

PEO Case Study Summary



Employers who converted AWAY FROM a PEO

Industry	Employee Count	Reason for Moving to a PEO	Reason for Leaving the PEO	Ann. Savings from Leaving PEO
Mortgage	2	Reduce Benefit Costs	Poor Service & Cost	\$2,500.00
Mortgage	13	Reduce Benefit Costs	Cost	\$8,000.00
Attorney	15	Reduce Benefit Costs	Poor Service & Cost	\$52,000.00
Technology	25	Reduce Benefit Costs	Poor Service & Cost	\$12,000.00
Billing	33	Minimal Internal Staff	Cost	\$14,000.00
Non Profit	40	Reduce Benefit Costs	Legal Issues with PEO	\$17,900.00
Healthcare	45	Reduce Benefit Costs	Poor Technology & Service	\$12,000.00
Manufacturing	45	Reduce Benefit Costs	Poor Service & Cost	\$48,000.00
Retail	45	Reduce HR Liability	Poor Service & Cost	\$131,000.00
Non Profit	72	Reduce Benefit Costs	Poor Technology & Cost	\$24,000.00

Employers who considered MOVING TO a PEO

Industry	Employee Count	Reason for Considering a PEO	Hidden Fees in PEO Proposal	Decision
Property Management	29	Reduce Benefit Costs	\$13,000.00	Not to move to a PEO
Telecommunications	65	Reduce HR Liability	\$144,888.00	Not to move to a PEO
Manufacturing	65	Reduce Benefit Costs	\$183,000.00	Not to move to a PEO
Technology	85	Reduce HR Administration	\$48,000.00	Not to move to a PEO
Technology	116	Reduce Benefit Costs	\$160,000.00	Not to move to a PEO
Travel	224	Improve Employee Experience	\$243,264.00	Not to move to a PEO
Healthcare	700	Reduce Benefit Costs	\$200,000.00	Not to move to a PEO

KEY POINTS: Employers who CONVERTED AWAY from the PEO Model:

Most employers moved to the PEO model in an attempt to reduced benefit costs, however the benefit cost reduction never materializes. Employers who moved away from the PEO model saved money when they returned back to the traditional benefit and P&C broker model.

KEY POINTS: Employers who considered MOVING TO a PEO Model:

Employers who considered the PEO model did so based on promises of benefit cost reduction and reduced HR liability. When AmCheck performed a “PEO Transparency Analysis” on the PEO’s proposal, the hidden fees that were uncovered were significant. The benefit cost reduction promised by the PEO model was neutralized and negated by hidden fees in the PEO proposal.

**Case study and data provided by courtesy of Scott Maichel, Principal at AmCheck*

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