

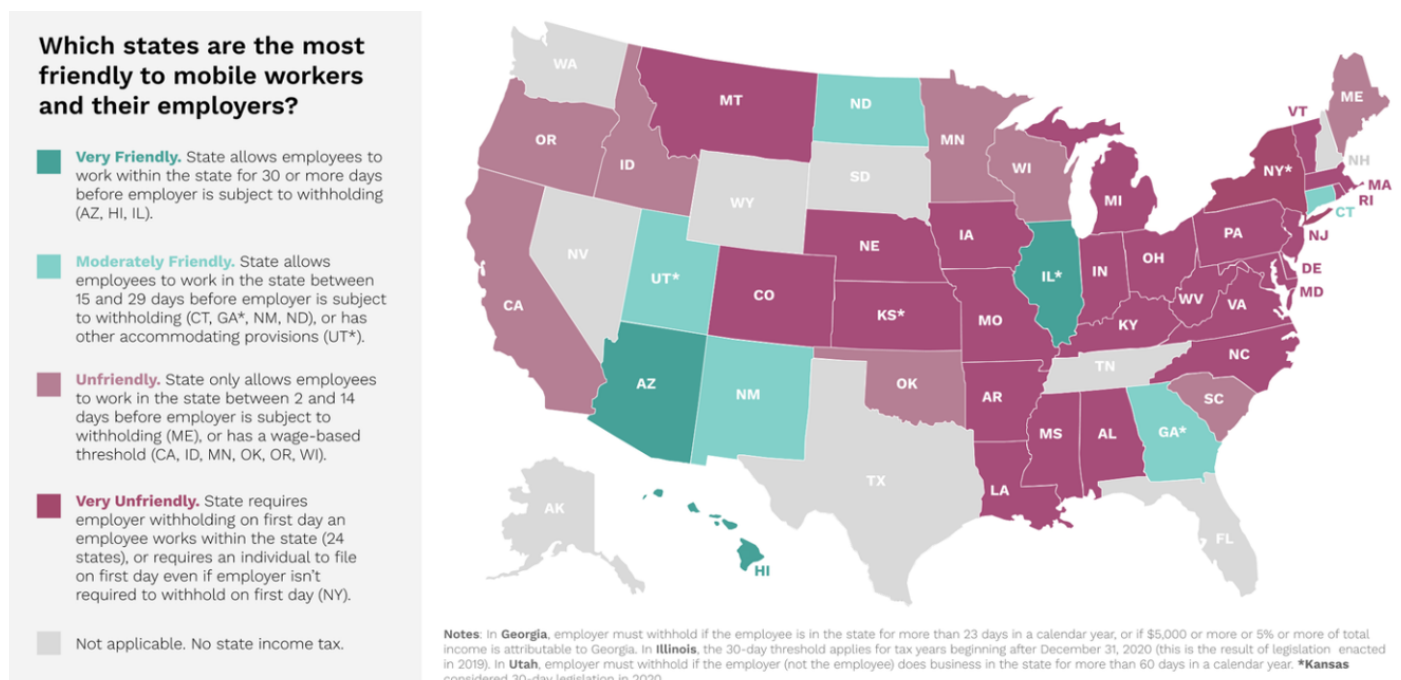


Manage US State-to-State Payroll Withholding

With Topia Compass

the leading technology solution for tax and payroll withholding compliance

In the United States, employers are legally required to withhold an estimated value of monetary funds their employees will owe in state taxes at year end. State withholdings are based on state-level taxable income that applies to the location where an employee is physically working, and tax rates vary greatly from state-to-state. As we move into the new world of remote and distributed workforces, employees could be unknowingly creating tax exposure by crossing state lines on their commute to the office or by working remotely out-of-state. Understanding where employees are performing their work duties is critical to ensure the appropriate withholdings are applied to the appropriate state. Topia Compass's powerful technology aggregates location information to intelligently determine how much time employees have spent in different jurisdictions and automatically feed that information to payroll. It provides audit-defensible data, and the insights needed to accurately withhold taxes in line with state-to-state regulations.



Source: Mobile Workforce Coalition



Employer Withholding Obligations

Employers are required to keep track of tax requirements imposed by each state and fulfil withholding obligations based on where their employees are working. The above diagram illustrates more than half of US states require tax withholding obligations from the first day a non-resident employee travels to those states for business purposes. While other states allow from 2-14 days and some even allow for 30 days or more. Because of the record levels of state revenues shortfall, companies are very likely to see unprecedented levels of scrutiny, disclosure requests, and a rise in audits. With the increase in remote and flexible work, and the imminent return of business travel, managing tax withholding obligations is going to be an incredibly complex task.

State	Expected FY2021 Revenue Decline	Decline as a percent of pre-COVID-19 revenue projections
California	\$26 billion-\$32.2 billion	17%-21%
New York	\$13.3 billion	15%
New Jersey	\$7.3 billion	18%
Washington	\$3.4 billion	13%

Source: Center on Budget and Policy Priorities, August 2020 [excerpt]

Key Benefits

- Know where work is getting done through Topia's market-leading location awareness engine
- Provides visibility of employee footprint at a city, state or country level to streamline multi-jurisdictional payroll withholdings
- Manage risk for your distributed workforce and business travelers - know when you are approaching withholding thresholds
- Easily withhold taxes for non-resident workers in states where employees have crossed thresholds
- Provides audit-defensible data and minimizes risk of non-compliance

How Topia Compass Works

Topia Compass automatically integrates across key organizational functions including HR, Payroll, Finance and Tax to seamlessly automate workflows and approval processes for accurate and up-to-date multi-jurisdiction state tax withholdings.

Monitor your global employee footprint: Provides accurate visibility into your employee's physical footprint & travel activity at a jurisdictional level to enable early compliance notifications while balancing privacy needs.

Drive efficiency & scalability: Eliminates the need for manual reporting and day calculations. Topia automatically determines location splits per period, and can trigger withholding once thresholds are crossed, saving time and money.

Intuitive, easy-to-understand employee facing interface: Enables individuals to view the number of days they have spent in different jurisdictions to help assess and act on risks.

Proactive alerts for employees and program managers to help identify potential risk of creating withholding requirements before the threshold is passed.

Advanced Reporting & Dashboards - reliable, highly-accurate, with easy to understand downloadable reports provide full visibility into travel to give Payroll teams the information they need to do their job effectively.

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