



## Commonwealth Can Help You Escape your PEO/ASO

We're With You. We understand!

Most companies, when they are small and growing, want to offer a top-notch benefits package to their employees. But cost is always a factor, and time is better spent on revenue generating activity rather than lining up vendors who may not be interested in a small group. The promise that comes with choosing a PEO/ASO for payroll and benefits makes it an obvious move. Getting into it is easy, costs are manageable, and you don't have to worry about much.

Until you do. Over time, headcount will increase, employees will get older, and costs will be affected. In addition, your company will have needs that can't easily be met by the PEO/ASO. Working with them won't be as easy, or simple as it once was.

That's when you realize you may be trapped.

### What most companies don't realize about PEO until it's too late

#### 1. They are easy to get into, but hard to get out of

**Why?** PEO/ASO's work on the 'co-employment' model, where your employees become employees of the PEO/ASO, under their Tax ID and in their 'plan'.

**What's the issue?** When its time to leave the PEO/ASO, you need to find vendors for everything: Benefits, Workers Comp, HR, and technology to fully serve to your employee.

**How does it go?** Your employees are their employees, so any employee actions you take require checking with the PEO/ASO. In other words they make your personnel decisions for you.

#### 2. Your costs can increase exponentially, and you can't do anything about it

**Why?** Despite being in a PEO/ASO, your company is not viewed as part of the group and is rated individually every plan year.

**What's the issue?** Your company is being treated as if you were getting insurance without a PEO/ASO. The PEO/ASO makes money on the difference and is paid commission by the insurance company too.

**How does it go?** This year, some companies have seen 45% premium and administration fee increases and there is no incentive to help you control these costs.

#### 3. Making a switch means new tax ID numbers and restarting tax limits

**Why?** When you bring it all back 'in-house', employees are moved back to your tax ID number, which you may not have registrations for in your states.

**What's the issue?** This results in new registrations and restarting your employee's wage limits.

**How does it go?** For those unfamiliar with the rules, employees and you as the employer, may pay into unemployment or Social Security twice as much as needed.

#### For more information:

Call (978) 599-1050 / ask for Jeff Plakans  
Email [jeff.plakans@commpayhr.com](mailto:jeff.plakans@commpayhr.com)





## How Commonwealth Can Help

In combination with your benefits broker of choice, Commonwealth can provide everything a company needs when looking to leave a PEO/ASO. This means offering an all-in-one solution for the following:

- Human Resources Support
- Online Onboarding
- Online Benefit Enrollment and updates
- Employee Self-Service Tools
- Benefit Administration/ Carrier Connectivity
- Compliance Education/Support
- Predecessor Wage Consideration
- Worker's Compensation Solutions

We offer these solutions with the care and attention to your specific needs that Commonwealth's clients have come to expect. Best of all, without the high costs and ever-increasing administration fee that PEO's and ASO's are famous for.

More importantly, by leveraging what you and your employee's have already paid to the federal and state agencies, you won't be starting over on the wage limits.

Now, you are back in control with full authority over billing transparency, employee benefit, worker's comp and employment decisions. Commonwealth's Customer Support and technology makes the transition a breeze.

**Do you want your company, and your cash flow back?**

**Things to consider when moving from your PEO/ASO:**

1. What time of year you are making the move, and why?
2. Who do employees turn to today, with questions about pay, or their role with your company?
3. When do you want your benefit plan year to start?
4. Do you have a Benefit Broker you know and trust?
5. How do employees enroll/interact with their information today?
6. Do you understand the true breakdown of costs with your PEO/ASO?

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