

Top 5 Differences When Working With a Certified PEO



Professional Employer Organizations (PEOs) that are certified by the Internal Revenue Service (IRS) under the Small Business Efficiency Act (SBEA) are recognized as the employer for federal employment tax purposes.

Working with a Certified PEO (CPEO) ensures:



1. Fiscal Ownership

CPEOs are solely responsible for the payment of federal employment taxes. If a company utilizes a non-certified PEO that doesn't pay their taxes, they could be liable for the unpaid federal employment taxes, late penalties and interest related to their employees.



4. Tax Restart Elimination

Certification eliminates the wage-base "restart" for certain payroll tax purposes for PEO customers that join or leave a PEO relationship mid-year.



2. Required Federal Standards

Because CPEOs are solely responsible for the payment of federal employment taxes they must meet specific requirements regarding tax status, background, experience, business location, financial reporting, and more.



5. Customer Eligibility for Tax Credits

CPEO clients have express authority to continue to claim specified tax credits for which they would qualify absent a PEO relationship.



3. Financial Guarantee

The certification program also requires a PEO to post a bond each year of up to \$1 million guaranteeing payment of its federal employment tax liabilities.

Not all PEOs are created equal. Choosing the right CPEO is a major decision for your business. The right CPEO will serve as a trusted partner – helping your business to stay in compliance with evolving regulations, take on certain fiduciary responsibilities, enable scalability via great technology, and facilitate access to Fortune 500®-level benefits.

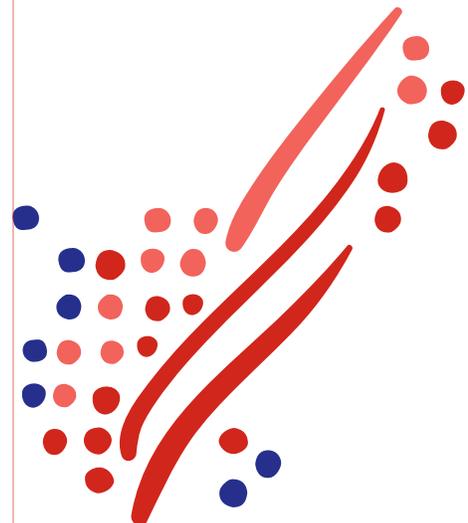
ADP TotalSource® is a Certified PEO and the largest PEO in the country. We are committed to the highest standards.

To learn more visit www.adptotalsource.com or call 800-447-3237

The IRS does not endorse any particular certified professional employer organization. For more information on certified professional employer organizations go to www.irs.gov.

ADP, the ADP logo, and Always Designing for People are trademarks of ADP, LLC. Copyright © 2019 ADP, LLC All rights reserved.

You owe it to yourself to consider a CPEO so you can make the best decision for the long-term success of your business.



Always Designing
for People™