



News & Types: Employment, Labor & Benefits Update

# Masuda Funai Employment Newsflash - Reimbursing Remote Employee Expenses

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As employees continue to work remotely, companies must ensure that employees are being reimbursed for business-related expenses, including cell phone and home internet usage, paper, toner, printers and other work-related supplies. Several states have specific statutes that address employee expense reimbursement. In Illinois, companies must reimburse employees for all “necessary expenditures” or losses incurred by the employee within the employee’s scope of employment and directly related to services performed for the company. The statute defines “necessary expenditures” to mean all reasonable expenditures or losses required of the employee in the discharge of employment duties and that primarily benefit the company. An employee is not entitled to reimbursement under the statute if: (i) the company has an established written expense reimbursement policy, and (ii) the employee failed to comply with the written expense reimbursement policy. In addition, a company is not liable under the statute, unless the company authorized or required the employee to incur the necessary expenditure or the company failed to comply with its own written expense reimbursement policy.

Because many employees are working remotely, companies should ensure they have an expense reimbursement policy and that employees who are working remotely are being reimbursed for expenses that benefit the company.