

# Rethinking Employee Benefits for Permanently Remote Workers

Employers should review benefits strategies for a far-flung workforce

By Stephen Miller, CEBS

May 5, 2021

**A**s COVID-19 vaccination rates increase and the pandemic eases, business worksites are reopening. Whether by choice or need, however, many employees are likely to continue working remotely—some may have moved to locations too far away to accommodate commuting, while others may simply prefer to keep working from home.

Employers are recognizing that there are advantages to allowing remote work, including the ability to widen the pool of potential employees and to reduce the fixed costs associated with physical office space. When staffing firm LaSalle Network recently asked 350 corporate executives how they think their workforces will be modeled 12 months from now, a majority (77 percent) expected a hybrid approach with a portion of staffers working in-office and a portion working from home (<https://www.thelasallenetwork.com/press-releases/lasalle-network-publishes-office-re-entry-index-reporting-70-companies-plan-to-bring-employees-back-to-office-fall-2021/>).

"If more people are working remotely, employers can be location-agnostic in their talent strategies," said Julie Stone, managing director with consultancy Willis Towers Watson in Parsippany, N.J.

Having a significant number of "work from anywhere" workers, however, introduces new challenges for employee benefits design and administration.

*[Related SHRM article: [As Offices Reopen, Hybrid Onsite and Remote Work Becomes Routine](http://www.shrm.org/ResourcesAndTools/hr-topics/benefits/Pages/offices-may-operate-differently-than-before-the-pandemic.aspx) (www.shrm.org/ResourcesAndTools/hr-topics/benefits/Pages/offices-may-operate-differently-than-before-the-pandemic.aspx)]*

## Health Plan Networks

From a health benefits perspective, employers should review and adjust their strategies to accommodate a far-flung workforce. For example, employers may need to rethink a strategy that provides incentives for employees to choose the best health care providers located near company worksites. "It changes the analysis, so employers may instead focus on the top five locations for talent to drive their health plan partner strategy," said Stone.

Even structuring health plan networks around their office locations may not be appropriate in all cases. "Employees in remote work situations are not necessarily located in the same geographic region as the employer's office, which means they may no longer be able to access in-network coverage and will be forced to pay higher costs for out-of-network providers," said Ann Murray, a partner with law firm Nelson Mullins Riley & Scarborough LLP in Atlanta. More restrictive plans may also limit coverage for out-of-network services.

Remote workers are more mobile and may not always inform the employer about changes to their living arrangements. "People are moving to new states, sometimes without letting their companies know ([www.shrm.org/resourcesandtools/hr-topics/compensation/pages/employees-working-out-of-state-often-fail-to-let-hr-know.aspx](http://www.shrm.org/resourcesandtools/hr-topics/compensation/pages/employees-working-out-of-state-often-fail-to-let-hr-know.aspx)), affecting medical insurance benefits, upending rates set at the beginning of the year and preventing state-mandated benefits changes," said Leslie Slay, senior vice president and partner at Woodruff-Sawyer & Co., an insurance brokerage and consulting firm in San Clemente, Calif.

To ensure employees can use their benefits, employers must know about any changes to employees' circumstances as soon as possible. Remote employees who fail to inform their employers in a timely way when they relocate could face some unwelcome surprises, such as having medical claims denied if they receive care from a health provider in the new location that is not in the employer health plan's existing network.

"It takes time to deal with these changes," Slay said. "Therefore, employers should be the first to know, not the last."

Depending on where remote employees live, employers may need to set up specific benefits to accommodate employees in specific locations. For example, an employer with a fully insured health plan that has a narrow high-performing provider network may have to find coverage for employees in their specific locations—or move to an insurance carrier that can provide national coverage. In other cases, employers may have to establish separate provider contracts or coverage in each state or locality in which an employee lives.

**Employers may need to set up benefits to accommodate employees in specific locations.**

### Doctor Availability

Access to care may also become an issue for remote workers, especially those living in or relocating to more rural areas with fewer health care providers. In these cases, employers may want to consider leveraging telemedicine to provide routine and primary care and triage. "In the workforce of the future, the health care delivery environment will have to accommodate more geographically diverse employees," said Stone.

Sarah Britton, senior manager of employee operations for talent management technology firm Lever in San Francisco, makes it a point to solicit feedback from employees to ensure they have the support and access to care that they need.

"We ensure that every employee has access to virtual care and a stipend for accessing [services, including] therapy, counseling and classes for stress reduction," she said. "Employees overall are now more comfortable with the idea of virtual care given the pandemic, and this will continue to be part of benefits."

Employers offering telemedicine benefits should be aware that "some state laws can limit the ability to provide telemedicine across state lines or to someone out of the country," Murray said.

### Local Leave Laws

State and local laws can also be unique when it comes to programs that require certain types of paid and unpaid time off. Some locations mandate "sick leave to care for persons who are not family but are 'like' family or to aid or care for a guide or service dog," Murray said.

"Each law can contain slightly different requirements, making it almost impossible for employers to adopt a one-size-fits-all policy without significantly increasing their paid-leave costs due to the breadth that would be required."

Stone noted that "state, city and county laws apply based on where an employee lives," whether an employer has one employee or 1,000 in a given jurisdiction.

Slay recommended that HR and benefits professionals stay in close touch with employees no matter where they work. This includes communicating regularly using video, texts and whiteboard meetings about benefits topics rather than relying primarily on open enrollment for benefits communication.

[Related SHRM series: State and Local Paid-Sick-Leave Laws ([www.shrm.org/ResourcesAndTools/legal-and-compliance/state-and-local-updates/Pages/Complying-with-COVID-19-Paid-Sick-Leave-Laws-in-California.aspx](http://www.shrm.org/ResourcesAndTools/legal-and-compliance/state-and-local-updates/Pages/Complying-with-COVID-19-Paid-Sick-Leave-Laws-in-California.aspx))]

### Broadening Benefits

Some employers are rethinking their benefits to make sure those being offered reflect the needs of remote workers.

"Whole person benefits focus on everything an employee deals with at home, including family, children, pets and mental health," which may be different from that of an employee who comes into the office eight hours a day, Slay said.

Because remote workers often have unique needs and lifestyles, employers may need to increase flexibility in their benefits. For example, Lever reimburses employees for the cost of setting up a home office and defines those costs very broadly to include ergonomic and IT equipment stipends, sit-stand desks, babysitters, grocery delivery and dog walking.

"Offering [employees] benefits and perks to address various and unique circumstances will be key to not only support a remote workforce but to retain them as well," said Britton.

*Joanne Sammer is a New Jersey-based business and financial writer.*

## HR DAILY NEWSLETTER

News, trends and analysis, as well as breaking news alerts, to help HR professionals do their jobs better each business day.

**CONTACT US ([WWW.SHRM.ORG/ABOUT-SHRM/PAGES/CONTACT-US.ASPX](http://WWW.SHRM.ORG/ABOUT-SHRM/PAGES/CONTACT-US.ASPX)) | 800.283.SHRM  
(7476)**

© 2021 SHRM. All Rights Reserved

SHRM provides content as a service to its readers and members. It does not offer legal advice, and cannot guarantee the accuracy or suitability of its content for a particular purpose.

Disclaimer ([www.shrm.org/about-shrm/Pages/Terms-of-Use.aspx#Disclaimer](http://www.shrm.org/about-shrm/Pages/Terms-of-Use.aspx#Disclaimer))