

Reimbursements and Remote Work 101

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In March 2020, many employers suddenly found themselves managing a mostly remote workforce due to COVID-19. As the pandemic stretches on, some businesses remain remote because of necessity, while others are considering the many advantages of a remote workforce.

As employees continue teleworking, employers should familiarize themselves with the requirements for reimbursement under California law.

California Labor Code section 2802 requires employers to reimburse employees for “all necessary business expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties.” Before the pandemic, business expenses were usually limited to costs such as business travel or personal car mileage because workforces were operating within offices. Now, employers must consider an expanded view of business expenses as employees remain at home.

For example, prior California court decisions have concluded employers must reimburse for portions of an employee’s cell phone use when the employee uses their cell phone for work. The Department of Industrial Relations (“DIR”) reiterated this requirement in [its recent guidance](#) related to reopening. These types of reimbursements include personal use of devices and even home internet.

However, reimbursement may not be required when an employer provides devices to employees, even if the employee ultimately elects to use their own personal device.

The complicated question is, “how much reimbursement should be provided for the use of home internet or personal cell phones?” Unfortunately, unlike the [IRS guidance on mileage](#), no similar measure exists for the use of technology. The statute and courts only indicate a reasonable reimbursement is required. As a result, employers should assess the amount of time employees will be using personal devices and internet service to determine what is reasonable.

Finally, employers should consider developing policies for the use of personal devices for work and reimbursements.

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