

TO: All House Members

FROM: Representative Joseph F. Brennan

SUBJECT: Re introduction of Former HB-2450 – Professional Employer Organizations (PEOs)

I will be re introducing former HB-2450 “Professional Employer Organization Registration & Recognition Act.”

My legislation creates a comprehensive regulatory framework for PEOs by requiring annual registration with the Department of Labor & Industry. The legislation further provides clarity by creating industry definitions defining relationships, duties and responsibilities, as well as reaffirming that use of professional employer services don’t diminish existing rights and benefits.

A PEO is a business that partners with an existing small business to manage human resources (professional employer services) that can include employee benefits including healthcare, retirement services and other critical benefits so the small business client can focus on its core business and grow their business. An average PEO client is a small business with an average of 5 to 20 employees.

Professional Employer Organizations (PEOs) provide a valuable service by increasing the opportunities of employers to develop cost-effective methods of satisfying their personnel requirements and providing employees with access to certain employment benefits which might otherwise not be available to them.

The PEO industry strongly believes it’s important that minimum standards be established for PEOs that create a level and competitive playing field while ensuring that applicable statutes are properly followed and enforced. Approximately 35 other states now regulate PEOs.

If you are interested in co-sponsoring this legislation, please contact Maria Halkias at 717-772-9902 or e-mail [mhalkias@pahouse.net](mailto:mhalkias@pahouse.net)