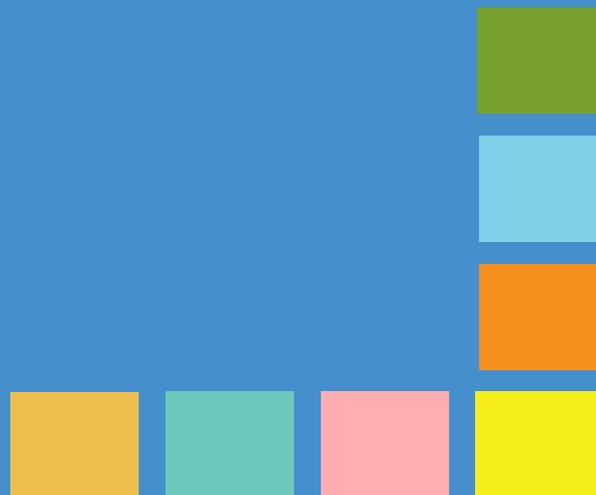
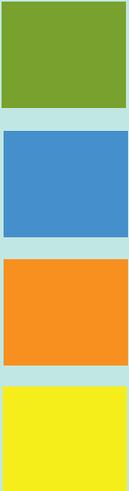


The
CLEAR
Quick Guide
to PEOs



How can a PEO help my business?



Employment laws, staff turnover, the ACA, benefits — HR is daunting, but there's nothing more important to your business than the quality and productivity of your team. A PEO can take HR off your shoulders—easily and cost effectively—so you can focus on growing your business.

Outsourcing HR to a PEO

- Stress-free HR administration
- Control benefit costs
- Recruit/retain top talent
- Comply with employment laws
- Reduce your liability
- Provide employees with Fortune 500 benefits, professional development and more

What is a PEO?

PEOs are a little known, but highly valuable HR advisor and partner.

Professional Employer Organizations bring HR expertise to small and medium organizations, assume employment liability, offer Fortune 500 benefits, and provide administrative support. They can also reduce overall HR costs while providing a high level of service.



21%

savings on
HR administration
with a PEO

(Source: National Association of PEOs)

Why do I need a PEO?

Check the facts. Companies with PEOs have more success, more time to focus on business growth and happier employees.



Organizations with PEOs have more success, more time to focus on growth and more satisfied employees than their peers.



Grow 7 to 9% faster than their peers.



Have 10 to 14% lower employee turnover.



Are 50% less likely to fail



82% of small to medium sized business owners recommend PEOs to their peers.



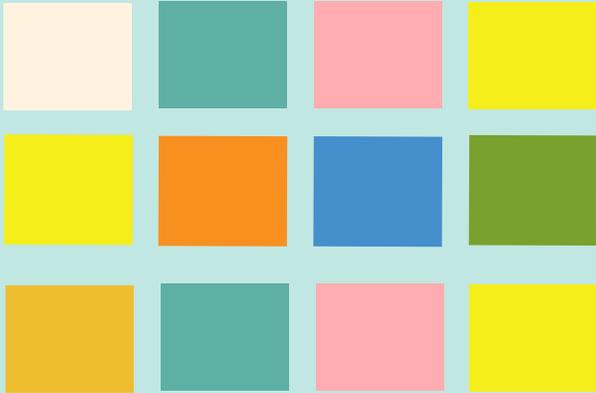
73% of companies with a PEO are happy with their health benefits, compared to 45% that aren't with a PEO.



62% say their PEO is a key differentiator when recruiting talent.



25% is the amount of time saved by companies in a PEO versus those who aren't.



What PEOs do

- HR Support
- Workers compensation
- Health and wellness benefits
- Payroll and tax administration

Achieving a competitive advantage through better management of employees is a huge challenge.

PEOs can help.

Job security is improved as the PEO implements efficiencies to lower employment costs.

(Source: National Association of PEOs)

How PEOs work

PEOs have buying power through a concept called co-employment. That means they share in the risks and responsibilities of being an employer, and they can offer great benefits at great rates. How?

With co-employment, the PEO becomes the "Employer of Record," for tax and insurance purposes. It pays wages, files taxes, maintains employee records, provides insurance and benefits, implements safety and risk-reduction plans, resolves employee disputes and provides other HR support.

Because the PEO files the paperwork under its own tax ID number it has a large employee base and can negotiate large group rates for medical benefits and workers' compensation.

That doesn't mean you give up employee control, just the stress of HR. You maintain responsibility for day-to-day staff supervision, for hiring and firing decisions and for your company's culture.



Myths + Facts of PEOs

The PEO industry emerged in the 1980s, in response to major changes in employment law. As the number of labor laws grew from 1980 to 2000, more and more small-to medium-sized organizations turned to these experts to handle the complexities of human resources. Still myths abound. Here are the facts to help you decide if a PEO is right to consider.



Myth #1: *My organization is too small (or large) for a PEO to make sense*

Fact: Most PEO clients are between 20 and 50 employees and range to 100 or 200 but PEOs can partner with companies that have 500 or more employees and add capacity to their existing HR team, allowing them to focus on strategic issues while the PEO focuses on HR administration.

Myth #2: *PEOs are expensive*

Fact: A PEO can save thousands by eliminating fines most organizations pay for errors in reporting, and the costs involved in lawsuits. Now add the productivity improvements from a workforce that receives great benefits and training. Finally, consider that the average business owner has 147 tasks related to being an employer. Do you want to spend your time on unproductive paperwork or on strategy, operations, business development? What's the value of your time?

Myth #3: *Employees will be confused, or will resist the change*

Fact: Once employees understand that they are receiving better benefits, they easily embrace the change. Hiring the right PEO actually increases employee morale and reduces turnover.

Myth #4: *Management gives up control of employees, including hiring and firing decisions*

Fact: You decide who to employ and who to let go. A PEO can provide crucial recruitment assistance, finding the candidate who fits the culture and has the right skills. When it comes to firing, the PEO will train supervisors on performance management including discipline and documentation, protecting the organization from future lawsuits. What you give up is the back-office administration of having employees.

Myth #5: *My current staff can do everything a PEO can, and it won't cost me extra*

Fact: For most employers, HR or senior staff spends most of its human resources time on employee recruitment and discipline. Strategic projects, like consolidating all employee information to streamline operations never makes it to the top of the plate.

How to Select a PEO?

A PEO is a business partner, valued advisor and an extension of staff. It's vital that you know what to expect. Vetting PEOs starts with asking the right questions.

Services and Capabilities

- What makes you different from other PEOs?
- What exactly do you offer?
- What type of recruitment and staff training do you offer?
- How do you keep up with the industry and with government regulations?

Experienced Team

- Who are the business owners and what is their background?
- Who will be assigned to my account?
- What are their qualifications and how long have they been with you?
- How often do you change account managers?

Personal Service

- How often will someone from your PEO be onsite?
- Who will I speak with when I have a question?
- How do my employees get their questions answered?
- Do you assist them with benefits administration?
- Will you call insurance companies on behalf of my employees?

Online Tools

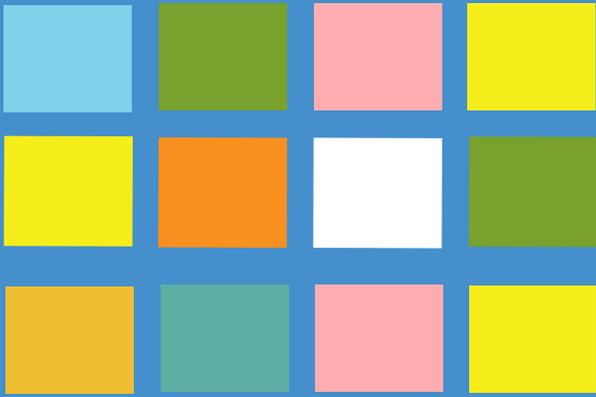
- What online sources will my employees have access to in order to check their payroll, their benefits, their vacation?
- How do you record employee information and how can I access it?
- How do your online tools compare with other PEOs?

Reputation and Reliability

- How long have you been in business?
- What are your accreditations?
- Who in your company is certified and in what areas?
- What clients can I speak with?
- What is your client retention rate?
- How can I be assured that you won't go out of business?

Fees and Billing

- What does an invoice look like?
- What line items do you show?
- How flexible are you to bundle/unbundle the services I need?
- Can I keep my benefits plans?
- What exactly am I paying for?



We invite you to learn more about CLEAR Employer Services and how we can help your organization.

Call us at 215-701-9400 or email us at info@clearemployerservices.com