

# Facts about Professional Employer Organizations (PEOs)

## What is a PEO?

- A professional employer organization (PEO) provides comprehensive HR solutions for small businesses. Payroll, benefits, HR, tax administration, and regulatory compliance are some of the many services PEOs provide to small and growing businesses across the country.

## Why a PEO?

- By providing payroll, benefits, and HR services and assisting with compliance issues under state and federal law, PEOs allow small businesses to improve productivity and profitability, to focus on their core mission, and to grow.
- Through a PEO, the employees of small businesses gain access to big-business employee benefits such as: 401(k) plans; health, dental, life, and other insurance; dependent care; and other benefits they might not typically receive as employees of a small company.

## PEO Facts

- Approximately 250,000 small and mid-sized businesses and 2.5 million people are part of PEO arrangements.
- PEOs provide access to healthcare for as many as 4 to 6 million people.
- The average size of a small business client of a NAPEO member is 20 employees.
- According to one business study, 40 percent of small businesses in PEO relationships upgrade their total employee benefit offerings as a result of the PEO relationship.
- While only 27 percent of small businesses overall offer employee retirement plans (according to the NFIB), approximately 95 percent of NAPEO's members offer retirement plans to their small business worksite employees. Virtually all of those offer some level of matching contribution.
- Actuarial data shows that PEOs aggressively manage workers' compensation risks and reduce the basic costs of workers' compensation by as much as 25 percent for small business enterprises.
- To date, 40 states have adopted some form of PEO legislation and PEOs operate in all 50 states.

## About Staff Leasing

Staff Leasing is a Professional Employer Organization (PEO) serving business owners and employees as an outsourced human resources department. By streamlining your personnel costs through vendor consolidation and offering a comprehensive employee benefit package, we become your trusted business adviser and partner, allowing you to concentrate on the business you know best ... your own.



*"Using a PEO is like having a human resources department. You have a team of HR people, but only pay a portion of the expenses."*



*"Our PEO has been with us every step of the way in handling challenging employee issues. The staff is always there to help us with benefits and payroll."*



*"Our relationship with a PEO gives us the freedom to focus our attention on our customers."*

