

What a PEO Is, and When It Fits

A Professional Employer Organization (PEO) shares certain employer responsibilities with your business through a co-employment arrangement.

	Commonly handled by a PEO	Typically stays with you
Payroll	Processing and payroll taxes	Hiring decisions and pay rates
HR support	Policies, onboarding, compliance help	Day-to-day management of your team
Benefits	Access to the PEO's benefit plans	Deciding whether the arrangement fits
Cost	A fee, often per employee or a share of payroll	Evaluating total cost versus doing it yourself

OFTEN A FIT FOR

- Smaller employers wanting HR, payroll, and benefits in one place
- Businesses without in-house HR
- Employers who value simplicity over plan-design control

QUESTIONS TO ASK

- What does the total cost include, and what is billed separately?
- How much say would we have over benefit plans?
- What happens to benefits and records if we leave?

Takeaway: A PEO can reduce administrative work, but it changes how benefits are structured and who controls them. Compare it with other options for your size.