

Firms relieve companies of HR load

1:39 PM, Apr. 23, 2011 Fort Myers News-Press

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How to decide if a professional employer organization might be right for your business.

- Review current employee handbook and human resource services. Are they satisfactory or is there major work needed?
- Factor the cost of paying PEO against the costs spent providing services in-house. If managers have human resource functions in addition to their own jobs, be sure to include that cost.
- Work with an accountant or other financial adviser to determine if your worker's compensation or insurance costs could be lower under a PEO. Because your employees will be hired by the PEO and aggregated with other workers, they may be subject to the regulatory requirements of larger businesses.

Does your company need a PEO?

Employee rosters have gotten smaller for many businesses in recent years, but workers' compensation headaches and regulatory compliance issues are growing.

For professional employer organizations, that presents an opportunity. "We are sort of a contrary industry," said Charles Ingram, president and chief executive officer of Veritas Employer Services in Bonita Springs. "The requirements and regulatory hurdles are getting higher and higher and companies have fewer and fewer resources to put toward it. We have been able to stand in that gap for our clients."

Professional employer organizations are essentially outsourced human resource operations.

Statewide, PEOs serve more than 69,000 businesses with almost 950,000 employees and \$25.4 billion in payroll, the Florida Association of Professional Employer Organizations 2010 Industry Census shows.

There are 62 PEOs in Florida, including six in Southwest Florida, association executive director Robert Skrob said.

While the package of services and costs can vary, Ingram said core services include:

- Payroll services, including taxes and accounting
- Benefits provision and administration
- Safety and risk management, including workers comp.
- Regulatory compliance

"This industry has grown up providing small employers the kinds of services they just couldn't have on their own," Ingram said.

The economic challenges of the past few years have made it harder for small businesses to manage human resources on their own, said Angie Basile, new business development manager for Smart Payroll Solutions in Fort Myers.

"Businesses have fewer employees and lower workers' compensation premiums and that can make it harder to get workers' comp insurance," Basile said. "We are able to aggregate a lot of small businesses under one policy and get better coverage."

She said the same concept works for retirement plans, and health and dental insurance, and it allows client businesses, which might be as small as a single plumber, the advantages of much larger businesses.

Ingram said Veritas specializes in companies with about 100 employees or more, many of which are resorts or country clubs. It functions as a co-employer for 1,600 employees.

Ingram said different PEOs tend to serve different types of businesses and it is worth shopping for the one that fits best.

Sharon Brotherton, owner of ShaBro Alternative Office Solutions in Fort Myers, said her business illustrates the flexibility HR outsourcing options offer.

ShaBro is technically not a PEO because it does not co-employ client employees, Brotherton said.

Yet she offers payroll and regulatory compliance services, mostly for businesses with no more than 25 employees.

"My business has tripled over the past three years," she said. "Employers recognize they don't have the expertise, but we work with it every day ..."

Source: Fort Myers News Press Research

