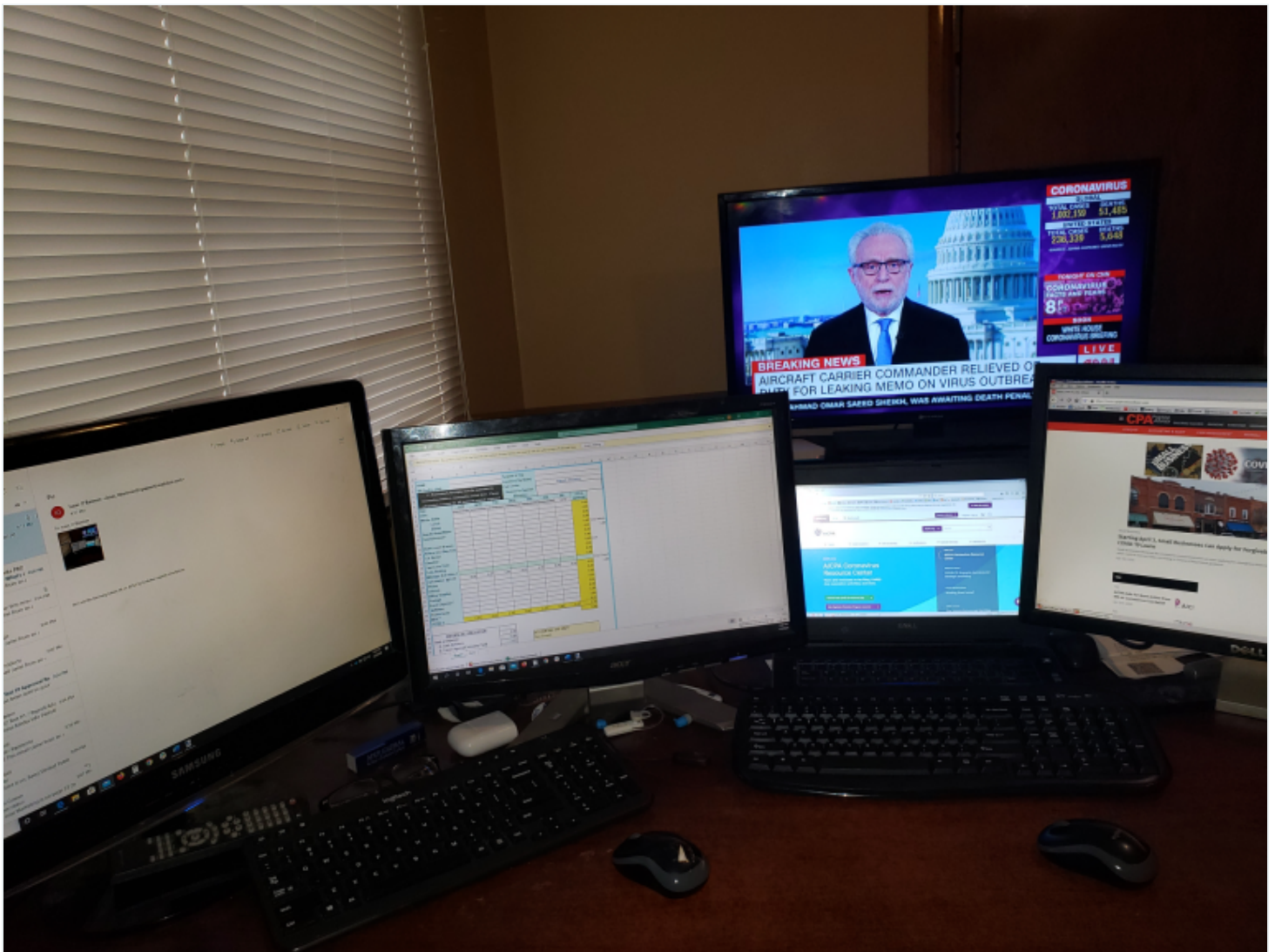


Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

about reimbursing workers for work-related expenses at home, according to academics and legal experts.

Apr. 13, 2022



In the more than two years since the pandemic shut down many offices, white-collar employees across the country have been forced to set up desks in cluttered kitchens and cramped bedrooms, reinventing how to work, day in day out, on the fly.

New social codes developed between employees and employers, perhaps changing

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

Home expenses such as telephone and internet fees, extra energy to heat or cool a house and office supplies can add up to \$50 to \$200 a month per employee, according to more than a dozen lawsuits examined by The Times.

If expenses were incurred during the entire duration of the pandemic, that could add up to as much as \$5,000 for every worker. Some lawsuits are also demanding payment for the potential revenue employees could have collected had they rented out their home office instead of using it for work.

“This is one of those pandemic-related issues that rose very suddenly,” said Craig Ackermann, a Los Angeles attorney who has filed about 25 lawsuits to collect unreimbursed business expenses from employers. About half of those lawsuits have been settled, he said.

One of Whitehead’s clients, Troy Seppala, a former refinance sales trainer, was among several employees of Better Mortgage Corp. who filed a lawsuit in March 2022 against the mortgage company.

In the lawsuit, he claimed that after he was ordered to work from home, starting in March 2020, he had to foot the bill for work expenses, including his internet use, extra electricity and use of his personal laptop and cellphone, at a total cost of “several thousands of dollars.”

Seppala was laid off from Better Mortgage in December of 2021, part of a mass layoff that was executed [during a Zoom meeting](#), and is still looking for work. Better Mortgage did not respond to emails seeking comment on the case.

The company had previously paid for snacks and lunch each day for employees who worked in the office — perks that were eliminated when Seppala and other staff members were ordered to work from home.

The tech industry, including companies large and small that offer free meals, dry

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

“As soon as we started working from home, I realized how much day-to-day money I really had because of how much went toward paying for that stuff,” he said.

Other lawsuits, many of which are still working their way through the court system, have targeted such business giants as Wells Fargo Bank, Liberty Mutual Insurance, Visa, Oracle and Bank of America.

Visa declined to comment on the lawsuit. Representatives for Bank of America, Liberty Mutual and Oracle did not immediately respond to requests for comment.

The companies that are being sued for failing to reimburse their employees for business expenses have, according to Ackermann, argued in court that the pandemic caught them off guard and unprepared to respond.

“They say it is a one-in-a-hundred-year pandemic, what do you expect?” he said. “Still, the law is the law. Do you think the employee should eat the cost?”

Tiffany Calderon, a treasury service associate at Wells Fargo Bank, filed a lawsuit in August, saying her bosses have failed to reimburse her and other employees for a variety of business expenses since sending them to work from home in March 2020. Those include “internet, phone, personal computer, office equipment (printers, scanners, etc.) office supplies, utility bills, and/or fair value for space used as home office,” according to the lawsuit.

Her attorney, Joshua Haffner, said the expenses have cost Calderon between \$100 and \$200 a month.

“The cost shouldn’t be shifted to the employees,” he said. “This benefits the business.”

In a statement, Wells Fargo said the bank has given its employees “guidance on how

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

with jobs that could be done at home were working from home all or most of the time in the fall of 2020. In contrast, 23% of those workers said they teleworked frequently before the coronavirus outbreak.

Many employees may be conflicted about suing their employer over home business expenses because, despite the added cost, working from home offers many benefits, such as a more flexible schedule and relief from the daily commute.

The legal disputes have arisen because very few employers adopted clear policies about reimbursing workers for work-related expenses at home, according to academics and legal experts.

Federal law does not require that companies pay for expenses incurred by employees working from home, but many states, including California, adopted laws to address the subject long before the pandemic. The California labor commissioner's office has yet to issue COVID-specific expense reimbursement guidelines.

The state's labor code is tilted to favor workers. The law requires employers to pay workers for “all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties.” The law describes those expenses as “all reasonable costs, including, but not limited to, attorney's fees incurred by the employee enforcing the rights granted by this section.”

Once workers were sent home en masse, employers were much more likely to pay for home office equipment, such as computers, according to a survey of 10,000 Americans directed by Stanford economics professor Nicholas Bloom. But less than 10% of employers reimbursed workers for costs such as new furniture or internet fees, he said.

“For equipment like laptops, webcams, microphones and a work desk, it is reasonable for an employer to pay for this,” Bloom said. “For more general costs like

refurbishing a home office, improved broadband or lunch, that is less common and

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

employees to come into the office three days a week and have two days of remote work.

---

©2022 Los Angeles Times. Visit [latimes.com](https://latimes.com). Distributed by [Tribune Content Agency, LLC](#).

Benefits • Payroll

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved