

The Complete Guide to Switching

PEO

The Complete Guide to Evaluating & Switching PEOs

Justworks

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INTRODUCTION

Why Should You Switch PEO Providers?

Say your small business is growing quicker than you expected. With that growth comes new challenges and opportunities—and often, new people. As an employer, you'll want to offer your team comprehensive benefits, exciting perks, reliable payroll operations, and the reassurance that you've got their back in a pinch.

But what if your current PEO can't offer those abilities? Or worse, you can't even get in touch with a real person to discuss your options?

That is the moment you'll know it's time to switch. But by planning ahead and choosing the right partner, switching PEO providers can be as easy as grabbing your morning coffee.

Choosing the Right PEO Partner

It can feel overwhelming to compare PEO and payroll providers. But when you clearly identify your needs and goals, the choice will be obvious.

SERVICES	JUSTWORKS	COMPETITOR
Access to High-quality Health Insurance	✓	✓
Access to Large Group Insurance Plans	✓	✓
Electronic Signature Features	✓	✓
HR Consulting	✓	✓
24/7 Multi-channel Customer Support	✓	✗
Transparent Pricing	✓	✗
Modern, Intuitive Software	✓	✗
Seamless self-onboarding for employees	✓	✗

Switching PEO Providers: Checklist

While everything a PEO provides is important, here are the key things to look out for when choosing your new partner.

Flexibility and Scalability

Your PEO partner should...

- ☐ Act as an all-in-one platform for your constantly growing and evolving small business.
- ☐ Include tools to help you continue growing, from international hiring to simple integrations with third-party tools.
- ☐ Come with real human support to help you create a tool suite that fits your evolving needs.

Cost Savings

Your PEO partner should...

- ☐ Have clear and transparent pricing upfront with no hidden fees or surprise balances.
- ☐ Offer different plan options so your PEO capabilities can grow with your business.
- ☐ Have one-on-one support to help you access the tools you need at a cost you can afford.

Access to Global Talent

Your PEO partner should...

- ☐ Pair seamlessly with an EOR to give you international hiring capabilities.
- ☐ Facilitate access to global talent pools, enabling you to recruit and hire top talent in various regions.
- ☐ Take the logistical challenges of managing international employment directly off your plate.

Why Switch to Justworks?

See how Justworks stacks up compared to your other options.



Pricing

We know running a business isn't exactly a 9-5 job. That's why we offer our customers full-service support, whenever and wherever. By phone, email, chat, or Slack, Justworks' dedicated team is standing by 24/7, ready for the tough questions you and your team throw our way.

Support

We offer our customers full-service support with a dedicated team standing by for any questions you throw our way. Our team is ready to help with:

→ **Benefits support**

→ **Compliance support**

→ **HR support**

→ **Payroll support**

→ **Onboarding support**

Reviews

Don't take our word for it, Justworks really is a top-rated solution for small businesses.

“ Justworks is the system that enables us to focus on solving complex HR challenges and delivering impactful strategic guidance.

EMMA LEEDS, CEO & FOUNDER, PEOPLE FUNCTION

Find out what current Justworks users are saying about their experiences [here](#).

Compliance and Risk Management

We don't just help your business get ahead, we help you stay there by backing you up with a dedicated support team, offering you guidance when you need it the most—plus these resources:

[Our Blog](#) covers tips for business owners and HR professionals.

[The Scoop](#) keeps you up with our latest compliance updates.

[The Help Center](#) gives you guidance on navigating our products and services.

How to Switch to Justworks

How to Switch to Justworks

Step 1: Notify your current provider

Before you notify your current provider, review the cancellation terms of your contract. Some payroll providers require advance notice or charge early termination fees, especially with annual agreements. Even after notifying them, don't cut ties just yet. You still need your current provider to process payroll while you're transitioning.

Step 2: Plan your transition dates

As simple as switching providers can be, it isn't a one-day event. Like any process, it requires a clear timeline. Start by locking in these key dates:

- Submission deadline for employee, payroll, and tax information
- Training sessions for you and your team
- Parallel run date to check accuracy
- Final payroll run with your current provider
- First payroll run with new provider

Step 3: Gather information for your new provider

Your new payroll provider will need a full picture of your workforce and pay structure to get set up correctly. That includes:

- Employee details (SSNs, addresses, and direct deposit info)
- Year-to-date payroll data
- Benefits deductions
- Wage types
- Active garnishments

HOW TO SWITCH TO JUSTWORKS

Cont.

Step 3: Gather information for your new provider

- Payroll tax returns
- Payroll tax account information

You'll also want to include any terminated employees who were paid earlier in the year to ensure tax forms are accurate.

Step 4: Notify your employees

Give your team a heads-up that you're changing payroll systems. Let them know when the change is happening, what they need to do (if anything), and where they can find their new pay stubs. It's also helpful to show them where they can update their direct deposit information and tax forms. Provide their login information and highlight the deadline for updating information if it differs from what's being carried over.

If your transition brings new benefits, create space for questions—whether through a dedicated Slack channel, an open Q&A session, or a brief forum. A simple FAQ or short walkthrough can help employees feel confident about the new system. Creating a space for open conversation and employees to ask questions helps them feel informed and heard.

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Step 5: Do a parallel payroll run

Before you go live, it's worth doing a parallel payroll run. This means processing one pay cycle in both systems, just for comparison, not for issuing duplicate payments. It's your chance to catch setup mistakes early by reviewing wages, payroll taxes, benefits, and any employer-paid contributions.

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Step 5: Do a parallel payroll run

Even minor mismatches can lead to significant issues down the line, especially with tax reporting. Be sure to give yourself enough time to review both runs side by side and flag any inconsistencies. A successful parallel run gives you peace of mind before you close out with your current provider.

Step 6: Finally, let go of the old provider

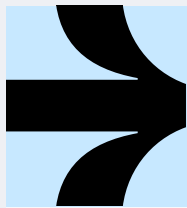
After your final payroll is complete and successful, you're ready to part ways with your old provider. Before closing your account, it's time to address any loose ends. Confirm that all outstanding taxes and filings have been submitted, including any local or industry-specific forms and requirements. It's also best to verify that the final payments for garnishments, benefit contributions, or off-cycle runs have been processed correctly.

To avoid retrieval fees for documents and records from your previous provider, archive and organize relevant payroll and tax information, such as:

- Audits
- Tax filings
- Tax payment confirmations
- Employee requests
- Final pay stubs
- Year-to-date summaries

Get the PEO that Works for You

Ready to start working with the PEO provider that keeps your business running smoothly? Set up a call with our team to see how Justworks can work for you, or learn more about our solutions on our site.



Get in Touch

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