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PROFESSIONAL EMPLOYER ORGANIZATION

8 QUESTIONS TO ASK BEFORE PARTNERING WITH A PEO

When business owners are looking for efficient and cost-effective solutions to their human resources challenges, a commonly-recommended option is the use of a professional employer organization (PEO). In a PEO arrangement, the business owner enters into a co-employment relationship with the PEO provider, allowing the PEO the authority to act as the “employer of record” for the business’s employees, while the business owner remains in control of the business itself. A PEO arrangement is ideal for business owners who are overwhelmed with HR challenges, because it allows the PEO to assume many of the responsibilities and liabilities associated with employment, while the business owner focuses their time and energy on growing their business.

While all PEOs essentially serve the same purpose, not all of them are the same. Before partnering with a PEO, it’s important to ask certain questions to make sure the PEO you choose is the best fit for your business. Here are eight questions to ask when you’re considering a PEO partnership:

1

WHAT ARE THE SERVICES I CAN EXPECT TO RECEIVE?

Each PEO operates a little differently than the next, and some may offer services that others do not. Some may let business owners pick and choose the services they want to receive, and others may only offer a one-size-fits-all bundle. A full-service PEO will include payroll and time/attendance administration, a variety of benefits plans with access to large group health coverage, human resources consulting and/or in-house HR management, recruiting services, liability management, training and safety development and compliance management.



2

WHO WILL BE MY CONTACT FOR HR? WILL THEY COME INTO THE WORKPLACE OFTEN?

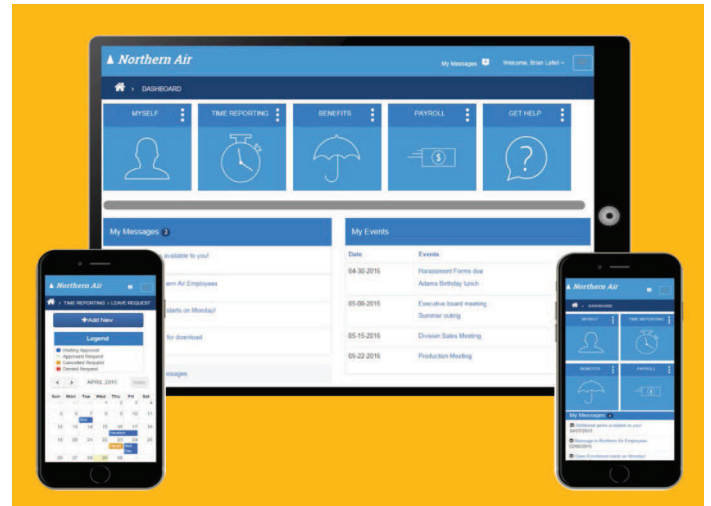


Your PEO provider should offer a designated HR representative or HR team to be your main point of contact for all HR related questions or concerns. This should include online and telephone support available during normal business hours. Some businesses thrive with this type of support, but others need something more. When considering a PEO arrangement, think carefully about your HR needs. Depending on the arrangement you choose, your dedicated HR representative may be available to visit your workplace to provide comprehensive in-person HR Guidance on a periodic basis.

3

WHAT TYPE OF TECHNOLOGY DO YOU PROVIDE TO MAKE HR SERVICES MORE ACCESSIBLE?

One of the biggest perks of partnering with a PEO is gaining access to new and upgraded employee management technology. Your chosen PEO should be able to provide you with technology to streamline HR services. Cloud-based HR services can be an easy and user-friendly solution to take employees from the hiring process, through onboarding, into training, payroll and all the way through termination or retirement. Ask your chosen PEO provider for a demonstration of their software to ensure it is accessible, easy-to-use and will fit the needs of your business.



4

WHAT KIND OF EMPLOYEE BENEFITS PLANS ARE OFFERED?



While good pay is important to employees and potential employees, often it's the benefits that are the deciding factor on whether or not to accept a job offer. Today's top talent is looking for more than just a paycheck; employees want meaningful benefits that include top-tier health insurance plans, savings plans, corporate wellness programs, life insurance, short and long term disability and more. When considering a PEO provider, ask them about the carriers they partner with and what kinds of benefit plans they're able to offer to ensure that your business is putting together a killer benefits package that will make your current employees excited about and will attract top talent the future.

5

DO YOU PROVIDE TRAINING OR PROFESSIONAL DEVELOPMENT FOR MY EMPLOYEES?

Your PEO should be interested in more than just the employee administration aspect of their role as the employer of record. The growth of your employees should also be a priority for the PEO as well as for the business owner. Professional development and employee training opportunities allow you to maximize the potential of your current workforce, and a business is most profitable when its employees' abilities and skills are developed to their fullest. Before you sign that PEO contract, ask your PEO provider what type of training and development programs they provide.



6

WHAT CAN YOU DO TO HELP LOWER MY WORKERS' COMPENSATION RATE?



As part of their services your PEO should work toward lowering your workers' compensation rate through things like hands-on risk management, safety programs, and claims management. Before you make the commitment, ask about the programs they use to help reduce and eliminate workplace injuries, and be wary of any PEO that is willing to have you sign a contract without an analysis of your workers' compensation program.

7

HOW CAN YOU ASSIST WITH BENEFIT AND UNEMPLOYMENT CLAIMS ADMINISTRATION?

Your PEO should act as a liaison between your employees and the insurance carrier(s) so that employees are supported when it comes to both choosing benefits and filing claims when necessary. Additionally, the PEO provider should assist the business owner with unemployment claims. As the employer of record, the PEO shares an unemployment rate with the business owner, so it is in the interest of both parties to ensure all unemployment claims are legitimate. Before partnering with a PEO, ask them what steps they take to protect unemployment rates.



8

WHAT EXACTLY WILL I BE PAYING FOR? IS THERE A SAMPLE INVOICE I CAN LOOK AT?

Most PEOs charge for their services in one of three ways: either as a percentage of total payroll, a set price per paycheck per pay period or as a flat per-employee-per-year fee. In all of these scenarios, however, the rate will also depend on which services are selected by the business owner. There are also two types of invoices that PEOs typically provide, depending on the provider, the invoice they send may show either bundled or unbundled service fees. Unbundled invoices will break down your flat fee arrangement to show the deductibles, admin fees and other costs that are included in the fee as well as how much money went towards each particular line item. Bundled invoices typically just show one all-inclusive percentage or per-paycheck fee or per-employee, which can make it difficult to identify the exact charges for each service provided by the PEO. Ask your potential PEO provider for a sample invoice to ensure that you know exactly what you will be paying for.



When you hire a PEO, they should function as an extension of your business, rather than a contractor you've hired to do certain tasks. Is the PEO's job as the employer of record to be available to answer questions about employment-related matters, and be proactive in preventing certain liabilities and compliance issues from occurring. That's why, before you sign on the dotted line, you should be sure that you understand how your chosen PEO will impact your business and that you feel confident that the relationship between you and your PEO provider will be a successful one.



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Emplicity instills the confidence and knowledge you need to manage daily tasks and decisions associated with HR, such as hiring, firing, and managing employee performance.



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Your dedicated Emplicity representative understands your unique business needs and acts as a key resource to your management team. Rely upon us in critical situations to achieve your objectives



ON-SITE. ON-CALL. ONLINE.

We know that employee issues escalate when it is not convenient. Your Emplicity Representative is available when the situation calls for guidance in person, via phone call or text message, or online through email or virtual meeting.