



# Telework: Private Sector Stakeholder and Expert Views

GAO-25-107078

Q&A Report to Congressional Requesters

May 8, 2025

## Why This Matters

In early 2020, telework became an important part of the pandemic response to reduce the spread of COVID-19 and ensure the continuity of business operations. In July 2023, we reported that telework nearly tripled from an estimated 5.7 percent of workers in 2019 to 17.9 percent of workers in 2021, based on our analysis of American Community Survey data. Since the pandemic, several employers have issued return-to-office mandates, which have reduced or eliminated telework entirely.

The ongoing use of telework since the pandemic ended has been an evolving area. We were asked to examine various issues related to telework and issued the first in a series of reports in July 2023 to respond to this request. In our July 2023 report, we reported on changes in telework before and during the pandemic as well as its impact on worker productivity and employer performance. This is our second report in the series. A third report, which we expect to issue later this year, will address the effect of telework on transportation, housing, and other sectors.

This second report examines private sector employer and worker stakeholders' and experts' views on the benefits, challenges, and other aspects of telework and telework policies; the telework policies of selected countries; and the Department of Labor's (DOL) labor law guidance on telework. To obtain stakeholders' views, we interviewed officials from 11 organizations that represent private sector workers and employers in industries with the highest rates of telework. We also interviewed organizations that represent specific groups of workers and employers that may have significant or unique experiences with telework (e.g., older workers or small businesses). Stakeholder responses are not quantifiable or generalizable, so we present individual responses. To obtain experts' views, we interviewed seven expert researchers and a representative from a private sector research organization, whom we collectively refer to as experts. We selected three expert researchers based on the number of times their work was cited in our July 2023 report, and the other four researchers based on referrals from the initial three researchers. To obtain an industry perspective, we selected the one private sector research organization we identified with original telework job postings data that it uses for labor market research.

## Key Takeaways

- The employer stakeholder organizations we interviewed said private sector employers consider several factors when deciding whether to adopt telework, such as job types, costs, and effects on recruitment and retention. They said employers also consider effects on their ability to track job performance and maintain collaboration.
- The employer stakeholder organizations most often said the greatest benefit of telework is the ability to attract and retain staff. Worker stakeholder organizations also said telework benefits recruitment and retention.

- Both worker and employer stakeholder organizations said that the greatest challenge of telework is building workplace culture.
- Six of the eight experts we interviewed advocated for a policy to clarify the state to which workers who telework across state lines pay income taxes. Further, two of the eight experts said a policy to encourage states' job license reciprocity could remove a barrier to teleworking across state lines when states' licenses differ.
- Seven of the eight experts we interviewed said telework helps those with barriers to work—such as workers with disabilities—remain in the workforce.
- DOL provides guidance on telework under the Fair Labor Standards Act (FLSA). FLSA establishes federal minimum wage, overtime pay, and recordkeeping requirements for covered workers (including teleworkers), among other things. DOL also provides guidance on teleworkers' eligibility for unpaid, job-protected leave under the Family and Medical Leave Act (FMLA).

## What is telework, and how does it differ from remote work?

Telework (also referred to as hybrid work) is an arrangement where the worker works both at an employer's worksite and an alternative worksite (generally the person's home) on a regular and recurring basis. Although telework and remote work are sometimes used interchangeably, they are different. Unlike telework, remote work does not involve an expectation that the worker regularly reports to the employer's worksite.

### Types of work arrangements across stakeholder groups

Worker and employer stakeholder organizations said the most common work arrangement among the groups they represent is telework that allows workers to work at the employer's site 2 or 3 days a week and work at home the other days. Stakeholder organizations said there are a mix of in-person, telework, and remote work arrangements among the workers and employers they represent.

Source: GAO analysis of worker and employer stakeholder interviews. | GAO-25-107078

## What factors do private sector employers consider when deciding whether to adopt telework?

Employer stakeholder organizations we interviewed identified the following factors that they said private sector employers consider when deciding whether to adopt telework:

- 1) **Job types.** Employers consider whether the type of job allows for telework. For example, some jobs, especially those that do not involve in-person customer interaction, are more suitable for telework (see text box).

### View of an employer stakeholder organization:

An employer stakeholder said banking is an example of a job that may not be suitable for telework because it is a customer-service-based industry. Historically, customers have stayed with a bank due to their relationships with the bank's workers. For example, customers in small towns may want to engage with a worker instead of going to an ATM. When those workers are no longer regularly on-site due to telework, it changes a significant dynamic in banking's business model.

Source: GAO analysis of employer stakeholder interviews. | GAO-25-107078

- 2) **Costs.** Employers consider how telework might affect operating costs. For example, employers must consider whether costs associated with upgrading technology to support telework are feasible. Conversely, employers consider whether they can eliminate or reduce office space and the associated cost by adopting telework. Similarly, employers consider whether telework can

reduce labor costs if workers are willing to accept reduced pay or give up wage increases in exchange for the opportunity to telework.


- 3) **Recruitment and retention.** Employers consider how telework might affect the recruitment and retention of workers. The employer stakeholder organizations we interviewed most often said the greatest benefit of telework is the ability to attract and retain staff, a view supported by some of the research we reviewed. For example, a study of a technology company's workers found teleworking 2 days a week reduced quit rates by one-third.<sup>1</sup> Another study estimated the rise in work from home after the COVID-19 pandemic increased full-time employment of workers with disabilities by 12 percent on average, and by as much as 40 percent in computer occupations.<sup>2</sup> This study suggests its result is due to telework increasing the supply of workers with a disability, likely by reducing commuting costs and enabling better control of working conditions.
- 4) **Tracking job performance.** Employers consider how they might monitor workers' performance in a telework environment.
- 5) **Maintaining collaboration.** Employers consider how telework might affect their ability to maintain collaboration among staff.
- 6) **Perceived risks for adopting telework.** Employers consider whether they will face increased regulatory compliance or litigation risks by adopting telework. For example, if a business operates in multiple states (e.g., by employing teleworkers in multiple states), it must comply with applicable state laws. One employer stakeholder organization said that small employers with limited resources may perceive telework as increasing their risk of litigation. For example, small employers may accidentally violate labor laws they are not aware of or do not understand. As a result, the stakeholder said small employers may not offer telework because they cannot afford to hire a legal team to handle the litigation risk.
- 7) **Individualized employer factors.** Employer stakeholder organizations said the decision to adopt telework can depend on factors that are individual to a specific private sector employer. For example, one employer stakeholder said that adopting remote work made sense for a technology company that was always looking at innovative technology. However, the same stakeholder noted companies that are more traditional or operate in highly regulated sectors, such as companies that provide technology for the judicial system, may be more concerned about or hesitant to adopt telework.

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### What are the potential benefits of telework for private sector workers and employers?

Worker and employer stakeholder organizations we interviewed identified the following benefits of telework that could be present in different private sector workplaces (see fig. 1).

**Figure 1: Potential Benefits of Telework Identified by Private Sector Worker and Employer Stakeholder Organizations**

| Potential benefits identified by private sector workers and employers             |                                       | Workers | Employers |
|---|---------------------------------------|---------|-----------|
|  | • Improved recruitment and retention  | ✓       | ✓         |
|   | • Cost savings                        | ✓       | ✓         |
|   | • Time savings                        | ✓       | ✓         |
|   | • Increased flexibility               | ✓       | ✓         |
|   | • Improved mental and physical health | ✓       | ✗         |
|   | • Increased worker productivity       | ✓       | ✓         |

Source: GAO analysis of worker and employer stakeholder interviews; GAO (icons). | GAO-25-107078

Note: This information is not generalizable to all workers and employers.

- **Improved recruitment and retention.** Employer stakeholder organizations most often said the greatest benefit of telework is the ability to attract and retain staff. Worker stakeholder organizations agreed that telework can improve retention and help employers recruit from a broader pool of talent. For example, one employer stakeholder said that offering telework can provide employers access to quality workers who would not have been able to take the job otherwise. In addition, an employer stakeholder organization said that with remote work, employers do not have to confine their recruitment to a specific geographic area and instead can recruit from across the country (see text box).

**View of an employer stakeholder organization:**

One employer stakeholder said many workers become remote workers to accommodate a changing personal circumstance (e.g., a spouse's new job or a child's schooling needs) that require them to move to a new city. Without the opportunity to work remotely, workers in these situations would have left their company.

Source: GAO analysis of employer stakeholder interviews. | GAO-25-107078

- **Cost savings.** Worker stakeholders said that telework allows workers to save on transportation and other job-related costs. Similarly, several employer stakeholders said telework can save them overhead costs, such as office space and equipment, as well as salary costs (see text boxes).

**View of an employer stakeholder organization:**

One employer stakeholder said after the COVID-19 pandemic [when telework increased], it reduced its office space by half, which cut its lease costs by 50 percent.

Source: GAO analysis of employer stakeholder interviews. | GAO-25-107078

**View of an employer stakeholder organization:**

An employer stakeholder said their organization was able to save money on salary costs by hiring two remote workers at a lower salary because wage rates and the cost of living were lower at their remote worksite locations than where the organization's offices were located.

Source: GAO analysis of employer stakeholder interviews. | GAO-25-107078

- **Time savings.** Worker and employer stakeholder organizations highlighted the time savings associated with not commuting due to telework. One worker stakeholder said saving on commuting time is valuable since workers are not compensated for commuting time, which another worker stakeholder said can be 2 or more hours per day for some workers. Additionally, one worker

stakeholder organization said the time savings from telework allowed some of their members to pursue advanced degrees. Similarly, one study we reviewed estimated that teleworkers in the U.S. reported saving an average of 55 minutes a day by not commuting, according to its analysis of mid-2021 and early 2022 Global Survey of Working Arrangements data.<sup>3</sup>

**View of a worker stakeholder organization:**

A worker stakeholder said telework allows workers to work later in the evening if needed, as they do not have to worry about the commute home.

Source: GAO analysis of employer stakeholder interviews. | GAO-25-107078

- **Increased flexibility.** A worker stakeholder said their organization's survey of workers aged 40 and over identified flexibility as one of the top requirements workers look for in a new job. Noting that telework provides workers with increased flexibility to meet personal needs, employer stakeholders agreed flexibility is a determinant of worker satisfaction and can help retain workers.
- **Improved mental and physical health.** Worker stakeholders said telework can improve certain workers' mental and physical health by allowing workers to have a better work-life balance. One stakeholder surveyed their remote workers and found reported decreases in their level of emotional exhaustion, including feeling less (1) burned out, (2) dread about work, and (3) emotionally drained compared to workers who reported to the job site.

None of the employer stakeholder organizations we interviewed mentioned a benefit of improved mental and physical health for workers.

- **Increased worker productivity.** Worker stakeholder organizations said telework can make workers more productive, allow workers to manage their time more effectively (see text box), and reduce common workplace distractions. For example, one worker stakeholder said telework allows workers to finish their work more quickly as it limits interruptions from colleagues. Employer stakeholder organizations agreed that telework can improve worker productivity.

We previously reported on studies of telework's impact on worker productivity and found that telework generally had a positive impact on worker productivity in certain sectors, but there are uncertainties about its long-term impacts.<sup>4</sup> For example, one recent study found that fewer distractions was the main reason why working from home led to a 12 percent increase in productivity of workers whose tasks do not require team interaction and are easier to measure.<sup>5</sup> However, another study found remote work increases current productivity, but decreases training of junior staff, which may reduce future productivity.<sup>6</sup>

**View of a worker stakeholder organization:**

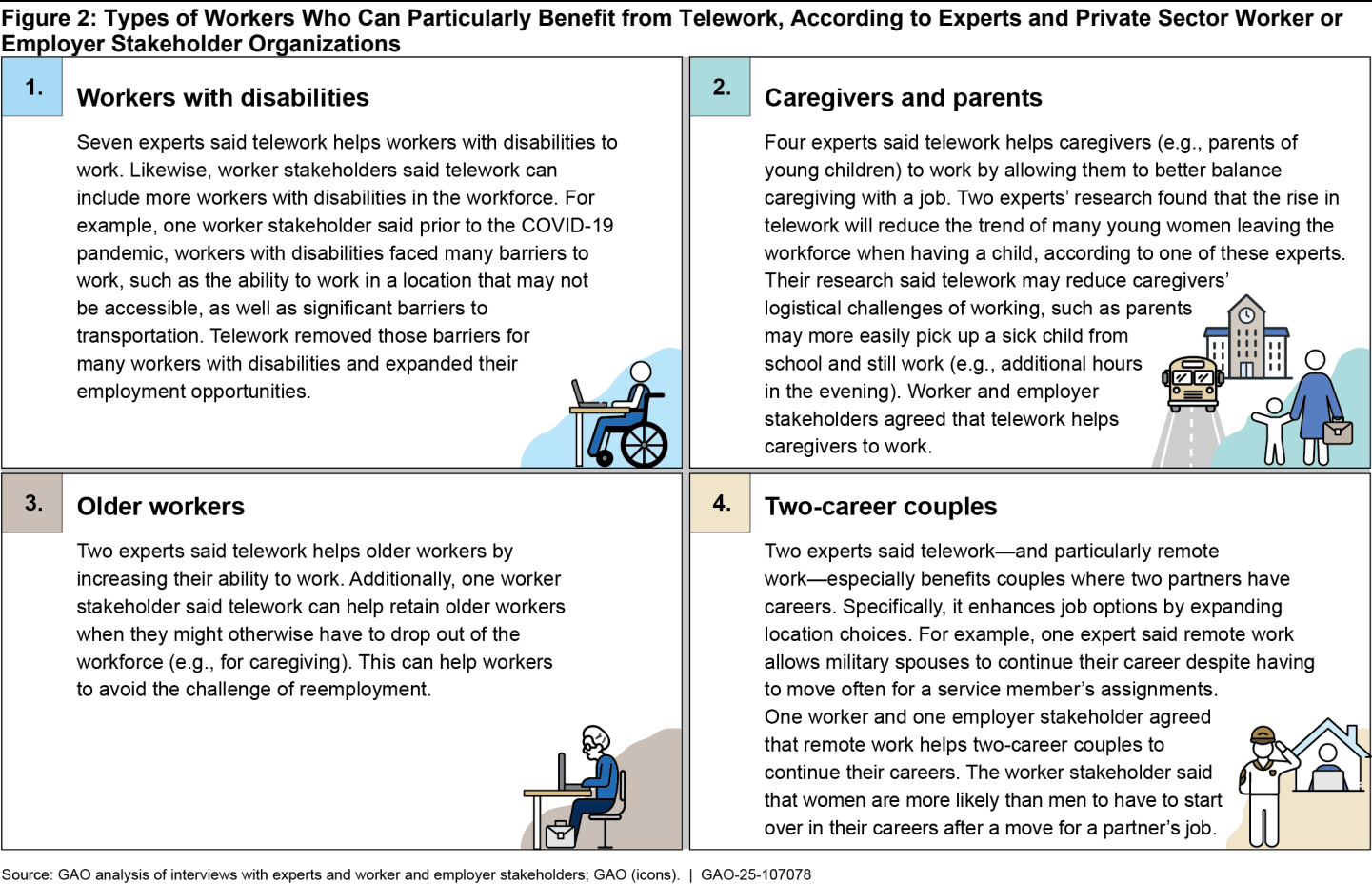
A worker stakeholder said telework provides opportunities for workers to be more efficient with their time. For example, according to the organization, the attorneys they represent have better access to clients because of telework. They said clients often prefer virtual hearings, as they provide the opportunity for affordable legal representation. These virtual hearings were also much easier for attorneys to attend.

Source: GAO analysis of worker stakeholder interviews. | GAO-25-107078



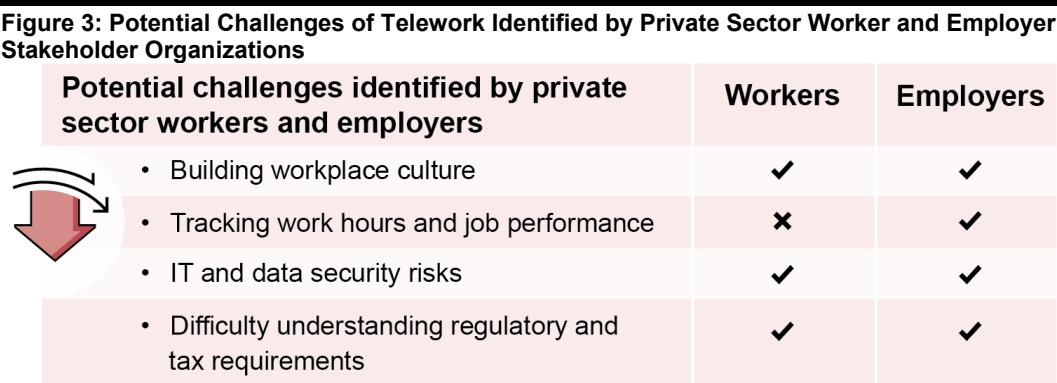
How does telework benefit workers with barriers to work?

Telework can remove barriers to work for workers who may face challenges reporting to the office 5 days a week, according to experts as well as worker and employer stakeholder organizations (see fig. 2).



What are the potential challenges of telework for workers and employers?

Worker and employer stakeholder organizations identified the following challenges of telework that could be present in different private sector workplaces (see fig. 3).



Source: GAO analysis of worker and employer stakeholder interviews; GAO (icons). | GAO-25-107078

Note: This information is not generalizable to all workers and employers.

- Building workplace culture.** Both worker and employer stakeholder organizations most often said that the greatest challenge telework poses is to building workplace culture. Specifically, they reported that telework can

decrease relationship building. A worker stakeholder said that with telework, interactions before and after a meeting do not happen unless workers are very intentional. There are also no spontaneous interactions between colleagues, such as “water cooler discussions” in breakrooms or conversations in hallways. An employer stakeholder agreed telework can make it challenging to ensure workers get to know each other and their managers.

- **Tracking work hours and job performance.** Employer stakeholders said some employers may feel a loss of control in tracking teleworkers’ hours or monitoring work products when workers and supervisors are not co-located. One employer stakeholder said tracking teleworkers’ job performance can be challenging since many traditional methods include in-person oversight of workers.
- **IT and data security risks.** Stakeholders said telework leads to risks with IT and data security. One employer stakeholder noted concerns around data privacy and complying with data protection laws while teleworking. Similarly, a worker stakeholder expressed concerns regarding employers’ digital surveillance of teleworkers (e.g., monitoring keystrokes), which may not be effective for people with disabilities who use voice-activated software instead of a keyboard.<sup>7</sup>
- **Difficulty understanding regulatory and tax requirements.** Employer stakeholders said it can be difficult to understand regulatory and tax requirements for teleworkers across state lines, as legal frameworks often differ by state. For example, there can be differences in tax reporting and mandatory days off for workers in different states than their employer. Similarly, worker stakeholders said employers may lack clarity about how to comply with worker protections, such as health and safety requirements or unemployment insurance benefits, which may differ by state.

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### What are potential adverse effects of remote work or telework on workers?

Experts identified potential adverse effects of remote work or telework on workers, including (1) less training or mentoring, (2) reduced productivity over time, (3) lower promotion rates, and (4) less unionizing.

- **Less training or mentoring.** Five experts said less on-the-job training or mentoring for remote workers or teleworkers is a potential adverse effect of remote work or telework on workers. Three of these experts cited a study that found junior staff received less feedback when working remotely than in-person.<sup>8</sup> One of these experts indicated that only remote work (i.e., no regular reporting to the employer’s worksite) makes training workers more difficult, while telework does not affect training.
- **Reduced productivity over time.** Three experts said remote work or telework may reduce certain workers’ productivity over time. For example, one expert said remote workers may not interact with and learn as much from their coworkers and may therefore end up being less productive over time. In our previous report on the impact of telework and remote work on worker productivity, we reviewed studies that found remote work may reduce collaboration, which could result in lower productivity over time.<sup>9</sup> Studies we reviewed also found that telework generally had a positive impact on worker productivity in certain sectors, but there are uncertainties about its long-term impacts.
- **Lower promotion rates.** Four experts said promotion rates for remote workers may be lower than for in-person workers in the same job. Two of these experts noted this may be due to managers’ tendency to promote in-person workers they see more often. In contrast, a study of a tech company’s

workers found teleworking 2 days a week led to no difference in promotions over the next 2 years.<sup>10</sup>

- **Less unionizing.** Two experts said remote work may lead to less unionizing by remote workers. According to these two experts, less unionizing is an adverse effect on workers because unions advocate for workers' interests.

## How do employers' return-to-office mandates affect workers?

Worker and employer stakeholder organizations reported that employers' return-to-office mandates that reduce or end telework can lead to worker turnover. Additionally, some worker stakeholders, upon starting to telework during the COVID-19 pandemic, changed their views about working in the office and see the continued ability to telework as a decisive factor to continue in a job (see text box). Similarly, one worker stakeholder said some job seekers only consider jobs that offer telework or remote work.

### View of an employer stakeholder organization:

An employer stakeholder said they have members who have faced challenges getting their entire remote workforce back into the office. For example, one business decided to require all its workers to return to a 5-day in-office work week and lost half of its workforce. This attrition included several top performers who left to seek jobs that allowed remote work rather than return to the office.

Source: GAO analysis of employer stakeholder interviews. | GAO-25-107078

One worker stakeholder said workers are often upset by return-to-office mandates (see text box). Further, a worker stakeholder noted some workers are upset about not having their own workspace when they return to the office. For example, on in-office days, some workers must use shared workspaces, which may not be well situated for the worker.

### View of a worker stakeholder organization:

A worker stakeholder said that some workers are upset about their employer's high-level leadership who implement return-to-office mandates, despite a direct supervisor's determination that a worker's job type and functions are appropriate for telework.

Source: GAO analysis of worker stakeholder interviews. | GAO-25-107078

## What issues do workers who telework across state lines or their employers face, and what policies could address these issues?

Experts said that teleworking across state lines may result in higher costs for workers and employers due to potential taxation by multiple states and differing state job license requirements. Experts identified potential policies that could address these issues.

- **Higher costs from taxation by multiple states.** Two experts said employing teleworkers who work from home in a different state than their employer increases employers' costs to comply with multiple states' tax laws. In some situations, such teleworkers could owe income taxes to both the employer's state and their home state, according to an expert.<sup>11</sup> To resolve these issues, six experts advocated for a policy to clarify the state to which such teleworkers must pay income taxes (i.e., either the employer's state or the worker's state). Three experts said such a policy may reduce employers' costs of telework across state lines and four experts said this policy could facilitate or improve telework. Further, one expert noted this policy would help determine if any local income taxes apply to teleworkers who are in the same state as their employer.
- **Differing state job license requirements.** Two experts said states' different job license requirements are a barrier to working remotely across state lines for certain jobs, such as for therapists.<sup>12</sup> Two experts endorsed a policy to

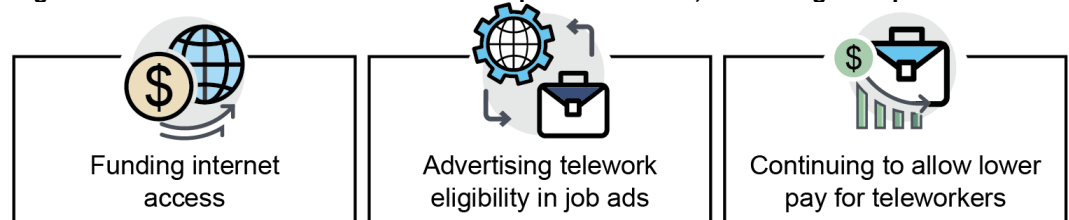


encourage states' job license reciprocity agreements to address this issue and facilitate remote work.

## What policies may facilitate or improve telework?

Experts said that policies, such as (1) funding internet access, (2) advertising telework eligibility in job ads, and (3) continuing to allow lower pay for teleworkers, could facilitate telework or improve its productivity (see fig. 4).

Figure 4: Policies That Could Facilitate or Improve Telework, According to Experts



Source: GAO summary of interviews with experts; GAO (icons). | GAO-25-107078

- **Funding internet access.** Three experts said a policy for the federal government to fund improving internet access or quality could facilitate telework. Also, two experts said investing in internet infrastructure could improve telework's productivity or quality. For example, one expert cited his research that found productivity would have been about 1.1 percentage points higher if all Americans teleworking during the pandemic had high-quality, fully reliable home internet ("universal access"), which the expert said is a large effect on productivity.<sup>13</sup> Two experts said that such an internet policy could be particularly beneficial for low-income workers or workers in low-income communities. However, one expert said that it would likely not be cost-effective to expand high-speed internet everywhere in the U.S.
- **Advertising telework eligibility in job ads.** Two experts said a policy that requires job ads to include information about jobs' eligibility to telework could facilitate or improve telework and improve job retention. One of these experts said this policy would ensure workers are fully informed about advertised jobs' work arrangements. However, this expert also noted the potential for this policy to overload individuals with too much information.
- **Continuing to allow lower pay for teleworkers.** According to a Congressional Budget Office report, most workers are willing to accept a job that pays less if it allows them to telework, which may reduce the pay that an employer has to offer to attract and retain highly qualified workers.<sup>14</sup> Two experts supported a policy of continuing to allow lower pay for telework jobs than similar jobs without telework, which could facilitate telework jobs. In particular, both experts warned that a new policy requiring such workers to be paid the same could reduce the odds of employers offering telework. For example, one expert said continuing allowing an employer to pay a worker less if they agree to let them to telework (e.g., agreeing to a worker teleworking 3 days per week at \$130,000 pay instead of \$150,000) helps maximize the prevalence of employers using telework.

### Experts said telework slows the growth of employers' wage costs




Two experts said telework slows the growth of employers' wage costs. An expert's study estimated telework reduced wage growth about 2 percentage points in 2021 to 2023. This resulted from workers valuing telework, which many jobs adopted during the pandemic, as a tradeoff for higher wages. Two additional peer-reviewed studies found that surveyed workers were willing to receive lower wages (4 percent lower in one study and 8 percent lower in the other) for the opportunity to work from home.

Source: GAO summary of interviews with experts and Steven J. Davis, "Extraordinary Labor Market Developments and the 2022-23 Disinflation," (NBER Working Paper 32584, National Bureau of Economic Research, Cambridge, Mass., June 2024). Nicole Maestas, Kathleen J. Mullen, David

What are selected countries’ policies on telework, and what are experts’ views on the advantages and disadvantages of the U.S. adopting them?

We asked the experts we interviewed about policies on telework in France, Ireland, and the United Kingdom (U.K.). We selected these countries due to their similarity to the U.S. and their use of telework policies not used in the U.S. The policies we examined were (1) workers’ right to request telework, (2) workers’ right to disconnect from work, and (3) health and safety risk assessments for teleworkers (see fig. 5). We selected these policies because they were most often raised in interviews with researchers on international telework policies.<sup>15</sup>

Figure 5: Policies on Telework in Selected Countries

|  | United Kingdom  | France  | Ireland   |
|--|---|---|---|
|  |  |  |  |
| <b>Right to request telework</b><br>The right to request telework is a worker’s right to access telework. Employers can reject it in circumstances that vary by country.                   | ✓   | ✓   | ✓   |
| <b>Right to disconnect</b><br>The right to disconnect is a worker’s right to disconnect from work and not communicate (e.g., use email) during non-work hours.                             | ✗   | ✓   | ✓   |
| <b>Required health and safety assessments</b><br>These include assessments of risk, occupational safety, and health enforcement. They may also address mental health risks to teleworkers. | ✓   | ✓   | ✓   |

Source: GAO summary of Eurofound reports and selected countries’ government publications; GAO (icons). | GAO-25-107078

Note: We relied on appropriate primary and secondary sources. We did not conduct an independent legal analysis to verify information about the laws, regulations, and policies of the countries selected for this review.

- **Right to request telework.** Workers in all three selected countries have the right to request telework, according to Eurofound reports and government publications we reviewed (see text box).<sup>16</sup> Five of the experts we spoke with said it could be advantageous to workers for the U.S. to adopt such a policy. For example, two experts said it may increase the availability of telework. In addition, two experts said the policy could increase workforce participation, especially for workers with disabilities and those with childcare responsibilities.

However, two experts pointed to the potential disadvantages of the U.S. adopting a right to request telework policy. For example, one expert said employers may reduce hiring from certain worker demographic groups they perceive as more likely to request telework. The expert explained this is evidenced by a study that found an unintended consequence of the Americans with Disabilities Act was that employers reduced hiring of workers with disabilities.<sup>17</sup> Alternatively, one expert suggested that the U.S. rely on labor market forces to match employers and workers who share the same preferences for telework.

### Right to Request Telework in Ireland

In 2024, Ireland gave every worker the right to request telework as soon as they begin a job but required workers to work for their employer at least 6 months before starting to telework, according to government publications. According to the publications, employers are not required to approve the request but must respond within 4 weeks and provide a written notice of the reasons if they deny a request.

Source: GAO summary of Ireland government publications. | GAO-25-107078

- **Right to disconnect.** The right to disconnect from work outside of work hours is a legal right in France, a Code of Practice in Ireland, and is not adopted in the U.K., according to government publications and Eurofound reports we reviewed.<sup>18</sup> For example, Ireland government publications state that employers are encouraged to develop a right to disconnect policy. This includes a right to not routinely work outside working hours and a duty to respect others' right to disconnect (e.g., not routinely emailing or calling outside working hours). Four of the experts we interviewed saw a right to disconnect from work as potentially advantageous to workers, with one noting that it could be valuable to encourage work-life balance.

However, four different experts said such a policy is not needed in the U.S. or would not address the problem of excessive work. Specifically, these four experts said the right to disconnect would not address the issue of workers working more than their scheduled hours. One of these experts noted that it could reduce workers' flexibility in choosing working hours. Another expert said a competitive labor market that lets employers earn a reputation for treating teleworkers well is preferable to this policy. The expert added that such employers would be rewarded by retaining their existing workers and attracting new workers.

- **Required health and safety assessments.** According to government publications and Eurofound reports we reviewed, all three countries require health and safety assessments for teleworkers. For example, the U.K. requires employers' risk assessment to cover teleworkers' health and safety. In addition, the selected countries address mental health risks to teleworkers. For example, an Ireland government publication has a checklist for employers to assess teleworkers' safety and welfare, which includes employers having a way to report mental health issues (e.g., work related stress, difficulties maintaining boundaries between home and work, and social isolation). Five experts did not favor the U.S. adopting a policy of requiring health and safety risk assessments for teleworkers. Two experts said the costs of this policy may lead employers to be less willing to offer telework. In addition, another expert opposed such a policy, saying it would divert attention and health and safety resources from workers who are at a higher risk than teleworkers, such as manual laborers and warehouse workers.

### What guidance does DOL provide on telework?

DOL has issued Field Assistance Bulletins (FABs) that provide guidance on telework regarding employers' compliance obligations under the Fair Labor Standards Act (FLSA) and the Family and Medical Leave Act (FMLA).<sup>19</sup> FLSA establishes federal minimum wage, overtime pay, and recordkeeping requirements, among other things. FLSA requires covered employers to pay nonexempt workers for all hours worked, including work in their home or otherwise away from the employer's premises or job site.<sup>20</sup> FMLA provides

eligible workers of covered employers unpaid, job-protected leave for certain reasons.<sup>21</sup> In 2020 and 2023, DOL provided its guidance through two FABs it issued.<sup>22</sup> Specifically, the guidance defines requirements for how employers:

- **Determine the hours workers must be paid for working.** DOL’s guidance explains that the FLSA requires employers to pay workers for all the hours they work, including for work performed at the worker’s home.<sup>23</sup> The guidance includes that hours worked by teleworkers may include time when a teleworker is engaged to wait for work to do (e.g., a call center worker who waits for phone calls). The guidance also states that employers must pay for work that was unscheduled or not requested by the employer if the employer knew about the work or had reason to believe work was being performed.
- **Identify breaks for which they must pay workers.** The guidance also explains that employers must pay workers (including teleworkers) for certain breaks.<sup>24</sup> For example, employers generally must pay workers for short breaks of 20 minutes or less (e.g., to stretch), and the guidance notes that such breaks primarily benefit employers by enhancing workers’ productivity. However, the guidance explains that employers are not required to pay workers for longer breaks when workers are relieved from duty and the break is long enough for the worker to use the time effectively for their own purpose (e.g., bona fide meal breaks, which are typically 30 minutes or more).
- **Track workers’ work hours.** DOL’s FLSA guidance explains that employers have an obligation to exercise reasonable diligence to acquire knowledge regarding a worker’s unscheduled hours and that employers can satisfy their obligation by providing a reasonable reporting procedure for non-scheduled time.<sup>25</sup>
- **Determine workers’ eligibility for FMLA leave.** DOL’s guidance explains that for a worker to be entitled to job-protected FMLA leave, the worker must—among other requirements—work at a location where the employer has at least 50 workers within 75 miles.<sup>26</sup> For this requirement, the worker’s residence is not a worksite; the worker’s worksite is the office they report to or from which their assignments are made. DOL’s guidance notes that whether a worker works from home consistently or in combination with working at another or various worksites, all hours worked are counted for their FMLA eligibility.

In March 2025, DOL officials said they did not plan to issue new labor law guidance relevant to telework. They said, however, that they are always looking for opportunities to provide guidance when it is needed. Employer stakeholders generally did not say they needed additional telework guidance from DOL.

In addition to guidance, DOL’s Office of Disability Employment Policy also provides technical assistance (e.g., information and resources) to employers regarding telework for workers with disabilities. For example, the office’s technical assistance and policy centers provide flow charts on how to process workers’ requests to telework as a reasonable accommodation and checklists employers can use to develop accessible telework policies, if they elect to do so.

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## Agency Comments

We provided a draft of this report to DOL for review and comment. DOL did not have any comments on the report.

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## How GAO Did This Study

To obtain worker and employer stakeholders’ views on telework, we interviewed officials from a non-generalizable selection of 11 organizations that represent private sector workers and employers.

To select stakeholders, we identified organizations that represent specific groups of private sector workers and employers who may have significant experiences with or unique perspectives on telework. These stakeholder organizations included:

- **Worker stakeholders.** Three organizations representing unionized workers, workers with disabilities, and older workers.
- **Employer stakeholders.** Three organizations representing small and large businesses and women-owned businesses.

Additionally, we selected two organizations that represent workers and three organizations that represent employers in the three industries with the highest rates of telework.<sup>27</sup>

These stakeholder organizations provided comments on various topics such as the benefits and challenges of telework, factors employers consider when deciding whether to adopt telework, and how return-to-office mandates affect workers. Stakeholders' responses are not quantifiable or comparable within or across groups, as the interview questions were not pre-tested. Since we were unable to pre-test the interview questions, stakeholder groups may have interpreted the interview questions differently. Although we attempted to conduct pre-testing, this proved overly challenging as many organizations did not respond to our inquiries.

To obtain experts' views on public policies that could affect telework and the benefits and challenges of telework for workers, we interviewed seven expert researchers (see app. I) and reviewed their studies. We selected three researchers whose studies were cited multiple times in our 2023 report and four researchers who were referred to us by the initial three researchers. To obtain an industry perspective, we selected the one private sector research organization we identified with original telework job postings data that it uses for labor market research. We then identified the private sector research organization's three peer-reviewed publications and over 60 self-published publications on telework. We confirmed all experts' expertise using criteria that included their number of telework publications (working papers or peer-reviewed publications), experience, and education, all of which we identified by reviewing their resumes. We also report findings of studies that address similar topics. A GAO economist evaluated the quality and robustness of the methodology of studies cited in this report. The eight experts' views are not generalizable to the views of all experts.

To enable quantifying experts' views on policies, we pretested our interview questions with three GAO economists. The semi-structured interview questions we asked allowed for open-ended responses such that not all experts would be expected to raise a particular policy. As such, when we report on the experts' responses, we captured the number of experts who mentioned a particular policy. To analyze the eight experts' responses, we aggregated views on similar policies. We report on the policies that experts brought up most often.

To describe telework policies in other countries, we selected three countries—France, Ireland, and the United Kingdom—due to their similarities to the U.S. and their telework policies not used in the U.S. We reviewed reports from Eurofound and the selected countries' websites about their telework policies. We also asked the experts discussed above about their views on how these countries' telework policies may affect workers and employers if the policies were adopted in the U.S. GAO is not endorsing any particular policy mentioned by experts. We also note that the fact that a policy may be considered successful in one or more of the countries we reviewed, which have different cultures, histories, and legal systems, does not necessarily indicate that it would be successful in the United States.



To address what guidance DOL provides employers, we reviewed relevant agency documents and interviewed DOL officials. In addition, we reviewed and summarized relevant federal laws and DOL guidance documents pertaining to telework. We also interviewed representatives of the employer and worker stakeholder organizations about their views on DOL's guidance.

We conducted our work from September 2023 to May 2025 in accordance with sections of GAO's Quality Assurance Framework relevant to our objectives. The framework requires that we plan and perform the engagement to obtain sufficient and appropriate evidence to meet our stated objectives and to discuss any limitations in our work. We believe that the information and data obtained, and the analysis conducted, provide a reasonable basis for the information we report in this product.

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## List of Addressees

The Honorable Robert C. "Bobby" Scott  
Ranking Member  
Committee on Education and Workforce  
House of Representatives

The Honorable Gerald E. Connolly  
Ranking Member  
Committee on Oversight and Government Reform  
House of Representatives

The Honorable Mark DeSaulnier  
Ranking Member  
Subcommittee on Health, Employment, Labor, and Pensions  
Committee on Education and Workforce  
House of Representatives

The Honorable Jamie Raskin  
House of Representatives

We are sending copies of this report to the appropriate congressional committees, the Secretary of Labor, and other interested parties. In addition, the report will be available at no charge on the GAO website at <https://www.gao.gov>.

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## Appendix I: List of Experts Interviewed

We interviewed the following eight experts:

1. Dr. Steven J. Davis, Senior Fellow at the Hoover Institution, Senior Fellow at Stanford Institute for Economic Policy Research, and Professor Emeritus at the University of Chicago Booth School of Business.
2. Dr. Prithwiraj ("Raj") Choudhury, Lumry Family Associate Professor, Harvard Business School.
3. Dr. Victoria Vernon, Associate Professor of Economics, SUNY Empire State University.
4. Dr. Matthew Kahn. Provost Professor of Economics at the University of Southern California. Research associate at the National Bureau of Economic Research and a research fellow at IZA. Senior Fellow at the Schaeffer Center for Health Policy and Economics at USC. Visiting Fellow at the Hoover Institution at Stanford University.
5. Dr. David Agrawal. Associate Professor, Department of Economics and Martin School of Public Policy & Administration, University of Kentucky. Fellow in the CESifo Network.

6. Dr. Natalia Emanuel, Research Economist.
7. Dr. Emma Harrington, Assistant Professor of Economics, University of Virginia and Research Affiliate JPAL - North America.
8. Mr. Nick Bunker, Economic Research Director for North America, representing Indeed Hiring Lab.

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## GAO Contact Information

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## Endnotes

<sup>1</sup>Nicholas Bloom, Ruobing Han, and James Liang. "Hybrid working from home improves retention without damaging performance." *Nature*, vol. 630 (2024): 920–925.

<sup>2</sup>Nicholas Bloom, Gordon B. Dahl, and Dan-Olof Rooth. "Work from Home and Disability Employment." (NBER Working Paper 32943 National Bureau of Economic Research, Cambridge, Mass., September 2024).

<sup>3</sup>Cevat Giray Aksoy, Jose Maria Barrero, Nicholas Bloom, Steven J. Davis, Mathias Dolls, and Pablo Zarate. "Time Savings When Working from Home." (AEA Papers and Proceedings 113: 597–603., May 2023).

<sup>4</sup>GAO, *Telework: Growth Supported Economic Activity During the Pandemic, but Future Impacts Are Uncertain*, [GAO-23-105999](#) (Washington, D.C.: July 26, 2023).

<sup>5</sup>Alessandra Fenizia, and Tom Kirchmaier. "Not incentivized yet efficient: Working from home in the public sector." (Discussion Paper No. 2036, Centre for Economic Performance, London School of Economic and Political Science, September 2024).

<sup>6</sup>Natalia Emanuel, Emma Harrington, and Amanda Pallais. "The Power of Proximity to Coworkers: Training for Tomorrow or Productivity Today?" (NBER Working Paper 31880. National Bureau of Economic Research, Cambridge, Mass., November 2023).

<sup>7</sup>GAO recently issued a report on the digital surveillance of workers, which explores similar points. See GAO, *Digital Surveillance of Workers: Tools, Uses, and Stakeholder Perspectives*, [GAO-24-107639](#) (Washington, D.C.: Aug 28, 2024).

<sup>8</sup>Emanuel, Harrington, and Pallais. "The Power of Proximity to Coworkers."

<sup>9</sup>[GAO-23-105999](#).

<sup>10</sup>Bloom, Han, and Liang. "Hybrid Working from Home Improves Retention Without Damaging Performance."

<sup>11</sup>David Agrawal, and Kirk Stark, "Will the Remote Work Revolution Undermine Progressive State Income Taxes?", CESifo Working Papers. (June 2022).

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<sup>12</sup>We previously reported that since licensing requirements often vary by state, the lack of license portability—the ability to transfer an existing license to a new state with minimal application requirements—can make license transfers time consuming and costly. See GAO, *Military Spouse Employment: DOD Should Continue Assessing State Licensing Practices and Increase Awareness of Resources*, [GAO-21-193](#) (Washington, D.C.: Jan. 27, 2021).

<sup>13</sup>Jose Maria Barrero, Nicholas Bloom, and Steven J. Davis. “Internet Access and its Implications for Productivity, Inequality, and Resilience” (NBER Working Paper 29102. National Bureau of Economic Research, Cambridge, Mass., September 2021).

<sup>14</sup>Congressional Budget Office, *Comparing the Compensation of Federal and Private-Sector Employees in 2022*, (Washington, D.C.: April 2024).

<sup>15</sup>We interviewed researchers from the Organization for Economic Cooperation and Development (OECD) and Eurofound.

<sup>16</sup>The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a European Union Agency created in 1975. Its role is to provide knowledge in the area of social, employment and work-related policies.

<sup>17</sup>Daron Acemoglu, and Joshua D. Angrist. “Consequences of Employment Protection? The Case of the Americans with Disabilities Act.” *Journal of Political Economy* 109, no. 5 (2001): 915–957.

<sup>18</sup>Ireland’s Workplace Relations Commission issued a Code of Practice that states it is intended to provide organizations and their employees best practices guidance on the right to disconnect.

<sup>19</sup>FABs provide Wage and Hour Division (WHD) investigators and staff with guidance on enforcement positions and clarification of policies or changes in the policy of WHD.

<sup>20</sup>Generally, covered workers under the FLSA are those engaged in commerce or in the production of goods for commerce. FLSA generally covers employees of any business with two or more people that has an annual volume of business over \$500,000 or engages in the operations of a hospital, school, or public agency. There are a number of exceptions to FLSA coverage. For example, independent contractors are not covered by the FLSA, and certain categories of workers, such as those in bona fide executive, administrative, or professional positions, are exempt from the minimum wage and overtime requirements.

<sup>21</sup>Employees are generally eligible for FMLA leave when they have worked for the employer for at least 12 months; have at least 1,250 hours of service for the employer during the 12-month period immediately preceding the leave; and work at a location where the employer has at least 50 employees within 75 miles. These employers must provide an eligible employee with up to 12 weeks of unpaid leave each year for any of the following reasons: The birth and care of the newborn child of an employee; placement with the employee of a child for adoption or foster care; to care for an immediate family member (i.e., spouse, child, or parent) with a serious health condition; or to take medical leave when the employee is unable to work because of a serious health condition.

<sup>22</sup>See Field Assistance Bulletins 2023-1 (Telework Under the FLSA and FMLA) and 2020-5 (Employers’ obligation to exercise reasonable diligence in tracking teleworking employees’ hours of work). See also WHD Opinion Letter FLSA2020-19 (addressing whether certain travel time occurring on a telework day is compensable under the FLSA).

<sup>23</sup>Field Assistance Bulletin No. 2023-1; Field Assistance Bulletin No. 2020-5.

<sup>24</sup>Field Assistance Bulletin No. 2023-1.

<sup>25</sup>Field Assistance Bulletin No. 2023-1; Field Assistance Bulletin No. 2020-5.

<sup>26</sup>Field Assistance Bulletin No. 2023-1.

<sup>27</sup>[GAO-23-105999](#). In 2021, the three industries with the highest rates of telework were: 1. Information; 2. Finance and insurance, and real estate and rental and leasing; 3. Professional, scientific, and management, and administrative and waste management services.