

Remote Worker – Expense Reimbursement Laws

Employers should be aware that federal and state laws have different rules regarding reimbursement for expenses incurred by employees with remote work arrangements. Such expenses can include office supplies, cell phone and Wi-Fi service, printer and printing supplies and other equipment. Below is a chart summarizing general reimbursement rules for Federal, Wisconsin, Minnesota, Illinois, and Iowa. If state law differs from federal law, the one most favorable to the employee applies.

Jurisdiction	Rules for Remote Worker Expense Reimbursement	Legislation
Federal	Employers may require employees to pay for business related expenses, however they may not require employees to pay, or reimburse the employer, for such items if doing so reduces the employee's earnings below the required minimum wage or overtime compensation. Employers may not require employees to pay, or reimburse the employer, for such items if remote work is being provided to a qualified individual with a disability as a reasonable accommodation under the ADA.	Fair Labor Standards Act (FLSA) Americans With Disabilities Act (ADA)
Wisconsin	No state-specific rules.	No state law
Minnesota	Minnesota follows the federal rules, but also requires that employers reimburse all business expenses incurred by employees upon termination from employment. Expenses include "equipment" and "consumable supplies" used in employment.	Payment of Minimum Wages
Illinois	Illinois requires reimbursement of all "necessary expenditures or losses" an employee incurs within the scope of employment that are "directly related to services performed for the employer." The act permits employers to maintain written expense reimbursement policies that reimburse employees for less than the full cost of the expenses.	Illinois Wage Payment and Collection Act
Iowa	Expenses by the employee which are authorized by the employer and incurred by the employee shall either be reimbursed in advance of expenditure or be reimbursed no later than thirty days after the employee's submission of an expense claim.	Iowa Wage Payment