

# Solve Your Health Care Headaches With A PEO!

By Bonnie Jo Davis

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There are many complications to being a small business owner but none so pressing as the need for health, dental and life insurance. Many small business owners obtain coverage through the employment of their spouse. However, there are just as many small business owners who are not married, whose spouse is also self employed or not offered benefits through their employer.

Another option for a small business owner is to partner with a Professional Employer Organization (PEO). PEO's, also known as employee leasing companies, handle the human resources functions of companies of any size but they focus primarily on small and medium sized businesses. Some of the human resources functions handled by a typical PEO are:

- \* Payroll
- \* Direct Deposit
- \* Worker's Compensation Insurance
- \* Health Insurance
- \* Dental Insurance
- \* Life Insurance
- \* Retirement Plans
- \* Tax Deposits and Reporting
- \* Regulatory Compliance

A PEO groups together businesses of all sizes in order to get the best rates for benefits and to reduce human resources costs to a minimum. In order to work with a PEO you will be asked to fill out an application and provide a set-up fee ranging from \$50.00 to \$300.00 depending upon the size of your business. Monthly fees will be determined by the PEO and are usually based on the number of payroll checks issued during each month and the number of employees. Your company will be billed, at least monthly, for the cost of fees, benefits, taxes, etc. not paid by employees.

After signing a contract with a PEO your employees will need to fill out employment and tax forms that will then be forwarded to the PEO. The PEO then becomes the employer of record for the employees and from then on handles all payroll and benefit tasks. Timesheets, benefit enrollments and changes will all be submitted to your PEO and you will receive regularly scheduled management reports. At the end of a calendar year the PEO will provide all employees with a W-2.

Some PEO's work with companies in every state and others are state specific. You can find

individual PEO's by using a search engine such as Google. You can save time by using the free services of a PEO clearinghouse such as [www.StaffMarket.com](http://www.StaffMarket.com) . You can also find a SEO by visiting The National Association of Professional Employers Association (NAPEO) at <http://www.napeo.org> . NAPEO offers a directory of members searchable by company name, state or country and offers guidelines to help you screen and select a PEO.

A PEO may not be the perfect solution for every small business but it is an option for individuals and companies who are willing to outsource human resource functions to obtain much needed benefits, improve employee retention and save time that can be better used to growing the business.

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Bonnie Jo Davis is the President of virtual assistant firm <http://www.DavisVirtualAssistance.com> and the author of the new e-book "Articles That Sell." Visit <http://www.ArticlesThatSell.com> for frugal small business marketing tips.

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