

# Mobility Trends

What employees are doing,  
what companies are doing and  
what you should be doing

---

YVONNE BRAZIL, OKTA, INC.

MARLENE ZOBAYAN, RUTLEN ASSOCIATES

SEPTEMBER 10, 2019

# Disclaimer

---

This presentation contains general information only and the respective speakers and their represented firm are not, by means of this presentation, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This presentation is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. The respective speakers and firms shall not be responsible for any loss sustained by any person who relies on this presentation.

# Agenda

---

UN International Migration Report

Mobility Compliance Survey

What You Should Be Doing

# Okta, Inc

---

1,943 employees

Offices in 8 Countries with headquarters in San Francisco, California

~100 mobile employees

Implemented mobility policy for equity soon after arriving at Okta

RSUs and stock options

# Mobility Trends

---

# UN International Migration Report

---

Prepared by the Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat

International migrant defined as a person who is living in a country other than his/her country of birth

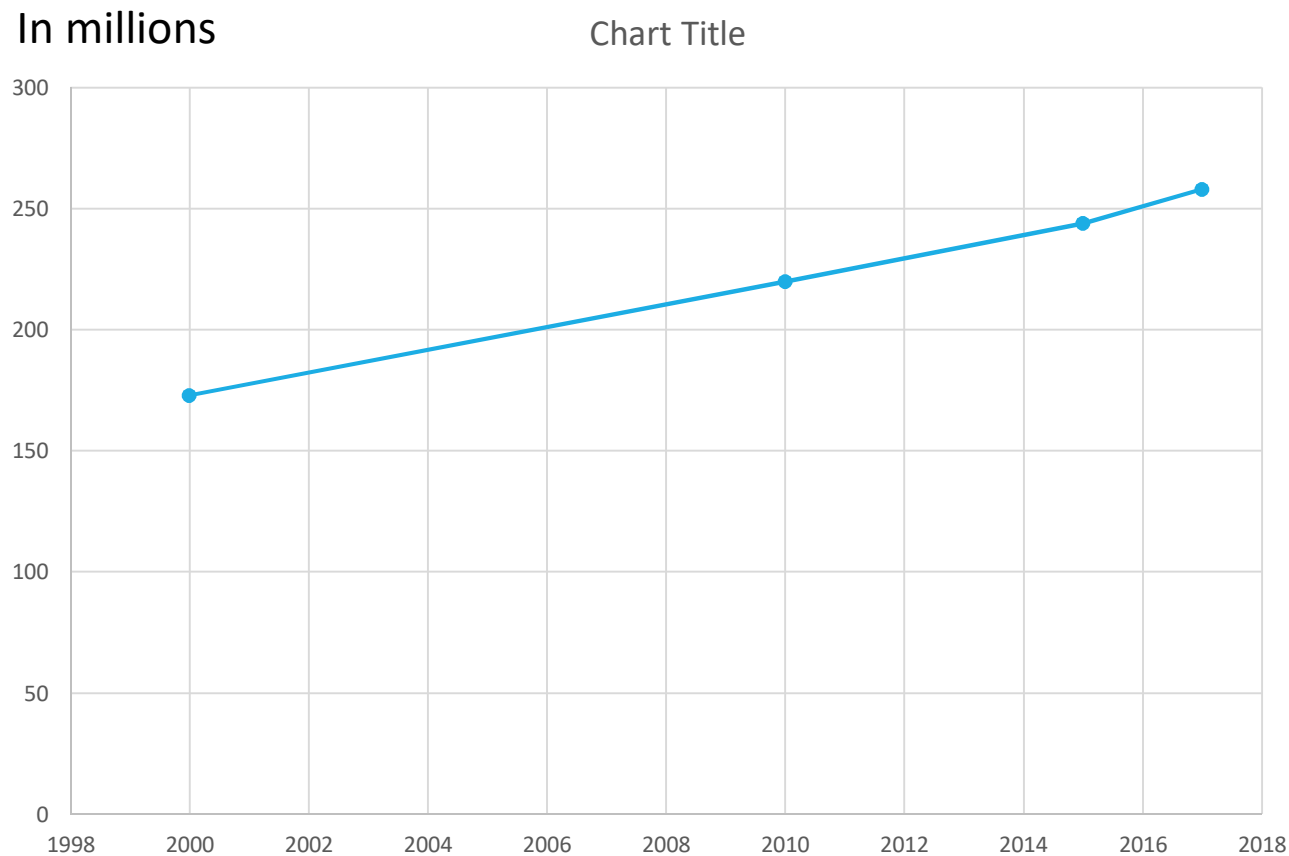
Report published December 2017

Prior reports 2015, 2010, 2000,

Key findings:

- The number of international migrants worldwide has grown faster than the world's population
- The share of international migrants in the total global population increased from 2.8% in 2000 to 3.4% in 2017

# Number of International Migrants Over Time

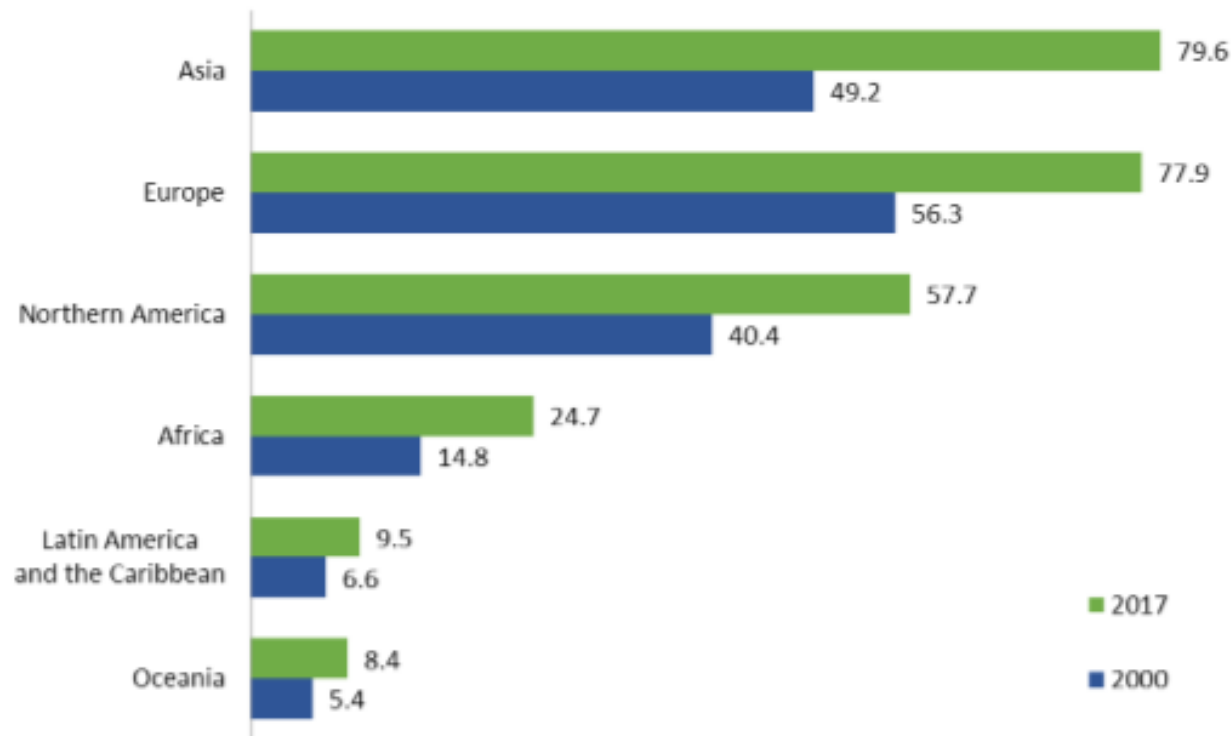


*Note: From a 2016 report, the number of worldwide refugees was 25.9M*

# Number By Destination

---

**Number of international migrants (millions) by region of destination, 2000 and 2017**

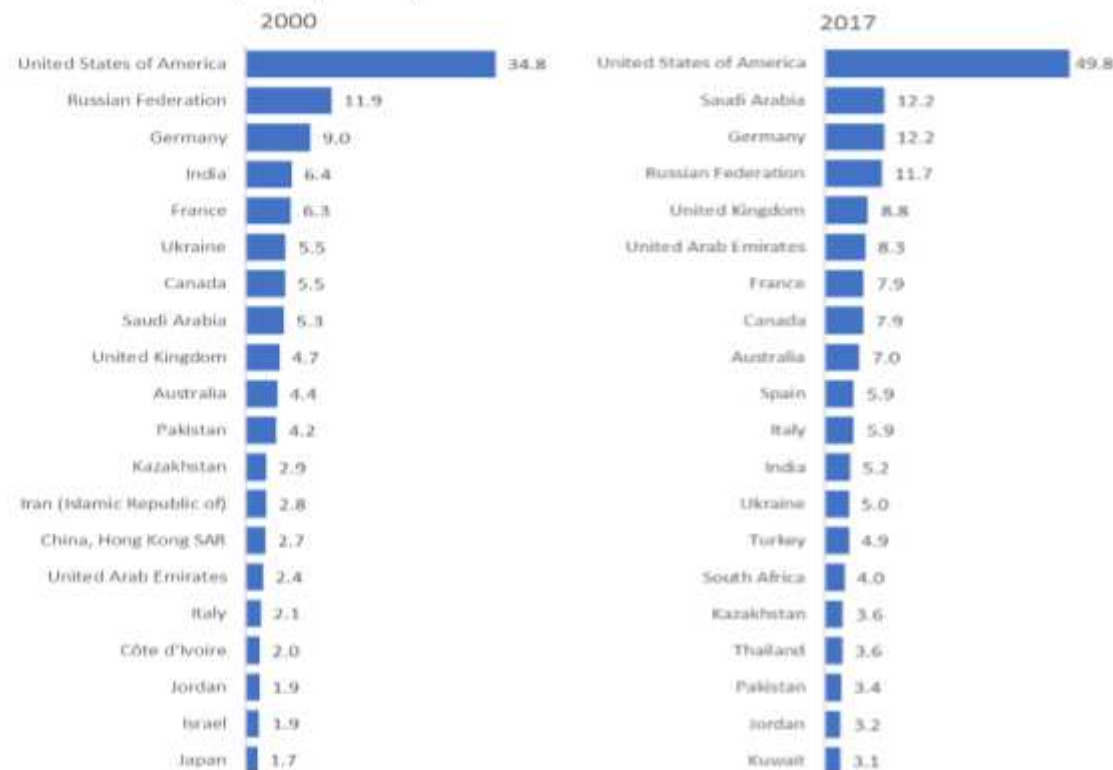


Source: United Nations (2017a)



# Countries Hosting Migrants

**Twenty countries or areas hosting the largest numbers of international migrants, 2000 and 2017, number of migrants (millions)**



Source: United Nations (2017a)

Notes: "China, Hong Kong SAR" refers to China, Hong Kong Special Administrative Region

# What Employees Are Doing

---

# Reasons Why Employees Move

---

## Career Development

- Company needs
- Career opportunity
- Company is changing it's "working remotely" policy

## Family Needs

- Partner assignment
- Sick/elderly parent
- Better environment for family

## Lifestyle Choice

- "I bought a beach house in Spain"
- I'd like to explore Australia

# Number of Entry-Level Movers

Move Counts	Employee Count:				Totals
	1001 - 2000	2001 - 5000	5001 - 10000	10001+	
Under 100	5	11	5	15	36
101 - 250	1	4	5	9	19
251 - 500		2		9	11
501 - 1000				12	12
1000+	2	1		18	21
Totals	8	18	10	63	99

## The Future of Entry Level Mobility – AirInc and Benivo

Entry-level employees were defined as graduates, graduate trainees, interns, self-initiated moves, lump sum moves, new cross-border hires and any other entry-level employees. The research covered both national and global moves on either a temporary or permanent basis.

# Growth In Professional Migration

THE WALL STREET JOURNAL

Home World U.S. Politics Economy Business Tech Markets Opinion Life & Arts Real Estate WSJ Magazine

Subscribe Now | Sign In

Search

TRAVEL | OFF DUTY TRAVEL

## How to Work Remotely—In an Exotic New City Each Month

Is it possible to keep your job and travel the world, too? These companies help professional nomads take a working gap year in places like Prague and Marrakesh




PHOTO: JULIEN PACAUD

By Elizabeth G. Dunn  
Aug. 29, 2018 12:07 p.m. ET

7 COMMENTS

LIFE WAS GOOD for Krista Jancik. At 35, she was working as an art director at an

Open a high-yield Online Savings Account.

Online Savings 1.90% APY

Learn More

Marcus BY GOLDMAN SACHS

Recommended Videos

- How Will the Kavanaugh Fight Shape Future Politics?
- Feinstein: White House May Have Blatant Impunity

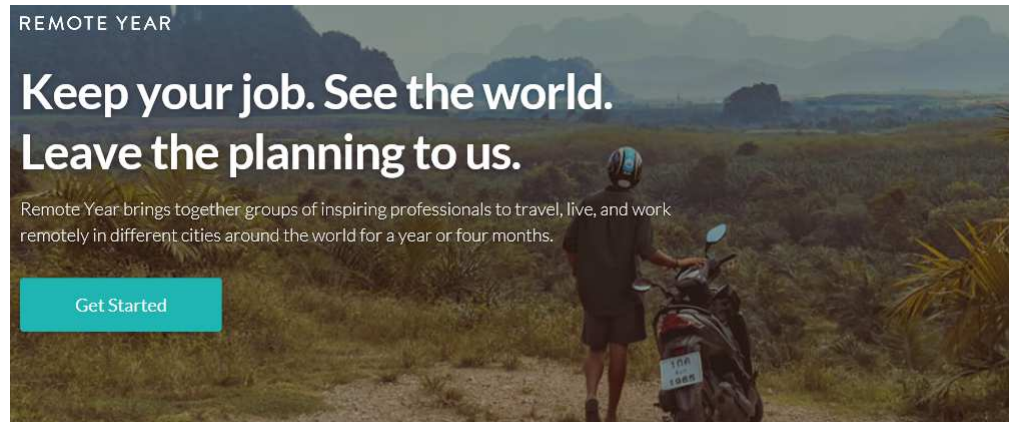
# Services For Employees

REMOTE YEAR

## Keep your job. See the world. Leave the planning to us.

Remote Year brings together groups of inspiring professionals to travel, live, and work remotely in different cities around the world for a year or four months.

[Get Started](#)



The New York Times

theguardian

The Washington Post

THE WALL STREET JOURNAL



## About Roam Coliving

Roam is a coliving and coworking community testing the boundaries between work, travel and life adventure.

SCROLL TO EXPLORE

ROAM

MAKE THIS LIFE A WONDERFUL ADVENTURE



# Corporate Concerns

---

Corporate nexus

- Corporate tax presence

Business licenses

Immigration & work visas

Labor law issues

- E.g., termination, severance pay, maternity leave

Statutory benefits

Payroll taxes & compliance



# What Companies Are Doing

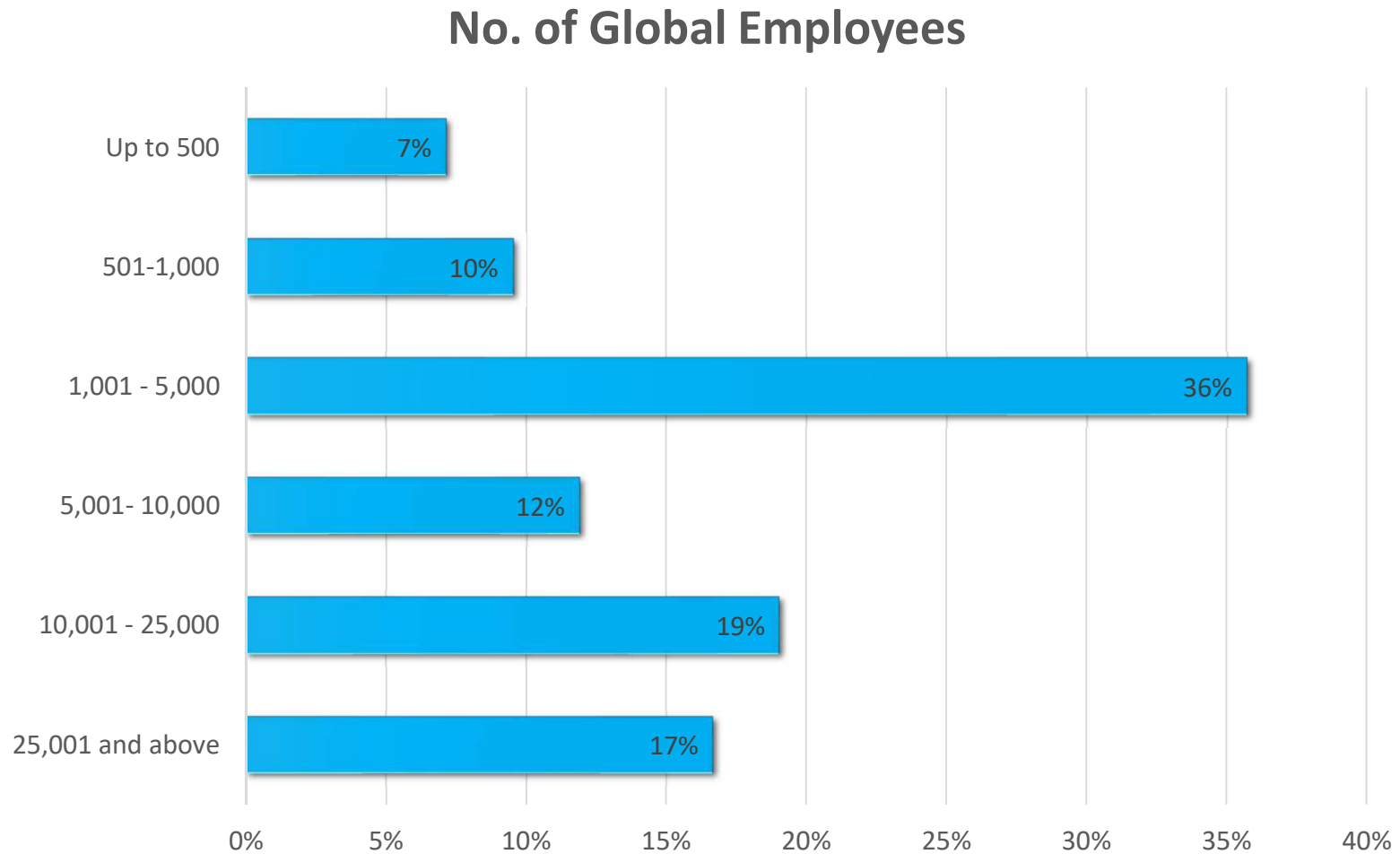
---

MOBILITY COMPLIANCE SURVEY



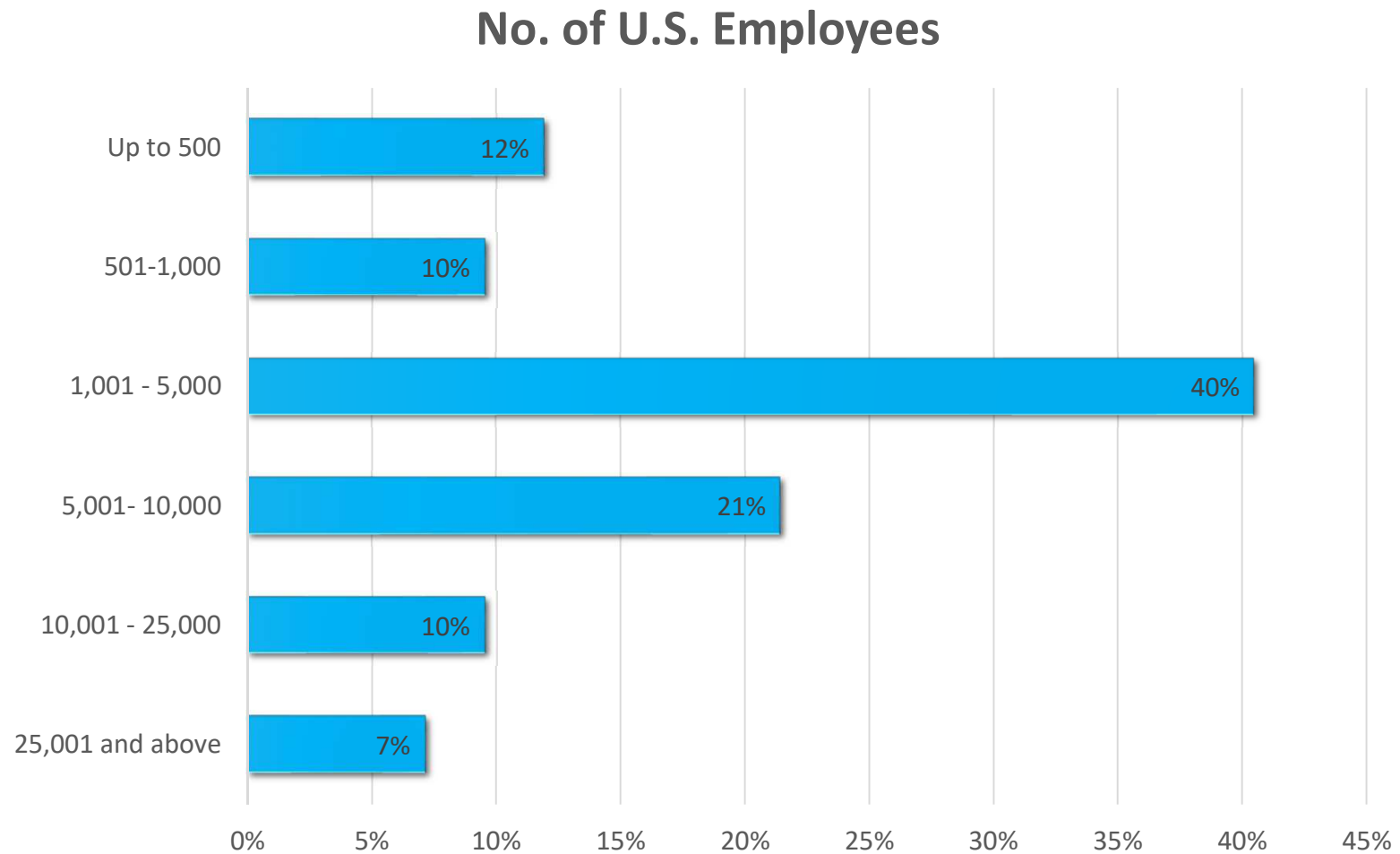
# Number of Global Employees

---



# Number of U.S. Employees

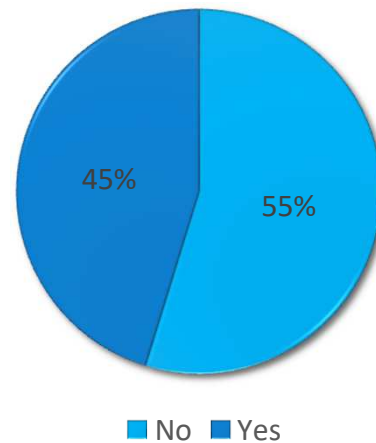
---



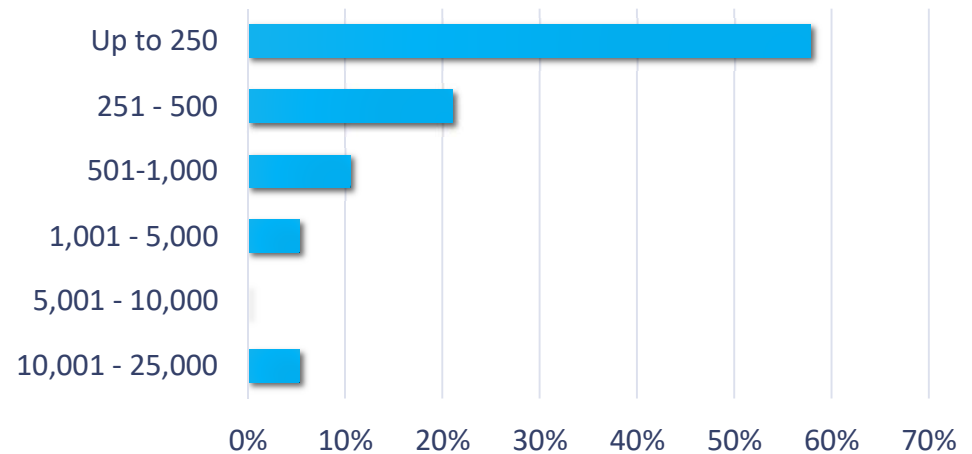
# Professional Services

---

**No. of Companies With Professional Services**



**No. of Prof Services Employees**



# Poll

---

Which of the following groups of mobile employees does your company allocate income for compliance (check all that apply)?

Executives

Sales

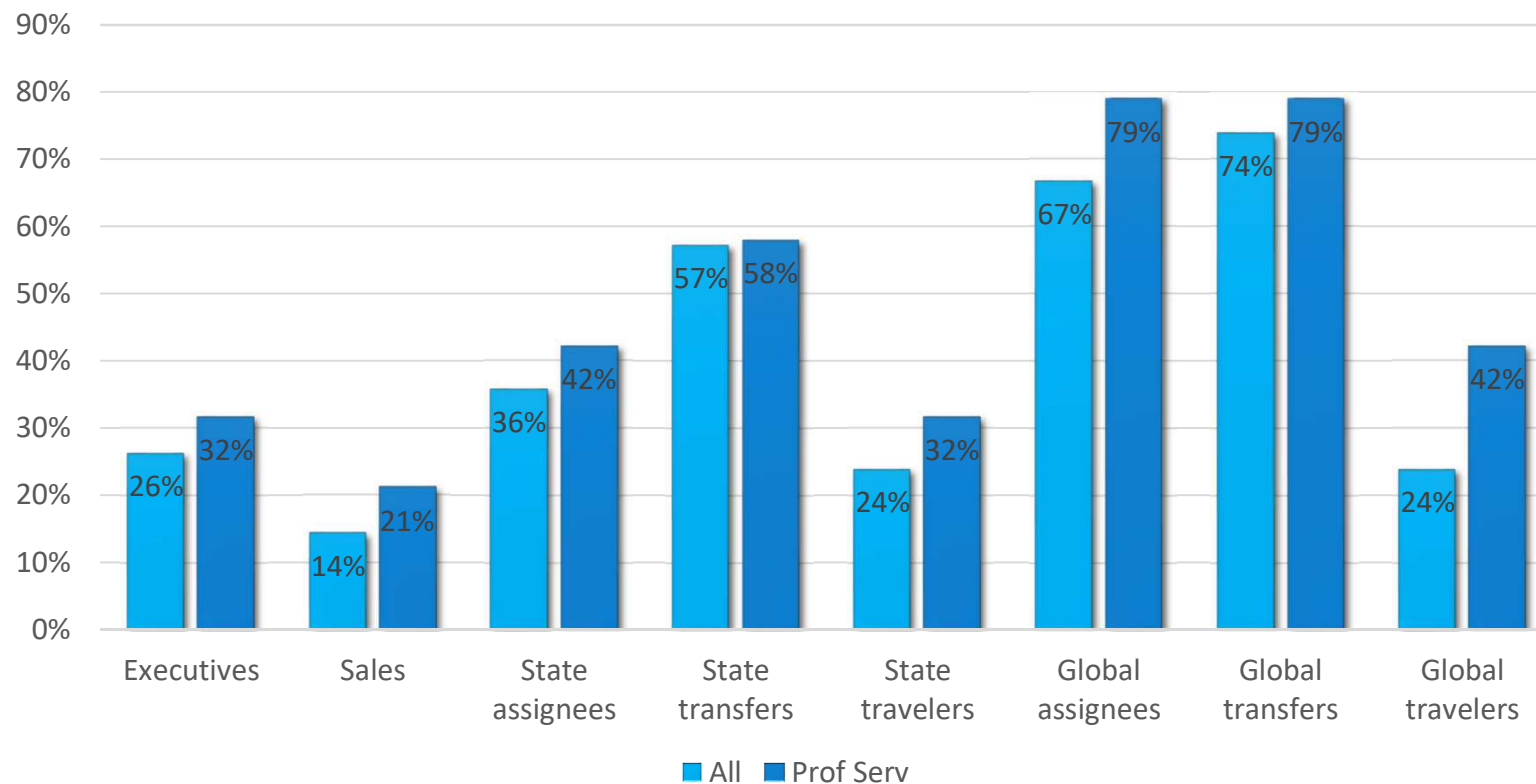
Global mobility

Domestic mobility

Prefer not to answer or N/A

# Compliance

Do you allocate income between Tax Jurisdictions for:



# Poll

---

Which types of income does your company allocate for mobile employee compliance (check all that apply)?

Bonus

Stock options

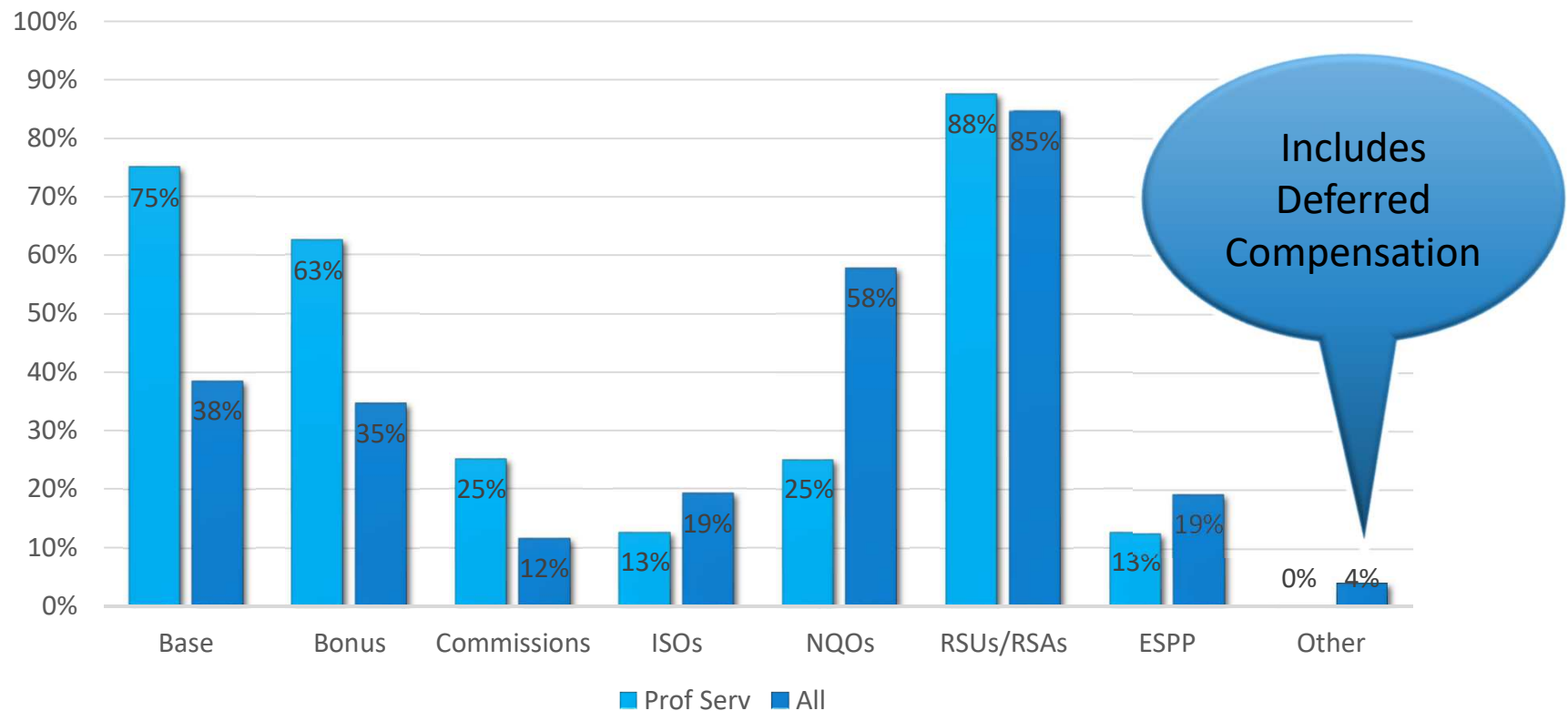
RSUs

ESPP

Prefer not to answer or N/A

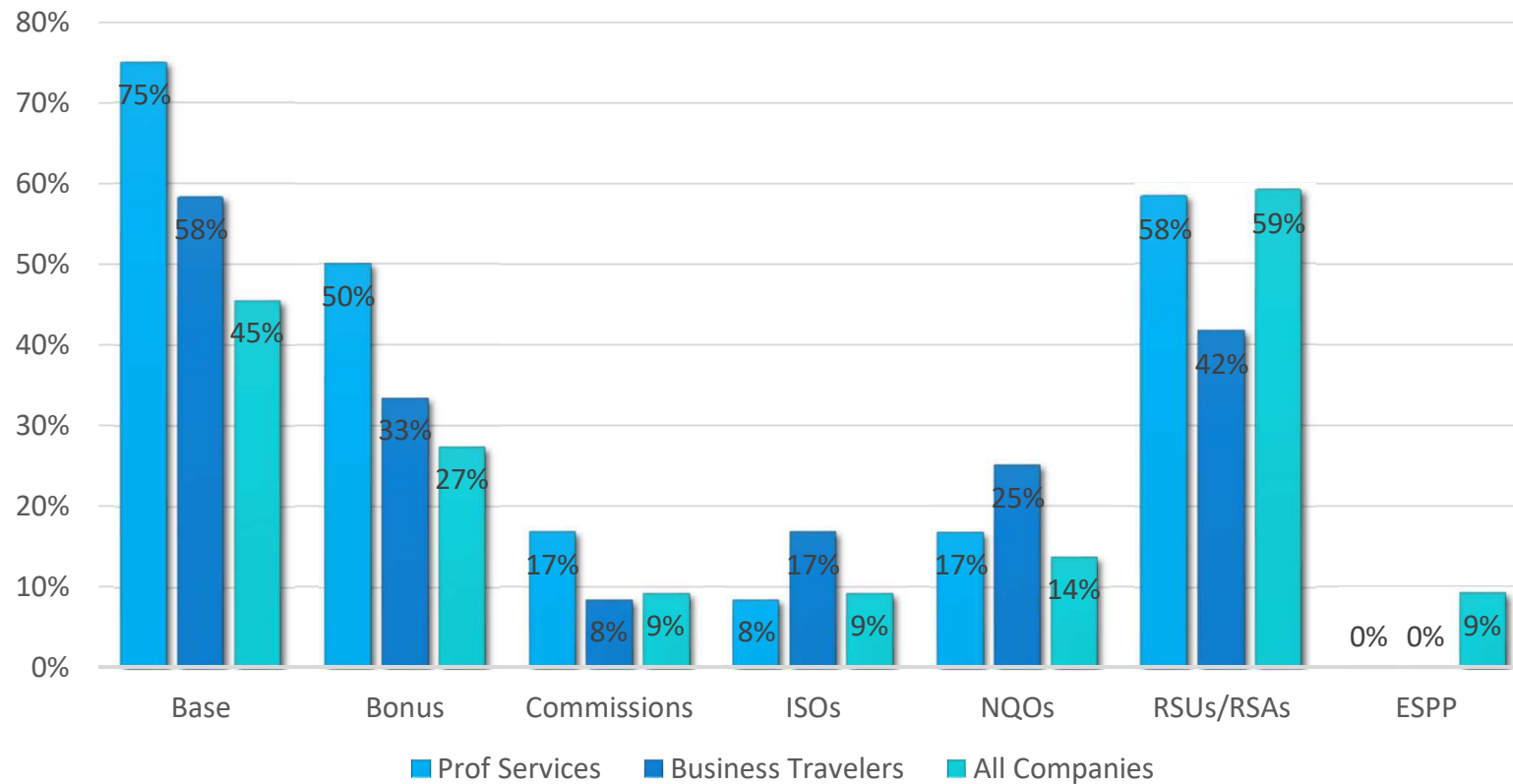
# Global Income Allocation

For globally mobile employees, which types of income do you allocate



# Domestic Income Allocation

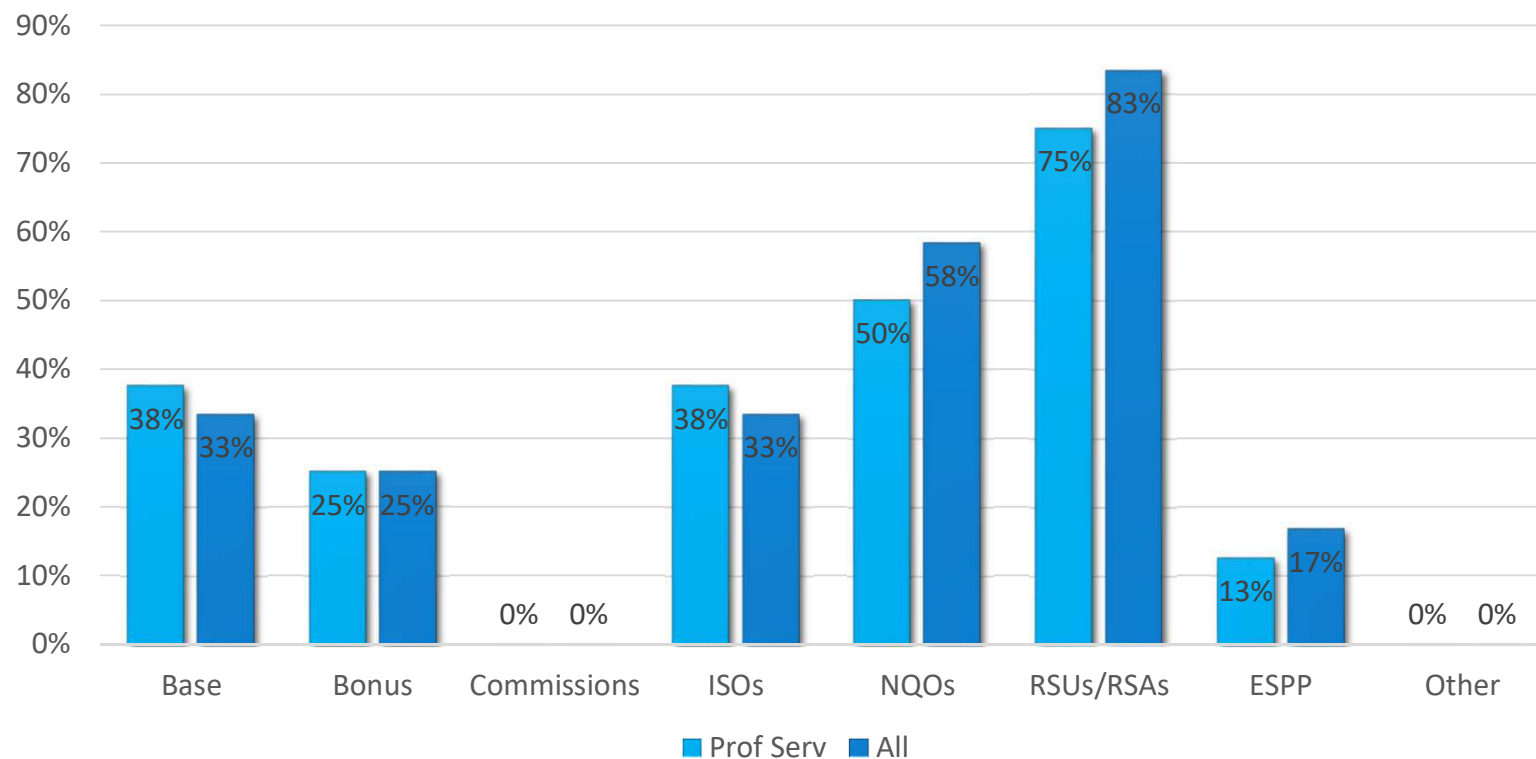
For state to state mobile employees, which types of income do you allocate





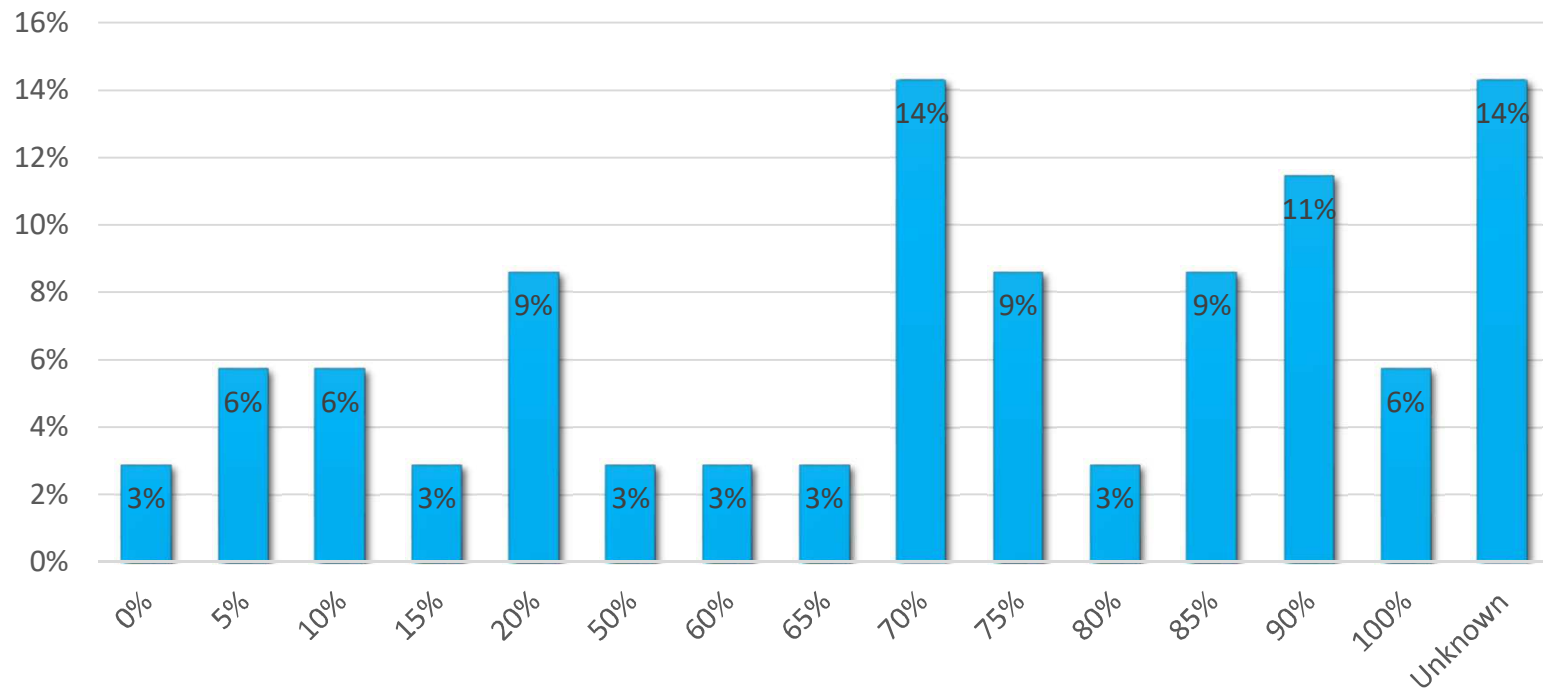
# Executive Income Allocation

Which types of income do you allocate by location for executives



# Percentage Compliance

What level of compliance do you think your company achieves across the entire employee population?



# Poll

---

Does your company have plans to improve compliance over time?

No

Yes – but no current initiative

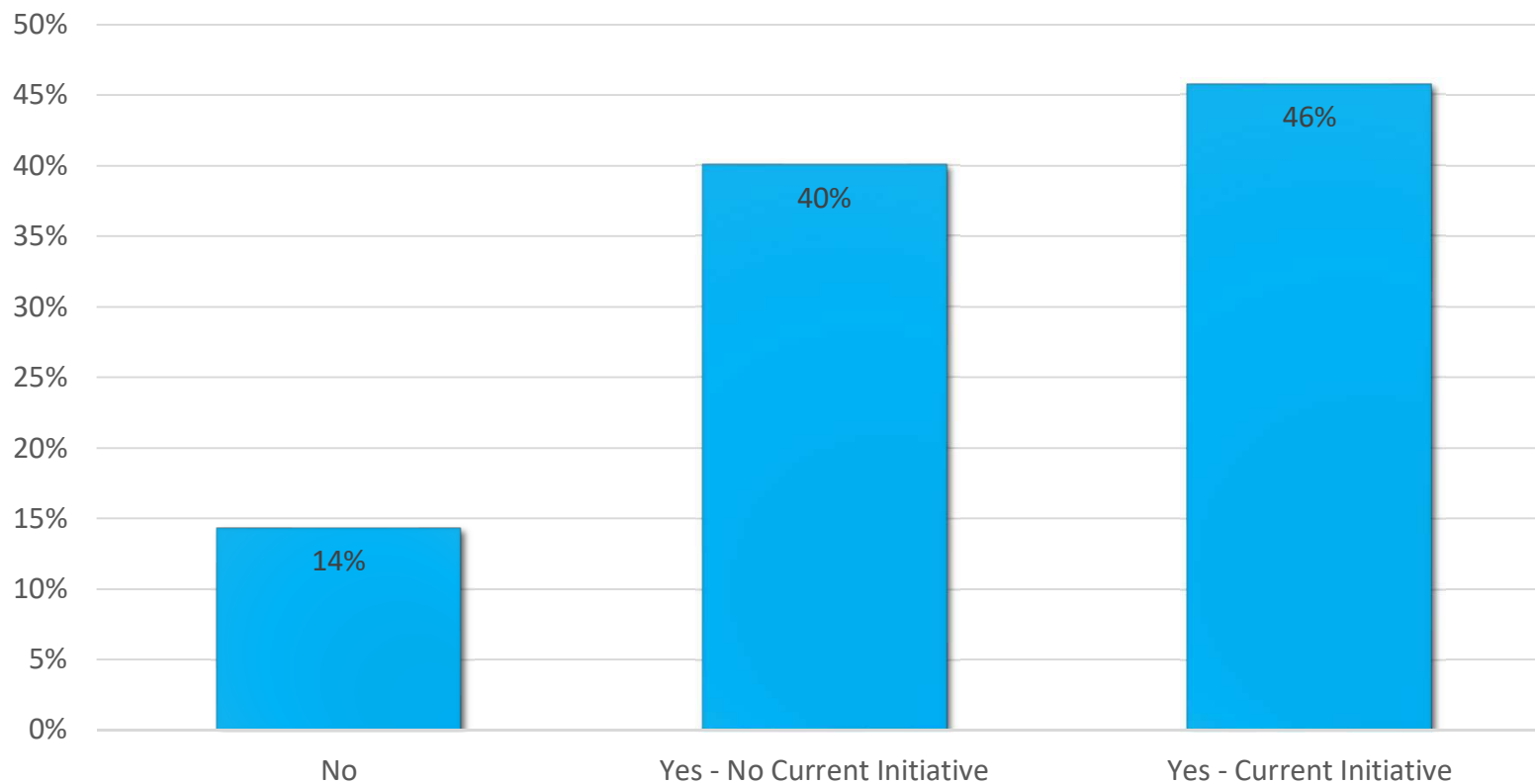
Yes – current initiative

Prefer not to answer or N/A

# Compliance Plans

---

**Are there are plans to improve compliance over time?**



# What You Should Be Doing

---

# Poll

---

What is your biggest mobility challenge?

Collecting data

Allocation of income calculations

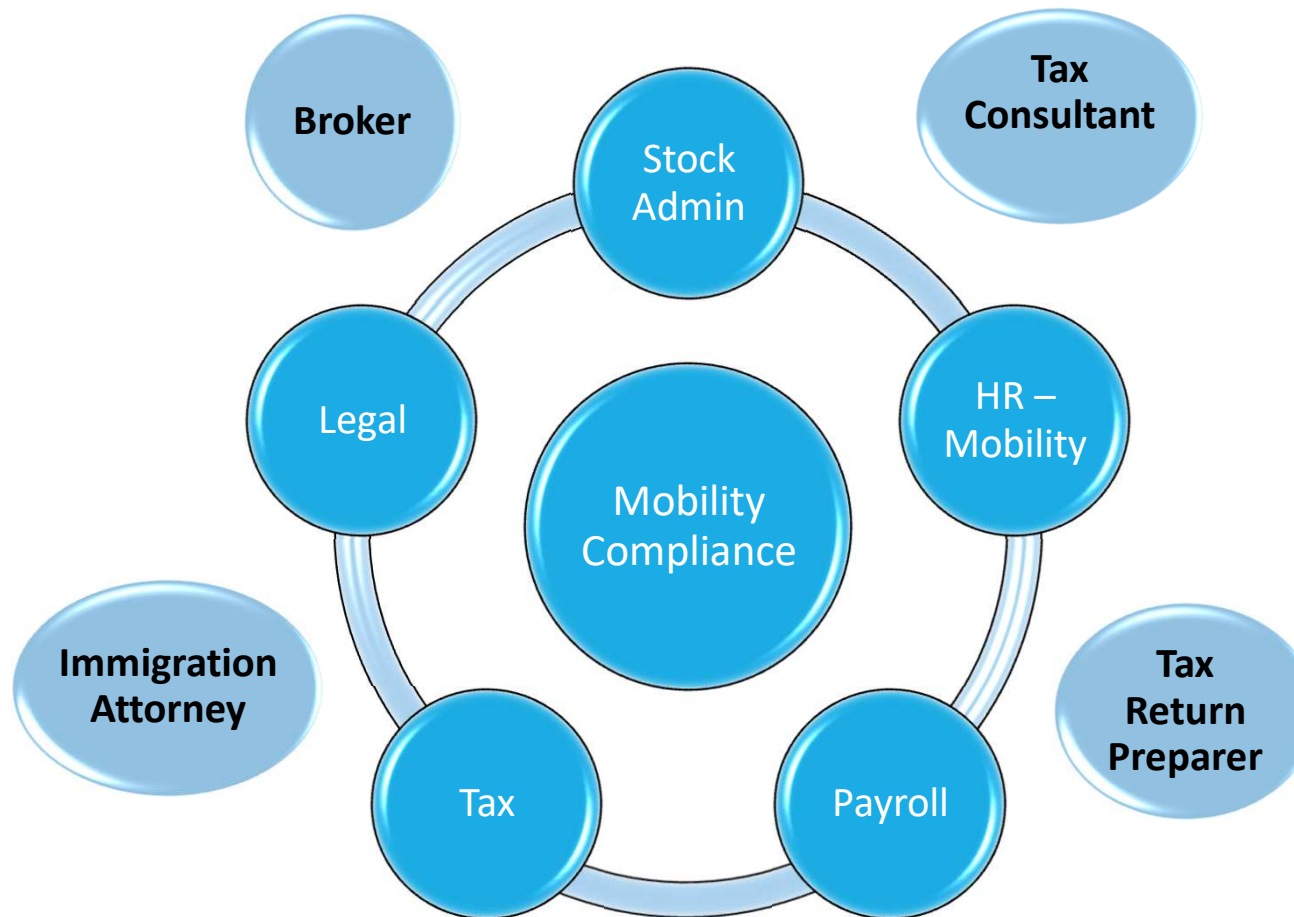
Employee concerns

Educating payroll

Prefer not to answer or N/A

# 1. Gather the Team

---



## 2. Create A Mobility Policy

---

Checklist of departments that must sign off before an employee can move

- Corporate tax – nexus
- Legal/HR – immigration visas
- HR – employment laws
- Finance – costs
- Business unit manager
- Payroll/ stock – compliance requirements

Cost allocation

Employee support that the company will /may provide

- Relocation expenses
- Cost of visa
- Tax support



# 3. Collect & Clean Data

---

Collect/Audit mobile employee list

- Periodic review

Review use of work or home addresses

Understand system capabilities

Understand system limitations

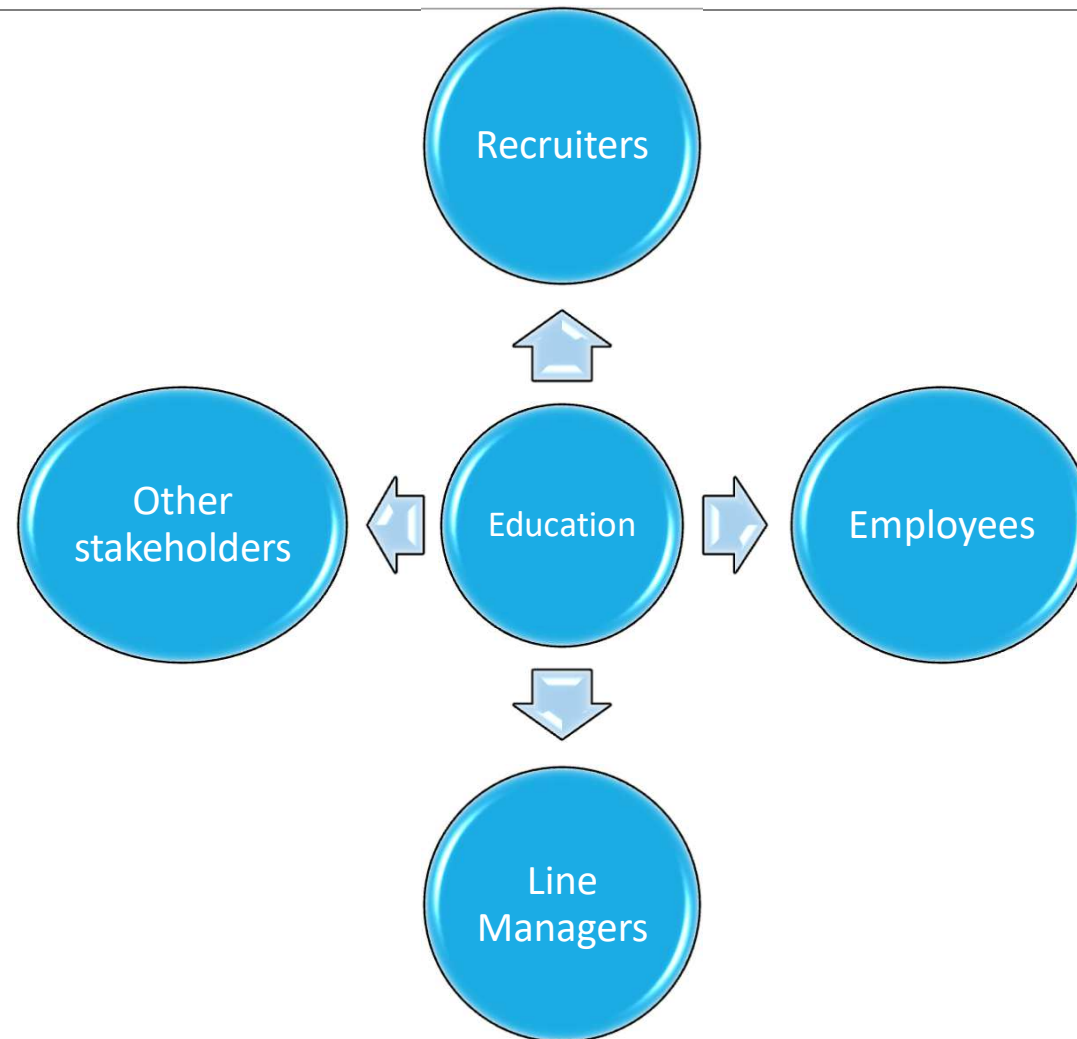
Develop and document policies and tax positions taken



Comply!

# 4. Educate

---



# Education For Mobility/ Stock

---

## Mobility memo

- Post online
- Distribute to prospective mobile employees

## Importance of timely HRIS updates

## Impact of timing of moves:

- After stock grant
- Before award vesting
- Before stock option exercise

## W-8 BEN vs W-9 requirements

# 5. Plan For Ongoing Evaluation

---



# Questions?

---

Yvonne Brazil  
Okta, Inc.  
yvonne.brazil@okta.com  
510-220-6156

Marlene Zobayan  
Rutlen Associates LLC  
mzobayan@rutlen.com  
650-868-9282