

# HR Insights

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## The Future of Work-from-Anywhere Arrangements

American workplaces have changed drastically over the past three years. The COVID-19 pandemic propelled remote work into the spotlight and created new working norms. In fact, many employees now work remotely or could if they wanted.

The increase in remote workers doesn't necessarily mean that organizations have fully addressed a work-from-anywhere (WFA) work model, given its complexity. However, some organizations have already adopted such a model, allowing employees to decide where they work best, wherever that may be. This article explores WFA and its implications and future in the workplace.

### What Is WFA?

While 54% of people consider themselves "anywhere workers," only 5% of remote jobs are "WFA" roles, according to the career website FlexJobs. The reality is that most remote jobs still require employees to be based in a specific location (e.g., city, state, region and country). For a job to truly be WFA, the organization needs to have a policy, as several distinctions and implications come with this highly flexible work arrangement.

The WFA model comes with the same benefits as remote work: expanded talent pool, increased employee productivity and engagement, and promotion of work-life balance. In turn, organizations may experience higher employee retention rates or organizational savings. Some cons of the WFA model include a lack of real-time collaboration and the potential for various time zones.

### WFA Considerations

Remote work is well-established in today's workplaces thanks to the COVID-19 pandemic. However, the implications of work locations in various states or even countries are a bit more unclear. In fact, many WFA situations could create significant administrative challenges or costly problems for employers.

"WFA" is a broad term and can mean different things at different companies. There could be various ways to interpret or enforce workday components such as working hours, time tracking and performance measurement. Accordingly, employers who offer WFA arrangements must have a policy explaining all workday aspects. This step provides parameters and expectations for employees while protecting employers who grant WFA requests.

Before organizations allow employees to WFA, there are several considerations to factor in:

- **Employee benefits**—Benefits, in general, will be a major topic of discussion for employers developing their packages for a dispersed workforce. With workers spanning state lines (or even outside the country), offering meaningful benefits (e.g., health plan and commuter benefits) that employees need and can use will be challenging.

- **Labor implications**—Labor and employment laws of the state where a WFA employee resides may apply, so an employer should check employment laws (e.g., posting requirements, paid family leave and paid sick leave) and consider all implications. WFA could also mean employees are in various countries, which adds an international compliance layer.
- **Salary policies**—Organizations may pay the same salary range based on job title, the market rate depending on the cost of living wherever the employees live or the national averages for each job title or role. Also, salary thresholds for exempt employees and minimum wage and overtime rules for nonexempt employees vary across the country and should be considered.
- **Tax implications**—WFA employees could subject their employers to sales, income, and local or city gross receipts taxes that wouldn't matter in an on-site workplace model. For example, employers withhold applicable state and local income taxes based primarily on where an employee performs services.
- **Workers' compensation**—Employers cover employees under workers' compensation policies based on where they work. If employees are based in a state different from the company, there could be additional expenses for employers.

Due to the various implications of being a WFA company, it's important to consult legal counsel before organizations consider and accept such requests.

## Summary

Many of today's workers want the freedom to work where they work best. However, it's not as simple as only allowing a WFA model. In addition, a WFA policy isn't the right fit for every organization. Employers interested in WFA arrangements should closely examine their company, organizational goals and workforce to ensure a flexible work model is suitable for business needs and doesn't introduce compliance challenges.

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