

# BENEFITS AND RETURN ON INVESTMENT OF A PEO



# ERIGO

Human Resources. Better.

## HOW DOES A PEO WORK?

A Professional Employer Organization (PEO) provides comprehensive employment services by serving as a human resources partner. Some of the employment services provided by a PEO include payroll and employment tax administration, benefits administration, HR management and assistance with employer compliance. As a PEO, Erigo serves as a strategic employment partner to help clients:



Improve their ability to attract, motivate, and retain employees



Reduce HR-related expenditures



Minimize liability and exposure to risk



Enable them to spend more time focusing on core business functions

## WHAT IS A CO-EMPLOYMENT RELATIONSHIP?

When entering into a PEO relationship, Erigo becomes the “employer of record” for employees and assumes responsibility for payroll, tax compliance, providing workers compensation and claims administration, health and other benefits, and other HR-related administrative tasks. The client remains the “worksite employer” and continues to retain day-to-day direction, development and oversight of employees. The client also remains responsible for determining compensation and conducting performance reviews.



- 1 Service Contract
- 2 Employment relationship PEO
- 3 Co-Employment relationship with Client
- 4 Shared relationship among PEO and Client

Erigo’s objective is to alleviate our client of the many time-consuming, but necessary, HR tasks of running a business. This allows them to focus more time and energy on core business functions.

[Click here to learn more about the benefits of the PEO arrangement.](#)

## THE ROI OF PEOS<sup>1</sup>

### ANNUAL RETURN ON INVESTMENT FROM USING A PEO

**27.2%\***

*\*Estimate is based solely on cost savings in HR personnel costs, health benefits, workers' compensation, unemployment insurance (UI), and other HR-related expenditures (payroll services, benefits, etc.).*

### ANNUAL EMPLOYEE TURNOVER %

	All Businesses	PEO Clients	Difference
Voluntary	29.9	19.4	-10.5
Involuntary	19.0	9.9	-9.1
$\Sigma$ Total	48.9	29.3	-19.6

### GROWTH RATES (%) 2018-2019

	PEO Clients	Non-PEO Clients	Difference
# of Employees	5.6	1.4	4.2
Business Revenues	13.5	8.5	5.0

1. Bassi, Laurie and McMurrer, Dan. "The ROI of Using a PEO", September 2019

[erigoes.com](http://erigoes.com)