

Mobile Equity Compliance Roadmap

Thank you for downloading our Mobile Equity Compliance Roadmap.

Employees who receive equity-based compensation, and who relocate during the life of the award, create tax withholding and reporting obligations.

This roadmap will help you navigate common tax considerations if your mobile employees receive equity-based compensation. By thinking through these questions, your company can:

- Understand key issues to consider for your equity-based compensation plans
- Identify potential areas of tax compliance gaps that may need to be addressed
- Determine the next steps for implementing a process to minimize your compliance concerns

This is a complex area which may require significant analysis—we are here to help.

[Schedule a free consultation](#) with one of our equity experts. We can walk through this roadmap with you and help you outline a plan of action that will best fit your company and employee needs.

Assess Your Compliance Risk

- ✓ **Are you publicly traded or privately held?**

- ✓ **Identify your mobile employee populations. This could include any person holding equity remuneration that crosses any border, foreign or domestic. Consider:**
 - High profile employees (C-suite, executives)
 - Highly compensated employees
 - Employees that travel frequently, such as:
 - Sales force, project managers, engineers, and/or functional experts
 - Employee geographic locations:
 - Review presence in countries/states with aggressive tax policies
 - Consider recent shifts in employee locations because of remote work, such as those caused by COVID-19

- ✓ **Gather data about your mobile employee population:**
 - What is the number of employees in each group identified above?
 - Of these, how many fall into each of the categories below?
 - Domestic transfers
 - International transfers & assignment
 - Work from anywhere
 - Business travelers
 - Other

- ✓ **Create a list of your company's geographic presence, including headquarters location, locations across the globe, locations in the US, and employee remote work locations.**

- ✓ **From the locations above, where are the hotspots of activity (i.e., locations with highest volume of mobile employees, regional hub locations, or headquarters location)?**

- ✓ **Gather data about your equity plans:**
 - Are they US based?
 - Are there any sub-plans?
 - Are there corporate cross charges?

- ✓ **What types of equity does your company offer, and how broadly?**
 - RSU, NQ, ISO, ESPP, Other

- ✓ **What withholding method is applied for your equity plans?**

✓ **What are the unique aspects (or unique challenges) of your equity plans?**

Examples could be:

- High frequency (of vests/exercises) or high volume
- Unique plan structure; award and vesting schedules
- Exercise allowed prior to vest
- Frequent application of tax elections (e.g., 83(b))
- Former employees' eligibility to maintain awards

✓ **What is the award grant and vest schedule for each type of equity instrument?**

Examples could be:

- Awards granted annual, monthly, quarterly, other
- Vest schedule (immediate, graded, cliff)
- Other

✓ **Who is your share plan administrator/broker and what is your current process with them for mobile employees (if any)?**

✓ **What is your current payroll process to capture equity compensation?**

✓ **Are there any challenges with your current payroll processes?**

✓ **Review the current state of compliance for all types of multi-year compensation, including but not limited to equity. Consider:**

- All employees
- Mobile employees
- Former employees

✓ **Survey stakeholders and decision-makers to evaluate general risk tolerance thresholds.**



Make an implementation plan

- ✓ **Break the project down into realistic pieces and adopt a phased approach.**
- ✓ **Prioritize which groups are most important to bring into compliance first, second, etc.**
- ✓ **Define what “compliance” will look like for your company.**
 - For some, compliance is a continuum, while for others it is an absolute. It depends on your company culture, your risk tolerance, your industry, etc. Choose the path that best suits your culture and needs.
- ✓ **How many equity staff members do you have internally; what are their roles versus what is outsourced?**
- ✓ **Evaluate which tasks are best handled internally vs. those that are better to outsource.**
- ✓ **Reach out to trusted advisors to learn what outsourcing capabilities and services they offer.**
- ✓ **Review the various service offerings of advisors and vendors and select those that best suit your needs.**
- ✓ **Define implementation phases and an ideal timeline. Coordinate with selected advisors/vendors and assign tasks to internal team.**

GTN is here to help

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