

CHECKLIST | HIRING OUT-OF-STATE EMPLOYEES

Presented by ToughComp

While hiring out-of-state employees gives your organization access to a wider pool of talent, it also requires complying with state and local requirements that may be unfamiliar. In general, the state and local laws that govern an employment relationship are based on where the employee is physically working and earning wages, not where the employer is based. In addition to wage and hour laws, other items that employers may need to consider include workers' compensation insurance, unemployment insurance and tax obligations.

This checklist outlines key items for employers to consider when hiring out-of-state employees.

Basic Information	
State	
Locality	

Business Registration and Tax Requirements	Complete	Not Applicable
Register your company to do business in the state	<input type="checkbox"/>	<input type="checkbox"/>
Consult with tax advisors regarding the nexus for corporate income tax and sales/use taxes	<input type="checkbox"/>	<input type="checkbox"/>
Designate a registered agent	<input type="checkbox"/>	<input type="checkbox"/>
Obtain licenses or permits to operate in the state (depending on the type of business)	<input type="checkbox"/>	<input type="checkbox"/>
Register for state payroll taxes (obtain a state tax ID and register for unemployment insurance)	<input type="checkbox"/>	<input type="checkbox"/>
Comply with any local tax requirements	<input type="checkbox"/>	<input type="checkbox"/>

Hiring Process	Complete	Not Applicable
<i>Review your hiring process for compliance with applicable state and local laws, including requirements regarding:</i>		
Discrimination protections	<input type="checkbox"/>	<input type="checkbox"/>
Background checks	<input type="checkbox"/>	<input type="checkbox"/>
Credit checks	<input type="checkbox"/>	<input type="checkbox"/>

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Hiring Process (continued)	Complete	Not Applicable
Interview recording protections (e.g., phone or video)	<input type="checkbox"/>	<input type="checkbox"/>
Criminal history	<input type="checkbox"/>	<input type="checkbox"/>
Child labor laws	<input type="checkbox"/>	<input type="checkbox"/>
Pay history	<input type="checkbox"/>	<input type="checkbox"/>
New hire reporting	<input type="checkbox"/>	<input type="checkbox"/>
Use of E-Verify for Form I-9	<input type="checkbox"/>	<input type="checkbox"/>

Employment Requirements	Complete	Not Applicable
<i>Review state and local employment laws, including laws regarding:</i>		
Workplace notices and posters	<input type="checkbox"/>	<input type="checkbox"/>
Leave laws, including sick leave, parental leave and voting leave	<input type="checkbox"/>	<input type="checkbox"/>
Expense reimbursement	<input type="checkbox"/>	<input type="checkbox"/>
Pay transparency	<input type="checkbox"/>	<input type="checkbox"/>
Drug testing	<input type="checkbox"/>	<input type="checkbox"/>
Workers' compensation	<input type="checkbox"/>	<input type="checkbox"/>
Wage deduction and garnishment	<input type="checkbox"/>	<input type="checkbox"/>
Minimum wage and overtime requirements	<input type="checkbox"/>	<input type="checkbox"/>
Meal periods and rest breaks	<input type="checkbox"/>	<input type="checkbox"/>
Pay frequency	<input type="checkbox"/>	<input type="checkbox"/>
Final paycheck	<input type="checkbox"/>	<input type="checkbox"/>

Use this checklist as a guide when hiring employees who reside in different states. For assistance with remote work planning, contact ToughComp.