

How To Evaluate A PEO



Are they accredited?

You always want to make sure that the PEO firm you are considering has their ESAC and CPEO accreditation. ESAC accreditation is the Gold Standard for PEO best practices and financial reliability.

What are their online capabilities?

Meaning, can you enroll new-hires, make changes, run reports and conduct communication with my PEO through a secure, web-based portal? Information protection is critical.

How will they keep your information safe?

Statement on Standards for Attestation Engagements (SSAE) No. 16 is an auditing standard that can put you at ease. It means that your information and your employees' information is kept safe and controls are audited each year by an independent third party.

What expertise do they have on staff?

Does the PEO have Certified HR Managers, CPA's, Certified Payroll Professionals, Employment or ERISA Attorneys or IT Professionals? Of these areas of expertise, which are most important to your business?

What am I paying for now that can offset my investment in a PEO?


Do you have payroll expenses or insurance coverages that would fall under the PEO costs? Are there time clocks or software subscriptions that would no longer be necessary? Finally, how do your current costs for health insurance, workers' compensation and 401(k) compare to the plans of the PEO?

What is the quality of their benefits offering?

Frequently, a PEO is the only way a company can afford and administer Fortune 500 quality benefits like health insurance, dental and vision care, life insurance, retirement savings, etc. It is important to know which health carriers are offered (BCBS, UHC, Aetna, etc.) and if they are offered through a master health platform which allows the PEO to offer lower premiums for better plans.

How Much Does it Cost to Use a PEO?

In terms of "per employee, per year," using a PEO will range from about \$750 to about \$1,500. If you are a business owner with 15 full-time employees, your investment will be somewhere between \$11,250 and \$22,500 per year or \$216 to \$432 per week.

SERVICE	PEO
Workers' Compensation 	PEO provides coverage via master policy
Risk and Safety Management 	PEO provides coverage via master policy
Human Resources 	PEO supports HR responsibilities, but worksite employer is responsible to follow proper HR policies compliant with laws and regulations
Regulatory Compliance 	PEO manages responsibilities related to regulatory compliance
Employee Benefits 	PEO offers coverage under PEO master policies
Payroll & Tax 	The PEO is liable for state and federal taxes
State Unemployment Tax Rate (SUTA) 	PEO SUTA rate is used
Unemployment Claims 	PEO manages unemployment claims

For more information please contact us at **(800) 888-0472** or visit us online for more information at landrumhr.com.