nexus for other tax types. It may not be just withholding and payroll taxes



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

- Multi-state payroll compliance requirements
- 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 labor-intensive. Technology provides me all the information I need to actually perform the work that we're known for doing well:

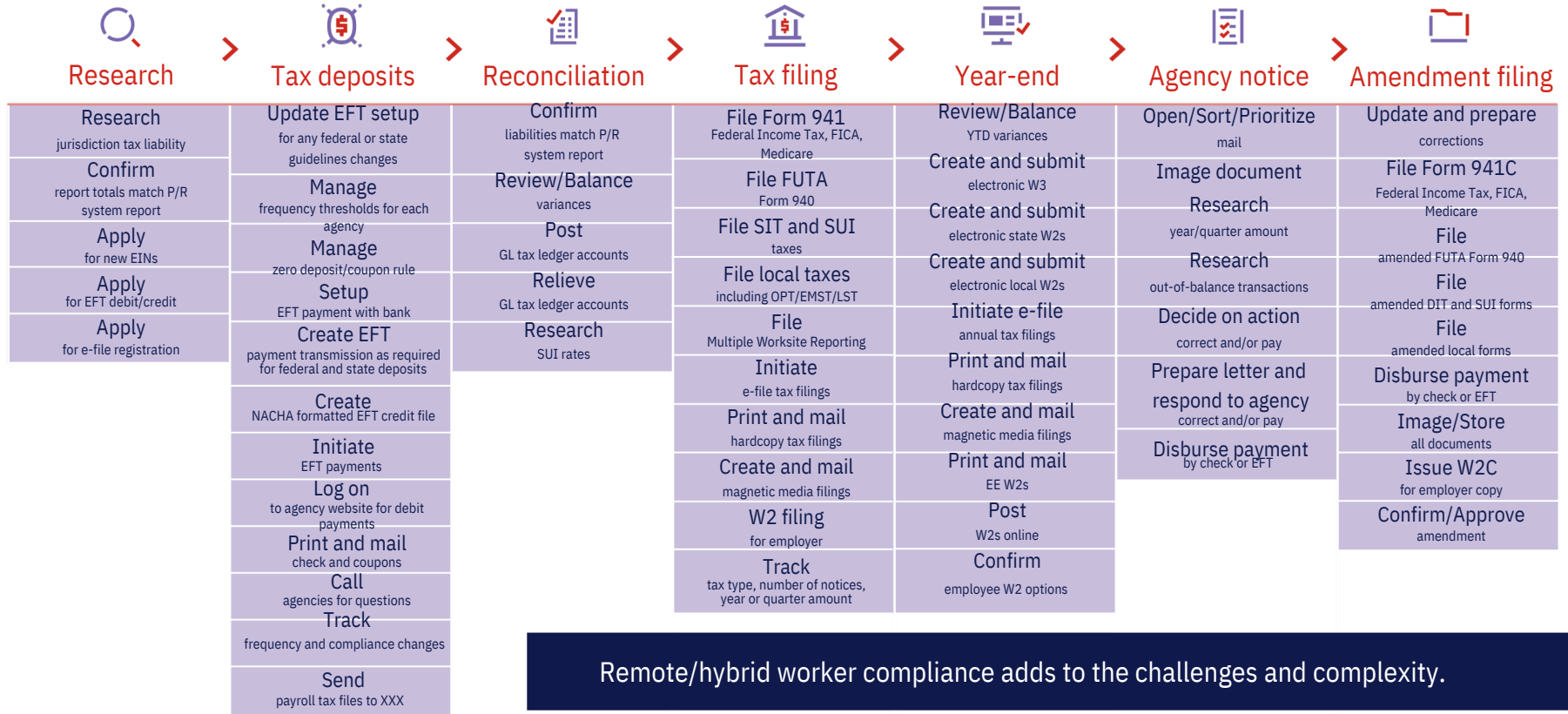
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From over 50 manual tasks...

End-to-end tax process



Remote/hybrid worker compliance adds to the challenges and complexity.

Embracing a **solution**

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

Reduce complexity



Automate the
routine



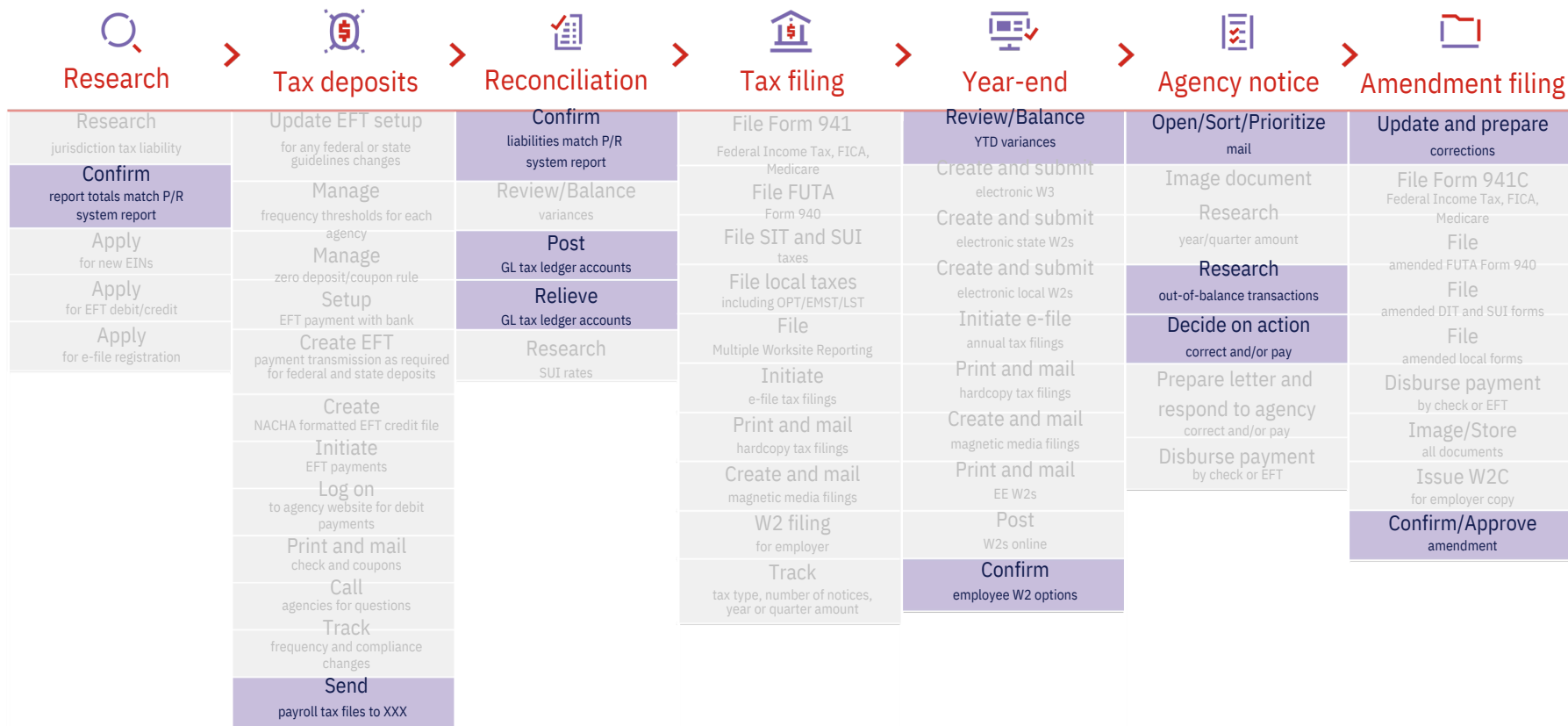
Focus on where
your team adds the
most value



Embrace technology
and partnership



... to TWELVE



Flip the script on remote/hybrid work



From risk...



... to reward

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

Focus on...

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



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

→ 45

→ 17

→ 50





Q&A

Thank you!

