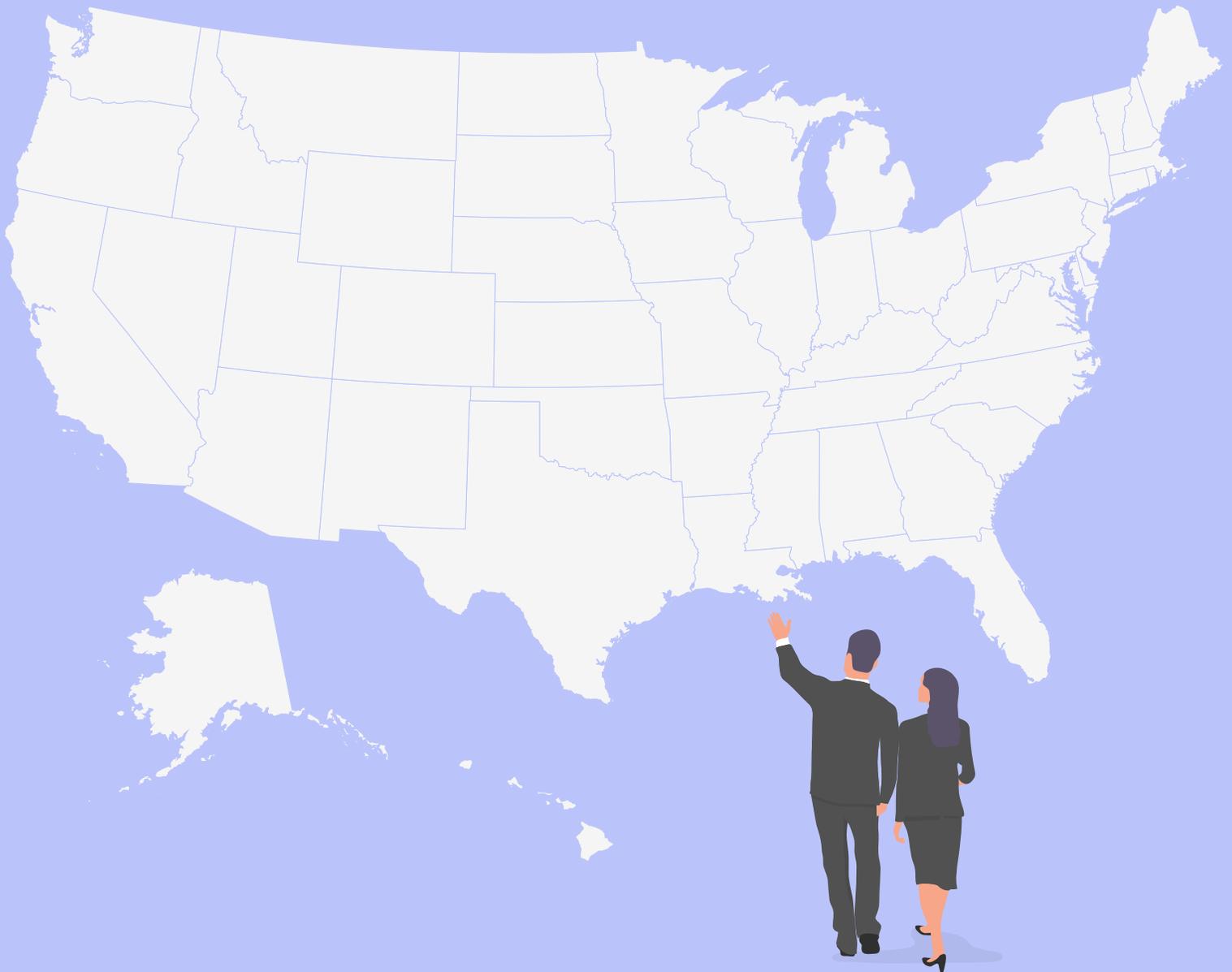




Hiring Employees in New States: A Step by Step Guide



The COVID-19 pandemic abruptly changed the world as we know it—including the way we work. When offices shut down in March 2020, many employees started working from home. And two years later, employers are realizing that **remote work is here to stay.**

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About **25% of all professional jobs** will be remote by the end of 2022. An even greater number of jobs will follow a hybrid model, with employees splitting their time between the home office and work office.

Considering only **6% of full-time workers** were remote in 2019, this drastic leap has disrupted the hiring process, bringing both challenges and advantages to employers.

So what should you consider when hiring remote or hybrid employees? In this guide, we'll discuss everything you need to know about hiring remote employees in new states, and how to handle employees relocating to new states.

We'll also cover these essential topics:

- Meeting state registration requirements for employees in new states
- Updating employee handbooks to include required policies
- Tailoring offer letters and employment agreements to state laws

Step 1

How to Meet State Registration Requirements for Employees in New States

Employers hiring someone from a new state must consider the hiring parameters, employment registration laws, and other limitations set by the state. Let's take a look at each area of consideration.

Hiring Parameters

Some states limit the criteria employers can use to evaluate job candidates. They also dictate how employers can ask about this criteria.

For example, New York doesn't allow employers to ask about criminal charges or arrests that didn't result in conviction. The state's laws also prohibit employers from taking adverse action based on a candidate's criminal history, unless the offenses were directly related to the job.

Other states have similar criteria that limit how and when employers can request a candidate's background information. Here are some of the most common limitations to be aware of:

- Inquiring about criminal history
- Requesting credit reports
- Background checks
- Drug tests

Some states limit the criteria employers can use to evaluate job candidates



Employment Registration

Once a company has decided to hire an employee, what needs to happen? Here are the steps for onboarding an employee in a state where the company has not previously had employees:

1

Register to do business.

Many states require employers to register as a foreign entity or obtain a certificate of authority before conducting business in a new state.

2

Register with the Department of Labor.

According to the [Personal Responsibility and Work Opportunity Reconciliation Act](#), employers must report certain data about a new hire to the state within twenty days of the employee's start date.

3

Obtain workers' compensation.

Employers should contact their insurance broker to ensure the company's workers' compensation coverage includes the new hire.

4

Register with FMLA (if applicable).

Some states provide additional leave beyond what is required by federal [Family and Medical Leave](#). In these states, companies must register with the state leave authority to set up a paid leave account, and indicate how they will submit payments to the state leave authority.

5

Register for applicable taxes.

Depending on the state, employers may need to register for income or payroll tax, sales and use tax, or unemployment insurance.

20

DAYS

Employers must report certain data about a new hire to the state within twenty days of the employee's start date



Other Considerations

Other employment law considerations can range from complicated to fairly straightforward, depending on the state. Here are some other laws to keep in mind when hiring an employee in a new state:

Employee pay frequency may be required every two weeks, at least twice a month, or monthly

1

At-will employment.

Forty-nine states allow for at-will employment. However in Montana, employers must keep employees until there is good cause for termination.

2

Minimum wage.

Minimum wage differs by state, county, and local jurisdiction. Some states have minimum wage based on the type of work or the company headcount.

3

Exempt/non-exempt implications.

Some states use different criteria to determine which employees are exempt or non-exempt under the Fair Labor Standards Act (FLSA).

4

Pay frequency requirements.

Employee pay frequency may be required every two weeks, at least twice a month, or monthly. Some states have default pay frequencies, but employers can adjust pay if they give employees written notice.

5

Required training.

Some states require specific training for certain jobs, such as sexual harassment training.

6

COVID regulations.

COVID-19 regulations vary by state, county, and local level. Employers should monitor these changing regulations closely in each new state of hire.

7

Insurance coverage in new states.

Employers must ensure that insurance coverage applies to employees in the new state.

Labor Law Posters & Required Notices

Finally, companies should consider labor law posters and required notices.

State signage requirements vary drastically from one state to another. For example, California has more than 10 required posters for the workplace.

These posters must be distributed electronically to remote-based workers.

Regardless of the state, it's critical for employers to adhere to laws at every level.

Companies may think they've covered requirements at the state level, but fail to meet laws on the county or local level.

Play it safe by considering all of the following required law posters and notices:

1

Federal signage

2

State signage

3

County and local signage

10 POSTERS

California has more than
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the workplace



Step 2

Updating Employee Handbooks to Include Required Policies

With an increasing number of companies hiring a remote and dispersed workforce, employee handbooks are more important than ever. Unfortunately, they're also more difficult to create, with requirements varying widely in each state.

Updating Employee Handbooks

Keeping employee handbooks updated can pose another challenge—but it's critical to the protection of any growing business. Employers should strive to update handbooks regularly, rather than on a sporadic or emergency basis.

SixFifty's Employment Tool Guide can greatly ease the process, helping companies create documents that comply with all state and federal laws (including real-time updates when laws change).

Employee handbooks must be consistent with state law and the practices of the business. This means companies may need to restructure employee handbooks as they expand, or as laws change across states.

Employee Handbook Formats

There are four main types of employee handbooks, each with its own set of pros and cons. Ultimately, the best option will depend on the needs of your business.

Here are four popular options to consider:

1

Universal:

One handbook that governs employees by one set of policies.

2

State-specific:

One handbook that governs employees by separate, state-specific policies.

3

Addenda:

One handbook that governs employees based on state-specific policies in one or two states, and an addenda for any additional states.

4

Multiple:

Separate handbooks for each state.

With an increasing number of companies hiring a remote and dispersed workforce, employee handbooks are more important than ever

Step 3

How to Tailor Offer Letters and Employment Agreements When Hiring in New States

As employees are relocating in record numbers, employers must closely track where their employees live and work—and then update employee agreements to comply with that state.

Some of the most common employee agreements include:

- Non-compete agreements
- Non-disclosure agreements
- Arbitration agreements
- Offer letters

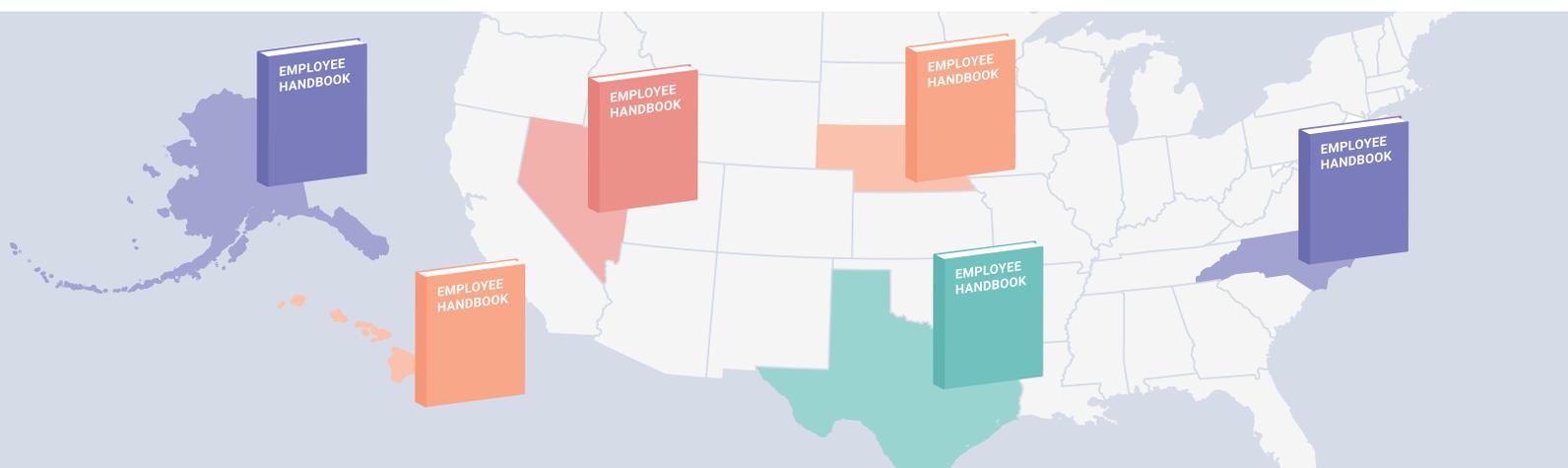
Determining Which State Laws Apply

Laws governing employee agreements are highly state-specific, and employers should specify the jurisdiction of governing law within employee contracts.

Generally, employee agreements are dictated by the law of the state where the employee lives. However, governing laws get more complicated if an employee has a hybrid work model that spans two or more states.

In these situations, employers should decide which state the employee has the strongest ties to, then craft employee agreements to comply with the laws of that state.

Laws governing employee agreements are highly state-specific



Best Practices for Managing Employment Agreements in a Dispersed Workforce

Tailoring employment agreements to a dispersed workforce can be complicated, but SixFifty's Employment Agreements tool can help companies create customized contracts to adhere with each new state.

We continuously monitor the law and update tools to reflect changes in real time. The tool even includes recommended language for non-compete agreements, non-disclosure agreements, offer letters, and more.

Here are some other steps employers can take to ensure compliance with every new state:

We continuously monitor the law and update tools to reflect changes in real time

1

Use state-specific agreements.

Don't use the same form of employment agreements for employees in different states.

2

Track employee movement.

Keep close track of where your employees live and work, then tailor agreements to the nexus state.

3

Create a relocation policy.

Implement a relocation/telecommuting policy that requires employer's consent to relocate.

4

Modify agreements as needed.

If you approve relocation, execute modified agreements to comply with laws of the state where the employee is located. Don't rely on choice of law provision to exempt you from state law where the employee is located.

Step 4

Streamline the Hiring Process with SixFifty

If you're hiring employees in new states, SixFifty can help streamline the process and ensure compliance with laws across the federal, state, and local levels.

Our [Employee Handbook](#) and [Employment Agreements](#) give companies access to top-tier employment lawyer advice—saving them time, reducing costs, and minimizing the headache when it comes to creating employee contracts, policies, and documents.

Likewise, our new 50-State Hiring Kit makes hiring an employee in a new state (or allowing an employee to move to a new state) easier than ever before. Use the tool to get step-by-step instructions on hiring an employee in any of the 50 states, plus Washington D.C.

Want to learn more?
Schedule a demo with
SixFifty today!



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For more information, visit sixfifty.com.