



thread



Connecting People and Technology for a Better Workplace

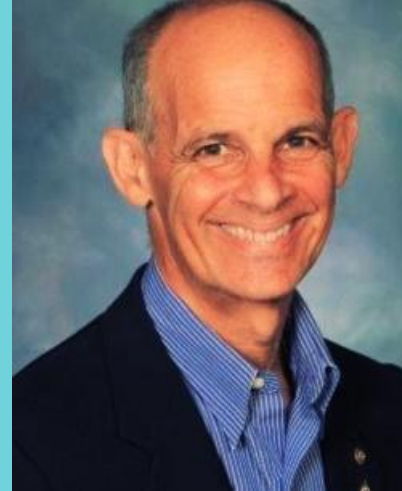
The Other Side of PEOs

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This Should be Fun



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What we're talking about and why

Running a business requires choices every day. Where to order lunch is easy; doing payroll or resolving an HR issue is far from easy.



Signing up with Professional Employer Organization (PEO) is easy, but is it the best way to go? Growing your HR team internally, partnering with an HR support provider, or outsourcing HR and payroll entirely along with a broker are practical alternatives. Thread is not a PEO.

Each option has pros and cons, and “On the Other Side of the PEO” will clarify what you’re getting, what you’re giving up, and what it might look like on the other side of the PEO. We’ll explore the pros and cons of the PEO arrangement and help you decide what is the right fit for your business. We’ll even give you tips for holding your PEO provider accountable.

Why are businesses attracted to PEOs?

- A. What is a Professional Employer Organization?
- B. One payment for multiple services
- C. The Easy Button: Seems easier than hiring/training/managing a team in a small business



What **control** are you willing to give up?

Company branding



**Control of
employment
decisions**



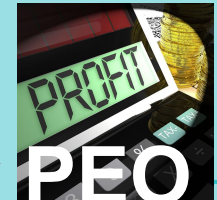
**Insurance claims
history**



**Company policies
aligned with culture**
(Is culture a
differentiator?)

**Freedom to choose
payroll platforms
and benefits
providers**

Company profits (due
to higher expenses) and
Tax
compliance



And you still need to manage your PEO

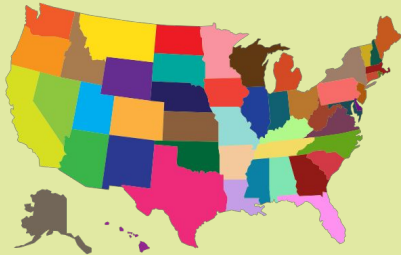
Yeah, but **taking control**...

- A. Change is hard
- B. Leadership opportunity for HR
- C. Change takes my time
- D. Fear of the unknown. “The devil you know....”



What is changing?

Are you expanding
into new states?



Are you adding
employees?



Are you taking
advantage of better,
smarter benefit plan
“3.0” options? Do
you want to consider
other benefit plan
options?



How to hold a PEO accountable

- A. Ask for a break down of line items and fees associated with each.
- B. Find out if the PEO is charging a % of pay. When you give someone a raise or pay bonuses, does the PEO charge you for that?
- C. What are the terms of the contract? How and when could you terminate it or parts of it?
- D. Could you have your own company name on employment forms and the employee handbook? How about paychecks?
- E. If you chose to leave the PEO, would you get copies of the employee files? Claims history? I-9 and Everify records?

Other 'Gotchas'

- A. Who is doing the payroll maintenance?
- B. Providing justification for termination decisions and unemployment claims?
- C. Legal defense. Is it lost if you deviate from the PEO position?
- D. After a few years, you could lose your corporate identity.



Do you want control and savings?

One client saved \$150,000 per year by trying an alternative, partnering with an HR support team, choosing a broker, and designing their own plans.



Your Biggest HCM Expense after Payroll:

What the Other Side looks like When You Have Control

What do you and your staff
want different?



When You Have Control



Most Requested:

1. Lower Premiums
2. Access to MY doctor(s)
 - a. No penalty for out-of-network doctors / facilities
3. Mental health parity
4. Able to call and talk with the doctor
 - a. Virtual visits 24/7
5. Tax savings account such as HSA / FSA (mgmt level)
6. Multiple plans offered
7. Claims data is yours: what Rx to cover; what is driving up your premiums

When You Have Control

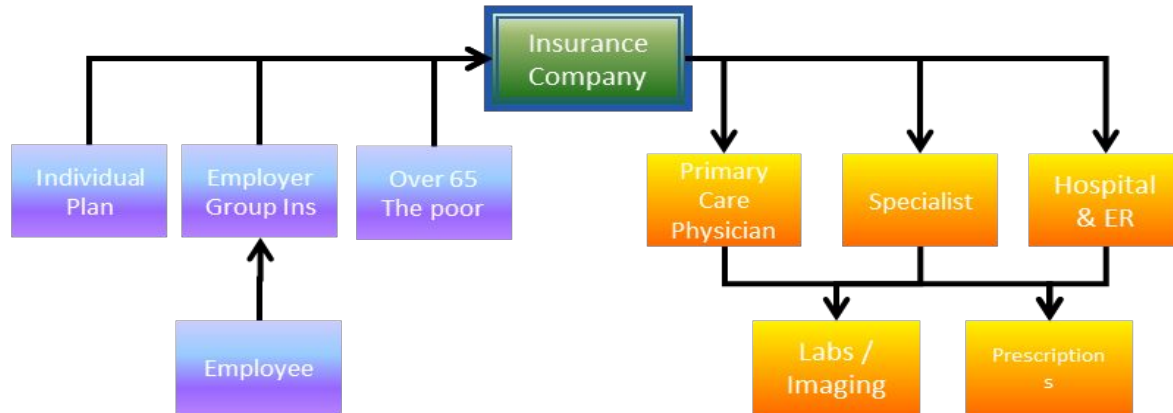
Myths & Misperceptions You May Have Heard

- A. The risk is too substantial for the reward
- B. Your company is not large enough for self-funding to work
- C. Don't have the bandwidth or experience to administer a health plan
- D. Less disruptive to just stick with what is already known

When Do You Have Control?

The System is Broken: It Removed the Relationship between the Buyer & Seller

Over the years, we've asked for more convenience, giving up more and more control, until now, nearly all transactions are processed by the system that we asked for, resulting in little **price transparency** or **opportunity to negotiate**.

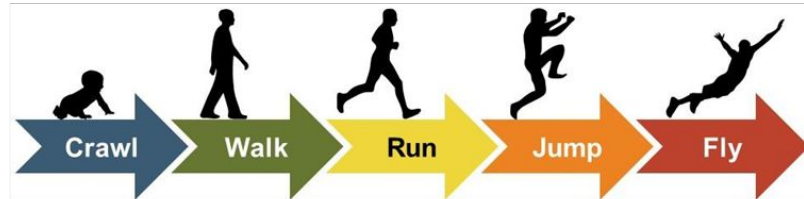


When You Take Control: Your Pace

The interest in and support of change reflects company culture and leadership.

What's right for your company?

5 Keys to Finding the Right Plan



1. Level Funding
2. DPC: Direct Primary Care (HIPnation / Emsite / GA MD Direct / About You / Others)
3. Reference Based Pricing
4. Advocacy
5. Tax Savings — Income tax, FICA, Medicare

You Control the Pace of Implementing New Ideas
These are independent options)

How to escape the PEO

Save employee history and data



Notify the PEO using proper notice format and timing



Partner with **Great South Benefits** for health insurance and workers compensation and partner with **Thread** for HR/payroll support

Establish state accounts



Develop forms, policies, and procedures that align with your strategy & culture

Onboard your employees and enroll in benefits

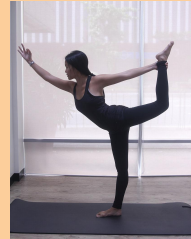


How will it be better?

You are in control



More options and flexibility



Real savings and taxes paid on time



Your branding, your culture, your policies, your management style

Build claims history.

Own your records.

Your employees are on your team



DID WE SAY "YOU ARE IN CONTROL"?

Thank you!

ANY QUESTIONS?

