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## OLR Bill Analysis

### sHB 6536

#### ***AN ACT REQUIRING EMPLOYERS TO PROVIDE EMPLOYEES WORKING FROM HOME CERTAIN EQUIPMENT OR REIMBURSEMENT FOR CERTAIN NECESSARY EXPENDITURES.***

#### **SUMMARY**

This bill generally requires an employer to reimburse an employee for all necessary expenditures incurred by the employee within his or her scope of employment and directly related to services performed for the employer. Under the bill, an employer is any person engaged in business who has one or more employees, including the state and its political subdivisions (e.g., municipalities).

Under the bill, “necessary expenditures” generally include expenditures the employer requires of the employee to perform his or her work duties that primarily benefit the employer (e.g., equipment, technology, and office supplies). But it excludes certain expenditures, such as those an employee agrees to incur before being assigned to work from home.

Additionally, the bill:

1. excludes from its reimbursement requirements any employer that has its own written expense reimbursement policy and abides by it;
2. establishes a process for employees to document necessary expenses and employers to provide reimbursements;
3. establishes a process for employers and employees to file a complaint with the labor commissioner about violations of the bill’s requirements, and if aggrieved by the commissioner’s decision, appeal to the Superior Court;
4. generally grants ownership rights to employers for equipment

and technology, services, or supplies they reimbursed employees for; and

5. authorizes the labor commissioner to adopt regulations to establish procedures and guidelines necessary to implement the bill.

EFFECTIVE DATE: Upon passage

### **EXPENSES AND EXCEPTIONS**

The bill defines “necessary expenditures” as any expenditures the employer requires of the employee in the discharge of work duties that primarily benefit the employer, including the cost of purchasing:

1. equipment and technology, including computers, printers, and cellular phones;
2. services, including internet provider services, mobile internet access services, and cellular telephone services; and
3. office supplies such as paper, printer ink, and toner.

The definition of necessary expenses excludes (1) expenses the employee agreed to bear before an assignment to work from home; (2) expenses or losses due to an employee's own negligence, normal wear, or theft, unless the theft was a result of the employer's negligence; and (3) expenses indirectly related to the employee's scope of employment, including costs related to traveling to and from the employee's regular work location.

Under the bill, an employer is not required to fully reimburse an employee for necessary expenditures that are services that the employee concurrently receives for his or her own personal use, but an employer must reimburse an employee for at least 50% of the cost of these services. The bill also exempts from the reimbursement requirement, an employer who provides the employee with all the equipment, technology, services, and related supplies necessary for the job.

## **EMPLOYER EXPENSE REIMBURSEMENT POLICIES**

An employer is not liable under the bill unless the employer authorized or required the employee to incur the necessary expenditure or the employer failed to comply with its own written expense reimbursement policy. Under the bill, an employee is not entitled to reimbursement if the employer has an established, written expense reimbursement policy that the employee has reviewed and agreed to, but the employee failed to comply with.

## **REIMBURSEMENT DOCUMENTATION**

To receive reimbursement, the bill requires an employee to submit appropriate supporting documentation within 30 days after incurring the expense, although employers may allow for more time in a written expense reimbursement policy. If the supporting documentation is nonexistent, missing, or lost, the employee can instead submit a signed statement regarding any receipts. The employer has 30 days after receiving the documentation or statement to reimburse the employee.

## **COMPLAINTS AND ENFORCEMENT**

Under the bill, an employee or employer may file a complaint with the labor commissioner alleging violations of the bill. Upon receipt of the complaint, the commissioner must investigate and may hold a hearing.

The bill requires the commissioner to send each party a written copy of his decision and may award appropriate relief. If the commissioner finds that a party willfully violated the bill's provisions, he may levy a civil penalty of up to \$1,000 per violation. Any party aggrieved by the commissioner's decision may appeal to the Superior Court.

## **OWNERSHIP RIGHTS**

Under the bill, employers maintain ownership rights of any equipment and technology, services, or supplies which the employer provided reimbursement for, except when providing partial reimbursement for services the employee already receives.

## **COMMITTEE ACTION**

Labor and Public Employees Committee

Joint Favorable

Yea 9 Nay 4 (03/23/2021)