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HR Trends That Every Payroll Professional Should Be Aware Of

BY DANIEL MESSELOFF, ESQ.

As we enter the third year of the COVID-19 pandemic, we all must be wondering what will happen next. Payroll professionals—and everyone else—have all gone through various stages of uncertainty throughout this global health crisis.

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Despite the promises and projections that this virus would fade away in just a few short weeks or months, the truth is that we will in all probability be dealing with COVID-19-related health and safety issues for the indefinite future.

For many companies, there is no going back to the way things were before March 2020, when the World Health Organization (WHO) officially declared the pandemic. Employees have become comfortable working from home and operations have changed irreversibly—in many cases for the better. One survey reported that nearly 40% of workers said they'd consider quitting if they were forced to return to the office full time.

This means that all employees have to be more flexible with remote working, as well as other changes resulting from the pandemic. This is especially true for payroll professionals who may have occupied their own corner of the human resources (HR) world and are now stepping out of their comfort zones to assist other employees with a broader range of HR issues. In this article, some of the most

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common HR issues in the pandemic workplace that payroll professionals and others should learn to be comfortable with will be looked at.

The Hybrid Work Environment

Many employees relocated when workforces switched to remote work, leaving groups and departments scattered, no longer dependent on one geographic location. While some companies are requiring employees to return to the office, other employers are offering their teams a hybrid solution. Further, with the uncertainty of possible new strains of COVID-19, as well as a wide range of government mandates and prohibitions dictating how companies may or may not conduct their operations, payroll professionals should get used to handling hybrid and fully-remote employees.

Successful implementation of a hybrid work model requires companies to communicate with employees more frequently than they might have before the pandemic, especially since these issues affect every employee every day. Some of the issues that companies must communicate to their staff include the following:

- When—if at all—employees will be required to return to the office
- What health and safety protocols will be in effect
- If the company will require vaccinations, and what exceptions might be permitted
- How the company plans to respond to sick time, parental leave time, and other types of paid (or unpaid) time off for

the wide range of pandemic-related needs that may be encountered from time to time. Some states have laws that may provide answers to these questions or may create an entirely different set of problems when it comes to requesting time off.

Tax, Payroll, HR Administration to Get More Complicated

Tax compliance risks have increased with remote work. A 2021 survey conducted by global talent mobility firm Topia reported that 28% of employees worked outside their state or country of residence, but only one-third provided a complete accounting of their location to their HR departments.

As payroll professionals know, employers are required to withhold state taxes where the employees' work

occurred. Therefore, companies run the risk of penalties for failing to correctly withhold payroll taxes for employees who have not reported an address change to HR. To minimize this risk, payroll professionals and HR staff should remind employees that they should let the company know if they move, even if it's temporary.

High Turnover Rates Continue

The employee turnover rate is much higher than it was before the pandemic, and it is not expected to return to normal levels any time soon. The acceptance of remote working has given employees more opportunities and the freedom to change jobs and work remotely for another company.

The remote working environment has also made it difficult to onboard and train new employees. Anyone who's ever been on a videoconference knows that hiring, onboarding, and training remote employees via video is not nearly as effective as it is in person. Nevertheless, you, your department, and your company may want to adjust your expectations for how long it will take new hires to get up to speed and how long it will take new hires to complete projects.

As the world continues to adjust to an ever-evolving new normal because of COVID-19, workplaces are also evolving. Payroll professionals should be aware of these growing payroll and HR issues, so that they can help their companies and their coworkers. ■

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