

How Large Is the PEO Industry?

The Florida Association of Professional Employer Organizations (FAPEO) commissioned a survey to determine the size of the PEO industry. In Florida alone, PEOs employ more than 900,000 employees, serve over 60,000 companies, and pay \$25 billion in payroll, making the PEO industry one of the largest employers in the state of Florida.

PEOs develop lasting relationships with their clients. Due to strong client satisfaction, PEOs enjoy a high client retention rate.

Florida PEO Industry Statistics

FL Worksite Employees	FL Businesses Served	Total \$ of FL Payroll
949,552	69,012	\$25,443,229,011

(Source: Florida Association of Professional Employer Organizations 2010 Industry Census)



The Florida Association of Professional Employer Organizations



The Florida Association of Professional Employer Organizations is comprised of organizations which provide integrated, cost effective solutions for the coordination of human resources for its clients by contractually assuming certain employer rights, responsibilities, and risk, and by establishing and maintaining an employer relationship with the workers assigned to client companies.

PEOs Are Big Business in Florida



Florida Professional Employer Organizations:

- Employ more than 900,000 employees
- Serve over 60,000 companies
- Pay \$25 billion in payroll



What Is a Professional Employer Organization?

A Professional Employer Organization (PEO), also known as an employee leasing company, is an organization that provides an integrated and cost-effective approach to the coordination of the human resources, and employer risk of its clients, by contractually assuming certain employer rights, responsibilities, and risks and by establishing and maintaining an employer relationship with the workers assigned to its clients.

Businesses today need help managing increasingly complex employee-related matters such as personnel management, health benefits, workers' compensation claims, payroll, payroll tax compliance, and unemployment insurance claims. Businesses contract with a PEO to manage these responsibilities, which then allows the client to concentrate on the revenue-producing side of its operations.

The PEO—

- Reserves a right of direction and control over the employees and may share such responsibility with the client, consistent with the client's responsibility for its product or service;
- Pays wages and employment taxes of the employees;
- Reports, collects, and deposits employment taxes with state and federal authorities;
- Establishes and maintains an employment relationship with its employees that is intended to be long term and not temporary.



How Do PEOs Benefit Employers, Employees & Government?

Benefits to Employers

- Controls costs
- Saves time and paperwork hassles
- Provides professional compliance (e.g., payroll, IRCA, EEOC)
- Reduces turnover and attracts better employees
- Provides claims management (e.g., workers' compensation, unemployment insurance)
- Provides better benefits packages
- Provides professional human resources services (e.g., employee handbooks, forms, policies and procedures)
- Reduces accounting costs

Benefits to Employees

- Comprehensive benefits previously unavailable
- Better employer/employee communications
- Payroll on-time and accurate
- Professional assistance with employment-related problems
- Professional orientation and employee handbook
- Up-to-date information on labor regulations and workers' rights, worksite safety
- Efficient and responsive claims processing
- Portable benefits (employees can move from one PEO client to another without loss of eligibility for benefits)

Benefits to Government

- Consolidates several small companies' employment tax filings into one
- More professional preparation and reporting
- Accelerated collection of taxes
- Extends medical benefits to more workers
- Expands the communication and adherence to government regulations and requirements to small businesses
- Resolves many problems before they reach court
- Allows government agencies to reach businesses through a single-employer entity

"The added pressures of a harsh economic climate that has forced many businesses to lay off workers and do more with less have provided little relief. But professional employer organizations, which are essentially outsourced human resources, are flourishing in this climate by offering small businesses the chance to outsource their headaches and save money at the same time."

Some Companies Find Savings in Outsourced HR Services
Jacksonville Business Journal

"Partnering with a provider such as a professional employer organization (PEO) that represents a much larger group enables companies access to more benefits options, sometimes at a reduced rate. These benefits can be administered for a larger group of people in a more cost effective manner."

The Buzz on HR Outsourcing
South Florida Business Journal

"A PEO, shorthand for Professional Employer Organization, is an outsourcing business that leases – or as the industry prefers, "co-employs" – workers of a given company. The lease arrangement allows the PEO to take over a host of administrative and human-resource functions for small and midsize businesses."

Cutting a Good Deal for Employees
Orlando Sentinel