

Out-of-State Telework Checklist

State HR, in collaboration with LNI, ESD, Statewide Accounting and the AGO, have developed the checklist below. We hope this will be a useful tool to support agency decision making.

Staying in Compliance

This checklist offers issues to consider when authorizing an employee to telework full-time or close to full-time from a residence or office outside Washington State. A multi-agency workgroup is developing guidance on this topic. However, until that guidance is available, this checklist may help. There’s a lot to think about!

Is Approving Full Time Out-of-State Telework the Right Choice?

Out-of-state telework should not be approved as a full-time arrangement unless there is a good reason for saying yes, such as

- supporting military spouses in alignment with Executive Order 19-01,
- allowing an employee to move closer to a family member or dependent for whom they must provide care as the sole caregiver, or
- to hire or retain someone with a rare skillset that cannot be filled within the state.

Flexibility is important, but **authorizing full-time out-of-state telework should be the exception rather than the rule.*** Weigh requests against the risks/costs of approving out-of-state telework before proceeding. There may be substantial benefits to the organization or to the employee if out-of-state telework is permitted. However, ensuring compliance requires the investment of time and resources for your agency’s payroll and human resources staff. Consider requests on a case-by-case basis.

**Note: This guidance does not apply to temporary or intermittent telework agreements that do not affect employee tax obligations or benefit eligibility. COVID-19 may be an additional rationale for authorizing full-time out-of-state telework, until it is safe for remote workers to return to work on-site.*

Area	Topics	
Taxes <i>If you are using HRMS, the system will allow manual entry of appropriate deduction by info type and wage type. Notice at the end of the year to OFM will ensure the employee’s W2 is correct.</i>	State and local taxes, other taxes (transportation, etc.)	<input type="checkbox"/>
	Payroll taxes and taxes not included in WA. Tax withholding, W-2s need to be filed manually.	<input type="checkbox"/>
	Unemployment Insurance: Does a reciprocity agreement exist with the other state? Is the employee, full time vs part time? Does the state require wage reporting by magnetic media? What is the FUTA tax for unemployment?	<input type="checkbox"/>
	Workers Comp: Does a reciprocity agreement exist with the other state? Is the employee, full time vs part time? Contact DES for information about their master contract for workers compensation insurance for out-of-state workers	<input type="checkbox"/>

If you have questions, please contact State HR at shrplanning@ofm.wa.gov

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	PFML: Although employees living outside of WA are not eligible for our state’s PFML benefits, some others states also have a version of this program, which may require payments be made in another state	<input type="checkbox"/>
	Register as an employer with the taxing authority (for personal income tax withholdings) in the new state, negotiate penalties if agency did not timely register	<input type="checkbox"/>
	Some states may require that an agency register as an employer for other payroll or employer taxes	
	Courtesy withholding: to meet a state requirement or for employee convenience? When an employee lives out of state but does not work remotely in that state, consider whether courtesy withholding will be offered for employee convenience and/or to address a potential change in circumstance which could trigger withholding, balanced against administrative burdens of doing so.	<input type="checkbox"/>
Wage and hour laws	Overtime, minimum wage, required breaks, etc. may be different in each state	<input type="checkbox"/>
State safety laws/LNI claims	Safety requirements by state employee works in	<input type="checkbox"/>
Non-discrimination laws	Pay equity, disability accommodation, pregnancy accommodation, etc.	<input type="checkbox"/>
How to handle time-zone differences	Address shift premium	<input type="checkbox"/>
	Working hours and scheduling	<input type="checkbox"/>
PEBB, medical insurance, and dental	Check the certificates of coverage for the employee’s insurance provider for out-of-area service details.	<input type="checkbox"/>
Privacy laws	If you record sessions or monitor employees, ensure this does not violate laws of other states.	<input type="checkbox"/>
International	Require a US bank account? Currency conversion	<input type="checkbox"/>
	Foreign employment laws	<input type="checkbox"/>
Authorization to work out of state	Written agreement that describes expectations (what requirements to be in state and who pays for travel)	<input type="checkbox"/>
	Who authorizes (supervisor, appointing authority, agency head, etc.)	<input type="checkbox"/>
Travel to Washington	Commute vs travel: if an employee is required to be on-site for a meeting, training or other purpose, consider SAAM rules regarding what travel-related expenses the employer must cover; Note where the primary workplace is	<input type="checkbox"/>

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