



To: Commissioners, First 5 Ventura County

From: Lauren Arzu, Director of Human Resources & Operations (On behalf of the Administration/Finance Committee)

Date: April 22, 2021

Re: Recommendation to Approve Policy for Supplemental Payments for Employees Working Remotely

Background

Per the California Labor Code 2802 employers must reimburse California employees “for all necessary expenditures or losses incurred by the employee” while completing work duties. With the move to remote work in 2020, First 5 employees have increased the cost of their utilities to perform work and therefore are entitled to reimbursement (or other types of indemnification) for their work-related expenses.

Historically, when an employee needs to use a cell phone to perform work-related calls and seeks reimbursement, the employee submits a claim with a line-by-line accounting of the cell phone bill to identify which calls were work related. The proportional share of the bill is then reimbursed. This task can be time consuming and difficult to determine the precise portion of an employee’s cellular calling and data plan that is work related. When considering the amount of utilities used to perform remote work, namely home internet service, accounting for the portion that is work related is further complicated. As such, monthly payments of a set amount are deemed acceptable if employers have research to justify that the payment amount provided reasonably covers the work-related expense associated with working from home. However, employers should establish an appeal process for employees who feel the amount is too low to avoid lawsuits. When implementing a set supplemental payment amount without requiring documentation, it is considered a non-accountable plan and is taxable to the employee as wages.

Research was conducted to determine the current costs of cell phone and internet service in Ventura County. A comparison of reimbursement amounts for similar agencies was also performed to develop the proposed methodology for providing supplemental payments for employees of the Commission who work remotely. The results of the research and inquiries are as follows:

- Adding an additional cell phone line costs approximately \$60 per month (less if you already have multiple cell phone lines). Home internet service begins at \$40 - \$50 per month in Ventura County, however the cost is lower when bundled with other services such as cable TV or a landline. Upgrading to a faster internet costs an additional \$5 - \$10 per month.
- Several First 5 counties including LA, El Dorado, Fresno, and Inyo provide cell phone allowances for employees or provide separate cell phones ranging from \$30 - \$60 per month. First 5 LA also provides a \$50 per month internet stipend.

Employees have access to supplies that they need for telework through purchases made directly by Commission, therefore the supplemental payment does not need to consider supplies. Staff are encouraged to bring supplies like their mouse, monitor, paper and pens home from the office. Employees who need additional supplies and equipment can request that it be purchased through the current purchase request process. Employees check-out this equipment and are required to return it to the Commission before the end of their employment.

The proposed policy is to establish two types of supplemental payments, depending on each employee's work arrangement. Staff who primarily telecommute would be eligible for both a cell phone and utility/internet supplemental payment in the amount of \$30 each, for a total of \$60 per month. Staff who are issued an agency cell phone, but primarily telecommute would receive the utility/internet supplemental payment in the amount of \$30 per month. Staff who primarily work at a Commission location for which there is available phone and internet service or are provided with an agency cell phone and internet hot spot would not be eligible for the supplemental payment.

This proposed benefit was reviewed and approved by the Administration Finance Committee.

This policy will update the employee handbook accordingly and will be reviewed periodically when reviews of the employee handbook occur.

Recommendation

The staff recommendation is to approve the proposed policy for supplemental payments for Commission employees working remotely, up to \$60 per month to cover the work-related expense associated with working from home as follows:

Supplemental Payments

Staff who primarily telecommute are eligible for both a cell phone and utility/internet supplemental payment in the amount of \$30 each, for a total of \$60 per month. Staff who are issued an agency cell phone, but primarily telecommute shall receive the utility/internet supplement payment in the amount of \$30 per month. Staff who primarily work at a Commission location for which there is available phone and internet service or are provided with an agency cell phone and internet hot spot are not eligible for the supplemental payment.