OUT OF STATE EMPLOYEES

State Withholding, Unemployment Insurance, Workers' Compensation

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FIRST STEP:

- Identify employees who are residing and working outside of the State of Washington.

- Run the query: QHC_HR_EMPLOYEE_ADDRESSES
  - Filter for State to find employees with addresses in states other than Washington.
  - Filter by Address Type and you should find at least one row for each employee. Each should have one with a HOME address type.
    - Reach out to your employee if you see addresses without the HOME address type and make sure one is added.

- The payroll processing timeline suggests a few other helpful queries:

  - **QHC_HR_EMPLOYEE_ADDRESSES_PY** – To verify Tax Location, State/Local Tax Data and Tax Distribution.

  QHC_HR_EMPLOYEE_ADDRESSES_PY - EE addr, tax loc vs tax data

*Company	
Addr Type (or blank)	
HR Status (A, I or % for both)	%
State (% for All)	%

  - **QHC_HR_EMPL_STATE_ADDR_CHANGE** – Identifies EE's who moved to another state, which may affect state taxation.

  QHC_HR_EMPL_STATE_ADDR_CHANGE - Empl State Address change

*Company	
Addr Type (or blank)	
HR Status (A, I or % for both)	%
*As of Date	

WHAT IF I HAVE AN EMPLOYEE WORKING REMOTELY FROM ANOTHER STATE?

- What triggers nexus?

- College Out-of-State Employment Policy
  - Does Payroll have a voice or a seat at the table?
  - Do decision-makers understand what it means to have nexus in a non-Washington location?
  - Does the college require notification/approval prior to an out-of-state hire or move?
  - What options are given to employees?

- Considerations
  - Cost of non-compliance vs cost of additional payroll processing/reporting
  - Information Technology – Data Privacy & Safety
  - Benefits
  - State Wage and Hour Rules

- "Payroll is usually the last to know" ☹

NEXT STEPS:

- Open a support ticket for Central Payroll to provide guidance on how to register as an employer in non-Washington states and begin compliance with their employment laws

  - Open a separate support ticket for each state

- Enroll the EE in out-of-state workers' compensation coverage
  - Department of Enterprise Services (DES)

THIRD STEP:

- Open a support ticket for HCM Customer Support to configure your college's ctcLink settings for each non-Washington state.

  - Open a separate support ticket for each state.

  HCM Customer Support will need the following information:
  1. Your ctcLink company ID number
  2. Name of the state you need to have set up
  3. State Withholding ID number and effective date
  4. State Unemployment ID number, effective date, and experience rate percent or exempt status
  5. If applicable, State Disability ID number, effective date, and experience rate percent or exempt status
  6. If applicable, State Paid Family/Medical Leave ID number, effective date, and rates
  7. If applicable, Municipality, City, School District, or other Miscellaneous tax account ID number(s), effective date(s), and rate(s)
  8. Vendor number(s) and remittance address(es) for state tax account payments

FINAL STEPS:

- Make applicable changes in ctcLink on each affected employee's State Tax Data tab.

  QRG: [Entering U.S. Employee Tax Data](#)

  Navigation: Payroll for North America> Employee Pay Data USA > Tax Information > Update Employee Tax Data

- Transfer unemployment insurance coverage to the other state

- Remove the EE from WA PFML and WA Cares

- Withhold/remit state, local, municipal income tax

- File state payroll returns when due

RESOURCES

- [Open a support ticket](#) with Central Payroll (request type: ctcLink Support > Human Capital Management > HCM > SBCTC Central Payroll) to ensure your request is routed and documented correctly.

- [Open a support ticket](#) with HCM Customer Support (request type: ctcLink Support > Human Capital Management > HCM: Payroll).

- DES [Out of State Workers' Compensation FAQs](#) Reference Guide

- OFM [Out-of-state remote work guidance and resources](#) Website

- HRMS [Managing Out-of-State Employees](#) Reference Guide

- [Thomson-Reuters Checkpoint](#) Enterprise Reference Tool Subscription

- [PayrollOrg](#) (formerly American Payroll Association) Subscription

- [Society of Human Resource Managers](#) (SHRM) Subscription