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Reduce compliance risks as your workforce becomes permanently remote

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The COVID-19 pandemic pushed employees into unanticipated work-from-home arrangements. Now, as companies adopt more permanent remote-work routines, compliance risk is skyrocketing, and corporate leaders need to start planning to avoid unwanted consequences.



For many companies, remote work started as a temporary way to promote workplace safety during the pandemic. However, new variants of the virus and labor demand are transforming it into a more permanent way of doing business. Unfortunately, compliance risk is rising as companies realize employees are now scattered across states and around the globe.

As workers conduct business across borders—often in locations unknown to employers—the dangers of tax violations, reputational damage, and financial setbacks are climbing. If companies want to reduce compliance risk as the remote workforce becomes more permanent, they need to become proactive fast.

The upward trend of remote work

A 2021 Statista report found that the number of employees who worked remotely five days a week hovered around 17% before COVID-19 started affecting businesses. Since the pandemic, that number has grown to 44%.^[1] However, new variants and the risk of losing talent during what *The New York Times* describes as a “conspicuous and perplexing” labor shortage could keep remote work trends climbing.^[2]

In December 2021, a crowd of major tech companies, including Google and Uber, pushed back their plans to return to the office amid rising omicron concerns.^[3] At the same time, a surge of corporate leaders are now realizing they may not be able to afford to remove new remote work offerings. A 2021 Owl Labs study found nearly half of employees will start searching for a new job if they aren’t allowed to work remotely—a terrifying reality for hiring managers who were shaken by the Great Resignation.^[4]

Whether it’s out of safety concerns, an effort to retain talent, or simply because it fits their new business models, a massive chunk of companies will keep or expand their remote work plans going forward. Unfortunately, as companies rush into more permanent work-from-home models, tax and compliance risks are rising behind the scenes.

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