

All about the PEO.



A PEO provides integrated services to effectively manage cost, critical human resource responsibilities and employer risks. A PEO delivers these services by establishing and maintaining an employer relationship with the employees at the client's worksite and by contractually assuming certain employer rights, responsibilities, and risk. **This is a service that is on your side, they will help to prevent any possible employee law suit because they will be a co-employer. Ask yourself this question, "What other industry wants to share your risk with you at any cost?"; Not your payroll company, not your accountant, Not even your legal advisors will share risk on the advise they give you. The PEO will.**

Businesses across America have discovered the incredible value of PEOs because they provide:

- Relief from the burden of employment administration.
- Provide a wide range of personnel management solutions through a team of professionals.
- Improved employment practices, compliance and risk management to reduce liabilities.
- Provide access to a comprehensive employee benefits package, allowing clients to be competitive in the labor market.
- Provide assistance to improve productivity and profitability.
- Provide a cost effective solution to human resources and risk management

Benefits of PEO Services

For your business, a PEO:

- Provides experienced professionals in HR, benefits, payroll and risk management.
- Assumes certain employment related liabilities.
- Delivers professional assistance with compliance (payroll, OSHA, EEOC).
- Provides secure Internet access to payroll, benefits and personnel data.
- Provides access to professional HR guidance and materials.
- Manages workers' compensation claims.
- Manages COBRA.
- Supplies clear, easy-to-read and professionally written employee handbooks, policies, procedures and practices.
- Improves cost control.
- Delivers access to better benefits.

- Reduces turnover. Provides you more time to focus on your bottom line.
- Gives you the opportunity to grow your business faster.

For your employees, a PEO:

- Provides access to comprehensive benefits often previously unavailable - 401(k), Section 125 plan, comprehensive insurance benefits, Flexible Spending Plan.
- Delivers on-time and accurate payroll.
- Provides professional assistance with employment-related issues.
- Supplies easy-to-read employee handbooks, policies, procedures and practices.
- Enables more employees to receive statutory protection.
- Improves communication among and between employees.
- Offers up-to-date information on labor regulations, workers' rights and worksite safety.
- Processes claims efficiently and responsively.
- Enables employees who move from one PEO client to another to avoid loss of eligibility for benefits.
- Provides improved access to payroll information, benefits, personnel data, vacation and sick time accrual, and specialized reports.
- Manages COBRA
- May offer credit union membership and banking privileges.
- Frequently offers exclusive employee discounts and rates on travel, entertainment and services.

Frequently Asked Questions (FAQs)

☒ What is a PEO?

Professional employer organizations (PEOs) enable clients to cost-effectively outsource the management of human resources, employee benefits, payroll and workers' compensation. PEO clients focus on their core competencies to maintain and grow their bottom line.

☒ Who uses a PEO?

Businesses looking to improve the cost effective delivery of human resources systems and reduce human resource risk find value in a PEO relationship. The average client is a company with 17 worksite employees. Increasingly, larger businesses also are finding value in a PEO arrangement, because PEOs offer robust Web-based HR technologies and expertise in HR management. PEOs can partner with companies that have 5000 or more employees and work in conjunction with their existing human resources department.

PEO clients include many different types of businesses ranging from accounting firms to high-tech companies and small manufacturers. Many different types of professionals, including doctors, retailers, mechanics, engineers and plumbers, benefit from PEO services.

☒ How does a PEO arrangement work?

The client company contracts with a PEO, the PEO will then co-employ the client's worksite employees. In the arrangement with a PEO, a worksite employee and the client company, there exists a [co-employment relationship](#) in which both the PEO and client company have an employment relationship with the worker. The PEO and client company share and allocate responsibilities and liabilities. The PEO assumes much of the responsibility and liability for the business of employment, such as risk management, human resource management, and payroll and employee tax compliance. The client company retains responsibility for and manages product development and production, business operations, marketing, sales, and service. The PEO and the client share certain responsibilities for employment law compliance. As a co-employer, the PEO often provides a complete human resource and benefit package for worksite employees.

☒ Why would a business use a PEO?

Business owners want to focus their time and energy on the "business of their business" and not on the "business of employment". As business grows, most owners do not have the necessary human resource training; payroll and accounting skills, the knowledge of regulatory compliance, or the backgrounds in risk management, insurance and employee benefit programs to meet the demands of being an employer. PEOs give individual franchise systems access to many benefits and employment amenities they would not have otherwise.

- **Do the business owners lose control of their businesses?**

The client retains ownership of the company and control over its operations. As co-employers, the PEO and client contractually share or allocate employer responsibilities and liabilities. The PEO will generally only assume responsibilities and liabilities associated with a "general" employer for purposes of administration, payroll, taxes and benefits. The client will continue to have responsibility for worksite safety and compliance. The PEO is responsible for payroll and employment taxes, maintains employee records and reserves a right to hire and fire. Because the PEO also may be responsible for workers' compensation, many PEOs also focus on and improve safety and compliance. In general terms, the PEO focuses on employment-related issues and the client is responsible for actual business operations.

PEOs Are Co-Employers

The PEO relationship involves a contractual allocation and sharing of employer responsibilities between the PEO and the client. This shared employment relationship is called *co-employment*.

As co-employers with client companies, PEOs contractually assume substantial employer rights, responsibilities, and risk through the establishment and maintenance of an employer relationship with the workers assigned to its clients. More specifically, a PEO establishes a contractual relationship with its clients whereby the PEO: Co-employs workers at client locations, and thereby assumes responsibility as an employer for specified purposes of the workers assigned to the client locations. Shares or allocates with the client employer responsibilities in a manner consistent with maintaining the client's responsibility for its product or service. Then, the PEO pays wages and employment taxes of the employee out of its own accounts. Reports, collects and deposits employment taxes with state and federal authorities. Establishes and maintains an employment relationship with its employees that is intended to be long term and not temporary.

Businesses today need help managing increasingly complex employee related matters, including employee relations, health benefits, workers' compensation claims, payroll, payroll tax compliance, and unemployment insurance claims. They contract with a PEO to assume these responsibilities and provide expertise in human resources management. This allows the PEO client to concentrate on the operational and revenue-producing side of its operations.

A PEO provides integrated services to effectively manage critical human resource responsibilities and employer risks for clients. A PEO delivers these services by establishing and maintaining an employer relationship with the employees at the client's worksite and by contractually assuming certain employer rights, responsibilities, and risk.

In short the services being offered are;

- Workers' Compensation
 1. No deposits
 2. No Audits
 3. No Audit Premiums Ever.
 4. Complete Claims Processing
- Safety Programs and management
- Employee Handbooks and regular updates
- Harassment and Work place Violence Training
- Legal compliance with State and Federal laws
- Payroll process with Direct deposit
- 940-941's filed
- Offer a 401k
- Large Group Health Plan (additional cost)
- Vision and Dental (additional cost)

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