



What would 2024 look like with a PEO?

How Co-employment Could Change Your 2024 Forecast



Resource from [StaffLeasing-PEO.com](https://www.staffleasing-peo.com)



As a business leader, it is important to delegate tedious tasks such as processing payroll or shuffling through employee paperwork. ***If your revenue-generating initiatives are taking a backseat to your HR duties, it's time to get some help.***

When you enter into a co-employment relationship with a PEO, HR specialists take care of the tedious tasks for you. Additionally, your employees gain access to big business benefits that you would not be able to provide otherwise.

Through a co-employment relationship, a PEO assumes many of your employee-related responsibilities, while you continue to manage and run your business. You maintain all business decisions and operations while the coemployer manages many employee-related aspects of business operations.

Your company's role

Your company remains an employer. It maintains control over managing your employees' tasks and core job functions, in addition to maintaining your organizational structure. Your company's leadership team remains focused on fulfilling the role they were hired for.

The PEO's role

As the co-employer, the PEO takes on specific employer obligations. These are outlined in your service agreement. The agreement allows the PEO to provide benefits and handle functions such as payroll, related government filings, and tax remittance. It may also handle other aspects, such as wage and benefits administration and W-2s, for example. Since it acts as an employer for such purposes, the PEO can assume a greater amount of responsibility than other outside companies.

HR Functions Provided by PEOs

As a co-employer, a PEO can assume the HR functions that you would have to outsource to multiple service providers, including:

#1: Cost-effective benefits for employees

#2: No stress benefits administration

#3: Freedom from processing payroll and filing taxes

#4: Workers' compensation coverage and claim management

#5: Employee performance management support

#6: Strategic HR support and planning

#1

Cost-effective benefits for employees

PEO-sponsored benefit plans give your employees access to a wider variety of benefits than your company could get on its own. This includes things like medical, dental, and vision coverage, health care flexible spending accounts, retirement plans, and more.



#2

No stress benefits administration

As the plan sponsor, the PEO assumes responsibility for the plan. This means that the PEO is responsible for plan administration and reporting requirements, including negotiating rates with providers, managing employee enrollment and notifications, conducting annual non-discrimination tests, and more. Additionally, when employees have questions or want to make changes to their benefit plan elections, they will work with the PEO directly, so you don't get pulled away from your business.



#3

Freedom from processing payroll and filing taxes

The PEO can provide solutions to assist you in reporting employees' work hours as well as processing payroll, administering payroll deductions, and issuing paychecks. The PEO also prepares, files, and deposits taxes under its Employer Identification Number (EIN). It is responsible for ensuring that your payroll tax is calculated correctly, processed on time, and complies with state and federal laws.



#4

Workers' compensation coverage and claim management



Because the PEO coemploys your employees, they are covered under its workers' compensation insurance policy. Therefore, your PEO will manage any claims that may arise. This includes investigating claims, communicating with injured employees and their physicians when necessary, as well as assisting with return-to-work arrangements. Through effective management of its workers' compensation program, a PEO can reduce the cost of its workers' compensation coverage, resulting in a lower comprehensive service fee charged to clients.

#5

Employee performance management support

A PEO can help you design and conduct employee performance appraisals regularly. In addition to supporting ongoing performance improvement, PEOs often provide you with compensation resources and tools, supervisor coaching, assistance with job descriptions, reward and recognition program design, self-help tools and worksheets for variable and sales compensation structures, base pay structures, and company climate surveys. Many PEOs can also provide training and leadership development services, and provide advice and best practices for handling workplace issues or arguments.



#6

Strategic HR support and planning

Some PEOs have HR specialists who can help create your organization's mission, vision, and value statements. Based on this information, a PEO can then help you develop procedures and processes, such as a human capital management plan, which will support your strategic objectives.



The Next Step

So what's stopping you from joining a PEO? Chances are you've heard some tall tales about what might happen to your business after you sign on the dotted line. Rest assured, we're here to clear the air. Read our article that debunks common HR outsourcing myths to put any worries to rest.



Related eBook:

7 Common HR Outsourcing Myths, Debunked

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Partnering with a PEO is a great way to improve your company's outlook for 2021. By outsourcing tedious tasks, you will be able to focus on revenue-generating strategies. Additionally, your employees will gain access to greater benefits. If you're ready to connect with a PEO that will help you grow your business, contact our team at Staff Leasing.



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