

# Professional Employment Organizations Due-Diligence

Understanding Your Options

[EPICBROKERS.COM](http://EPICBROKERS.COM)

© EDGEWOOD PARTNERS INSURANCE CENTER | CA LICENSE 0B29370



Insurance Brokers &  
Consultants



## Considerations and Benefits

A Professional Employment Organizations (PEO) model can be very compelling, but how do you know if you are being provided the full picture when considering one? By working with a broker to review the details of a PEO program, they can help you determine if it the right fit for your organization. There are times when PEO will make sense and times when it will not, but it is important you know all the facts and details before you make a decision.

When considering a joining or leaving a PEO there are many factors to be take into consideration. Below are a few of features and benefits of both options.

### Considerations

- Professional Employment Organizations (PEO) hire and provide infrastructure and systems for smaller employers to sponsor employment, insurance and benefits and other programs.
- PEOs do not have lower benefits or worker's compensation costs.
- Administrative fees are exorbitant at \$1,200 to \$3,000 PEPPY.
- To be successful in exiting a PEO, the employer must establish employment, HR systems, H&W, Workers' Compensation, EPLI, and 401(k) benefits and a benefits administration platform simultaneously.
- EPICs HR Technology team can assist with all non-benefits aspects of the project

### Key Benefits Outside a PEO

- More robust systems and technology
- More transparency and control of costs
- Better employer brand recognition (i.e., paycheck comes from employer, not PEO)
- Annual cost savings of \$2,000 and \$5,000 PEPPY

# EPIC's Expertise

The team of experts within EPIC have a full understanding of how to provide you with what you need to take care of your employees and maintain a smoothly running Human Resources department. We provide the following within the employee benefits program we customize for your needs when you move away from a PEO.

## Establish a Full Benefits Structure including:

- Health Benefits – Medical, Dental, Vision, Life, Disability, Voluntary
- Administrative Systems, COBRA, FSA/HSA, ACA
- Open Enrollment Communications & Enrollment Meeting Support
- Establish Benefit Compliance Regime
- Optional – Absence Management/FMLA

## A Workers' Compensation Program is implemented:

- EPIC can place your Workers' Compensation/EPL, Professional Liability, and other Property & Casualty needs

## A Payroll/HR System is Established

- Run vendor selection process
- Assist in vendor implementation
- EPIC can manage Benefit Administration and Payroll for an hourly cost as a bridge or ongoing service

## Review of 401(k) Offering

- EPIC can provide a free overview consultation of the Transamerica 401(k) program
- Assist in establishing 401k program
- EPIC will provide ongoing education to your participants

## Case Studies

### Bio-Technology Firm

A firm based in Mountain View, California had 155 employees at the time of transition from TriNet to a standard employee benefits program with EPIC. Competitive offers were received from Anthem, United HealthCare and HealthNet as well as from the dental and ancillary providers. The Kaiser option was cost prohibitive outside of TriNet.

The firm made the decision to retain Blue Shield and Kaiser to help in a smooth transition. (Anthem's offer was 8% lower than TriNet's renewal which Blue Shield matched) Firm instituted benchmark employee contribution strategy based on the Radford Report and instituted a 3-year employee contribution strategy to ease employees out of their generous \$500/month employee stipend for those who waive benefits

Initial paper enrollment then implemented online enrollment afterwards.

### Web Application Firm

A firm based in San Francisco, California had 120 employees at the time of transition from TriNet to a standard employee benefits program with EPIC. Competitive offers were received from Anthem, United HealthCare and HealthNet as well as from the dental and ancillary providers. The Kaiser option was cost prohibitive outside of TriNet.

The firm made the decision to retain Blue Shield and Kaiser to help in a smooth transition. (Anthem's offer was 8% lower than TriNet's renewal which Blue Shield matched) Firm instituted benchmark employee contribution strategy based on the Radford Report and instituted a 3-year employee contribution strategy to ease employees out of their generous \$500/month employee stipend for those who waive benefits

Initial paper enrollment then implemented online enrollment afterwards.



**EPICBROKERS.COM**

© EDGEWOOD PARTNERS INSURANCE CENTER | CA LICENSE 0B29370