

BENEFITS

Insights



Work-from-Home Subsidies

Working from home is more popular now than at any time in recent history. What started out of necessity during the COVID-19 pandemic has now morphed into a perk that remote employees are eager to retain. Luckily for these employees, remote work is likely to remain for the foreseeable future, as 73% of employers say offering flexible work will remain a priority over the next three years, according to a recent Willis Towers Watson survey.

Given the increasing popularity of remote work, it continues to become a common standard in many work environments. That means simply offering the perk might not be enough to attract and retain remote workers—employers will need to differentiate themselves in other ways. One strategy is to implement work-from-home subsidies.

This article outlines what work-from-home subsidies are and explains when it might make sense to offer them.

Work-from-Home Subsidies Overview

In essence, work-from-home subsidies are exactly what they sound like: employer-sponsored funds that go directly toward employees' remote work costs. While an employer may elect to provide some necessities for their remote workforce directly, other items could be obtained by the employees. Subsidies will vary by workplace, but the general idea is to help offset the expenses working from home entails.

For instance, remote employees may need to pay for the following work-related expenses:

- Internet access
- Hardware, including monitors, laptops, cables & headsets
- Software, including licenses & service subscriptions

- Phone bills (when taking work calls on a personal device)
- General office equipment, such as desks and chairs

Some workplaces understand these additional burdens placed on remote employees and are providing relief where possible. According to an Aon survey, 42% of employers already have or are considering enhancing their work-from-home reimbursement allowances, which cover costs related to cellphones, internet and home office equipment. A recent example of this comes from Deloitte, which recently announced a \$500 work-from-home technology subsidy.

Other ways employers are subsidizing remote employee expenses include:

- Offering a stipend or reimbursement for purchasing home office-related equipment
- Providing employees with equipment to take home, such as laptops, monitors and headsets
- Paying for remote employees' internet bills

These are only some of the ways employers are able to subsidize remote working expenses. Deciding what would work best for a given workplace will depend on a variety of factors, such as the type of work being conducted and available workplace resources.

Evaluating Subsidy Options

Ultimately, offering work-from-home subsidies won't always make sense for every workplace with remote employees. And, even if they do make sense for a workforce, an employer will still need to evaluate their best options.

When Subsidies May Make Sense

Employers with many remote employees may want to consider subsidizing some work-from-home costs. If the organization relies on remote workers, it would be beneficial to keep these employees happy. Offerings such as providing equipment for employees' home use could help make a significant impact on personal expenses and help ensure that these workers have the equipment they need to succeed.

Moreover, if remote employees are required to provide their own work devices, an employer should consider offsetting some of those costs through a subsidy or reimbursement. Doing so demonstrates an investment in employee success and productivity.

When Subsidies Might Not Make Sense

If an employer only has a few remote workers, it might not be worthwhile to offer them a subsidy. This is especially so if working from home is a choice rather than an expectation. In other words, if select employees want to work from home, there might be a financial trade-off.

Additionally, subsidizing remote workers' expenses serves to attract and retain employees who work from home. If an organization prefers to have workers in the office full time, it might not be advantageous to offer work-from-home subsidies in every situation.

Conclusion

Work-from-home subsidies can go a long way toward attracting remote employees and improving their work experiences. However, it might not make sense for every workplace with remote workers.

Reach out to VCG Consultants for additional workplace guidance related to remote work and other topics.