

Eight Questions to Ask When Shopping a PEO

Will I have a dedicated representative and how many clients/employees is my rep dedicated to?

What is this?

- ☐ When you interact with a PEO you may or may not have a representative, and that person may or may not have time available to meet with you to understand your business and culture.
- ☐ Some PEOs rely exclusively on virtual self-service tools(*which can be helpful for simple questions and transactions*).
- ☐ If you do have a representative, they might only be available to you as a key contact or be available to your employees to answer questions.

Why it's Important?

- ✓ The types of issues that a PEO might handle for you can be complex. There could be different answers depending on facts and circumstances covering a multitude of situations.
- ✓ There's no “one-size-fits-all” approach to benefits and HR and having familiarity with the way your company handles everything from hiring to performance management and even employee relations can be crucial.



How are employee relations incidents handled?

What is this?

- This covers almost every part of your employees' experience in the office, including their contract, the way they communicate and interact as well as, your workplace culture.
- This can include relationships between management and subordinates, between colleagues and between employees and third-party contractors.

Why it's Important?

- ✓ Having positive employee relations can improve teamwork, raise morale, increase productivity and efficiency, and enhance retention of your workforce. With employee relations, we find preventing issues with proper training tends to be the most effective strategy.
- ✓ The truth is, most PEOs want very little to do with employee relations beyond adding you to their Employment Practices Liability Insurance(EPLI). It's important to note that many PEO EPLI plans come with deductibles approaching \$50,000.
- ✓ If there is an incident, ask if your PEO will conduct an investigation and report on their findings. We find that investigations conducted by a third party can be seen as more impartial than one done internally.



How will my employees get assistance if they need it?

What is this?

- ❑ When assisting your employees; some PEO's are more self-service, some are more boutique service, and some are in between with a call center.
- ❑ As with many other facets of our society, self-service is becoming more popular, and people want answers and information at their finger-tips. Having excellent virtual technology is extremely important, but alone it isn't enough.
- ❑ Unsurprisingly, human resources is about humans. You can't have effective HR without professional expertise customized to your unique situation.

Why it's Important?

- ✓ Even seemingly simple questions, like an employee not being able to find their check stub, are extremely important on an individual level and could be the difference between closing on their new house. Their experiences with your PEO when they need assistance will impact their productivity, retention and how much time you need to spend helping them.
- ✓ If they run into difficulties that cannot be easily resolved with a virtual tool, they will need to be handled internally. Those questions can add up and cost you precious time.



How is open enrollment conducted?

What is this?

- ❑ Open enrollment is your once annual opportunity to review your benefit strategy, assess if it is meeting your goals and make changes.
- ❑ Benefits are an investment, and open enrollment is a great time to show their value to your employees.

Why it's Important?

- ✓ It's important that open enrollment is a collaborative process between you, your employees and your PEO. If your goals have changed then your benefit's strategy might need to change with it.
- ✓ How the PEO you work with explains benefits to your employees is important as well. There should be a presentation explaining how to sign up and detailing differing options. Your PEO should help your employees pick the right benefits for them and be available to meet one on one.
- ✓ Perhaps most importantly, your employees should be surveyed to see if they value your benefits. If you're paying for great benefits, your employees should know it.



How are price increases handled?

What is this?

- ☐ The total cost of a PEO encompasses more than just their fee. This includes taxes, insurance premiums, and workers comp. However, when it comes to the fee, it's not always clear exactly how much your PEO is charging.
- ☐ PEO pricing is commonly handled in one of two ways. The first is a fee calculated as a percentage of your company's overall payroll per year. The other method is as a flat fee calculated per employee per year.
- ☐ This price can be bundled or unbundled. Price increase are an inevitability, the question is whether they are transparent.

Why it's Important?

- ✓ If a PEO charges you as a percentage of payroll, and you give your employees a raise or bonus, then you are giving your PEO a raise too.
- ✓ Bundled billing could lead to confusion or misunderstandings as to why your overall price has increased.
- ✓ Make sure that whichever PEO you decide to work with has fees and pricing that are handled transparently.



Is the PEO ESAC accredited and IRS Certified(CPEO)?

What is this?

- ❑ A Certified Professional Employer Organization(CPEO) is a designation given by the IRS* acknowledging that a PEO has met the requirements set by the US government such as tax status, bonding and financial reporting.
- ❑ The Employer Services Assurance Corporation(ESAC) accreditation is the PEO industry's gold standard, providing independent verification of all key areas of PEO reliability, including demonstration of liability insurance coverage, financial stability, and more.

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

Why it's Important?

- ✓ Working with a CPEO minimizes the financial liabilities of an employer and ensures that you are eligible for all the same tax credits you were eligible for before working with a PEO.
- ✓ Working with an ESAC accredited PEO means that it is backed by surety bonds that protect employer's payment of wages, payroll taxes, employee benefits and insurance premiums.
- ✓ It's important to have both in order to minimize your financial liabilities and ensure rigorous financial, ethical and operational standards are met by your PEO.



Who owns the PEO?

What is this?

- It might not immediately strike you as something important, but it can be. Is the PEO you are working with publicly owned, family owned, or backed by private equity?

Why it's Important?

- ✓ The incentive structure of leadership and employees can be different depending on who owns the PEO and their goals.
- ✓ Publicly traded companies' goal is to maximize shareholder value. Pricing and insurance coverage based on the need to meet quarterly growth targets, can tend to vary more widely.



How am I notified of compliance changes?

What is this?

- There are hundreds of employment related compliance changes that come about at the state, federal and local level every year. Those changes can impact your business in any number of ways. Most PEOs will try to notify you of some of these changes.

Why it's Important?

- ✓ Some PEO's notify clients of compliance changes via mass email alerts, webinars, FAQs, wikis, etc. Good PEOs will have their dedicated representatives reach out to clients individually.
- ✓ Compliance isn't always black and white and there can be more than one solution.
- ✓ It's important to know if your PEO will explain how legislative changes impact your business. You should have a PEO who will meet with you to help you make strategic decisions that fit your organization.



How Does Alcott HR Answer
These Questions?

Will I have a dedicated representative and how many other clients/employees is my rep dedicated to?

- Yes.
- With Alcott HR, you get 3 dedicated representatives. One for payroll, benefits, and HR. We believe that being able to speak with a professional who's a specialist in their field provides more value, even in complex situations.
- Our representatives typically manage 30 clients and roughly 900 worksite employees. This is well below the industry average and approximately 1/3rd of the amount that representatives at large corporate PEOs manage.

Emily Buerger, HR Business Partner



How are employee relations incidents handled?

- First, the fact that Alcott HR provides you with a dedicated HR rep, will help you put in place the policies, procedures and workplace culture that can help prevent some of these issues.
- We offer a variety of live trainings for staff and supervisors to help you nurture growth, foster communication, promote recognition, and ultimately build a productive and welcoming workplace environment.
- Second, no matter how much you focus on your workplace culture, some issues will happen. In those situations, your employees can reach out to your HR business partner. It's a big advantage to have someone that already knows your organization available to help. Frankly, not all employee relations issues need to go straight to employment council.
- If an investigation is needed, Alcott HR is willing to investigate employee relations issues, report on our findings and provide best practice guidance on the variety of actions you can choose to take.

Orlando Villalonga,
Chief People Officer



How will my employees get assistance if they need it?

- Alcott HR believes in full-service over self-service. We have great virtual self-service tools for simple transactions, but an app can never replace an expert in more complex situations.
- Even the best HRIS tools are useless, if they're not properly integrated throughout your organization. Our rep will empower you and your team to use our best-in-class virtual HR tools with set-up, training, implementation and ongoing support.
- Your employees get to speak with the same dedicated reps as you, who understand your business and know how you would likely want situations handled.

Jennifer Aiello,
Human Resources Supervisor



How is open enrollment conducted?

- First, we review your open enrollment with you. This involves a discussion of what worked and what didn't, what we're hearing from your employees, and an analysis of potential benefit strategies. We explain the benefit options available to you, what they cost, how they compare to the market and how they align with your business goals.
- Once you make your decision, the same benefit representative that you speak with will hold an open enrollment orientation to explain why you've selected these benefits and why they make you an employer of choice.
- After those orientations, our rep is available for one-on-one meetings to answer specific questions about how benefits align with your employees and their families.

Doreen Herold,
Benefits Supervisor



How are price increases handled?

- Alcott HR bills on a per employee flat fee per month so you can give your employees raises and bonuses without paying us anymore.
- All other items that go into our bill are unbundled and itemized for transparency. This way you will always know what you are paying for.

Zachary Rovinsky,
Director of Finance



Is the PEO ESAC accredited and CPEO certified?

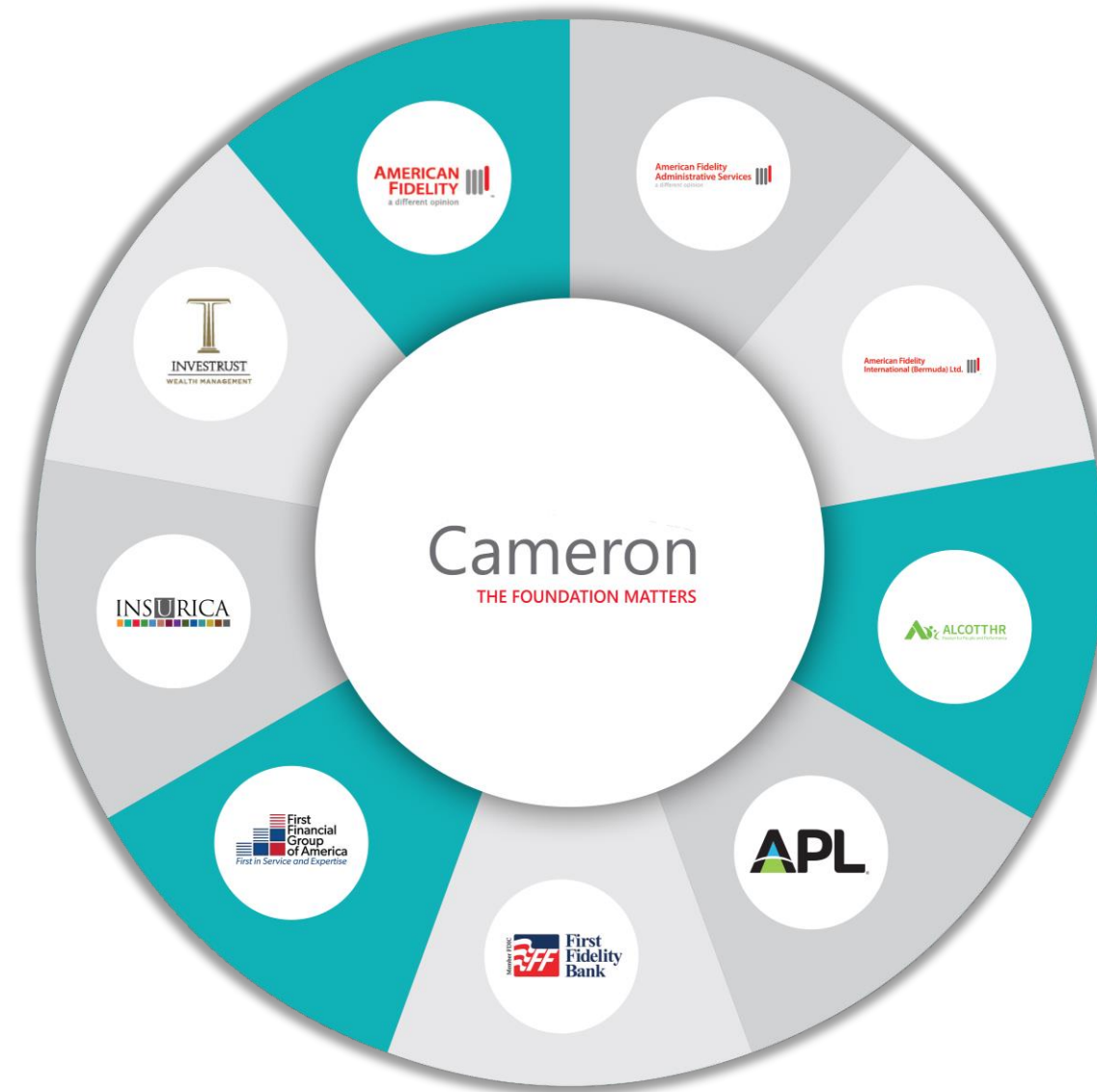
- Yes.
- We have both. We worked hard with NAPEO to make sure these institutions were embraced because we believe it ensures the entire industry maintains a high standard of service and integrity. Alcott HR was the first PEO in line to gain CPEO status.

Steven Politis,
Chief Executive Officer



Who owns the PEO?

- Alcott HR is owned by the Cameron Group, which includes American Fidelity, First Fidelity Bank and Insurica among other corporate leaders in banking, insurance and retirement and wealth management.
- Since 1959, four generations of Cameron family members have guided the privately-held Cameron Group to put customers first, take care of their colleagues and engage in our community.



How am I notified of compliance changes?

- Our HR representative will promptly reach out regarding relevant regulatory changes, explaining how they impact your you and your business.
- Then they take a strategic, proactive, customized and personal approach to help you decide how to proceed within compliance guidelines.

Jose Santiago,
General Counsel



Alcott HR. Passion for People & Performance

If you'd like to learn more about Alcott HR, please follow the link below to book a chat, overview or free HR assessment.

Book Now

“I could never understand why any employer would ever want to do on their own what Alcott does. They make it easier for me to be in business and I would never go back to the way it was before”

-President, Long Island
Non-Profit Organization

