

Improving the Business of Law

Attorneys understand how quickly an employee complaint or incident can escalate into legal action. What's more, law practices are not immune to sexual harassment claims, wrongful termination lawsuits, discrimination complaints and similar types of employer-related liabilities.

From ADA, ADEA and COBRA to FMLA, HIPAA and WARN, the alphabet soup of employment regulations continues to grow. In fact, the number of government regulations has doubled since 1980, with no end in sight. If a law firm fails to comply with these types of federal and state regulations, then fines or litigation—or both—could result in having disastrous consequences on its bottom line.

Unfortunately, complying with complex workplace-related regulations is just one of the many challenges faced by law firms. They also must deal with issues such as payroll and related tax filings, unemployment and wage claims, workers' compensation coverage and claims resolution, employee benefit packages, and training and recruiting. The list goes on.

Dealing with these types of personnel issues and responsibilities can be a time-consuming burden. Consequently, an increasing number of law firms have taken the popular outsourcing concept to a whole new level—entering into a co-employment relationship with a Professional Employer Organization (PEO), which essentially serves as an offsite human resources department to the law firm. Under this arrangement, the PEO assumes or shares many of the responsibilities of being an employer, and the employees gain a wide array of value-added benefits and services not typically available at small businesses.

PEOs come in all shapes and sizes and

offer a variety of services. On a basic level, most PEOs share responsibility for processing a company's payroll and related tax filings, unemployment and workers' compensation claims, and assist with employer-related regulatory compliance as well as benefits management and administration.

In addition to those core services, PEOs can provide human resources support covering employee handbook and policy development, employee counseling and performance appraisal assistance as well as HR-

ally and the business benefits from increased productivity.

PEOs also offer business owners the opportunity to reduce their employment liability exposure. Under the co-employment arrangement, the PEO assumes a number of the employer-related liabilities; other liabilities are shared. With those that are left, the PEO can provide resources such as safety consultants and human resource specialists to provide the backup needed to further reduce a client company's liability exposure.

According to the National Association of Professional Employer Organizations (NAPEO), there are three principal reasons the PEO industry continues to grow rapidly:

- The increase in the number and complexity of workplace-related regulations
- The need to attract and retain quality employees
- The need to control operating costs by better managing administrative expenses

So what are those questions you should ask any potential PEO? NAPEO recommends you ask:

1. Is the PEO accredited by the Employer Services Assurance Corporation (ESAC)?
2. Is the PEO licensed or registered in your state, if required?
3. Have there been complaints filed with the licensing agency?
4. Is the PEO a member of NAPEO?
5. How long has the PEO been in business?
6. How many clients does the PEO service?

For more information about PEOs, call NAPEO at (703) 836-0466, or visit www.napeo.org. ▲

Tony Novia is the regional manager for Administaff. For more information about Administaff's personnel management services, call (800) 465-3800, or visit www.administaff.com.

QUESTIONS

To Ask Your Offsite HR Department

BY TONY NOVIA

related training, recruiting, interviewing and employee selection. Of course, clients still make the strategic business decisions and can delegate various human resources projects to the PEO as they see fit.

At the most sophisticated level, full-service PEOs provide other vital employment resources, including productivity-based training courses, an expanding array of online support services, and access to a network of service providers that can help employees achieve their personal and professional goals more efficiently and effectively. The result is win-win: Employees value the opportunity to grow profession-