

# National Association of Professional Employer Organizations



Unmute Microphone Speaker Volume Enable Video



Participants Chat



Share Screen



Pause Recording



Reactions



Leave Meeting Settings

2020 brought many challenges and changed the way we work and live as we transitioned overnight to a virtual world. We were told to stay home and stay apart, to wear masks and wash our hands. We learned new terms like social distancing, mastered the Zoom universe and navigated new paid leave rules and a massive federal loan program.

Through it all, PEOs did what PEOs do: take care of people. The personal concern and commitment of PEOs to their clients is palpable and inspiring. PEOs stepped up to take care of people in the face of enormous adversity. Tens of thousands of business survived the worst days of the pandemic because of PEOs.

From the early days of the pandemic, we focused on providing you with the information, resources and tools you needed to help your clients. We hosted an unprecedented number of webinars, assembled a comprehensive COVID-19 Resource Center, and developed sample letters, notices and videos to use with your clients. Perhaps most importantly, we also successfully fought to make sure that PEO clients would not be prohibited from receiving Paycheck Protection Program loans, an outcome that would have devastated the PEO industry.

None of us could have imagined the impact of the COVID-19 pandemic, and it's not over yet, but PEOs have made a positive impact on the lives of millions of people and their families.

***The PEO value proposition has never been greater.***



“What you have done has been exceptional. Real value being delivered to your members this year...this is why I pay my dues.”

— *NAPEO member*

# Advocacy

When COVID-19 struck the country in mid-March, part of our legislative and regulatory strategy shifted toward promoting legislation that benefits small businesses, while at the same time addressing PEO-industry specific concerns. Lawmakers in Washington, D.C., reacted by passing two mammoth pieces of legislation that profoundly impacted PEOs. The Families First Coronavirus Response (FFCR) Act expanded paid sick, family, and medical leave requirements for the employees of small businesses; and the Coronavirus Aid, Relief, and Economic Security (CARES) Act authorized \$350 billion worth of emergency loans to small businesses. One posed daunting administrative hurdles, the other threatened the very existence of the industry.

As PEOs hurried to understand the new paid leave rules, the Small Business Administration (SBA) was gearing up to roll out the Paycheck Protection Program (PPP) created by the CARES Act. We immediately recognized that if the PPP eligibility cap of 500 employees was set at the PEO level that would

jeopardize your clients' ability to obtain a PPP loan. By engaging our Capitol Hill allies—and retaining the former head of the SBA—we successfully obtained clarity from SBA that the employee cap would apply at the client employer level.

But a new threat quickly emerged. As the PPP program opened many lenders opted to require 941 statements as part of a borrower's application. Without a 941 a business would be ineligible for a PPP loan which would have devastating consequences for the PEO industry. This was an issue of survival. We pulled out at all the stops, and ultimately prevailed in convincing the SBA to release an FAQ that emphatically stated a business that uses a PEO does not need a 941 statement to apply for and obtain a PPP loan. As our most recent white paper shows, the result of this action saved thousands of businesses. What's more, PEO clients were better equipped to handle the application process and were more likely to actually receive a PPP loan.

**“I think you have been doing a fantastic job of interpreting the legislation as it comes out as well as assisting with sample communications to address the universal needs of all PEO client worksites. Thank You!”**

**— NAPEO member**

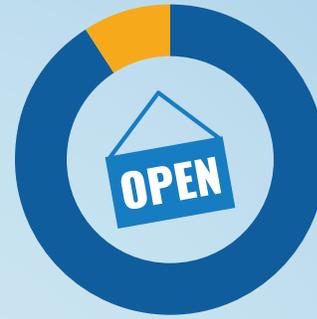


Compared to other small businesses, PEO clients are:



**119%**

more likely to have received a PPP loan



**91%**

less likely to still be temporarily closed



**72%**

more likely to have received a PPP loan during round 1



**60%**

less likely to have permanently closed

In spite of COVID-19, we managed to keep our eye on several other regulatory priorities and notched a few big wins.



### Illinois

A few years ago, Illinois adopted a state-run retirement savings program called Secure Choice. We had previously worked with the state to ensure that PEO retirement plan participants would meet the state's requirements. This year, we successfully obtained regulatory guidance that updates the existing rules to define the PEO relationship and makes clear that the client employer—and not the PEO—will be the employer for purposes of the Secure Choice Program. This outcome will help protect PEOs.



### Massachusetts

Working alongside some of our members, we partnered with the Massachusetts Department of Paid Family Medical Leave (MA DFML) to create a bulk filing and reporting system for PEOs and their clients. This alleviated clients from having to individually register and then grant access to their PEO to manage their accounts, also helping the department cut down on input and individual follow-up. This positive relationship then extended to the MA DFML utilizing NAPEO and our members to mass update their system with the correct person of contact for the tracking and handling of future leave requests. As the state is currently reviewing the merged market and how PEOs impact it, our proven track record of working well with a state agency will be invaluable.



### Texas

In April, the Texas Department of Banking (TDB) made a request to the Texas Attorney General's office asking whether PEOs should be subject to licensure as money transmitters pursuant to the Money Services Act. Recognizing the negative consequences such a decision could have, we engaged the Texas Attorney General's office to explain that PEOs are not money transmitters. In October, the Attorney General issued an opinion concluding that a PEO performing its duties under the PEO Act in Texas does not constitute money transmission and does not require a license as such. It was a great outcome for PEOs, and will allow the industry to continue to thrive in the Lone Star State.

We were also successful in convincing the IRS to agree that PEOs can rely on the information provided by the client on the employee retention tax credit, and having the IRS add an additional box on the 941 so that PEOs would not have to identify as "payroll administrators."

These laws represented years of legislative activity condensed into three weeks, so we had to kick our advocacy efforts into overdrive. We engaged our allies on Capitol Hill and joined coalitions of other trade associations to enhance our collective efforts to protect businesses and make sure PEO voices were heard.

We held multiple webinars every week to bring you the latest information as we knew it, so you would be prepared to navigate your clients through the chaos. We also produced resources like sample letters and notices to use with clients and produced an in-depth video on the PPP program including how to apply for loan forgiveness.

Of course, it wasn't just Washington, D.C. that imposed new regulations and laws. One by one, Governors across the country began issuing executive orders and emergency rules. As they ordered residents to stay home and required businesses to close their doors, our team engaged every Governor's office to explain how important PEOs are and why they should be deemed essential in order to maintain operations. We distributed alerts and analysis each time a new order was issued, and our COVID-19 Resource Center served as a clearing house for the myriad emergency changes to workers' comp. rules, tax deferrals, SUTA charges and more.

At first it was all about survival, but we soon pivoted to helping you adapt to the new normal so you could take care of your clients and be the experts they depend on.

**WEBINAR**  
Accounting • Finance • Government Affairs • Legal • Sales

**NAPEO** National Association of Professional Employer Organizations

**The CARES Act – How will it affect PEOs?**

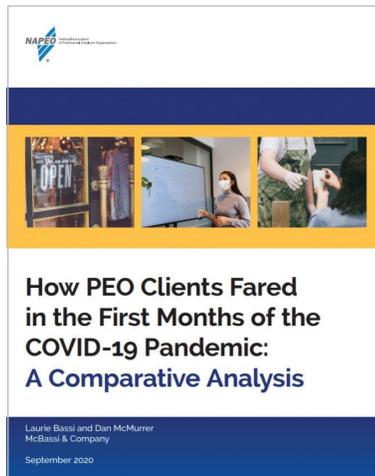
Randy Hardock and Courtney Zinter, Davis & Harman LLP  
Seth Perretta and Malcolm Slee, Groom Law Group

SPONSORED BY: BLUE STAR COMPASS ESPYR JacksonLewis McHenry Consulting POSTER GUARD U.S. Risk, LLC

© Copyright 2020 National Association of Professional Employer Organizations

# Marketing & Communications

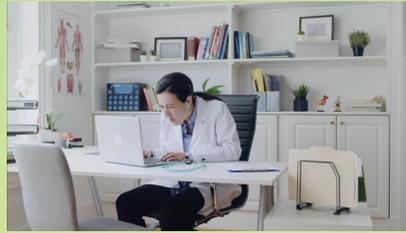
We set out to build off the tremendous progress we have made raising PEO awareness by dubbing 2020 the year of the video. Our driving force remains centered on increasing the profile of the PEO industry and showcasing the powerful benefits that come from partnering with a PEO. The COVID-19 crisis also gave us the opportunity to highlight the human side of PEOs and drive home the point that ultimately PEOs are about people; establishing a clear competitive advantage.



PEOs faced the same COVID-related challenges as all businesses, yet immediately began checking-in on their clients when the pandemic hit to offer guidance, resources, expertise and most importantly a little peace of mind. Our 2020 white paper captured the empirical evidence about how PEOs helped businesses survive the early days of the pandemic, but we also produced a video to capture the human element. Shot on Zoom, it features several of our members explaining the actions they took to quite literally keep their clients doors open. Thousands of businesses are open today because PEOs rose to the occasion.

As it became clear that many PEO clients would need assistance understanding the PPP loan forgiveness process, we produced an in-depth video on the topic featuring our outside counsel that was meant as a resource to share with clients. More than 50 members branded the video with their own logos. We also knew it would be important to understand the impact COVID-19 was having on the industry as the pandemic unfolded. So we launched a tracking survey in mid-March of PEO CEOs to gauge how the pandemic impacted your businesses and your clients. We conducted four rounds of the survey through July, and the results helped inform our decisions about how best to develop tools and resources.





For the first time ever, we produced a live action ad to capture the peace of mind, expertise, and benefits a PEO brings to a business. The ad uses a humorous tone to show business owners burdened by paperwork, red tape and deadlines, and invokes a sense of calm once a PEO gets involved. The original 30-second spot was edited into six different, additional versions to maximize your ability to use this new resource across different platforms and audiences.



**52.3**  
**million**

total number of  
online ad impressions

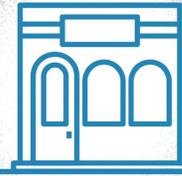
**133,568**

total visits to the  
Find a PEO website

**372,211**

total number of people who  
have viewed NAPEO's "There's  
a Better Way" ads

# PEO



# COEMPLOYMENT

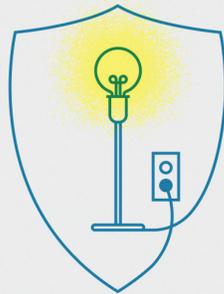
Last year we unveiled our 'PEO explainer' video, so this year we stepped up our game by producing three new animated videos to take a deep dive on: co-employment, how PEOs help during unexpected challenges (like a pandemic), and why 98% of PEO clients recommend using one. Roughly a minute in length, these videos are designed to help you tell the PEO story to clients and

prospects. The concepts were informed by our market research of business owners to address some of the top questions we know they are likely to ask you.

When the unexpected happens,  
PEO clients have a team of  
trusted experts to turn to.

**Shouldn't you?**

Find out how a PEO  
can help protect your  
business.

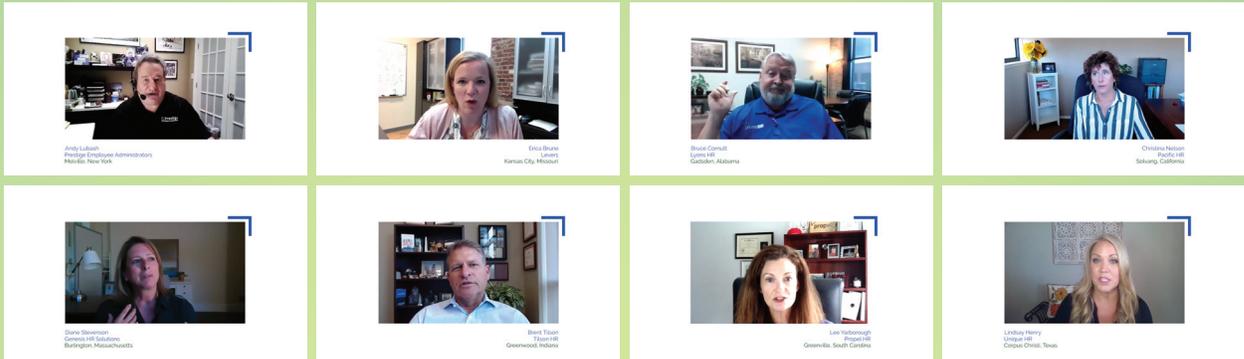


[napeo.org/whatisapeo](https://napeo.org/whatisapeo)



All of these videos are designed to be used by you, our members, and the live action ads can be customized with your company's logo and website. We also developed a new set of social media resources that are customizable, too. We're committed to providing the tools you need to share the PEO story far and wide. Part of that story is how committed PEOs are to their clients and their people.

The PEO story is powerful and we plan to tell it louder and spread it farther than ever.



**PEOs: We're About PEOple.** From the moment COVID-19 hit, PEOs never hesitated to take care of their clients. PEOs truly emphasized the 'human' component of human resources, steering clients through unprecedented hardship and adversity with a personal touch. We knew we had to capture this story, and we knew the commitment and personal concern you have for your clients could only be captured on video. Shot entirely on Zoom, we enlisted several of our members from around the country to tell the story of how PEOs are about people. The video was shared far and wide by us and many of our members. The crisis is not over yet, but we can all be proud of how PEOs rose to the occasion.

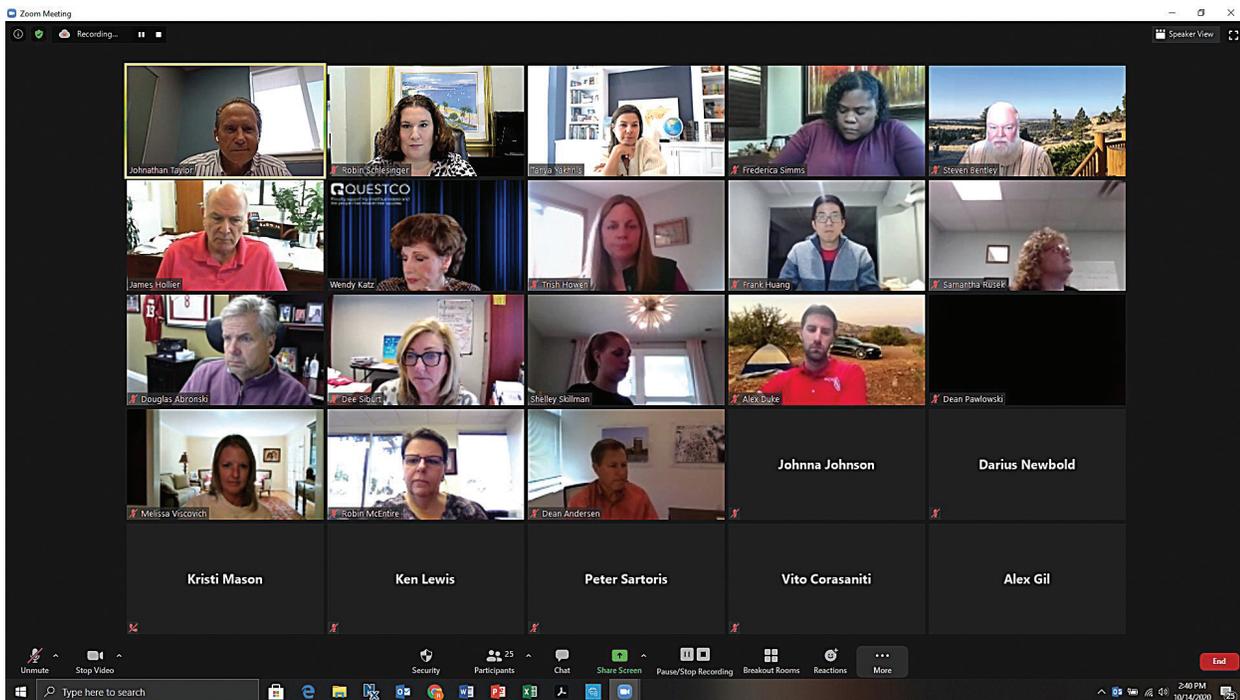


PEO Insider is now an award-winning publication! Our monthly magazine won Association Trend's silver medal for Best Monthly Trade Association Magazine this year, reinforcing the value it delivers each month.

# Education

Keeping abreast of changing rules, laws, and regulations as well as evolving HR best practices and industry trends is not easy, so that's why year-round we offer PEO-specific education. Like so much of our world this year, our events and conferences went virtual. We might have missed gathering in person around the hotel bar, but on the positive side we connected with more members than ever before and brought hard-hitting education to all levels of your companies.

In the first two months of the pandemic, we offered more webinars than we typically do in an entire year, and had nearly 10 times the number of webinar attendees. Our goal was simple: bring you the very latest information straight from the experts. Once it became clear that COVID-19 would impact us for a long time, we transitioned our Leadership Council Forums to virtual sessions so you could gather with colleagues in your geographic area to share ideas and insight on how your region was responding. Our CEO Roundtable series allowed for top executives to connect every other week at a regular time to network, brainstorm, and problem solve. These events were complemented by virtual interactive sessions including Community Conversations and Town Hall Meetings focused on discussion of topics of interest to specific disciplines within PEO operations.





We pivoted quickly to produce our CFO Seminar on a virtual platform, and offered a substantial upgrade to the seminar by developing an entire track of programming dedicated to payroll. We were optimistic that by September we could gather for our Annual Conference & Marketplace in Florida, but 2020 had other ideas.

Our virtual 2020 conference, Navigating Uncharted Waters, focused on adapting in times of uncertainty and crisis to continue delivering value. COVID-19 was a featured topic—from PPP forgiveness to return to work guidance—as well as diversity, equity and inclusion. This is not a topic that can be mastered in one webinar or session, so we're committed to continue offering diversity programming in future conferences. We also plan to maintain and grow our diversity resource center.



PEOs sit at the intersection of people and opportunity. The value you bring to your clients creates better opportunities and stronger growth for their employees. Empowering you with the knowledge, insight, and strategies necessary to remain HR experts will always be one of our core missions.



# NAPEO Gives Back

We continued our NAPEO Gives Back initiative by partnering with Marco Island, Florida-based Our Daily Bread Food Pantry. This organization fulfills a critical need by providing meals to those in need, and witnessed its monthly demand surge from 3,500 individuals per month to 10,000 per month due to COVID-19. It's nothing short of amazing that 171 NAPEO members came together to raise nearly \$80,000 for Our Daily Bread. We truly harnessed the "power of many" to make a difference in people's lives for the better.



## Board of Directors

### Chair

**Lee Yarborough**  
*President*  
*Propel PEO*

### Vice Chair

**Bruce Cornutt**  
*President*  
*Lyons HR*

### Secretary/Treasurer

**Kristen Appleman**  
*VP, Health, Wealth,*  
*Tax & Compliance*  
*ADP TotalSource, Inc.*

### Immediate Past Chair

**Andy Lubash**  
*Principal*  
*Prestige Employee*  
*Administrators*

## Directors

**Ted Crawford**  
*Chief Executive Officer*  
*Resourcing Edge*

**Abram Finkelstein**  
*President*  
*StaffLink Outsourcing*

**Christina Nelson**  
*President*  
*Pacific HR, Inc.*

**Geoffrey Vandal**  
*PEO Sales Director*  
*Metlife*

**David Feinberg**  
*VP, Insurance*  
*Programs & Risk*  
*Justworks, Inc.*

**Sean McConnell**  
*Chief Executive Officer*  
*Modern Business*  
*Associates, Inc.*

**Vic Tanon**  
*President*  
*Emplicity*

**Pamela Evette**  
*President and CEO*  
*Quality Business*  
*Solutions, Inc.*

**Bill Maness**  
*President*  
*Syndeo Outsourcing, LLC*

**Carlos Saladrigas, Jr.**  
*Chief Executive Officer*  
*Regis HR Group*

**Chris Dollins**  
*Co-Founder*  
*Employer Flexible*

**Celeste Johnson**  
*Chief Executive Officer*  
*The Applied Companies*

**Jennifer Robinson**  
*SVP/Partner*  
*Risk Transfer Insurance*  
*Agency, LLC*

**Layne Davlin**  
*President*  
*Einstein HR*

**Jimmy Franzone**  
*Senior VP, Strategy*  
*TriNet HR Corporation*

**Andy Ramzel**  
*VP, Property & Casualty*  
*Services*  
*Insperity, Inc.*

**Haley Crum**  
*Executive Vice President*  
*FrankCrum*

**Frank Fiorille**  
*VP, Risk*  
*Paychex Business*  
*Solutions, LLC*

**Steven Politis**  
*CEO*  
*Alcott HR Group, LLC*

**Charlie Vance**  
*Chief Executive Officer*  
*DBV PEO, LLC*

## Staff

**Pat Cleary**  
*President & CEO*

**Michael Kreiter**  
*Senior Director of State*  
*Government Affairs*

**Denise King**  
*Director of Member Services*

**Katie Adair**  
*Accounting Manager/*  
*Registrar*

**Melissa Viscovich**  
*Senior Vice President/COO*

**Charise Johnson**  
*Director of State*  
*Government Affairs*

**Nancy Benoudiz**  
*Director of Service Partner*  
*Accounts*

**Stephanie Oetjen**  
*Director of Publishing*  
*Editor, PEO Insider*

**Nick Kapiotis**  
*General Counsel*

**Aaron Castelo**  
*Director of State*  
*Government Affairs*

**Robin Schlesinger**  
*Senior Director of Meetings*  
*and Conference Services*

**Chris Chaney**  
*Manager of Member*  
*Communications*

**Kerry Carruthers**  
*Vice President of Marketing*  
*& Communications*

**Sarah Youssef**  
*Administrative Assistant for*  
*Government Affairs*

**Jill Wilson**  
*Director of Leadership*  
*Councils & Education*

**Kim Wareham**  
*Member Services/Office*  
*Manager*

**Thom Stohler**  
*Vice President of Federal*  
*Government Affairs*

**Taylor Oster**  
*Member Services &*  
*Meetings Coordinator*



National Association  
of Professional Employer Organizations

707 North Saint Asaph Street  
Alexandria, VA 22314  
Phone: (703) 836-0466  
Fax: (703) 836-0976  
[www.napeo.org](http://www.napeo.org)