

HR INSIGHTS

Brought to you by the insurance professionals at
Brown & Brown Empire State

Offering Telecommuting as a Scheduling Option

As a way to reduce commuting costs, promote work-life balance and increase the pool of qualified job candidates, many employers are offering the option of telecommuting. Telecommuting allows employees to work from home or another alternate location and communicate with their employers electronically. This trend emerged in the 1990s among professionals who could perform their jobs off-site. With the increased focus on going green and being time and energy efficient, this option remains popular.

But this doesn't mean that employees are the only ones who benefit from telecommuting—there are perks for employers as well. Many companies report tremendous benefits of telecommuting, for both parties involved.

Benefits for the Employer

The following are reasons why telecommuting may be advantageous to employers:

- Reduces workplace costs such as monthly water and sewer bills.
- Companies save money on office space when employees are not physically present.
- Typically increases employee productivity partially because the home environment is often more comfortable than the company environment.
- Employees can work during the time that they would normally be driving to and from work.
- Employees have fewer interruptions and less opportunity to socialize with co-workers.
- Significantly reduces absenteeism and tardiness amongst employees.
- A valuable employee retention and recruitment tool, as it offers employees flexibility.
- Cuts labor costs to combat the cost of commuting.

Benefits for the Employee

The following are reasons why telecommuting may be beneficial to employees:

- Makes it easier to balance work and life, especially for individuals with many commitments.

To combat rising fuel costs for employees, and increase the pool of qualified job candidates, many employers are offering the option of telecommuting.



- Easier and more comfortable, especially for employees with disabilities.
- Eliminates the cost of commuting (gas, parking, car wear and tear, etc.)
- Save money on food (less eating out)
- Less spent on business attire, which is generally more expensive than casual clothing worn at home.

In addition to these benefits for both employers and employees, telecommuting means less traffic congestion and pollution. And, since technology makes it possible for employees to work from almost anywhere, telecommuting could help reduce overpopulation in urban areas.

Uncertainty

Despite the benefits, there is also some uncertainty in offering this type of policy, including:

- Employers must make an initial investment in equipment for an employee's home office.
- Employers have less control over employees' time when off-site.
- Technology problems may be an issue if employees do not have access to on-site IT assistance.
- Limits likelihood of promotions because employees who telecommute are not as visible as workers who are in-house.
- Telecommuting may not be a suitable option for all employees.

Recommendations

If telecommuting sounds like an option that would benefit your work population, consider these recommendations:

- Select telecommuters carefully—they should be trustworthy, motivated and disciplined. They should also be able to self-manage and handle this freedom appropriately.
- Ensure that telecommuters' home offices are safe and conducive to productive work.
- Establish a written policy that outlines the guidelines of teleworking, the working environment, breaks and working hours. The policy should specifically address the following:
 - When is the individual expected to work, take lunch and take breaks?
 - What is the employee expected to achieve, and with what equipment and materials?
 - What are the telecommuter's rights, liabilities and obligations?
 - Statement addressing that telecommuting is a privilege and can be terminated at any time.
 - Description of individual's hours that must be completed on-site, if any.
- Require all telecommuting employees, both full- and part-time, to sign a policy agreement establishing an acknowledgement and agreement with the policy.
- Outline violations of the telecommuting policy for employees and post them on your company's intranet site. Also, outline applicable disciplinary actions that will take place if the policy is violated.

Legal Considerations

Keep in the mind the following legal considerations when creating a telecommuting program:

- **Reporting and recording hours**—Employees who are not exempt from the Fair Labor Standards Act's (FLSA) overtime requirements must adhere to strict management of their hours to avoid working overtime. If they do work overtime, FLSA requires that they receive overtime pay.
- **Investigating workers' compensation claim**—Inspect telecommuters' home offices to ensure the working environment is safe, as off-site workers' compensation claims are harder to investigate. Also, create a policy outlining the proper method of recording work-related injuries to ensure compliance with the Occupational Safety and Health Act's (OSHA) requirements for adhering with safety policies.
- **Obtaining liability insurance**—Make sure that your company's liability coverage protects against injuries to a third party and damage to property caused by employee negligence while the employee is working remotely. Also, require employees to possess homeowners or renters insurance.
- **Protecting confidential information**—Take precautions to track the information employees are using at home. To do so, take the same measures that you would if your employees were working onsite.
- **Handling tax concerns**—Employers must determine where taxes are owed for employees working remotely out of state. Each state has different laws surrounding this, so make sure you check the laws of the state the employee is working in, as well as the state where your organization is based.
- **Zoning considerations**—Many municipalities require home businesses to have permits in order to operate. Companies must decide who will pay for the permit to fulfill these zoning requirements, if applicable.
- **Privacy concerns**—Make employees aware that their communications will not be private, even when working from home, as they are working on company time and with company equipment.
- **Adhering to the Americans with Disabilities Act (ADA)** —When approving employees to telecommute, employers must be certain that they are not discriminating against employees with disabilities.
- **Avoiding discrimination**—When implementing a telecommuting policy, companies must take the necessary precautions to avoid violating state and federal discrimination laws. Excluding certain employees from the privilege to telecommute should be based on legitimate business criteria.

Telecommuting can be a great option for employers and employees alike. Contact Brown & Brown Empire State for more information on determining whether this scheduling option suits your organization.