

NAVIGATING PEO PARTNERSHIPS

ESSENTIAL CRITERIA FOR SELECTING THE IDEAL PROFESSIONAL EMPLOYER ORGANIZATION



PEO Partner Selection Checklist

Choosing the right Professional Employer Organization (PEO) for your business is a critical decision that can significantly impact your company's operations, employee satisfaction, and compliance with regulations. Below is a comprehensive checklist to guide you in selecting a PEO that aligns with your business needs and goals.

Credibility & Reputation

- **IRS Certified PEO (CPEO) Status:** Ensure the PEO is certified by the IRS, which can offer peace of mind regarding compliance and financial stability.
- **Industry-Specific Experience:** Look for a PEO with experience in your industry, as they will be more familiar with the unique challenges and regulations.
- **Client Testimonials or Case Studies:** Review feedback from current or past clients to gauge satisfaction and reliability.
- **Transparent, Stable, and Compliant:** Verify the PEO's history of transparency, stability, and compliance with regulations.

Comprehensive Services

- **Workers' Compensation:** This is a must-have service to protect your employees and your business.
- **Health, Dental, Vision Insurance:** Check for comprehensive insurance options to cover employee needs.
- **Employee Training & Compliance Support:** Ensure they offer programs to keep your workforce well-trained and compliant with laws.
- **Optional Perks:** Look for additional benefits like life insurance and Employee Assistance Programs (EAPs) to enhance employee satisfaction.

Transparent Pricing

- **Payroll Taxes:** Determine if payroll taxes are bundled into a flat fee for simplicity.
- **Administrative & Workers' Comp Fees:** Understand whether these fees are combined or separate.
- **Hidden Fees or Claim Deductibles:** Inquire about any potential hidden costs or deductibles.

- **Clear Pricing Explanation:** The PEO should provide a straightforward and clear explanation of their pricing structure.

Compliance & Risk Management

- **Up-to-Date with Labor Laws & OSHA/CAL-OSHA:** The PEO should be current with all relevant labor laws and safety regulations.
- **Support with I-9, Wage/Hour, Injury Reporting:** Verify their ability to assist with crucial compliance processes.
- **Risk Assessments & Training:** They should offer assessments and training to minimize risks.
- **Avoiding Penalties and Legal Exposure:** The PEO should help your business stay compliant to avoid costly penalties and legal issues.

Customization & Flexibility

- **Scalable Services:** Ensure the PEO can scale their services as your business grows.
- **Flexible Plan Design & Systems Integration:** Look for flexibility in plan design and the ability to integrate with your existing systems.
- **Responsive to Urgent Needs:** Check their responsiveness to urgent needs, such as term checks.
- **Understanding Local/State Labor Laws:** The PEO should have a strong grasp of local and state-specific labor laws.

Customer Service & Support

- **Single Point of Contact or Dedicated Team:** Determine if you will have a dedicated contact or team for consistent support.
- **Fast Response to Urgent Issues:** Ensure they have a reputation for prompt issue resolution.
- **Experts Available in HR, Payroll, Safety, Compliance:** Confirm the availability of experts in key areas.
- **Real Client Referrals:** Seek out referrals from actual clients to validate their service quality.

Expert Guidance

- **Work with a Broker:** Consider working with a broker, like MartinoWest, to:
 - Cut through the noise and complexity of PEO selection.
 - Compare top PEOs to find the best fit.
 - Identify a partner that aligns with your specific business goals.

Using this checklist, you can make an informed decision and select a PEO that will support your business effectively and efficiently.

