

The future of remote work: Global PwC survey outputs

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In brief

We recently conducted a pulse survey to understand how global companies are planning their remote work arrangement policies to adapt to the changing needs of the workforce. We are pleased to share key highlights from more than 300 global companies that participated.

The key highlights are:

- 80% of respondents anticipate adopting remote work as the new norm. The majority of companies are already set up or are in the process of enabling domestic and international remote working arrangements.
- The top three priorities for enabling remote work arrangements are:
 1. Health and safety of employees (70%);
 2. Enhancing the employee experience (65%); and
 3. Attracting and retaining key talent (60%).

In detail

Remote working policy

53% of companies that responded currently have remote work arrangement policies in place. Of the remainder, more than 50% of companies anticipate that they will refine or implement a remote work arrangement policy by the end of 2020.

The definition of 'remote working'

45% of companies define remote work arrangements as employees "working outside of their home office or work location, without any cross-border movement (working remotely in the same home office or work location only)". However, this is followed closely by 30% of companies defining remote work arrangements as employees working outside their home office, with both domestic and international cross-border movement anticipated and/or permitted.

Return to work

As local quarantine and lock-down restrictions ease, the majority of companies are anticipating their remote workers will have access to an office.

However, 45% of companies will not require employees to go into the office, and 21% are anticipating a hybrid approach between remote working and office workdays.

Stakeholder alignment

Approvals are required for remote work arrangements from all across the board, including corporate tax, employment tax, global mobility, and line managers.

Criteria for eligibility

The majority of companies are restricting roles and locations, with more than 70% requiring the employee to have the right to work in that location and location restriction based on the company having a physical entity/operating presence.

Pay and support

80% of companies are not making any salary adjustments during the remote work arrangement period. Over half of the respondents are not providing any allowances, reimbursements, or mobility support for a remote work arrangement.

Observation: A key issue for employers to consider when implementing that policy to support remote working is to define the employee's home location. This may be important for employment tax purposes, where a number of countries have rules that impose tax obligations if the employer pays for or reimburses home-to-work travel. Employees who may wish to work remotely from their normal employment base will have to consider their tax position in relation to travel costs.

Compliance and reporting

More than 60% of companies are not adjusting for tax withholding and are not providing tax compliance support.

The takeaway

Remote working is likely to be a key part of the “new normal” as companies adapt their operations to the COVID-19 environment.

As companies implement policies designed to facilitate remote working which focus on the top three priorities of ensuring health and safety, delivering employee experience, and attracting and retaining key talent, they also must consider the tax implications of allowing employees to remote work away from their normal place of employment – particularly where it involves a cross-border working arrangement.

Let's talk

If you would like a full copy of the interactive dashboard or for a deeper discussion of how this impacts your business, please contact your Global Mobility Services engagement team or one of the following professionals:

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