



## How Co-Employment Can Reduce Your Liability

Whereas every organization aims to effectively manage costs and take care of employees while generating profit, liabilities threaten to reduce margins and create operational challenges — especially for small businesses. A potential solution is entering into a co-employment relationship with a PEO. Outsourcing with a PEO can help you reduce your liability and keep costs in check. In fact, working with a PEO can save small businesses 27% on HR-related costs, helping to free up capital that can be reinvested back into operations. So, what's your plan?

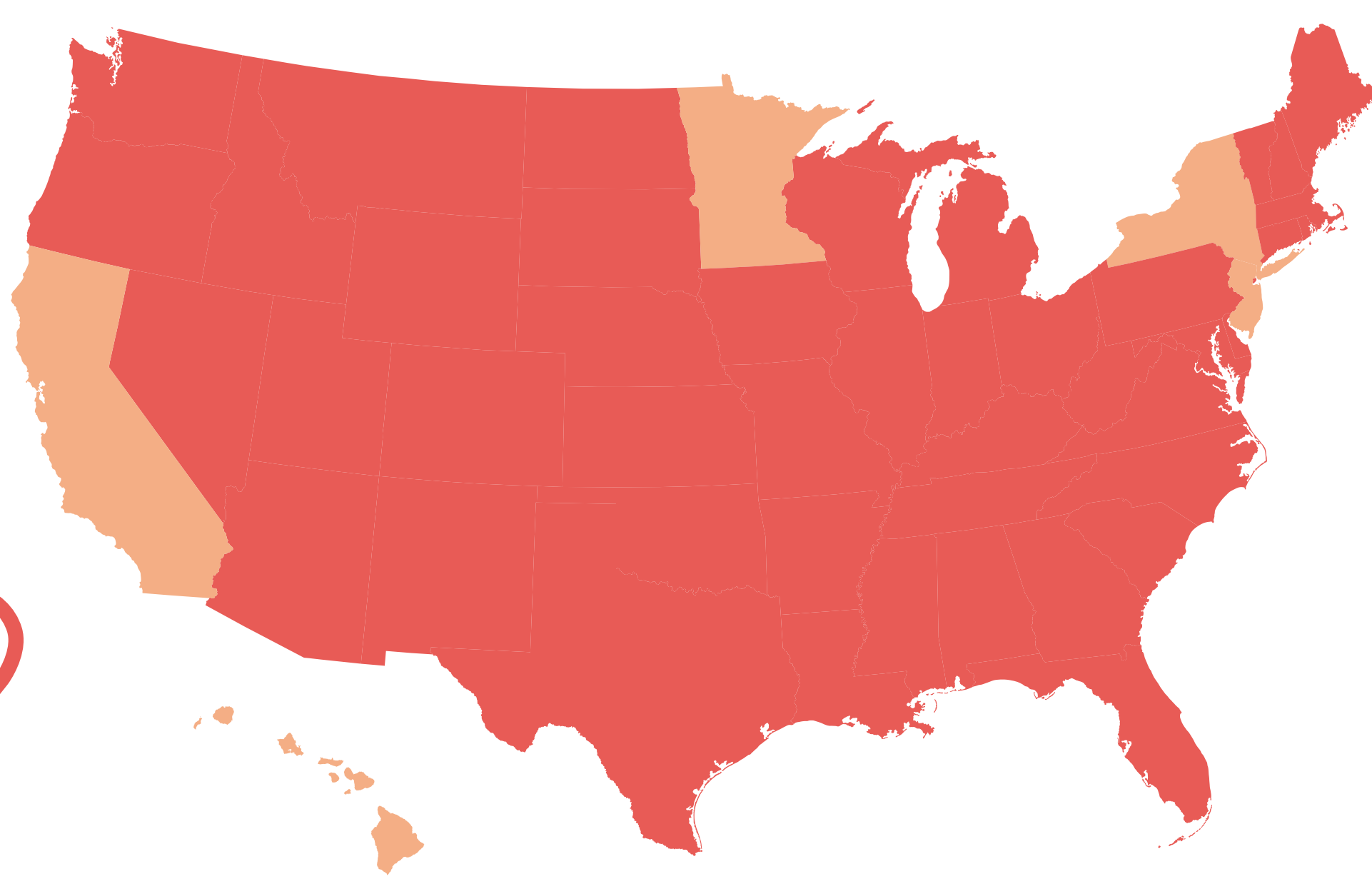
### Regulatory changes occur regularly



Since the start of 2020, five states — California, Hawaii, Minnesota, New Jersey and New York — have passed a combined total of nearly

# 2,400

new pieces of pandemic-related legislation affecting businesses.<sup>1</sup>

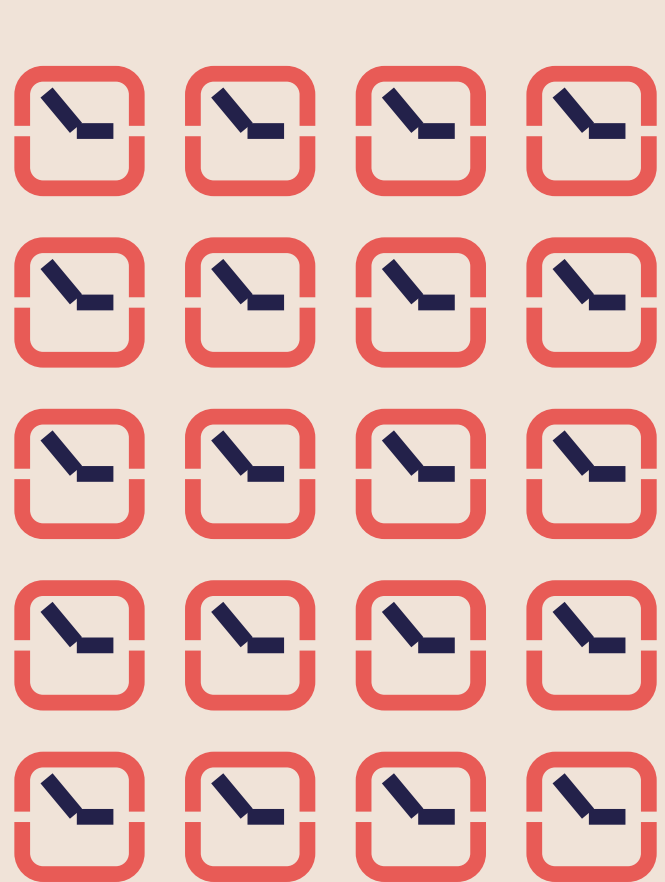


Instead of struggling to stay on top of constant regulatory changes, reduce risk and avoid hefty non-compliance fees, small and medium-sized business owners can choose to partner with a PEO and shift the responsibility (and some of their liability) to the co-employer.



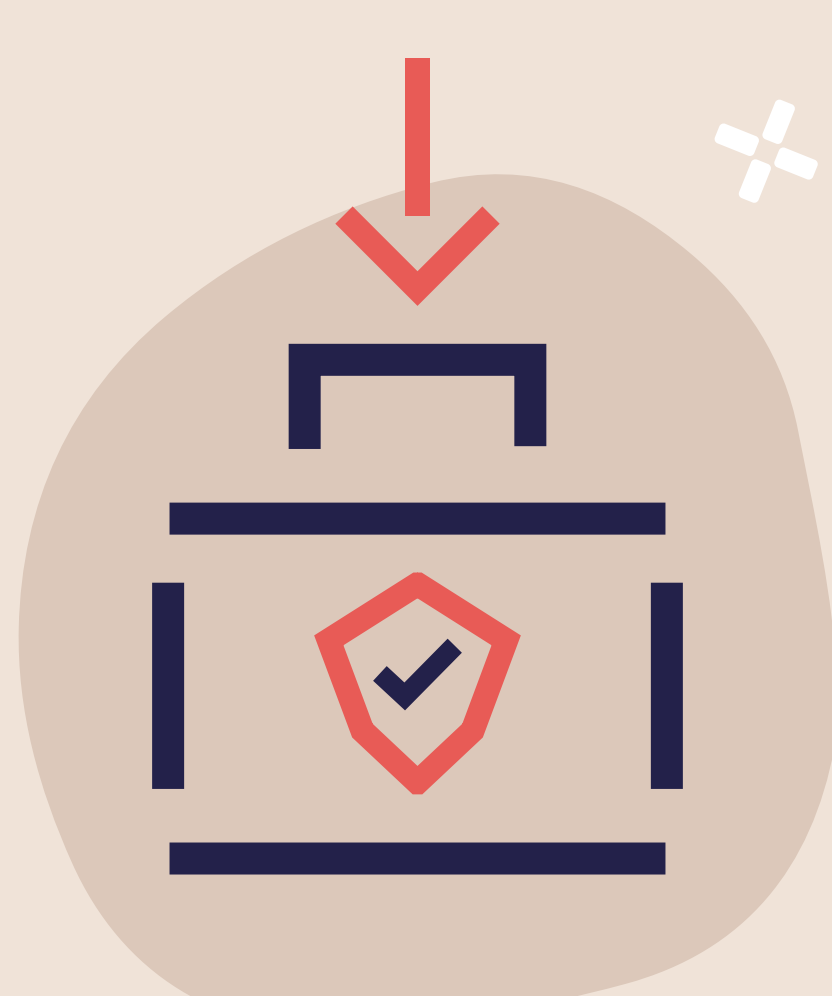
A PEO comes with a team of experts whose full-time job is to monitor compliance change, interpret them and ensure their advice (and the technology) is in full compliance. A PEO like ADP TotalSource has dedicated HR, payroll and risk experts who communicate the compliance changes and provide guidance where it's needed.

### Staying compliant and reducing liability is imperative



# 20

On average, small business owners spend 20 hours per month (and \$12,000 annually) trying to comply with state, federal and local regulations.<sup>3</sup>



\$10,000

# \$83,000

Non-compliance costs small businesses thousands of dollars a year, or as much as hundreds of thousands each year for multiple or repeated violations. In its first year, a small business typically spends \$83,000 on burdensome regulations.<sup>4</sup>



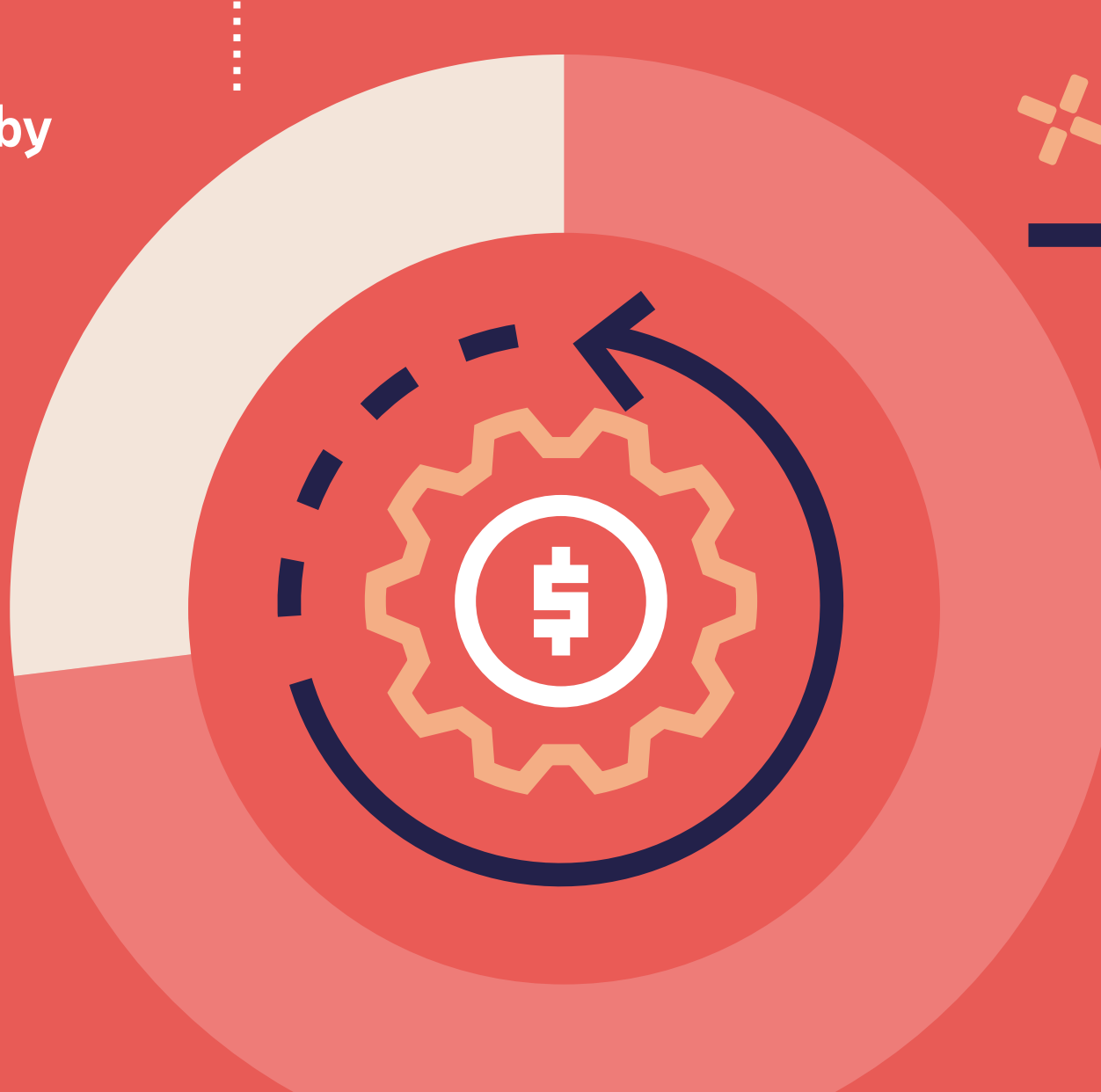
Those penalties could affect the financial health and future of a small business. Co-employment means a PEO focuses on HR-related tasks such as payroll, benefits administration and regulatory compliance. This relationship reduces liability when it comes to navigating tax responsibility and enforcing mandates from legislation like the ACA, FLSA, OSHA and EEOC.

### The ROI is clear and substantial

Working with a PEO can reduce HR-related costs by

# 27%

freeing up funds that can be used to support employees and benefit the business.<sup>5</sup>



With a co-employment relationship, businesses can reduce liability and effectively stay in compliance without needing to devote as many resources.



Partnering with a PEO saves employers time and energy, allowing them to focus on serving customers and growing the business — instead of worrying about risks and penalties.





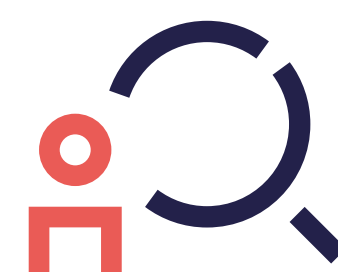
## A Guide to Navigating Employer Compliance Regulations

Compliance regulations are the source of stress and headaches for many business owners. Keeping up with regulatory changes is more than a full-time job and errors are costly. Partnering with a PEO that can manage compliance regulations can save small and medium-sized business owners tons of time and energy, while keeping costs under control by avoiding non-compliance fines. The cost of compliance is already 67% higher for small businesses than large businesses, so controlling costs is a major perk. So, what's your plan?

### Keeping up with regulations is a constant challenge

**45%**

of small business owners claim to be familiar with regulations that don't actually exist.<sup>1</sup>



A PEO monitors and interprets compliance changes on behalf of its clients.

### Small businesses already pay more

Tax compliance costs are

**67%**

higher for small businesses compared with costs for large businesses.<sup>2</sup>



Your organization cannot afford to fall short on compliance.



A PEO helps control compliance costs both now and in the future.

small businesses

large businesses

**+67%**

### Protect your business from rising costs

Total compliance spending per 1,000 employees grew more than

**42%**

from 2017-2019.<sup>3</sup>



A PEO helps organizations pay less in HR administration costs per employee.



**\$114k**

2017

**\$162k**

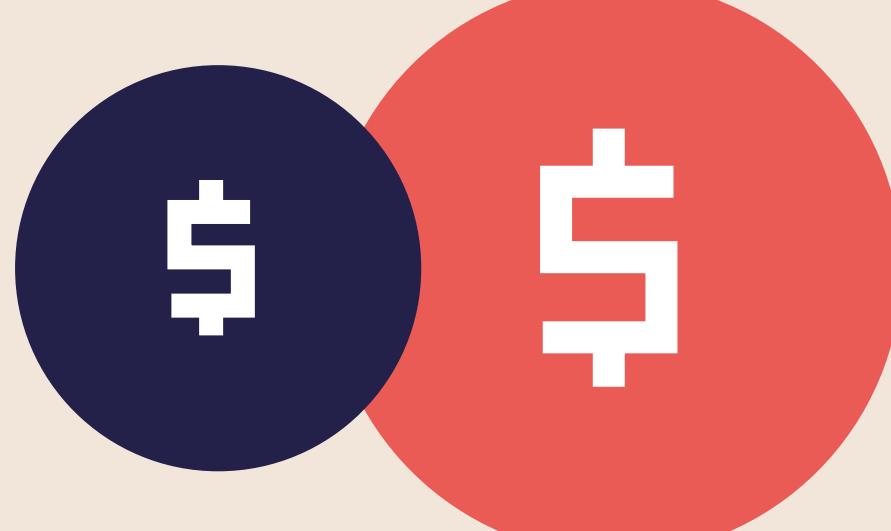
2019

Given the significant increase in new regulations in 2020 and 2021, these costs will continue to rise.

### Confidence is key

Many small businesses don't have a robust HR department, let alone a compliance expert on staff. This leaves a business vulnerable, increasing the risk of non-compliance and endangering the organization's financial health.

**Non-compliance costs more than twice the cost of maintaining compliance.<sup>4</sup>**



A PEO shares compliance liability with the client company. As a co-employer, the PEO has a vested interest in the client company being compliant.





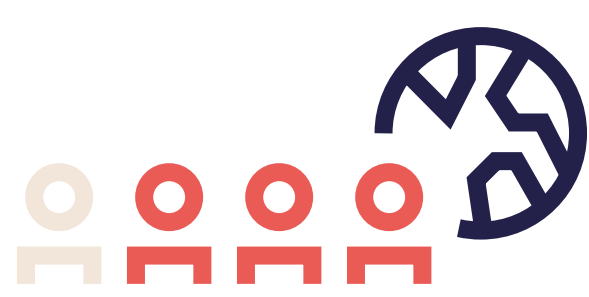


## How to Prevent and Manage High Employee Turnover

High turnover rates, labor shortages and a war for talent dominate recent headlines. Leaders need to understand why workers leave their jobs, how to build organizational cultures that retain top talent and what key actions can help manage the impact of turnover on both existing and offboarding staff. Having your business in order — from competitive compensation to the benefits employees care about most — helps minimize turnover. So, what's your plan?

### Today's workers are on the move

High turnover is hard on your business, but you don't have to go it alone. Here's why turnover happens and how the right PEO partner can help you manage through high turnover periods with ease.



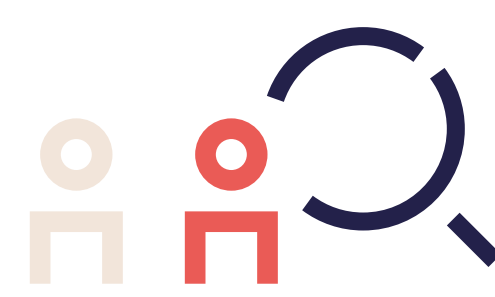
## 75%

of the global workforce — including 85% of Gen Z — are making changes to how or where they live.<sup>1</sup>



## 1 in 7

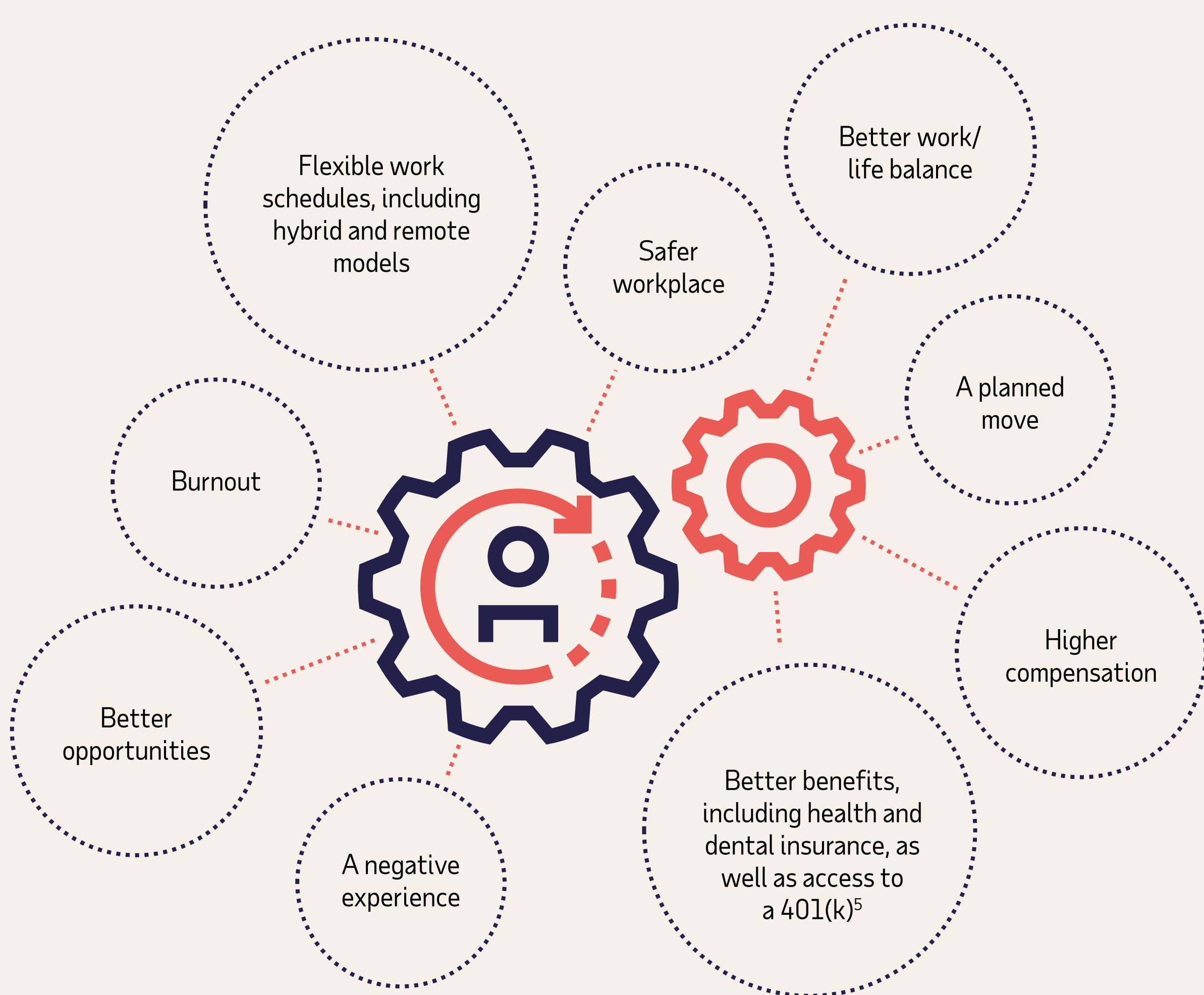
workers (15%) are actively trying to move into new industries they consider "future proof."<sup>2</sup>



## 50%+

of workers are looking for new job opportunities.<sup>3</sup>

### What drives voluntary turnover?<sup>4</sup>



### Strategies to keep your top talent

#### Invest in the benefits that matter the most.

86% of employees value their company's investment in health care.<sup>6</sup> Dental insurance and 401(k)s are also top priorities.

#### Compensation matters.

Determine if yours is competitive and adjust accordingly.

#### Recognize key talent.

Around 74% of employees want greater recognition.<sup>7</sup>

#### Give employees added perks.

Today's employees increasingly want internet and phone reimbursement, remote work options and flexible vacation time.

#### Listen to employees.

42% of today's employees say they want a hybrid workplace. Consider if it's time for you to make the switch.<sup>8</sup>



### What customers are saying about ADP TotalSource® and addressing turnover

**Randy Weisburd, A&P's Chief Operating Officer**, notes that employee benefits are critical to A&P's retention efforts.<sup>9</sup> "The benefits received through ADP TotalSource® are far better than we'd be able to get on our own," he says.