The idea of remote work becoming more commonplace was gaining steam before COVID-19. The pandemic has accelerated it, as former office workers have had to acclimate to making their home offices (or their couches, bedrooms, or back porches) their primary workplaces. According to a Gallup poll taken in spring 2020, 60% of workers who have been working from home during the pandemic want to continue working from home even after all business and school restrictions are lifted. Employers are responding. In a Deloitte Dbriefs poll, 40% of respondents said they are developing a strategy to evaluate roles and teams fit for permanent remote work. A majority of those respondents said reasons other than COVID-19 are fueling their organization’s increased interest in remote work—from attracting talent to improving productivity. Nearly three-quarters of CFOs surveyed by Gartner plan to shift at least 5% of on-site workers to permanently remote positions, and nearly a quarter of CFOs plan to shift at least 20%.

But making remote work the norm for a significant percentage of workers requires more than a good videoconferencing application and comfortable office chair. It requires a shift in the organizational mindset regarding the work being done, the roles and skills of your workforce, and how you define a workplace. It requires new guidelines that enable an organization to navigate through a wide and nuanced range of remote work scenarios. And it requires HR, tax, legal, and finance processes that responsibly track, compensate, and engage with a work-from-home workforce.

Many organizations are considering implementing long-term remote work programs, but don't know where to start. Let's focus on three key areas for companies creating a remote work plan: strategy, policy, and operations.
Strategy

Your remote work strategy should focus on achieving the remote work environment that most effectively puts your workers and business in a position to succeed. That looks different for every company, so business and talent leaders need to articulate key organizational objectives and implications for the workforce, workplace, and the work itself.

**Workforce:** The workforce has been greatly affected by the rapid need to work from home. As companies decide how and when to return to the office, many are realizing they need to be able to alert workers to long-term remote work options. This is bringing fundamental shifts in the roles and skills needed. Teams may be constructed in a new and different way. Leaders must determine what sustains high-performance teams in a virtual environment and standardize it. HR must determine how best to support remote workers from a talent management perspective. These workforce considerations naturally lead to workplace impacts.

**Workplace:** As the workplace has become less defined by downtown corporate real estate, it is increasingly defined by home offices, where close friends and family live, and perhaps a general migration outside of urban areas. This creates major downstream impacts on your organization as you determine (1) how to rethink legal, compliance, benefits, and HR structures built upon the traditional assumption that workers mostly work from a central location; and (2) the responsibility of the organization in ensuring a home office includes the right furniture, hardware, and software. Even in our high-tech age, many companies haven’t invested enough in virtual collaboration tools. Once you have the systems needed to effectively schedule, communicate, collaborate, and innovate as a company, remote workers can work efficiently in a workplace that may itself start looking different.

**Work:** Many workers are reevaluating the work they do and how it will change in a long-term remote work environment. How productivity is measured might change. So might the structure of the workday. Being able to reset what defines value and incorporate new work outcomes is critical. Of course, there are certain tasks that are not able to be performed remotely. For companies that still rely on manual processes, it has been much harder to transition to a remote working environment. This challenge presents an opportunity to change the way we do our work. A move toward a more remote environment is prompting companies to consider how automation could be increased to create efficiencies and enable workers to bring higher value in a remote working environment. Automation can help shift the burden of those manual tasks to machines so that your workers can focus on tasks that require collaboration, innovation, and critical thought.
A workforce reimagined: Remote work strategies for COVID-19 and beyond

Policy

If your strategy represents why you’re establishing a remote work program, policy represents what it should look like. Remote work is challenging because it affects how the entire organization runs. Guidelines can help determine who will be eligible for remote work, how your environment will meet compliance requirements, and how related expenses will be managed.

For many companies, remote work won’t be right for every team. IT specialists, for example, may need to be on-site in order to assist workers experiencing technology issues. The same may go for facilities personnel or key product workers in certain industries. Can you successfully onboard and train new workers, especially those early in their careers, when they are at home? Sound policy lays out the roles, experience, and performance requirements for workers to be eligible for long-term remote work. It doesn’t have to be an all-or-nothing approach. Effective remote work policy is premised on inherent flexibility, as well as company and worker choice.

Companies must also consider whether remote working requires compensation and benefits adjustments. If a worker wants to live in a different state than their home office, who pays for travel when they are needed in that office for a meeting? What new data and information do organizations need to track to stay tax and payroll compliant? How does the reporting and taxation rules change for those benefits?

Making sure your remote work environment meets legal and compliance guidelines is a must. Tax professionals need to be familiar with the domestic and international corporate tax impacts of a remote workforce, state-by-state considerations, and transfer pricing implications. Employment tax and payroll is also a nuanced challenge for a remote workforce. Policies must include compliance analyses to quantify risks; continuous data tracking and reporting; and an understanding of employment tax compliance risks, income tax withholding and filing requirements, and entity and payroll registration requirements.

Clear rules about who will be eligible for remote work, how a remote workforce will adhere to tax and compliance guidelines, and how expenses will be handled are critical pieces of your remote work implementation. The policy helps create more intentionality, equity, and governance around your remote work program.

Key considerations

- Employee support and well-being
- Alternate work locations
- Feasibility of potential work locations and benefits
- Corporate tax implications for the time worked in Switzerland
- Permanent establishment
- Broader location strategy and contingency planning

Key policy and operations considerations

- Corporate tax exposure for company
- Payroll tax obligations
- Reimbursement for travel expense
- Monitoring of personal travel by employees
- Compensation and rewards
- Safety and security
- Data and information security

Colin was on assignment in Italy. His employer advised him and his fellow expats to leave Italy until the situation stabilized.

Colin no longer has a US home to return to, so he has been working remotely from his in-laws house in Switzerland.

Now he and his wife are looking to buy a home in Zurich and settle down indefinitely.

“I’ve been successfully working from Zurich for six months, and with family close, this is now home.”

Sheila used to live and work in California.

After the company told her the California offices are closed, she has been working from her vacation home in Nevada.

Her role has not been prioritized to come back on-site yet.

She has always wanted to live full-time in Nevada and has requested that she continue to work remotely.

“I’ve have successfully worked remotely from Nevada during the pandemic, so I’d like to continue to do that indefinitely.”
Remote work has wide-ranging implications, from employment and corporate tax, to immigration, to talent strategy and rewards, to IP and data security. Because it touches so many areas of an organization, it can be difficult to determine who should own remote work. Nearly 20% of respondents to a Deloitte Dbriefs poll admitted they were “still figuring it out.” Ultimately, remote work will fundamentally shift how organizations operate. It requires resilient leaders across enabling functions to evolve the organization’s approach. More than 30% of our survey respondents said they are starting with a cross-functional committee across finance, legal, and HR to ensure policies and processes consider all the different facets of remote work considerations.

Once these cross-functional teams understand the policy implications, they are looking to determine how remote work happens. They need to decide if they will execute a top-down implementation, in which workers will be told whether or not they will continue to be remote, or if it will lean more toward worker choice and personal circumstances. Then come a multitude of questions that need answers:

- What are the roles of talent leaders, managers, and compliance functions in approving remote work?
- How will your organization communicate with remote workers, and how will remote workers communicate with one another?
- What technology and tools does your organization need in order to effectively onboard new remote workers and track their productivity?

Having the right group of cross-functional leaders working together to answer these questions can help you turn your strategy and policies into your real-world reality.
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It’s time to look ahead

The COVID-19 global pandemic was a catalyst for the necessity for remote work in the short term. But with workers wanting more remote work options in the future, companies are considering the long-term benefits of a thoughtful remote work program.

An effective remote work program will need thoughtful attention to strategy, policy, and operations to accelerate productivity and worker satisfaction. But remote work will likely look different at each organization, and not everyone will be able to address those three key elements in the same order. Some companies focus first on the policy and operations to make sure they know how they can do this before they are vocal about why. This approach is particularly common today, as many companies were forced to develop remote work programs nearly overnight in response to pandemic-fueled shutdown orders. No matter where your organization decides to start, Deloitte has specialists that can advise and support your organization through these decisions.

The challenge ahead is to make remote work more than just an employee perk. If you want a remote work strategy to enable improved teaming, connection, and innovation tomorrow, your leaders need to come together today to develop the strategy, policy, and operations to foster it.
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Endnotes


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