

# PEO INSIDER

PUBLISHED BY THE NATIONAL ASSOCIATION OF  
PROFESSIONAL EMPLOYER ORGANIZATIONS\*

THIS MONTH'S FOCUS

## CLIENT EXPERIENCE

HIGH-TOUCH AI

STRONGER PARTNERSHIPS  
THROUGH EDUCATION

INTENTIONAL  
COMMUNICATION

COVER STORY

# ONEDIGITAL'S TED CRAWFORD:

## PLAYING THE LONG GAME

Ted Crawford, CEO, PEO, OneDigital | Resourcing Edge

THE SOURCE FOR PEO EDUCATION\* 707 NORTH SAINT ASAPH STREET, ALEXANDRIA, VA 22314 [WWW.NAPEO.ORG](http://WWW.NAPEO.ORG)

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**– Leo Tolstoy**



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PLAYING THE LONG GAME**

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# THE ROCKS BEHIND OUR SUCCESS

BY BILL MANESS

**I** was reminded recently about the impact our industry has had on my life. Like most of us, my beginnings in the PEO space were born out of a dissatisfaction with my current job and industry (radio advertising) and the rapid changes that were occurring due to this new thing called “industry consolidation.” Sound familiar?

I was referred to a friend’s spouse who was looking for a salesperson for this new idea (at least to the market) they were rolling out called a PEO. The parent company (a staffing company) had it in their mindset that they were doing almost all the things a PEO did (payroll, workers’ comp., taxes, some benefits) and only needed to add an HR function to the offering. I didn’t know this industry existed but I immediately saw how a small business would benefit from the service offering.

What I didn’t know then that I know now is that it is really easy for a PEO to add a staffing offering to their product mix simply by hiring a recruiter. But going from a staffing company to a PEO



*I would not be where I am today without the loving support of my wife, Linda, and my four adult children. They have truly been my “rock.”*

is a whole new set of resources that a staffing company can’t come close to duplicating. Plus, the complexities that a PEO faces in every facet of the services we provide cannot be delivered by an infrastructure set up for a similar, but very different business model.

When I started Syndeo in 2002, I made a commitment to my family that this wasn’t just a new business venture, this would become our runway to living a better life (I am, after all, a sales guy). I hoped someday to be successful enough to pay our bills and have a little extra to

save for retirement (which my wife now says I’ll never do). I never dreamed that I would be asked to serve this industry I love as board chair. I would not be where I am today without the loving support of my wife, Linda, and my four adult children. They have truly been my “rock,” supporting me when I least deserved it and sticking with me through thick and thin.

I tell you all this because I am not the lone sailor in the ocean. Every PEO owner or operator who has built something from nothing couldn’t have done it without the support, love and tolerance they receive from their family. As we all endeavor to serve our clients and our employees, always be mindful of the families who support them and give thanks for the many blessings we all receive every day. ■



**BILL MANESS**

2025-2026  
NAPEO Chair  
CEO  
Syndeo

## QUICK HITS



### KUDOS

## UKG EARNS SEVEN BEST PLACE TO WORK HONORS

NAPEO member UKG has been recognized with seven different honors for its strong, supportive and innovative work culture, including Computerworld's 2026 Best Places to Work in IT, Forbes World's Best Employers and more. "The strongest organizations are built when employees are empowered to do their best work, feel connected to one another, and are supported by benefits that reflect their varying needs," said Beth Conway, chief people officer at UKG. "Specifically, being named one of the world's best tech employers by both Computerworld and Forbes validates our dedication to creating an inspiring employee experience—not only for our own people, but also for the tens of millions of employees our solutions impact every day."

### M&A

## G&A PARTNERS ACQUIRES ETHAN ALLEN HR SERVICES

NAPEO member G&A Partners has acquired Ethan Allen HR Services, a PEO based in Poughkeepsie, New York. Through the acquisition, G&A clients will gain access to expanded HR technology, broader employee benefits options and a national-scale service infrastructure. "The addition of Ethan Allen HR Services not only allows us to expand into the Hudson River Valley, but it also adds another tenured client service team who can further support our New York clients," said G&A President and CEO John W. Allen. "We are also excited to broaden our benefits portfolio, adding a variety of Anthem group medical plans to our existing Aetna and Cigna offerings. This acquisition builds on our presence in the Northeast, where we've experienced remarkable success and growth."

### ADVOCACY

# NAPEO CONNECTS WITH MEMBERS OF CONGRESS IN UTAH



NAPEO President & CEO Casey Clark and his wife Liz Clark with Rep. Jimmy Panetta (D-CA).

NAPEO President and CEO Casey Clark had the opportunity to connect with multiple members of Congress in Utah, including Representatives Brad Schneider, Nikki Budzinski, Josh Gottheimer, Susie Lee, Jimmy Panetta and Brittany Pettersen. Engagements like this are essential to ensuring policymakers understand how PEOs support employers, strengthen the workforce and drive economic growth across the country.

### M&A

## REGISHR ACQUIRES HR STRATEGIES

NAPEO member RegisHR has acquired HR Strategies, a PEO in Georgia, marking a significant milestone as the company's first acquisition since its founding in 2008. With this acquisition, RegisHR enhances its service capabilities and client reach throughout Georgia. "We are incredibly excited to welcome clients and employees from HR Strategies to the RegisHR family," said Carlos Saladrigas, president of RegisHR. "After working with the HR Strategies team for the last few months, I'm even more confident that this acquisition is a cultural match that will strategically strengthen our position in Georgia, enhance economies of scale, and ensure the highest levels of customer service to our clients."

LEADERSHIP

# EXTENSISHR APPOINTS JEN MORROW AS PRESIDENT AND COO



NAPEO member Extensishr has appointed Jen Morrow as president and chief operating officer. She will oversee day-to-day operations, lead execution of the company's strategic priorities and partner with the executive team to scale service excellence, operational discipline and client outcomes. "Jen is a highly accomplished operator and an exceptional leader," said Blake Morris, CEO of Extensishr. "She brings the rare combination of operational rigor, service empathy, and technology fluency that aligns perfectly with where Extensishr is headed. As we continue to scale, Jen's leadership will be instrumental in elevating our service standards and strengthening the value we deliver to clients and partners."

KUDOS

## ADP NAMED ONE OF FORTUNE'S MOST ADMIRABLE COMPANIES™

NAPEO member ADP has been named by Fortune® magazine as one of the World's Most Admired Companies in 2026. This marks ADP's 20th year on Fortune's annual ranking of corporate reputation, which considers performance in key areas including product and service quality, effectiveness in doing business globally and innovation. "We're honored to receive such notable recognition of our efforts to help people achieve greater success at work, a focus that's always been core to ADP," said Maria Black, president and CEO of ADP. "By building an easier, smarter and more human world of work, we can help move people closer to the work they love to do and the greatest impact they can make."



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## QUICK HITS

### LEADERSHIP

## ONEDIGITAL STRENGTHENS EXECUTIVE LEADERSHIP TEAM

NAPEO member OneDigital has promoted Bill Carew to president and Camry Blaising to chief operating officer, positioning the firm to drive enhanced client value, innovation and operational excellence. “Bill and Camry have been instrumental in building the high-performance, client-first culture that has fueled OneDigital’s growth,” said Adam Bruckman, chairman and CEO of OneDigital. “They have helped bring our regions, practices, and platforms together in a way that enables us to scale with intention and deliver more integrated solutions for our clients. Their leadership exemplifies the talent, vision, and commitment that powers OneDigital forward.”



### INSIGHTS

## WORKFORCE TRENDS THAT COULD IMPACT YOU IN 2026

HRMorning highlighted key workforce trends that could shape how organizations operate this year, including shifts in hybrid work models and the growing importance of soft skills. The article also explains that AI is increasingly being used to predict, decide and act on HR-related tasks, but cautions that overreliance on the technology could lead to lower-quality results if not managed carefully. As AI adoption accelerates, managers must balance the use of technology with human judgment, strategic thinking and strong people skills to ensure their organizations produce effective work.



### CONGRATULATIONS

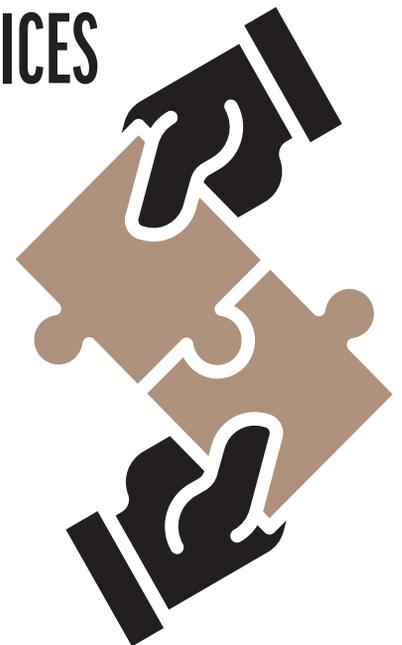
## GRADIENT AI EARNS BEST PLACES TO WORK AWARDS

NAPEO member Gradient AI has been recognized by leading technology recruitment platform Built In as one of the Best Places to Work in 2026. The company was named to both the Best Midsize Places to Work in Boston and the overall Best Places to Work in Boston lists. “Our position as pioneers in the AI insurance solutions landscape is only made possible by our exceptionally talented team, who are truly the heartbeat of our growing company,” said Stan Smith, founder and CEO of Gradient AI. “While we’re certainly a tech-centric organization, ensuring that insurance policies are fair and economically viable for everyone—both insurers and the insured—requires a people-first approach. We strive to embody this mindset through a working environment that provides mentorship, invites feedback and welcomes a broad range of viewpoints.”

### M&A

## PRESTIGEPEO ACQUIRES O2 EMPLOYMENT SERVICES

NAPEO member PrestigePEO has acquired O2 Employment Services, a PEO based in Redding, California. The acquisition enhances the company’s ability to offer employers premium benefits, advanced HR technology and comprehensive outsourcing services nationwide. “PrestigePEO is thrilled to partner with O2 Employment Services. The company’s strong leadership and talented team of professionals have built an impressive West Coast presence and reputation,” said Andrew Lubash, founder and CEO of PrestigePEO. “We look forward to joining forces to expand our service delivery to employers and brokers throughout the region.”





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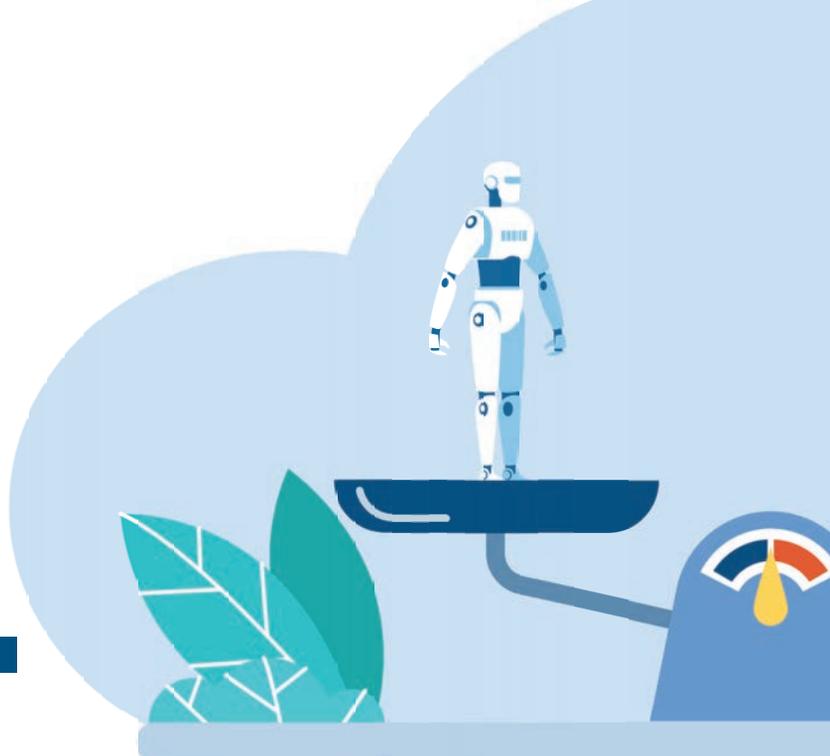


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# HIGH-TOUCH AI



## High-Touch in the Age of High-Tech:

# HOW PEOS CAN EMBRACE AI WITHOUT LOSING THEIR HUMANITY

BY JEANETTE COLEMAN AND JO MCCLURE

**N**ew and emerging human resources technologies have tremendous potential to create efficiencies and improve PEOs' bottom lines. Automation, artificial intelligence and self-service platforms are transforming how HR work gets done and, in many cases, how clients engage with their PEOs.

When nearly every business interaction

can be automated, streamlined or routed through a chatbot, it's easy to assume that the future of HR consulting lies in technology alone. As AI becomes more powerful and more deeply embedded in HR operations, the question isn't whether to use it. It's unavoidable, for one thing, and it contributes significantly to automating routine tasks.

The challenge—and the opportunity

—of AI is how to use it to support the people providing the customer service, rather than allowing it to replace that customer service.

### HIGH-TOUCH MEANS HUMAN INTERACTIONS

In a historically high-touch industry like ours, PEOs must find a balance to ensure that high-tech solutions do the work



they're intended to do without substituting the human interactions that provide value to our clients.

That distinction is critical. AI can draft an email, but it can't deliver empathy. It can summarize a policy, but it can't coach a manager through a sensitive termination. It can analyze data, but it can't sit across a table from a client who is heartbroken that a longtime employee has made a serious mistake.

When clients have relationships with dedicated consultants they can call directly, as they do at Axcet HR Solutions, context is clear and issues don't bottleneck. Through those relationships, we understand our clients and their businesses and build trust.

We balance the technology that best supports our clients with human accessibility and oversight. That high-touch approach pays off: We hear repeatedly through our client surveys and unsolicited feedback that the relationships our clients and their employees have with their Axcet HR, payroll and safety consultants are the difference makers.

Human resources work is, by its very nature, a commitment to accessibility, responsiveness, listening and problem solving. That combination both protects

the organizations we serve and gives them insights they can use to more effectively recruit, retain and manage their employees.

### USING TECHNOLOGY TO CREATE MORE TIME FOR RELATIONSHIPS

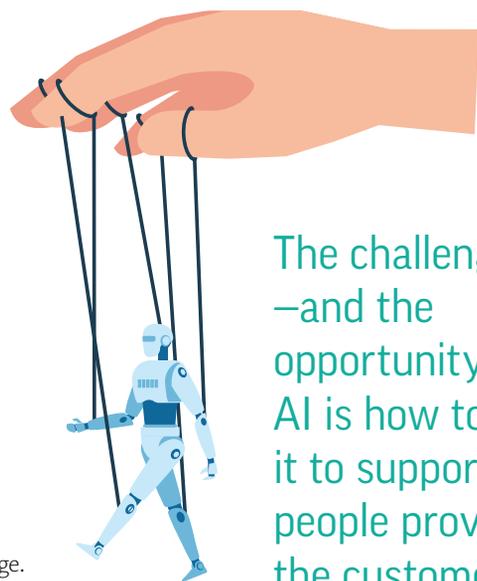
As AI advances, it can be tempting to automate almost everything. But HR, after all, is human work. AI should make more room for that—not crowd it out.

An emphasis on relationships as co-employers sets us apart from non-PEO outsourcing solutions. The more effectively we leverage technology while maintaining high-touch relationships, the greater our competitive advantage.

The future of HR consulting is high tech, high touch and deeply human. For Axcet, automation is a capacity multiplier for our people, not a client-facing replacement for service. We use AI to automate workflows, repetitive tasks and low-value work, enabling our consultants to spend more time with clients to do what only humans can do:

think critically, listen carefully and advise thoughtfully.

Responsible automation means combining technology and human oversight. We don't ask clients to navigate bots or automated phone menus. Our company could automate our help desk and phones, but we don't. When clients call, they speak with a human being who answers our phones, is trained to handle many of their common questions and can also direct them to assigned team members. The customer experience every PEO client expects and deserves is



The challenge—and the opportunity—of AI is how to use it to support the people providing the customer service, rather than allowing it to replace that customer service.

enabled by technology working behind the scenes so relationships remain front and center.

### WHERE AI MAKES THE BIGGEST IMPACT

Because we want clients to experience AI's positive benefits without giving up personal attention, we encourage our teams to embrace technology while maintaining high-touch relationships. Our IT team provides employees with AI training, and our leaders coach their teams on appropriate automation tools. Each employee decides how automation will free up time for more client interactions.

Internally, we share automation best practices for routine tasks, data processing, workflow tracking and applying AI within clients' businesses. For example, we recently showcased how data mining statistics on employee queries and requests, along with average response times, helped a client apply predictive analytics and build better internal systems.

For our payroll team, variance and fraud detection, continuous compliance monitoring and predictive analytics are the most advantageous AI technologies. They significantly enhance efficiency, accuracy and strategic decision-making while reducing manual error and risk.

We also are exploring technology use to deliver added-value offerings to our benefit plans. For instance, AI has potential to help us provide clients with expanded communications so employees can fully understand their plan options.

As AI evolves, sentiment analysis, which can detect, interpret and classify emotions in text, will provide opportunities to better understand our clients and their employees' feelings and allow us to proactively address their concerns for quick resolution. On the flip side, we can use AI sentiment analysis to identify



## LESSONS FOR THE PEO INDUSTRY

- Let values determine where AI belongs
- Use automation tools responsibly
- Automate capacity, not client service
- Ensure trust with human oversight
- Reframe the PEO role from processor to partner

engaged and happy clients most likely to participate in beta testing, refer us to their network or provide testimonials.

We simultaneously believe some HR functions should never be automated. AI will never fully understand the complexities of dealing with people; it cannot replace employee relations or respond effectively to sensitive workplace crises, which require discernment, empathy and experienced professionals. And, while AI tools can play a part in onboarding new clients, having our consultants handle this directly is an opportunity to build the relationship from the outset by asking the right questions, engaging more effectively and, eventually, setting us up to provide on-point recommendations and service.

Clients want to be seen, heard and supported by their PEOs. We also listen closely to our clients through regular check-ins. Often, our most robust and

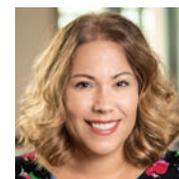
productive conversations come from no-tech industry roundtables and face-to-face meetings.

As a CPEO, Axcet HR Solutions uses AI and automation where they help us maintain the relationship-first culture that makes our company unique. In a technology-driven world, high-touch isn't a liability, it's a differentiator.



**JEANETTE COLEMAN**

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**JO MCCLURE**

*Director of Payroll  
Administration  
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Overland Park, KS*



# EMBRACING THE AI OPPORTUNITY TO BETTER SERVE YOUR CLIENTS

BY RYAN R. MOSSMAN

**A**rtificial intelligence. It's a topic that has been next to impossible to get away from over the last several years. From conferences, to summits, to seminars to webinars, the topic of AI and how to properly integrate it into your business operations has been extremely prevalent, and frankly, you may be tired of hearing about it. However, in this article, it's my intention to shift the AI conversation—away from lofty AI strategies and abstract applications—to what's happening now. AI is no longer theoretical; it's in practice, and if you're not employing it in your organization, then you're already behind.

Until now, you may have been part of the crowd that's been resistant to change, waiting for others to be the brave pioneers while you sat back and watched. You might even have had good reasons for delay, such as security or efficacy concerns. While protecting customers' personally identifiable information (PII) and gaining real operational advantage are critical, solutions already exist that deliver both. Not only do they exist, but your competition is already using them. Yes, even in the PEO industry—AI is changing the world.

PEOs who ignore deploying AI open a gap between themselves and their competition that gets wider every day until they act. Their competition becomes more profitable, allowing them to reinvest those profits. Additionally, their operational advantage enables them to offer lower prices and thereby win more business. As AI-enabled PEOs gain market share, opportunities shrink for those left behind. By rejecting AI entirely, companies make their businesses vulnerable to being overtaken by other PEOs who have better positioned themselves.

### MAKING MORE TIME FOR CUSTOMER SERVICE

As a high-touch business like a PEO, you may be concerned that AI will take away

the biggest factor that sets you apart from some of your technology-based competitors: your customer service. The opposite is true. By strategically incorporating these technologies into your operations, you can have more time to invest in your business and client relationships. One example of this would be introducing an AI login assistant built to help clients and their employees with the most repetitive tasks like resetting their password. By doing something as simple as that, you can cut down on dozens, if not hundreds, of calls to your representatives. Answering this kind of call doesn't add to your white-glove customer service edge, and it takes time and focus away from other calls that can showcase your team's unique benefits or regulatory knowledge,

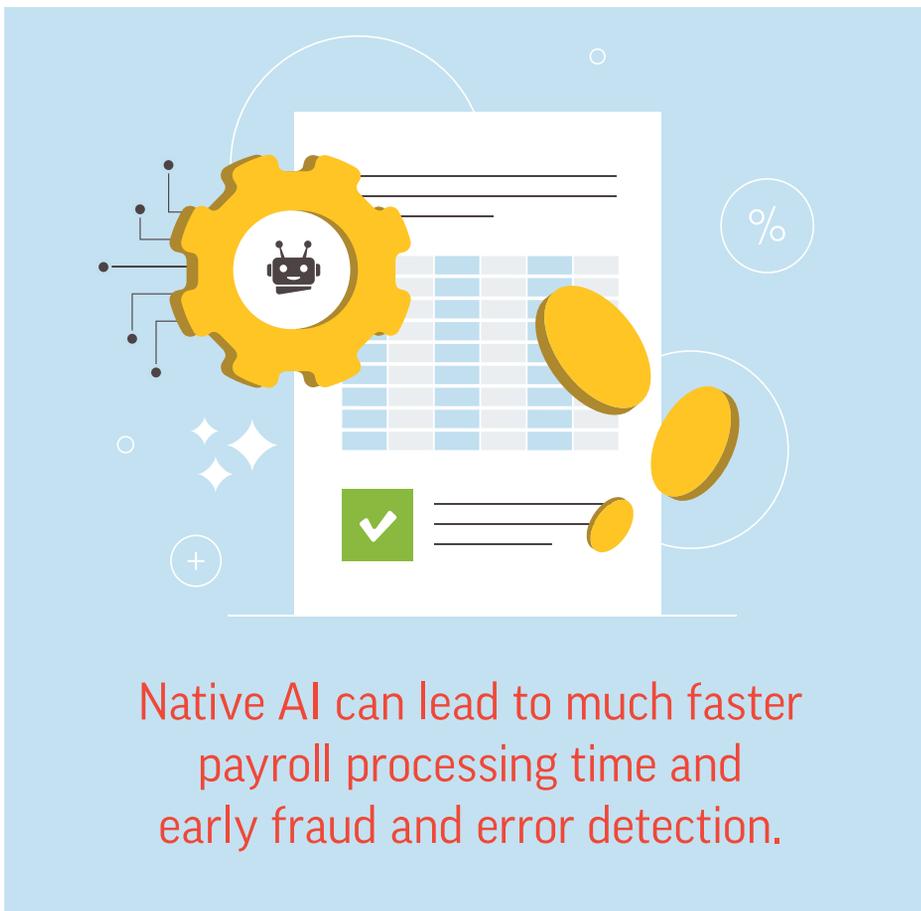
care and competence. The time you gain from efficiencies can't be overstated; it can be reinvested, either into proactively reaching out to clients, addressing client issues and requests, or attending to neglected projects within your business.

### INCREASING CONFIDENCE AND TRUST

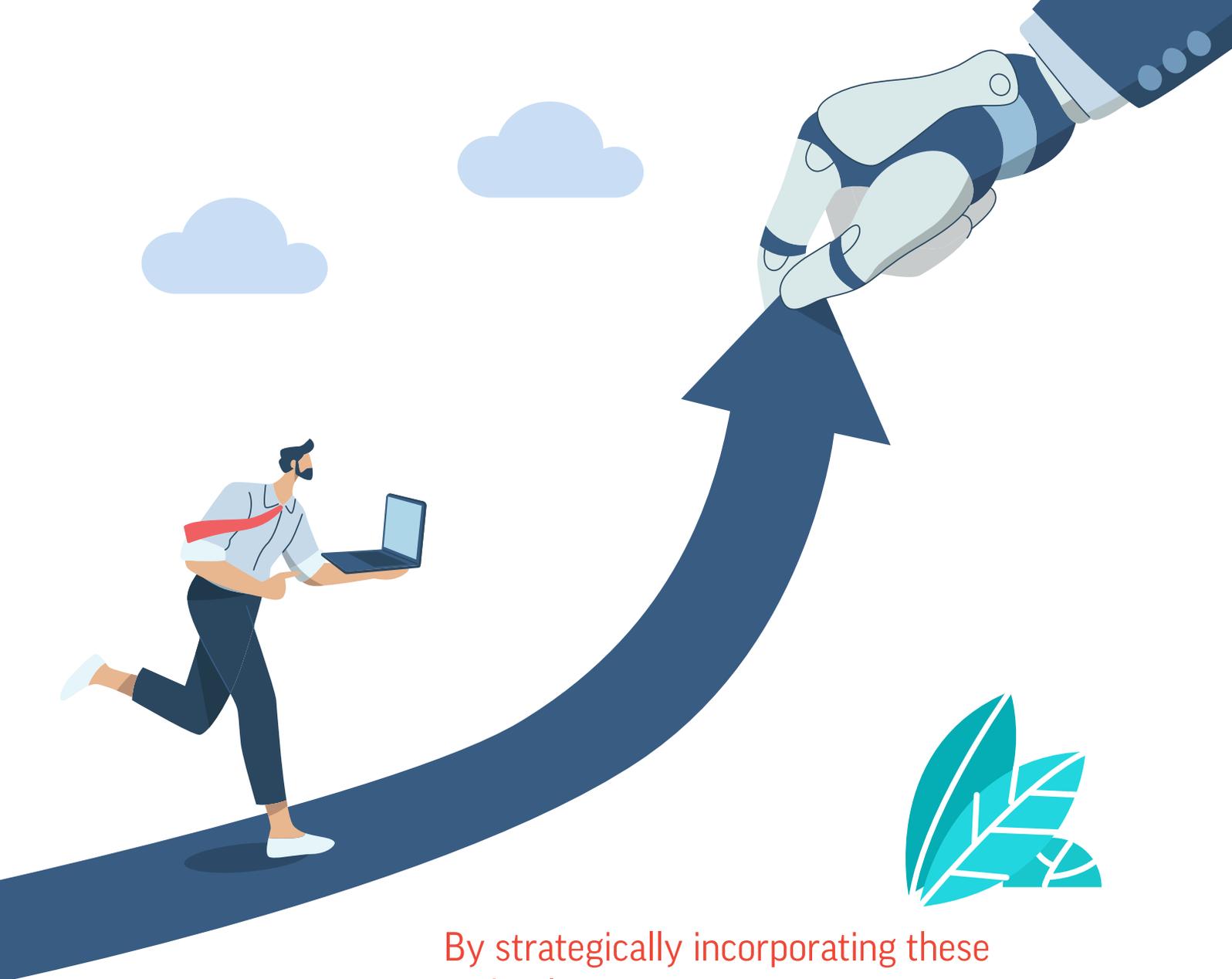
The biggest current opportunity for AI in your organization—and PEOs specifically—is found in payroll processing. This shouldn't surprise you, as payroll has historically been one of the most complex and error-prone areas of the PEO operational framework. While tools exist to help with this endeavor, you should first inquire if any AI tools have been built into your current PEO software to support and streamline operations. When the AI is native to your provider, it can ensure that your clients' valuable data is safe, not tossed into unknown, untrusted and unsecure hands. Native AI can lead to much faster payroll processing time and early fraud and error detection. Plus, the right tool can empower PEO users to approach their clients with errors the application has caught, increasing the sense of high-touch service and growing the confidence and trust their clients have in their PEO.

### TAKING ACTION

PEOs need to stop trying to weather the storm of AI, afraid of disrupting their organizations or investing in new and unknown technology. That's a sinking ship. Instead, it's time for PEOs to adjust their sails and lean into the winds of change, letting the current propel them forward to greater growth and productivity. If you're a PEO, take stock of your organization for areas of greatest impact—I mentioned two above: fielding login-related calls and payroll processing—and then, after that audit is complete, take action. Search for AI and



Native AI can lead to much faster payroll processing time and early fraud and error detection.



By strategically incorporating these technologies into your operations, you can have more time to invest in your business and client relationships.

automation tools that'll let you regain time to reinvest into your clients, starting by inquiring within your PEO software platform. Are there tools you're not taking advantage of? Is your software setting you up for long-term success in an AI world? Can it keep up with changing client expectations and your competitors who have doubled their productivity? Ask all these questions. Depending on the answers, you may discover tools that already exist within your software that

your team needs to take full advantage of and get trained on. Regardless of your software provider or how you choose to deploy AI, it's time to act.

The question of AI and automation may seem intimidating, but inaction is not the answer. Utilize this technological gift, streamline your operations, and give your customers even more love and attention. Don't let the opportunity AI provides pass you by – go for it. By choosing to leverage AI, you can armor your organization,

equipping your team with time-saving tools and resources to ensure not only your PEO's survival, but your long-term success.



**RYAN R. MOSSMAN**

*President  
PRO Software  
Houston, TX*

# Stronger Partnerships Through Education



# THE SECRET TO CLIENT RETENTION: Empower Through Education

BY ABIGAIL MALONE, ESQ. AND EMILY BUERGER

In an era defined by rapid automation and the increasing standardization of HR services, PEOs face a critical crossroads. As tech-only platforms and AI-driven advice, often plagued by inaccuracies and misinformation, become more accessible, the value of the co-employment relationship is being questioned. To remain essential, PEOs must pivot themselves from being seen as a utility to being recognized as a strategic partner.

At our core, the most effective tool we have to combat churn is not our software—it is our ability to connect with clients through education. By transforming service delivery into client empowerment, we move beyond the transactional. For a PEO, client education is more than a courtesy. It is a high-impact retention strategy that builds client “stickiness” and reinforces the human connection that no technology can replicate.

## BUILDING TRUST THROUGH COMPLIANCE EDUCATION

Small businesses rely on their PEO partners to monitor the regulatory landscape and support them as remote employees bring their businesses into new states. Clients need a PEO they can trust to have the answers and to proactively share expertise across all areas of employment compliance.

For a single employer on its own, it is daunting to stay abreast of all changes that impact its obligations to its employees. There is new legislation,

administrative orders, case law, and a multitude of other influences that means an employer’s role and understanding of its obligations is never static. Additionally, the penalties for failing to maintain compliance are often costly. This is where a PEO can provide invaluable support.

Our PEO teams take an advisory approach, focusing not just on what needs to be done, but on why it matters. By positioning ourselves as educators and risk-mitigation partners, the PEO team shift the conversation from “Why do I have to do this?” to “How does this protect my business?” This mindset strengthens the PEO’s role as a resource upon which clients can rely to navigate the complex compliance landscape.

There are many effective ways to deliver compliance-related education:

- Regular webinars on key employment topics (e.g., immigration, pay transparency)
- Targeted email alerts
- Brief articles
- Individualized outreach

Each compliance touchpoint is an opportunity to demonstrate expertise, reinforce trust, and help clients feel confident in a PEO’s oversight of the issues that impact day-to-day operations. This is how we move the co-employment relationship from a commodity to a true strategic partnership.

## TRANSLATING EXPERTISE INTO RETENTION

HR education, expertise, and strategy are sometimes overlooked as reasons clients

initially choose a PEO. However, they often become one of the strongest drivers of long-term retention. While business owners can easily find templates for job descriptions, employee handbooks, or even guidance on handling difficult employee situations the real challenge lies in applying those resources with nuance and sound judgment.

The range of HR scenarios a business encounters is virtually limitless and can include any combination of the following:

- Accommodation requests
- Leave inquiries
- Investigations
- Performance management discussions



Even when a small or mid-sized business has an internal HR professional, it is unlikely that individual has deep experience across all of these areas. Partnering with a PEO provides access to a team of HR experts who have navigated similar situations across industries and company sizes, and who understand the risks and benefits of various approaches.

PEO HR professionals also benefit from exposure to best practices, emerging trends, and specialized tools that may be impractical for a single employer to maintain on its own. This collective experience allows PEO teams to provide practical, informed guidance that goes beyond theory.

Leveraging HR expertise through a PEO not only supports compliance but also helps foster positive employee relations,

strengthen company culture, and improve employee retention and productivity.

### ENHANCING THE HUMAN EXPERIENCE WITH TECHNOLOGY

Technology is now embedded in nearly every aspect of business operations. While it is important not to rely on technology at the expense of human judgment, particularly in compliance and HR, there are significant opportunities to leverage systems to enhance efficiency and value. For PEOs operating in the digital age, a robust, all-inclusive Human Resource Information Systems (HRIS) paired with integrated platforms can be a powerful differentiator.

Most HRIS platforms include a wide range of tools designed to streamline administrative tasks at little or no

additional cost. Features such as certification tracking, license management, education tracking, and asset management allow clients to move information out of spreadsheets and into a centralized, accessible system. As clients input more data, reporting capabilities expand, providing more accurate insights that support better decision-making.

Optional add-on platforms such as learning management systems, applicant tracking systems, or performance management tools add another layer of “stickiness” to the PEO relationship. These solutions are often available at a lower cost than standalone vendors and offer the added benefit of seamless integration with the core HRIS, eliminating complex data feeds or redundant administration.

To fully realize the value of these tools, client education is essential. System training should be a core part of the client engagement strategy. Clients need to understand available features, recognize the benefits, and feel confident using them. Like compliance education, resources such as monthly tip emails or recurring client webinars can be effective ways to highlight system capabilities and reinforce the value of the PEO partnership.

The advantage is not just in the services you offer, but in the trust and confidence you build, delivered with expertise and a personal touch.

## Key Takeaways

- Consistent client education deepens trust and builds long-term partnerships.
- Use compliance and HR expertise to empower clients and help them navigate complex situations with confidence.
- Ensure technology streamlines processes while preserving the personal connections and service that set you apart.
- Treat every client interaction as an opportunity to reinforce your expertise and commitment to their success.



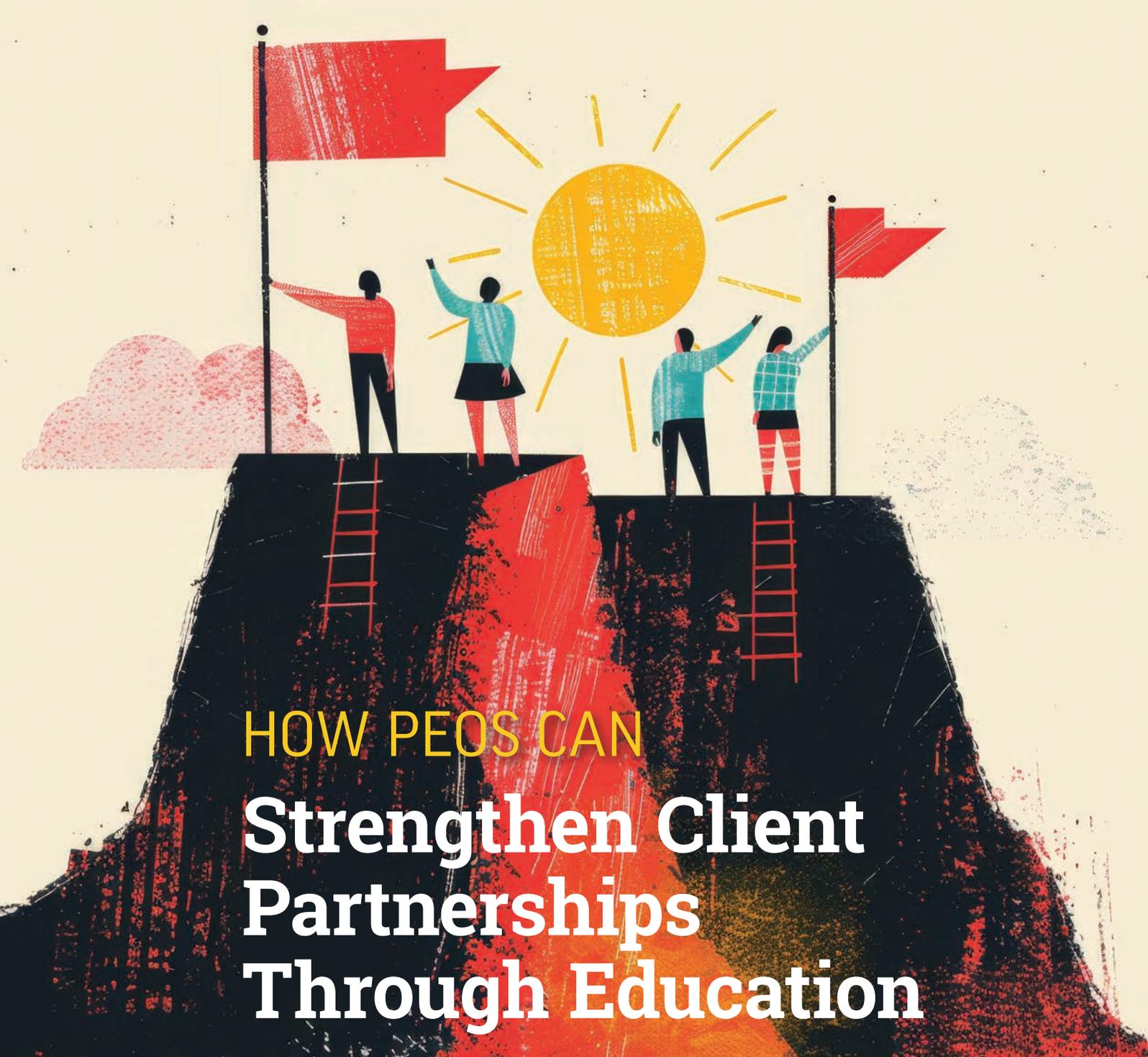
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# HOW PEOS CAN Strengthen Client Partnerships Through Education

BY KRISTEN FRADIANI

**C**lient satisfaction in the PEO space depends on more than fast answers or smooth systems. It comes from confidence. And confidence grows when clients know what to do, why it matters, and how to do it right.

That's why proactive training, both in HR compliance and in the tools that support it, is one of the most valuable services PEOs can offer. And the payoff? Fewer fire drills. Fewer compliance gaps. A stronger partnership.

## COMPLIANCE IS NOT A BOX TO CHECK, IT'S A FOUNDATION

HR compliance is layered and always evolving. It spans harassment prevention, wage and hour laws, leave policies, worker classification, and much more. Clients may not always have the internal bandwidth or expertise to keep up. That's where your role as educator becomes essential.

Training creates clarity. It reduces confusion and helps clients uphold both the law and their culture. When employers understand *why* the rules exist—not just *what* they are—they're more likely to follow them consistently.

## KEY AREAS WHERE CLIENT TRAINING HAS THE BIGGEST IMPACT

**Harassment prevention.** Under federal law, particularly Title VII of the Civil Rights Act of 1964, employers have a legal obligation to take reasonable steps to prevent and promptly correct workplace harassment. But many clients don't know that regular, role-specific training is part of that obligation. Training should go beyond definitions to include clear steps for reporting, examples of inappropriate behavior (in-person and virtual), and expectations for supervisors.

**Discrimination awareness.** Anti-discrimination laws are broad and growing. Your clients must understand how to avoid bias in hiring, promotion, compensation, and discipline—and how to build a workplace where all employees feel included and respected. Training helps connect policy to action.

**Substance use in the workplace.** Substance use affects productivity, morale, and safety. In fact, employees with substance use disorders miss nearly 50 percent more workdays than their peers, according to the National Safety Council.

Clients need guidance on recognizing signs, understanding ADA protections, and creating policies that support accountability and care. Training in this area can also help reduce stigma and improve early intervention.

**Wage and hour compliance.** Misclassifying employees or mishandling overtime is a common risk for growing businesses. In fiscal year 2023, the U.S. Department of Labor's Wage and Hour Division recovered over \$274 million in back wages for more than 163,000 workers—much of it related to misclassification and unpaid overtime.

Training helps clients understand exemptions, track hours accurately, and avoid off-the-clock work. It also reinforces the importance of regular audits and proper documentation.





## When employers understand why the rules exist—not just what they are—they’re more likely to follow them consistently.

### TECHNOLOGY TRAINING BUILDS CONFIDENCE AND PREVENTS MISTAKES

The best HR tech won't help if clients don't know how to use it. Training should be built into the onboarding process and updated often. Whether it's payroll systems, time tracking tools, or document storage, every feature plays a role in compliance.

Focus your tech training on:

- Managing employee records securely
- Accessing compliance reports and documentation
- Tracking hours and approving timesheets
- Setting alerts for wage and hour deadlines
- Navigating workflows for onboarding or terminations

You're not just training them to use software—you're helping them connect the tool to the real-world outcomes it supports.

### HOW TO DELIVER TRAINING THAT STICKS

The most effective training is simple, focused, and relevant to the user's role. You don't need to overload clients with legal details. Instead, help them understand what they need to know to make good decisions and spot red flags.

Here are five ways to make client training part of your standard offering:

#### 1. Integrate it into onboarding.

Start early. Walk new clients through critical compliance areas, key technology tools, and their responsibilities. Offer a simple calendar or checklist so nothing gets missed.

**2. Use multiple formats.** Not everyone learns the same way. Combine live webinars, recorded sessions, downloadable guides, and quick how-to videos. Make content easy to access and easy to reference later.

**3. Customize by role.** What a frontline manager needs to know is different from what an HR generalist or payroll lead needs. Tailor content to make it practical and job specific.

**4. Offer refreshers throughout the year.** Make training an ongoing part of the relationship. Regular updates help clients stay current with legal changes and tech updates—and they show your commitment to their success.

#### 5. Track what works and adjust.

Pay attention to which topics generate questions or repeat mistakes. Use that insight to refine your approach and develop new content where needed.

### THE PAYOFF: BETTER OUTCOMES, DEEPER RELATIONSHIPS

Clients who understand compliance are more likely to run smooth, legally sound operations. They file fewer urgent tickets. They stay ahead of audits. They make fewer mistakes.

But there's a deeper value, too. When clients are educated and empowered, they trust you more. They see you as a partner—not just a provider. And they stay longer.

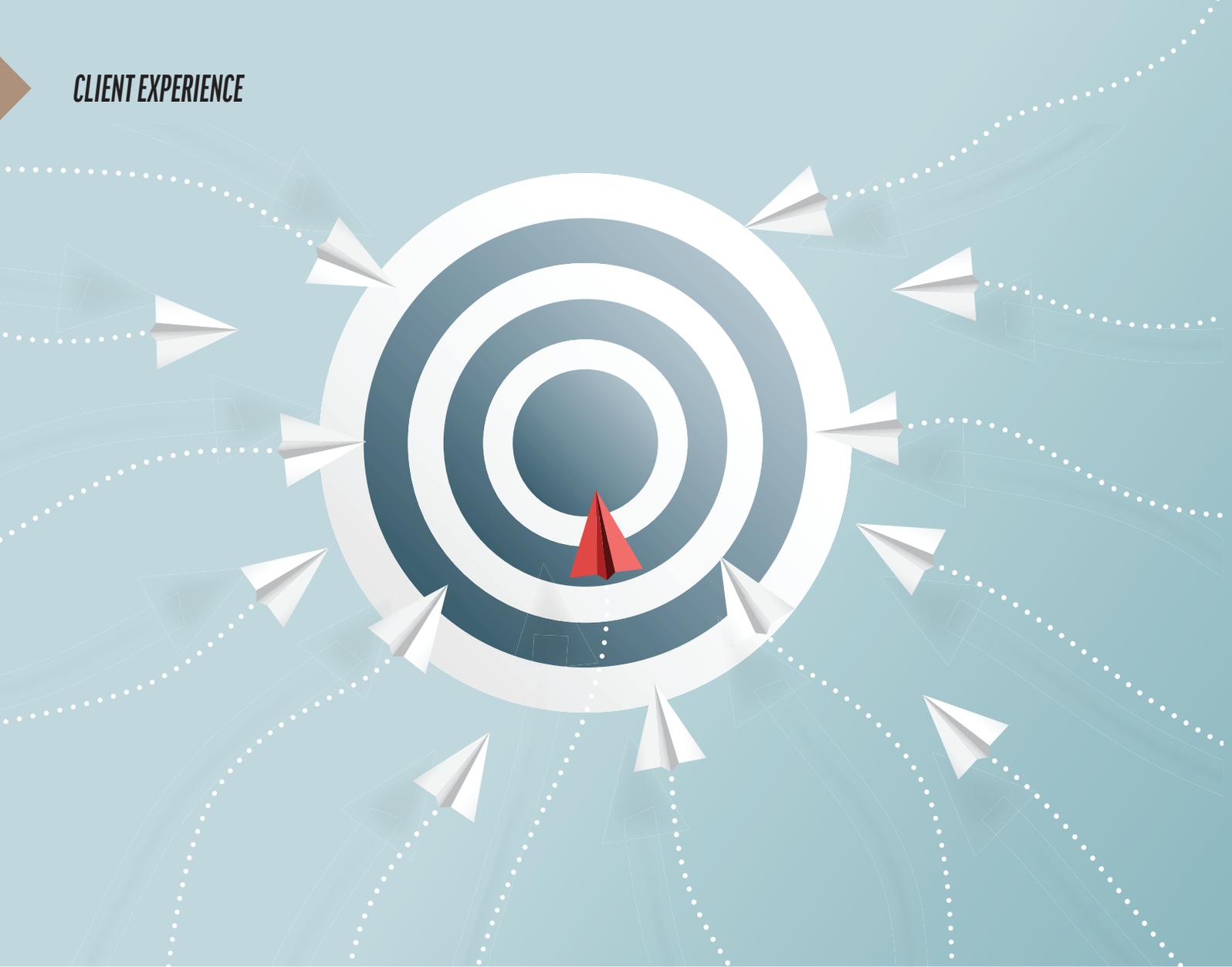
Training is more than a value-add; it's a core strategy for increasing client satisfaction, reducing risk, and building stronger, longer-lasting partnerships.

PEOs that take the time to educate their clients on compliance, policy, and the tools that make it all work, don't just solve problems. They help prevent them. And in today's regulatory environment, that is a competitive advantage you can't afford to ignore.



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# INTENTIONAL Communication



## BEYOND TOUCHPOINTS:

# How Intentional Communication Cadence Drives White-Glove Client Experience

BY HEATHER KEEFER SAULSBURY

In the PEO space, exceptional service isn't measured by the volume of emails or calls logged. It's about how deliberately clients are engaged and how consistently support is provided across every touchpoint. White-glove service is a comprehensive approach to client care, with communication cadence playing a central role in creating a seamless, high-quality experience.

Too often, firms confuse activity with engagement. True engagement isn't about volume; it's about when, why, and how it's done. The quality of communication, the timing behind it, and its alignment with the client's needs are what transform routine interactions into trusted, long-lasting partnerships.

### WHITE-GLOVE ENGAGEMENT STARTS WITH INTENTIONAL CADENCE

Cadence is the heartbeat of strong client relationships. A white-glove cadence balances predictability with flexibility, aligns with clients' business cycles and anticipates their needs before they arise.

While communication cadence is a central part of the client experience, it is one component of a broader, holistic approach to providing high-touch, personalized service. It goes beyond quarterly check-ins, focusing instead on proactive, purpose-driven interactions that match clients' operational and strategic needs.

## MAKING COMMUNICATION WORK: 5 PRINCIPLES OF WHITE-GLOVE CADENCE

Effective communication isn't about simply sending messages; it's about creating high-value interactions that align with the client's needs, challenges, and business objectives. Communication is a key component of the overall white-glove experience, and to be truly white-glove, it must be intentional and strategic. Here are the five principles that ensure each touchpoint drives value within the broader client experience.

### 1. PURPOSEFUL

Every interaction should have a clear, strategic purpose. Whether it's a check-in or a deeper conversation, each touchpoint must serve the client's objectives. Purposeful communication demonstrates your commitment to their success.

### 2. PREDICTABLE

Clients value knowing when to expect meaningful engagement. Predictability doesn't mean rigid schedules; it means a steady rhythm of communication that builds trust and ensures reliability across the entire client experience.

### 3. RESPONSIVE

A white-glove cadence adapts to client needs. Being responsive is about proactively recognizing shifts in priorities and reaching out before the client asks. Proactive engagement ensures the experience remains seamless.

### 4. HOLISTIC

Communication must be seamless across all teams. When every team member understands the client's needs and context, communication becomes consistent and effective. Internal alignment prevents miscommunication and ensures every touchpoint contributes to a high-quality experience.

### 5. ANTICIPATORY

The best service doesn't wait for the client to reach out. Anticipatory communication identifies potential issues or opportunities before they arise, positioning the firm as a trusted advisor who is always one step ahead in providing a superior client experience.

### What True Cadence Looks Like

A white-glove communication rhythm is adaptive and integrates into the overall client experience. It includes:

**Operational Checkpoint.** These recurring engagements, such as payroll dates, benefits renewals, compliance deadlines and workforce changes, offer consistency, accuracy and reliability. These touchpoints ensure that clients are supported and informed every step of the way, creating a foundation of trust and reliability.

**Strategic Conversations.** Less frequent, but highly impactful, these meetings focus on business goals, workforce trends and risk mitigation. They are designed to align on the long-term vision and reinforce the value of the partnership beyond routine services.

**Trigger-Based Outreach.** Not all communication fits neatly into a scheduled rhythm. Teams must monitor signals such as claim volume changes, dips in engagement, or leadership transitions, taking proactive steps to reach out before the client even requests it. This approach ensures that communication is timely, relevant, and anticipatory, aligning with the client's evolving needs.

### Communication That Signals Partnership

True cadence builds trust. Instead of, "we'll call you quarterly," it's about saying, "we'll reach out when it matters." For example, when the business cycle shifts, challenges grow more complex, or an update can prevent a problem.

This shift from routine to context positions the relationship for success. Clients feel understood, not managed. Conversations focus on outcomes, not tasks. Cadence becomes a framework for confidence, not compliance.

CADENCE IS THE HEARTBEAT OF STRONG CLIENT RELATIONSHIPS.

A WHITE-GLOVE CADENCE BALANCES PREDICTABILITY WITH

FLEXIBILITY, ALIGNS WITH CLIENTS' BUSINESS CYCLES AND

ANTICIPATES THEIR NEEDS BEFORE THEY ARISE.

By anticipating needs and responding at the right moments, communication becomes a key driver of a seamless and high-quality experience.

### Proactive Rhythm Beats Reactive Noise

Service breakdowns rarely happen because someone isn't available. They happen because someone didn't speak up early enough. A white-glove communication cadence anticipates moments like:

- Outreach before open enrollment questions become urgent.
- Check-ins when growth trends accelerate.
- Analysis when workforce behavior shifts.

These aren't random. They are carefully designed signals that communicate, "we're here with intent, not just in response." This proactive approach creates a seamless experience for the client, ensuring that potential issues are addressed before they escalate.

### Alignment Through Cadence: Internal and External Consistency

Effective communication isn't just client-facing. It's internal, too. When a client reaches out, every specialist should know the client's history, the context of past decisions, and the rationale behind previous recommendations.

This internal alignment ensures that communication flows seamlessly across all touchpoints, minimizing miscommunication, and maximizing the overall client experience. It ensures clients feel consistently supported, no matter who they interact with across the organization.

### CADENCE IS NOT A CHECKLIST, IT'S A COMMITMENT

White-glove communication is about more than just checking off tasks. It's about showing up consistently, with purpose, every time. When communication is intentional and aligned with a client's needs, it builds trust and strengthens the partnership.

This type of engagement is no longer optional; it's a competitive differentiator that separates market leaders from those simply maintaining relationships. When you commit to this approach, you don't just retain clients, you build lasting partnerships that drive mutual success.



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# FROM SERVICE PROVIDER TO STRATEGIC PARTNER: How PEOs Elevate Client Communication To Deliver Meaningful Value

BY STEVEN SWEENEY AND JENNIFER SWEENEY-KLAISS, SHRM-SCP



Communication is a key differentiator in today's PEO landscape. Client expectations continue to shift from transactional support to a true advisory partnership. This places a heightened importance in coaching, educating and equipping clients to make informed decisions that impact their organizations.

Historically, the PEO relationship was often more reactive, rooted in a “boots-on-the-ground” mindset. Today that approach is no longer sufficient. Rising litigation, increasingly remote workforces, and continuously evolving HR, payroll, and employment laws have fundamentally changed the PEO role. Proactive, consistent and strategic communication is now foundational to building trust, enhancing perceived value, and ultimately

driving long-term client loyalty.

Clients expect far more than accurate payroll processing and timely compliance notifications. They seek insight, clarity and partnership in a landscape defined by regulatory complexity and workforce challenges. The PEOs that truly stand apart are those that communicate with purpose and deliver value clients can clearly articulate – value they see, feel and can confidently explain.

## CLOSING THE COMMUNICATION GAP

In all forms of business there are often communication gaps, and this is no different in a traditional PEO relationship. Proactive communication alone is insufficient; generic notifications and compliance alerts provide a cold and sterile deliverable with little value. Be sure not to treat people

as transactions. This removes humanity from HR and will not create a strategic partnership built on trust.

This raises a critical question: how do PEOs surprise and delight clients while consistently exceeding their expectations while staying scalable?

Internal silos lead to fragmented messaging and inconsistent client experiences. When your departments are too siloed, clients may become unsure of what they are receiving or why it matters. This confusion can often lead to receiving the most dreaded client question: Why am I paying you?

Which leads us to the hidden cost of poor communication. Many challenges attributed to service issues are, in reality, communication gaps. Be sure your messaging is not overly technical or fragmented

across departments. Don't provide an opportunity for clients to struggle to understand what you are doing on their behalf or why. The result will be diminished trust, underutilized services, and missed opportunities to create strategic impact.

### REFRAME COMMUNICATION AS A STRATEGIC CAPABILITY

High performing PEOs treat communication as a core capability, not merely an administrative function. So, what do you do? Here are a few guidelines:

- Proactively guide clients rather than respond to issues after the fact.
- Provide details regarding what the PEO and the stakeholder (client) are each responsible for.
- Deliver consistent aligned messages across all internal PEO departments.
- Tailor communication to your audience.

Clarity is a form of kindness. It removes friction, builds clients' confidence, strengthens trust, and is foundational for a healthy and strong partnership.

### MAKE THE INVISIBLE VISIBLE: TRANSLATE SERVICES INTO HIGH VALUE DELIVERABLES

Reframe deliverables from completed tasks to outcomes delivered. Language matters. When services are packaged into clear understandable deliverables, the value proposition becomes tangible and impactful. The work PEOs deliver cannot be "out of sight out of mind." So, how do you do that?

- Adopt the use of client report cards and performance metric reports.
- Provide quarterly newsletters and stakeholder updates.
- Utilize a cross-functional internal team approach to support and enhance client success.
- Engage in prescheduled periodic call-ins or site visits and annual executive reviews.

Your value needs to be overt and clear. Turn your compliance efforts into risk mitigation and peace of mind. Transform benefits administration into employee attainment, engagement and retention. Highlight your payroll accuracy rates as providing operational stability and trust. When clients can clearly articulate the value of these outcomes, the PEO relationship moves from a cost center item to a strategic and reliable investment.

### LEVERAGE TECHNOLOGY TO ENHANCE, NOT REPLACE, COMMUNICATION

Do you have a tool to support timely targeted messaging instead of generic notifications? Do you have dashboards and reporting that tell a story? Do you ensure your reporting has a human touch?

While HCM platforms enable scalability, alone they do not create value. The differentiator lies in remaining engaged, human and empathetic. Ensure the tools utilized support conversations rather than replace them. Allow technology to amplify your expertise not mask it. This can be tricky to do while remaining scalable, but it is attainable!

### BECOME A PROACTIVE ADVISOR YOUR CLIENTS RELY ON

PEOs magnify their value by embracing their role as advisor and educator. Regular business reviews, strategic check-ins, and providing "micro-education" moments help clients understand implications before issues arise. Anticipating questions rather than waiting for them positions your PEO as a trusted guide and thought leader.

Consistent, intentional communication across multiple stakeholders transforms your relationship from transactional to strategic. It equips and empowers your clients and keeps them engaged for the long term!

### INTERNAL ALIGNMENT DRIVES EXTERNAL EXCELLENCE

Consistent client communication is only possible when the internal teams are aligned. Do you use a HCM or CRM system to share context? Do you encourage and support using a common language regarding service and value? Do you understand the client's goals when partnering with your organization? The experience becomes seamless when your internal team understands these components and the client doesn't see departments—but a single trusted partner.

### MEASURE WHAT MATTERS

By measuring outcomes that matter, you will see if your communication practices are working. Consider outcomes like stronger client engagement, responsiveness, fewer escalations, higher retention, and the ultimate indicator of success—clients who advocate and provide referrals. These are not soft metrics; these are indicators of long-term success and worthy of continuous review.

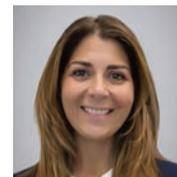
In an increasingly complex employment environment, clients need more. They need insight, confidence and clear value. Leading with intentional communication and clearly defined deliverables will not only retain clients but promote client loyalty and open doors to other partnerships.

The future of the PEO industry belongs to those who communicate with purpose and deliver value that truly resonates.



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## PLANNING AHEAD FOR LASTING IMPACT:

# How Year-Round Benefits Engagement can Help Enhance the Worksite Experience and Foster Long-Term Partnerships

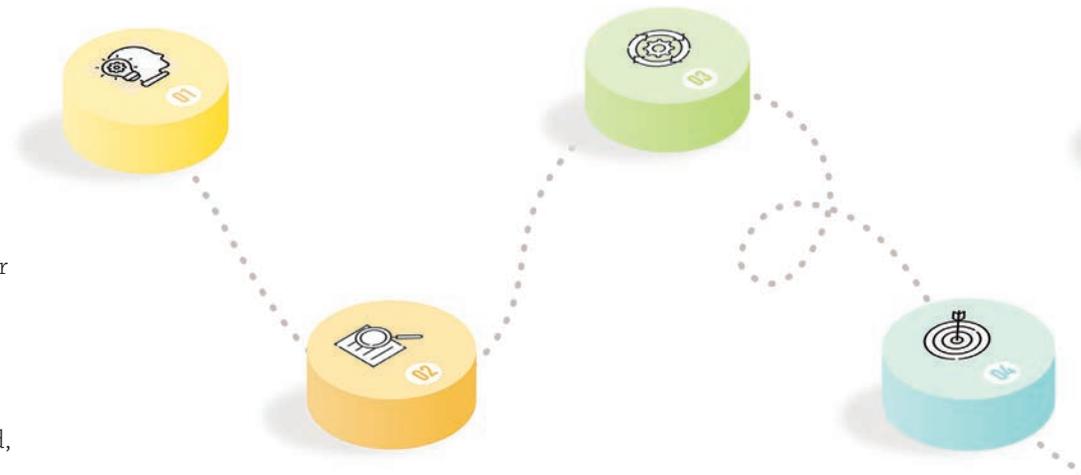
BY RICK PORTERFIELD

**D**elivering positive employee experiences stands at the center of successful worksite partnerships, especially when it comes to offering workplace benefits.

In fact, when benefits are thoughtfully designed, communicated, and delivered, they can become powerful tools for building stronger connections and supporting the success of worksites and their employees, helping to foster satisfaction, loyalty, and retention.

Yet, benefits management is becoming more complex. In fact, research from Guardian shows that nearly two-thirds of worksites with fewer than 50 employees strongly agree that benefits have become more complicated, underscoring the growing need for strategic engagement.

Starting early with deliberate and clear communication about the value of available benefits is key to laying the groundwork—particularly once open enrollment arrives. To get started, developing and following a strategic, annual roadmap for year-round benefits communications can help to transform the worksite experience in 2026 and well into the future. Let's jump in.



### STRATEGIC TOUCHPOINTS FOR A SUCCESSFUL PARTNERSHIP

Because every worksite has unique goals and needs, this annual benefits engagement roadmap serves as a flexible framework—a foundation for ongoing interaction that can be customized for each worksite you partner with and its employees. While the roadmap aligns with a mid-fall open enrollment cycle, it can easily be adapted to different schedules, setting the stage for meaningful engagement year-round.

#### 1. MARCH – MAY: Foundation-setting and Strategic Vision

The early months of the cycle focus on laying the groundwork. Conducting technology evaluations and compliance readiness checks during this time can help

to ensure that platforms and processes are current and reliable. Establishing expectations for transparency, frequent touchpoints, and multi-channel communications can also help to build trust from the outset.

Developing a communications plan early in the year—one that extends beyond open enrollment—is essential to providing ongoing engagement. By using a combination of resources and channels, organizations can reach employees wherever they are and work to foster continuous education throughout the year.

#### 2. JUNE – JULY: Plan Design and Technology Optimization

The middle of the year is often the perfect time to refresh and refine benefit plans. Drawing on benchmarking data and direct feedback from worksites can help

ment to supporting worksites and their employees.

### **3. AUGUST – SEPTEMBER: Pre-enrollment Alignment and Compliance Readiness**

As open enrollment draws near, focus can now shift to finalizing plan updates and operational details. This time should be dedicated to ensuring every stakeholder—from HR teams to worksite leadership—is aligned and fully equipped for the upcoming busy season.

Testing data processes and reviewing compliance protocols help to position worksites for a seamless transition into open enrollment. Reconfirming mutual understanding of roles and responsibilities is another step to further strengthening collaborative worksite partnerships.

### **4. OCTOBER – NOVEMBER: Seamless Execution and Employee Engagement During Open Enrollment**

Open enrollment is the culmination of all planning and engagement conducted throughout the year so far. It's when the foundation built earlier in the year comes together, helping to deliver a smooth and positive experience for worksite employees.

In practice, this means clear, proactive communication bolstered by decision-support tools and digital platforms. These elements are pivotal to making sure employees have the information they need, with Guardian finding that 89% of workers are confident in their benefits selection when they're satisfied with the benefits communications they receive throughout the year from their employer.

### **5. DECEMBER AND BEYOND: Continuous Post-enrollment Support, Feedback, and Forward-planning**

The conclusion of open enrollment marks the beginning of ongoing support and

learning. This starts with gathering feedback from worksites and their employees, generating insights that can inform future improvements and adjustments.

Continued education about enrolled benefits—including coverage details, claims processes, and support resources—helps to empower worksite employees to make the most of what's available. Tactics ranging from town halls and worksite employee testimonials to peer-to-peer conversations can help ensure that individuals receive the information they need, in the way that's most impactful for them, all year long.

Regular communication with worksites around topics such as onboarding new team members is also beneficial to keeping partnerships strong and adaptable.

## **SUSTAINING LONG-TERM WORKSITE PARTNERSHIPS THROUGH YEAR-ROUND EXCELLENCE**

Fostering a positive worksite benefits experience calls for ongoing commitment and thoughtful collaboration. Integrating insights, technology, compliance, and trust into every phase of the annual benefits roadmap can help to establish a strong foundation for long-term success for your PEO and the worksites you serve.

Now is the time to embrace proactive planning and engagement. By building a strategic roadmap today, you can look forward to stronger partnerships—and greater impact—with each step forward.



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*Head of Key Markets  
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ensure that offerings remain competitive and truly reflect worksite employee priorities. Connecting with carriers to learn how offerings can best meet a worksite's specific needs and goals can also be highly beneficial.

Early summer is also time to begin implementing new digital tools—such as APIs or employee portals—that can serve to streamline the open enrollment process and ease administrative burdens for everyone involved. Embracing automation can especially help to enhance efficiency and strengthen communication in the leadup to and throughout the enrollment period.

Remaining proactive about regulatory changes is another crucial component of engagement. Addressing updates and sharing risk mitigation strategies with worksites helps to demonstrate a commit-

# ONEDIGITAL'S TED CRAWFORD: PLAYING THE LONG GAME

BY CHRIS CHANEY

**W**hen Ted Crawford graduated from college with a business degree the PEO industry was not on his career map. Yet, today he's a well-known leader in our industry, has served on NAPEO's board of directors and leads a PEO operation that's approaching 100,000 worksite employees. His nearly three-decade career in the PEO industry has been defined by a competitive spirit that's fueled his commitment to growth.

## THE EARLY YEARS

Crawford's early professional ambitions were rooted in commercial real estate and sales. While still in college, he earned his

insurance licenses and opened an agency with Farmers Insurance Group.

An awkward conversation with a prospect quickly clarified a career-defining realization. He understood early on that his path to success should focus on strategic conversations with business owners, not one-off consumer transactions.

"I decided I wanted to deal with business owners from 8 to 5 and make business decisions," Crawford recalls. "Not try to educate consumers one policy at a time."

Crawford joined CUNA Mutual Insurance Group, where he spent 14 years building a reputation as a high-performing sales leader. He was frequently asked to step into underperforming markets and turn

them around. Over time, he led teams across financial planning and group insurance divisions, consistently moving regions from the bottom of performance rankings to the top.

The company offered stability, a pension plan and a long-term path. He was confident he would retire there. But in the late 1990s, an unexpected call from Administaff (later rebranded as Insperity) changed everything. A colleague from CUNA had since joined Administaff and recommended that Crawford be considered to lead one of the PEO's Houston market sales teams.

At first, Crawford was skeptical. He had little exposure to the PEO model and no pressing reason to leave a secure position. But when he visited Administaff's headquarters, he saw something that resonated deeply: vision and momentum. Expansion plans were clearly mapped. Offices were opening quarterly. Even the receptionist spoke with enthusiasm about the company and the path ahead.

"In most industries, you get in at the peak or the tail end," he says. "This was an opportunity to get in at the beginning."

In his early 30s, with decades of professional runway ahead, Crawford made the leap into the PEO world. He replicated the previous sales success he had had at CUNA and fully embraced the opportunity to learn as much as he could about the market and industry. Over the next several years, he pursued a few different opportunities within the industry that offered a lot of exposure to different models, service deliveries and challenges facing PEOs.

## ENTREPRENEURIAL LEAP

Around 2003, Crawford decided to put his knowledge and skills to work for himself.

"I told my wife 'the kids are in school, we don't have any debt, now is the time to do this,'" Crawford recalls.

So, he launched his own PEO, Resourcing Edge, from a spare bedroom in his home.

He sold during the day and installed benefits packages himself. With a small team wearing multiple hats, the company

grew steadily and intentionally. The business expanded from a home office to a modest warehouse space and gradually built a sales force. When the company made its first acquisition in 2012, it marked a new chapter—but organic growth remained central. Approximately 68% of total growth over time came from internally generated sales.

**A TRANSFORMATIONAL PARTNERSHIP**

By 2020, Resourcing Edge was strong and growing with nearly 20,000 worksite employees, but Crawford was thinking about long-term vision and opportunities. M&A activity had picked up in the industry and investment capital firms had taken notice of PEOs. And while Resourcing Edge had completed several successful acquisitions of its own, Crawford began to think it was time to find a strategic partner to propel his company into its

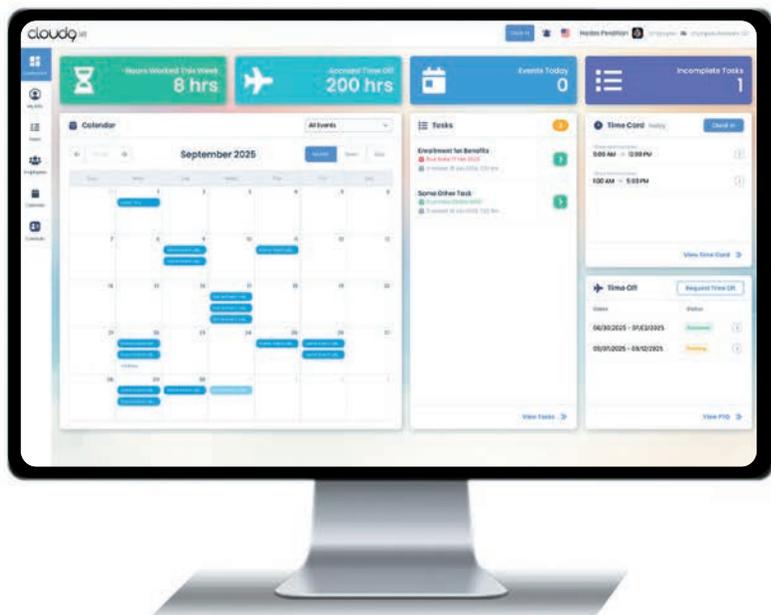


Ted Crawford, CEO, PEO, OneDigital | Resourcing Edge

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next phase. He had ruled out private equity investment because he didn't have much patience or interest in the recurring recap cycle every few years. He was in search of a true partner who could bring additional resources and efficiency to the table, but who also believed in the PEO as a long-term investment.

Conversations with OneDigital, an Atlanta-based insurance and financial services firm, began just as COVID-19 reshaped the business environment. Initially, the pandemic's economic impact was unknown, and many businesses prepared for the worst. As it turned out, the added uncertainty and complexity that many small businesses faced resulted in a boom for the PEO business.

In March 2022, the transaction closed between Resourcing Edge and OneDigital. At that time, Resourcing Edge brought approximately 20,000 worksite employees into the OneDigital ecosystem. Today, that number exceeds 90,000.

"It was a marriage that put together a great product [PEO] that fit with their suite of services and products," Crawford explains.

The integration strategy focused on leveraging Crawford's existing PEO operation and expertise to bring a new suite of workforce solutions to OneDigital's existing client base. It has paid off. Forty percent of PEO sales in the first three years after the merger came from within OneDigital's client base.

Rebranding under OneDigital has strengthened market visibility and national reach for Crawford. Overnight, he had access to many new markets thanks to now being under the OneDigital umbrella.

## DISCIPLINED GROWTH STRATEGY

OneDigital's PEO division targets approximately 30% organic growth annually. That requires intentional hiring, training and leadership development. No easy feat, but one that Crawford has

excelled at by building a sales leadership force that delivers results.

Last year, the average producer generated \$466,000 in new sales. An impressive figure that represents the strength of the operation Crawford has built.

"Most PEOs would be thrilled at \$200,000 per rep," Crawford says. "We set high expectations—and we support our team to reach them."

Acquisitions also contribute to annual growth, often involving founders seeking succession planning solutions. Crawford emphasizes that the strategy is not short-term flipping, but sustained expansion.

"We're building for the long game," he says.

## CULTURE AS COMPETITIVE ADVANTAGE

Crawford believes the company culture is a strategic asset. On the PEO side alone, there are 450 employees spread across many offices who all work together cohesively and aligned on one organization mission. Their commitment to delivering top-notch service and expertise to clients underpins the company's success.

"We don't have inventory or products," Crawford points out. "Our people are the company."

Leadership accessibility remains a defining trait at OneDigital, with founders actively engaged.

"The founders are still here. I can pick that phone up and text or call any one of them in a moment's notice. They're just great human beings that believe in our people and culture," Crawford says.

The company's annual summit draws approximately 1,800 employees, reinforcing connection and shared purpose. Recognition as a best place to work in multiple markets reflects ongoing investment in engagement and development.

## FUTURE FORCES

With a commitment to long term growth and success it's important to stay ahead of trends and market forces that will shape the future of the business. AI and

automation are accelerating expectations for service speed. Delivering rapid response and advanced tools requires meaningful investment. Customers expect near instantaneous response and resolution to problems which places operational strain on service teams. Technology drives the conversation today and customers expect access to cutting edge platforms.

Technology will offer incredible solutions, but it's also changing consumer behavior in ways PEOs must account for and adapt to.

"Consumers are becoming more virtually driven. So, the old days of meeting with you to build out a business plan are over. That's just not how that next generation's going to buy," Crawford says.

"I do think the PEO industry is always going to be here, but it's going to deliver services and appear differently than today," he adds.

## A VISION FOR THE FUTURE

From spare bedroom startup to national platform nearing 100,000 worksite employees, Ted Crawford's journey mirrors the evolution of the PEO industry.

Technology has transformed service. Workforce expectations have changed. Yet Crawford's core philosophy endures: disciplined execution, steady investment and long-term vision. His commitment to growth and competitive spirit fuels his personal life, too. Recently, he began pursuing his pilot's license—an 11-year-old goal finally set in motion.

"Flying gives you perspective," he says. "You put your phone down, step away from the noise and see things clearly."

As the industry continues to evolve, Crawford is not reacting to change.

He's flying towards it. ■



**CHRIS CHANEY**

*Editor, PEO Insider & Director, Public Affairs NAPEO Alexandria, VA*

# THE DAY THE DOOR CLOSED

BY JAY KING

**F**or years, I told anyone who asked that I would retire someday. I said it the way I intended to read *War and Peace* or learn Spanish: sincerely, repeatedly, and without any real urgency.

Retirement was something ahead of me, visible but distant, a place I assumed I'd reach without ever easing off the gas.

What changed wasn't a birthday or a financial calculation. It was structure. Early in 2023, as Simply implemented EOS, something subtle but decisive happened. The business stopped feeling like an extension of my nervous system and started behaving like a machine that could run without my constant touch.

That's when retirement stopped being theoretical. Somehow, I just knew I could leave at the end of 2024.

And more importantly, I knew the company would be fine.

Still, knowledge has a way of remaining abstract until it acquires a prop.

Mine was a nameplate.

On a quiet weekend late in 2024, I moved out of my office of almost 20 years. No speeches. No lingering. Just a few boxes and the practical decisions that accompany them. That Monday, my son Carson moved in.

Before that happened, my wife Sharon was with me as I removed the nametag from my office door. Then I replaced it with another: *Carson King*—CEO.

I treated the moment with more ceremony than I might have expected. Sharon took a photo, as if we were documenting a historical event, or perhaps guarding against disbelief later. I felt no fear. No regret. Just a profound



sense of arrival. *Wow*, I remember thinking. *It's really happening.*

And then came the weight of it. A curious mixture of emotions that resisted hierarchy. Pride and sadness. Relief and something like grief, though quieter. If that day someone had watched us from the hallway, they might have assumed the moment was celebratory. They would've been wrong. I wasn't sure what I was feeling yet. I only knew that when those names changed, I no longer had an office. And I was gone in a way that couldn't be undone.

It took a few days to tie up some loose ends. But the first *real* weekday of retirement arrived without ceremony as well.

I woke up to a morning that asked nothing of me. No meetings. No problems waiting for attention. No inbox judging my response time. For decades, the business had occupied my thoughts the



*Owners, I've come to believe, are especially bad at stillness. We carry weight for so long that when it lifts, we instinctively reach for it again, just to be sure it's not still there.*

way weather spreads across the sky: constant, often unnoticed, but always there. Growth, clients, people, systems, reputation. Even in bed at night, these would all queue themselves neatly, afraid they might lose their turn.

And then, too suddenly, they didn't. The day felt empty. Not lonely. Not unneeded. Sharon was there, and we never doubted our place together. But empty in a way that was both emotional and mental. The hours stretched without shape. Time, which had once been parceled into urgent blocks, now lay open and unassigned. It lost its punctuation.

At first, the quiet was unsettling. After spending a lifetime responding to alarms, some audible, most internal, the silence felt suspicious. My thoughts kept returning to a single question, delivered without punctuation: *How will I handle this?* I never truly doubted that I would. Part of that confidence came from my faith in Jesus, and part of it from a hard-earned faith in myself.

I didn't rush to fill the space. I didn't volunteer for boards or invent projects to justify my calendar. Instead, I sulked.

There's no better word for it. I was crabby. Restless. Irritated by nothing in particular. Sharon noticed long before I admitted it to myself. Eventually, she called me on it, which was fair. I wasn't ashamed, exactly. Nor was I confused. I was simply unoccupied in a way I had never been before, and my temperament didn't know what to do with that freedom.

Owners, I've come to believe, are especially bad at stillness. We carry weight for so long that when it lifts, we instinctively reach for it again, just to be sure it's not still there.

In time, the vacuum began to close. As nature abhors emptiness, so does the mind. Thoughts I once dismissed as indulgent began to move in. Watching the news and the weather. Letting a day unfold without commentary. Doing nothing for longer than the occasional stolen afternoon. I had always enjoyed those moments, but they never lasted.

Extended stillness felt neither undeserved nor entirely earned. I've lived with



*Watching the company continue without me has been unexpectedly gratifying. It turns out they don't need me much at all. That, I learned, is not a slight but a success.*

a case of imposter syndrome most of my life, and retirement did nothing to cure it. Still, doing nothing never felt like failure. It simply felt unfamiliar.

Watching the company continue without me has been unexpectedly gratifying. It turns out they don't need me much at all. That, I learned, is not a slight but a success. Seeing Carson lead something I once carried has been the most rewarding experience of my professional life. I expected a steady stream of questions. There were plenty at first, then fewer, spaced farther apart, like popcorn slowing in the pan. He still calls now and then, perhaps partly so I feel included. But, except for a little advice to him, I stay out of operations. I stepped aside almost immediately, and I've stayed there.

The pride I feel now is different from business pride. It's more personal. More durable.

Do I miss being needed? Yes. But not as validation. I never relied on that. I miss it the way an actor might miss a role after the curtain comes down for the last time. There was no single moment when I realized no one was waiting for my decisions anymore. It arrived gradually, like dusk. I expected it.

I thought I was prepared. And still, it required adjustment.

Time itself changed character. In the early months, days blurred together. Urgency evaporated. Tuesdays lost their edges. Rhythm returned eventually, though not in the old way. Sharon and I always traveled, but trips were more frequent. I began to see friends more often. I worked on a few personal projects. I napped more than I ever had. There was more Sharon. More quiet. More Nick, the trainer. More willingness to let the day be what it is rather than what it demands. More time with grandkids.

And one day, without announcement, I realized I was fine.

Not exuberant. Not reinvented. Just settled. Lighter and quieter at once. The fire that once burned in my belly, hot, constant, and necessary, had turned to embers. For a while, I worried about that. But I've come to understand something essential: a fire doesn't have to burn forever to keep you warm.

If I could speak to the man I was on that first empty morning, I wouldn't offer advice or reassurance dressed up as wisdom. I'd simply say this: *Give it time, Jay.*

Retirement, for me, hasn't been about escape or reinvention. It's been about acceptance. Acceptance that seasons change. Contribution doesn't always require control. Purpose can widen rather than disappear. I still know that my work mattered. I still believe in legacy. I also believe there is value in learning when to change the nametag, close the door quietly, and trust that what you built knows how to stand on its own.

There is life after the noise.

It just takes a while for your ears to adjust. ■



**JAY KING**

Chairman  
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St. Louis, MO

# CULTURE IS THE HEART OF CLIENT EXPERIENCE

BY ANTHONY GRIJALVA

**A** world-class customer experience—the kind that turns clients into lifelong advocates—is essential for standing out in a crowded market. After all, the only true differentiators are your brand, culture, and the experience you provide your clients and employees. Everything else, including the services you deliver, can be replicated.

Many organizations miss the mark with their client experience (CX), though, because they lack an authentic culture that employees live each day. Culture is at the heart of every elite customer experience. To stand out, CX cannot be a string of rehearsed scripts. It must be a genuine reflection of the company's character.

At G&A, our CX is our character in action. It emerged naturally from a foundation of good intentions and a culture people believe in. Here are lessons we've learned while building a world-class CX.

## START WITH CHARACTER

G&A Partners was born out of a partnership between good people with good intentions. When my father, Tony Grijalva, and John Allen formed an accounting practice more than 30 years ago, their primary goal was to provide for their families.

While working with their clients and managing their own workforce, they noticed how easily administrative tasks, payroll, and benefits could overwhelm business owners. They discovered they could provide those services through employee leasing, which would eventually



*Because G&A was founded on a genuine desire to help others succeed, authenticity was baked in from the start. Our team knew how to care for their clients because our founders demonstrated it every day.*

evolve into the professional employer organization model. By offering HR services, Tony and John could help business owners achieve their goals while providing the best care possible for their employees.

Because G&A was founded on a genuine desire to help others succeed, authenticity was baked in from the start. Our team knew how to care for their clients because our founders demonstrated it every day. This legacy of service is what allows our CX to feel authentic to our clients. Because it is.

## CULTURE IS THE HEART OF CX

Here's the truth about company culture: You can't fake it. You can try to mimic another organization's culture, but culture is a long-term investment that takes years to build. You have to be it, live it.

Under Allen and Grijalva's leadership,

a culture started to form. A culture founded on the belief that if G&A took care of our employees as if they were family, our employees would do the same for our clients.

When CX emerged as an industry buzzword years later, we realized we already had the foundation—a culture that employees believed in and lived each day. We didn't need to pivot. We intentionally leaned into that culture, formalized it, and went all in on the experience we were already providing.

We realigned our core messaging. At that time, our existing values were good, but they weren't memorable. We redefined them and created our living, breathing values:

- Put people first
- Love what you do
- Create phenomenal experiences
- Lead by example
- Communicate consistently and openly.

Simple and memorable, they gave our employees a mantra. In this moment, the company's direction changed. Our culture became a competitive advantage.

## CX AND EMPLOYEE EXPERIENCE: INTERTWINED

Employee and customer experiences don't just coexist—they are deeply intertwined. We see the proof in our data every day.

From how we answer the phone to how we close the loop on customer feedback, CX is embedded in our daily operations at G&A. It started with strong executive buy-in from day one and has grown to become a cornerstone of the employee experience, supported by initiatives such as our CX certification program and our CX Ambassador Council.

By measuring client and employee satisfaction through Net Promoter Score and eNPS (Employee Net Promoter Score), we've discovered a consistent truth.

An engaging and positive employee experience leads to excellent customer experiences. When our culture is thriving internally, our NPS reflects it.

The data proved clear for G&A—a fulfilled team is the most effective driver of world-class CX.

**THE MEASURABLE VALUE OF CX**

There’s no denying the value that CX provides an organization. Creating a great environment for your employees and customers creates more than just goodwill. It drives the bottom line.

We see this value most clearly in our growth strategy. G&A’s reputation for excellence is a magnet for like-minded firms, allowing us to complete 20 acquisitions in eight years. Many of these partnerships were



*Creating a great environment for your employees and customers creates more than just goodwill. It drives the bottom line.*

initiated by sellers because of our best-in-class reputation.

This culture-first approach also serves as a powerful engine for client retention. Using NPS as a real-time feedback loop allows us to move swiftly from listening to action, ensuring we meet and stay

ahead of our clients’ needs. This level of responsiveness keeps our retention rates among the best in the business.

Thirty years ago, G&A began with a simple desire to help people succeed—a foundation of good intentions that naturally matured into a world-class CX. We’ve learned that when you anchor your business in character and build a culture that employees live every day, the foundation is set. This allows you to become intentional in delivering authentic experiences that are essential to world-class CX. ■



**ANTHONY GRIJALVA**  
Chief Marketing Officer  
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# AI GOVERNANCE: FEDERAL POLICY, STATE ACTION AND EMERGING RISK

BY PAUL HUGHES

**A**rtificial intelligence is here and deployed for a variety of business applications that impact PEO. No longer a future consideration for regulated industries, it is already influencing hiring models, underwriting/pricing/accrual models, claims profiling for fraud detection, compliance monitoring and other infrastructure needs in workforce analytics. What remains unsettled is not whether AI will be used, but how far it will go and who will ultimately govern it. The application and governance are not of only domestic importance, but an issue being debated at state and federal government levels. Each have been monitoring the need to build “guardrails” around AI with yet to be understood many positive applications, but potentially some nefarious ones as well.

## FEDERAL ACTIONS POINT TOWARD LEGISLATIVE RESTRAINT AND AI INNOVATION

Under President Trump in both his first and second terms, the federal government has taken an “innovation first” strategy whereby regulatory obstacles in

the path of AI growth are limited or neutralized altogether. Most recently, President Trump signed the “Removing Barriers to American Leadership in Artificial Intelligence” executive order in January of 2025 and then another order, “Ensuring a National Policy Framework for Artificial Intelligence,” in December of 2025. The first order in essence revoked President Biden’s executive order of December 2023 on “Safe, Secure and Trustworthy Development and Use of Artificial Intelligence” which was felt to be onerous and bureaucratically driven. The first line of the Biden order is “Artificial Intelligence holds extraordinary potential for both promise and peril.”

Federal messaging has focused on concerns that a patchwork of rules, especially that of fifty different states, could slow the goal of the United States at staying on the forefront of AI innovation and deployment, free of ideological bias or engineered social agendas. Any government-created disruption could stall investment and create uncertainty for companies operating across multiple jurisdictions.



*The message from Washington has been consistent: centralized or minimal governance on a federal level is favoured over independent state action.*

## A NATIONAL POLICY FRAMEWORK FOR ARTIFICIAL INTELLIGENCE

The most recent executive order is particularly focused on building one set of rules on a federal basis and eliminating each state’s ability to supersede them with their own. The order creates several sections containing provisions that will serve to ensure compliance by the states. I encourage you to read the full executive order.<sup>1</sup>

## STATE AI LEGISLATION

While no comprehensive federal AI framework has yet been finalized, it is

## LEGAL, LEGISLATIVE, & REGULATORY

in process, and the message from Washington has been consistent: centralized or minimal governance on a federal level is favoured over independent state action. That position, however, has not slowed activity at the state level to create laws deemed important by their various constituents. According to the National Conference of State Legislators, all 50 states, Puerto Rico, the Virgin Islands, and Washington, D.C., introduced legislation on the topic in 2025. Thirty-eight states adopted or enacted around 100 measures. Here are a few examples of those actions.

### Arkansas

Arkansas enacted legislation that clarifies who the owner of AI generated content is, which includes the person who provides data or input to train a generative AI model or an employer, if the content is generated as a part of employment duties. The new law specifies that the generated content should not infringe on existing copyright or intellectual property rights.

### Montana

Montana's new "Right to Compute," law sets requirements for critical infrastructure that is controlled by an AI system, such as instructing the deployer to develop a risk management policy that considers guidance from a list of specified standards, such as the latest version of the AI risk management framework from the national institute of standards and technology. The new law also specifies that the government cannot take actions that restrict the ability to privately own or make use of computational resources for lawful purposes, unless deemed necessary to fulfill a compelling government interest.

### New Jersey

New Jersey adopted a resolution urging generative AI companies to make voluntary commitments regarding employee whistleblower protections.

### New York

New York enacted a new law that requires state agencies to publish detailed information about their automated decision-making tools on their public websites through an inventory created and maintained by the Office of Information Technology. The new law also amends the civil service law to strengthen worker protections, such as requiring when an AI system is used by the state government that it cannot affect the existing rights of employees pursuant to an existing collective bargaining agreement and requiring that an AI system does not result in displacement or loss of a position.

### North Dakota

North Dakota's new law prohibits individuals from using an AI-powered robot to stalk or harass other individuals, expanding current harassment and stalking laws.

### Oregon

Oregon enacted a new law that specifies that a non-human entity, including an agent powered by AI, cannot use specific licensed and certified professionals' titles, such as a registered nurse and certified medication aide.

### AI REGULATION

Additionally, groups such as the National Association of Insurance Commissioners (NAIC) have also weighed in heavily on the impact, positive and negative, of AI. Shortly after President Trump's order in December of 2025, the NAIC issued their own to include "While AI offers transformative opportunities for insurers and policyholders, such as improving efficiency and enhancing customer experiences, the sweeping Executive Order creates significant unintended consequences. This could implicate routine analytical tools insurers use every day and prevent regulators from addressing risks in areas like rate setting, underwriting, and claims processing, even when no true AI is involved".



*When standards differ across jurisdictions, documentation and oversight become more important. Decisions influenced by AI must be defensible, repeatable and transparent, regardless of where a client or workforce is located.*

### WHERE AI INTERSECTS WITH PEOS

Most PEOs are not building AI platforms themselves. But AI is already embedded in the ecosystem PEOs operate within. It influences carrier underwriting, claims evaluation, fraud detection, hiring attributes, payroll analytics and compliance monitoring.

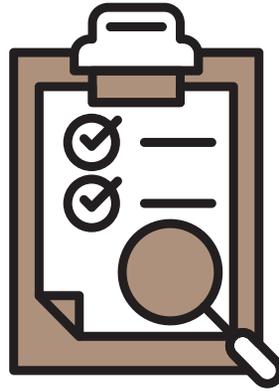
As these tools become more integrated into decision-making, the focus shifts from ownership of technology to governance of outcomes. Questions emerge around how AI-influenced insights are reviewed, validated and explained, particularly when they affect employment decisions or insurance-related results.

In a fragmented regulatory environment, those questions are likely to surface earlier and with greater scrutiny. Additionally, how does one protect themselves from claims that occur because of AI, who's exposed to said claims and what insurance is available (if any) to cover it?

### THE QUIET RISK OF REGULATORY DIVERGENCE

When standards differ across jurisdictions, documentation and oversight become more important. Decisions influenced by AI must be defensible,

repeatable and transparent, regardless of where a client or workforce is located. This is where regulatory divergence creates quiet risk, not because rules are unclear, but because expectations are still forming. Whether states will be allowed to create their own rules and laws to support what their legislative bodies deem important versus a broad federal set of rules and laws that apply to all will be a significant battle. Of no surprise, California has dug in with Gavin Newsome signing SB 53 in September of 2025 with its purpose to establish “California as a world leader in safe, secure, and trustworthy artificial intelligence, creating a new law that helps the state both boost innovation and protect public safety.” It should be noted that 32 of the top 50 AI companies in the world are currently based in California.



### PREPARING WITHOUT WAITING FOR CERTAINTY

AI governance is still taking shape at both the federal and state levels and there are sure to be many legal challenges between the federal and state governments on how it is applied and regulated. For PEOs, the issue is less about which framework

ultimately prevails and more about operating in an environment where expectations may continue to shift, especially on a state-by-state basis. The only clear thing is the transformative nature of AI and that it will be a huge part of our lives going forward in business and life in general. ■

#### REFERENCE

1 [www.whitehouse.gov/presidential-actions/2025/12/eliminating-state-law-obstruction-of-national-artificial-intelligence-policy/](https://www.whitehouse.gov/presidential-actions/2025/12/eliminating-state-law-obstruction-of-national-artificial-intelligence-policy/)



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# ADVANCING OPPORTUNITIES: NAPEO'S 2026 FEDERAL AFFAIRS PRIORITIES

BY KYLE KIZZIER

**I**n January, NAPEO's Federal Government Affairs Committee met to establish the organization's federal legislative and regulatory priorities for 2026. Committee members spent the day hearing from NAPEO staff and our trusted Washington D.C. partners at Groom Law Group, Mehlman Consulting and Davis & Harman. Together, we assessed the current policy environment, reviewed the progress achieved in 2025 and identified where NAPEO is best positioned to advance member interests in the year ahead.

Just as importantly, committee members shared their most pressing concerns, ensuring that NAPEO's advocacy agenda remains closely aligned with the real-world issues facing PEOs.

Through this process, the committee reached consensus on a focused set of priorities designed to advance NAPEO's strategic objectives, respond to emerging federal policy developments, and position the organization for effective engagement with Congress and the administration in 2026.

## BUILDING ON 2025'S MOMENTUM

At the start of 2025, the industry identified tax reform as the most significant federal opportunity for PEOs. NAPEO prioritized addressing payroll tax credit liability and ensuring the PEO business model was fully understood as Congress considered changes to business-focused tax incentives.

Those efforts delivered meaningful results. NAPEO successfully secured favorable language protecting PEOs from

being classified as ERTC promoters, which was enacted into law. We also helped advance industry-supported legislation, H.R. 3223 (Payroll Tax Credit Liability), introduced legislation to make Section 199A permanent, and secured immediate expensing for R&D tax credits.

While H.R. 3223 did not become law in 2025, the bill made considerable progress, gaining bipartisan support from 19 House members and securing a Republican lead sponsor for the Senate companion bill—an important foundation for continued momentum.

Beyond tax policy, NAPEO advanced other key priorities throughout the year. We responded to multiple requests for information to ensure the PEO perspective on Form 5500 was clearly understood by the new administration. We worked closely with congressional offices on bipartisan paid family leave legislation to ensure appropriate treatment of the PEO model. In addition, NAPEO collaborated with Rep. Richard Neal (D-MA) to secure favorable PEO language in his auto IRA legislation.

## LOOKING AHEAD TO 2026

I joined NAPEO in the fourth quarter of last year and already have a strong appreciation for the foundation that is in place. NAPEO enters 2026 with real momentum, credibility on Capitol Hill and a clear sense of where our advocacy can make the greatest difference for members.

The priorities outlined below reflect the most pressing federal issues facing the PEO industry in the coming year. While not exhaustive, they represent where NAPEO will focus its efforts to protect the PEO model, reduce unnecessary

regulatory risk and ensure PEO clients can continue to access the same benefits and opportunities as other employers.

## 2026 FEDERAL GOVERNMENT AFFAIRS PRIORITIES

### H.R. 3223—Payroll Tax Liability.

Our primary objective remains finalizing Senate introduction and continuing to move the bill forward in the House. This will require securing a Senate co-lead, engaging committee staff, and continuing to expand bipartisan House support.

### Appropriations Committee

**Engagement.** Engaging with the House Appropriations Committee will be an important tactic in 2026. We will pursue opportunities for oversight to influence agency behavior. This approach positions us as a resource while maintaining pressure on agencies to address member concerns.

**IRS Modernization.** We will continue advocating for modernization of outdated IRS systems and processes that directly affect employers and PEOs. Our efforts will focus on Treasury and IRS engagement, monitoring funding and implementation decisions, and promoting improvements in processing efficiency, accuracy, and taxpayer service.

### Department of Labor/Form 5500.

Engagement with DOL and EBSA on Form 5500 will remain a priority. We will pursue opportunities with the department and oversight settings in Congress to elevate our concerns and priorities.

**H.R. 1 Implementation.** As agencies implement the One Big Beautiful Bill Act (H.R. 1) we will continue to engage in rulemaking and guidance development to pursue outcomes that align with member



*NAPEO enters 2026 with real momentum, credibility on Capitol Hill and a clear sense of where our advocacy can make the greatest difference for members.*

interests. This includes monitoring agency actions and submitting comments.

**District-Level Member**

**Engagement.** We will seek to launch a district-level “fly-out” program to facilitate direct engagement between our members and their representatives. A pilot program in the spring will assess

planning, messaging, and participation. The program will focus on targeted districts and representatives aligned with NAPEO’s legislative priorities.

**Payroll Tax Credits Generally.**

We will engage in and monitor issues related to payroll tax credits and other employer benefits to ensure PEOs are appropriately considered and that PEO clients remain eligible for all tax credits and benefits available to employers absent the PEO relationship.

**MEWA Clarification.** We will begin raising awareness among industry stakeholders and policymakers regarding a potential ERISA legislative/regulatory change that would clarify that fully insured PEO health benefit plans are not considered multiple employer welfare arrangements (MEWAs).

**Immigration Policy.** We will monitor

business immigration legislation and regulations and, if necessary, engage with Congress and the administration to make sure these proposals recognize the PEO business model and differentiate client and PEOs responsibilities.

**Privacy/AI legislation.** We will continue to monitor federal AI policy for potential PEO industry impact.

NAPEO’s advocacy work is strongest when it reflects the priorities of its members. I look forward to working closely with you throughout 2026 as we advance these efforts and continue to achieve success for the PEO industry in Washington. ■



**KYLE KIZZIER**

*VP, Federal Government Affairs  
NAPEO  
Alexandria, VA*



# DRIVE REVENUE WITH YOUR BRAND AT THE CENTER OF THE PEO INDUSTRY

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# MYTHS & TRUTHS ABOUT ALTERNATIVE LENDING: WHAT EVERY PEO SHOULD KNOW

BY SUSANNAH ALBRIGHT

**W**hen a client panics about making payroll, the PEO becomes more than a provider, it becomes a partner. In many cases, that panic stems from an urgent cash-flow gap. Money is coming, but not soon enough, and the client's first question is whether the PEO can "cover" them for a few days. The PEO is suddenly pulled into the search for a fast funding solution. Yet when time is short and traditional financing isn't an option, many payroll professionals still hesitate to discuss non-bank funding.

To better understand why and what responsible alternative lending really looks like, I sat down with Ready's Credit Department professionals, Brian Schartz and Chris Abreu, who spend their days reviewing funding requests, evaluating risk, and helping small businesses navigate short-term capital needs. What emerged was a candid look at

both the promise and pitfalls of this fast-moving industry.

"Alternative lending" has a reputation problem— one built on half-truths, bad actors, and outdated assumptions. But as Brian and Chris made clear, the reality is more nuanced. The space has matured into a critical part of the SMB financing landscape. The challenge isn't whether to understand it, but how.

Here are seven myths worth unpacking and what's true instead.

## MYTH 1: ALTERNATIVE LENDERS ARE LENDERS OF LAST RESORT.

**TRUTH:** Alternative financing is often a growth tool, not a distress signal. Many small businesses use alternative lending to bridge *opportunity*, not failure.

"Payroll emergencies or cash-flow gaps don't always mean mismanagement," says Ready's Credit Manager, Chris Abreu.



"We see companies growing so fast they simply can't collect fast enough to pay what they owe."

Alternative lending provides liquidity to help healthy businesses hire faster, fulfill new contracts, or smooth uneven receivables. For PEOs, that distinction matters: a client seeking short-term funding isn't necessarily in trouble. They very well may just be expanding.

**PEO takeaway:** Help clients view quick funding as a tool for growth, not a stigma.

## MYTH 2: ALTERNATIVE LENDERS ARE ALL PREDATORY.

**TRUTH:** The space is mixed. Relationships and transparency separate the good from the bad.

“There are definitely bad actors out there,” Abreu admits. “Especially among brokers or certain merchant cash advance lenders who promise instant approvals but bury rigid daily repayment terms and use aggressive collection practices that can choke off cash flow. But the presence of predatory options doesn’t define the entire market.

Reputable lenders disclose every fee, communicate clearly, and prioritize long-term relationships over one-off deals. “The companies that last,” adds Brian Schartz, Ready’s Chief Credit Officer, “are the ones helping clients stay healthy after the loan, not just funding them and disappearing.”

**PEO takeaway:** Vet lenders the way you vet benefit providers- look for tenure, transparency, and a track record of renewal, not repossession.

## MYTH 3: ALTERNATIVE LENDING IS UNREGULATED AND UNSAFE.

**TRUTH:** It’s governed differently, not lawlessly.

Contract law and state disclosure requirements still apply. “There’s always been less regulation on the commercial side than the consumer side,” says Schartz, “but that doesn’t mean there are no rules.”

Most financial regulations exist to protect the banking system, not the borrower. That means small businesses- and by extension, their PEOs- must take on more due diligence. Ensuring that a lender is licensed where required and follows disclosure laws is a must.

**PEO takeaway:** Less regulation means more responsibility to choose lenders who operate transparently and within state requirements.



*Most financial regulations exist to protect the banking system, not the borrower. That means small businesses—and by extension, their PEOs—must take on more due diligence. Ensuring that a lender is licensed where required and follows disclosure laws is a must.*

## MYTH 4: FAST APPROVALS MEAN RISKY UNDERWRITING.

**TRUTH:** Speed comes from smarter data, not skipped diligence.

Alternative lenders rely on real-time operating data like bank transactions, deposit history, payroll cadence rather than audited financial statements. That’s what allows decisions in hours, not weeks.

“We’re not guessing,” explains Schartz. “We’re using live financial data to see how a business is actually performing today, not what their accountant finalized three months ago.”

That immediacy makes alternative lenders more responsive, not more reckless. The process is still rigorous, it’s just designed for modern cash-flow realities instead of legacy banking timelines.

**PEO takeaway:** “Fast” and “reckless” aren’t synonyms; speed and responsible lending can coexist.

## MYTH 5: HIGHER RATES ALWAYS MEAN A BAD DEAL.

**TRUTH:** Cost and value depend on context.

Non-bank financing does usually carry a higher rate. That’s because banks often can’t or won’t lend to higher-risk borrowers under today’s regulatory capital requirements. Traditional institutions are designed to protect deposits, not take on business-model risk.

Alternative lenders fill that gap. They price for the risk level they’re willing to assume and for the immediacy of the need, offering liquidity when banks won’t.

In many cases, short-term capital is cheaper than the alternative. “If your only other option is finding someone to invest in your company, a loan that costs more in interest may still be the better deal,” says Schartz. “Once you pay back an alternative lender, you still own 100% of your company.”

**PEO takeaway:** Help clients weigh total impact, not just interest rate. A flexible loan that preserves ownership can be the smartest money they ever borrow.

## MYTH 6: ONLY DESPERATE COMPANIES NEED FAST CASH.

**TRUTH:** Timing gaps happen even in strong businesses.

Healthy firms often face temporary mismatches between receivables and payroll. Others may experience contract delays or seasonal slowdowns. Recently many vendors like government agencies and insurance carriers have stretched their payment cycles further and further. Add in tariffs and other economic disruptions, and even well-run companies are feeling the strain of delayed cash flow. As Abreu notes, “We lend to plenty of clients who are thriving. They just can’t afford to wait 30 or 60 days for a bank decision.”

Understanding this nuance helps PEOs protect clients from judgment or stigma and gives them a framework to talk constructively about timing versus solvency.

**PEO takeaway:** Don’t assume urgency equals instability; it often signals momentum.

## MYTH 7: PEOS SHOULD STAY OUT OF THEIR CLIENTS' FINANCES.

**TRUTH:** Guidance builds loyalty and safeguards relationships.

According to Schartz, PEOs have three compelling reasons to get involved:

**Risk protection.** Financially fragile clients can create co-employment exposure.

**Shared growth.** When clients add headcount, PEO revenue grows too.

**Trusted navigation.** By pre-vetting reputable lenders, PEOs help clients avoid predatory traps.

He encourages what he calls a “financial Rolodex” approach- having a short list of credible lenders ready to recommend when clients need help. Abreu agrees: “If a PEO can connect a client to a good partner, that client will remember who saved them.”



*Alternative lending isn't replacing banks, it's filling the significant space banks left behind. It's faster because it has to be; more flexible because modern businesses demand it.*

**PEO takeaway:** PEOs don't need to offer funding but they are well served to know where safe options exist.

## THE MODERN SAFETY NET

Alternative lending isn't replacing banks, it's filling the significant space banks left behind.

It's faster because it has to be; more flexible because modern businesses demand it.

For PEOs, the takeaway is simple: understanding this landscape is no longer optional. Understanding the funding landscape means you can keep clients operating confidently, not scrambling for solutions. ■



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# THE HIDDEN COSTS OF UNRECONCILED EMPLOYEE BENEFITS: EMPLOYEE PREMIUM RECONCILIATION, A CFO'S GUIDE

BY DOUG DEVLIN

**E**mployee benefit premium reconciliation has historically been a universally thorny issue, not only for PEOs but for any company sponsoring or administering employee benefit plans. With benefit administration knowledge spread among several departments, vendors and carriers; finance can lead the organization in coordinating a cross functional process that involves payroll, benefits and accounts payable. In today's cost-sensitive environment, CFOs must treat reconciling employee benefit premiums with the same financial discipline as applied to payroll taxes and other vendor payables.

The costs for not solving carrier invoice discrepancies are premium overpayments or what is referred to as "benefit leakage." Equally problematic but less common are conditions where payroll deductions for premiums are over withheld causing violations of Department of Labor rules which prohibit plan sponsors from borrowing plan assets. Leakage is hiding in plain sight in the general ledger that may eventually require adjusting entries to balance with reality, can be difficult to support, something most CFOs desperately want to avoid.

## UNDERSTANDING THE RECONCILIATION PROCESS

The simplest form of premium reconciliation process starts with comparing payroll

records with the invoice from an insurance carrier to validate that premiums have been completely collected but not over collected. While on the surface this may sound straight forward, complexities soon emerge.

Aligning plan names between various systems, matching people with the same name, no or partial unique employee identifiers on the invoice or missing employee data can make even the most experienced Excel guru cry for cross functional help. Most teams spend the vast majority time manipulating data rather than solving root cause issues and implementing fixes. Given that correction windows for carrier discrepancy that typically only lasts for 60-90 days, monthly reconciliations become inevitable to recapture premiums, which almost always are in favor of the carrier.

**Data Collection.** Aggregating enrollment data from HCM systems (e.g., PrismHR, isolved), payroll deductions and employer contributions, COBRA remittances, and carrier invoices is the first step.

**Comparison and Matching.** Cross-verifying invoice line items against payroll deductions and employer contributions for a coverage period for each plan on an invoice at the employee level is next. When available, a rule-based matching engine will speed the monthly process.



*In today's cost-sensitive environment, CFOs must treat reconciling employee benefit premiums with the same financial discipline as applied to payroll taxes and other vendor payables.*

**Discrepancy Identification.** Being able to classify mismatches such as:

- Rate Differentials: Billed rates vs. contractual rates/notice periods.
- Terminations in Transit: Termed employees still billed.
- Enrollments in Transit: New hires/changes not yet active at the carrier.
- EOI Gaps: Premiums billed where Evidence of Insurability is missing/denied.

**Finding Resolution.** Finding setup errors, correcting eligibility rules, adjusting invoices and filing for recovery credits will be part of the process. Keeping track of individual issues and resolutions with a cross departmental team in software that everyone has access to will be as critical as finding any issues.

## REASONS FOR WRITE-OFFS

Write-offs are inevitable. From rounding differences between premiums that end in odd numbers not evenly divisible into payroll deductions cycles or similar adjustments from partial-month collections for employees transiting on or off the carrier invoice. Documentation and developing consistent policy adherence are critical process steps. Categorizing timing lags, manual setup errors or vendor setup issues will all be lessons

learned and a cost of doing business, however, the key is to track, categorize and avoid these costs from becoming a reoccurring expense theme and build policies into your operating procedures.

### WHY BENEFITS TEAMS NEED HELP AND HOW FINANCE CAN LEAD

Benefits teams juggle implementations, enrollments, compliance, and employee support and may not traditionally have financial reconciliation experience. Deep monthly tie-outs can expose process gaps and consume scarce cycles that require follow up documentation. As stewards of financial accuracy and internal controls, CFOs should own the cadence, KPIs, and tooling to turn reconciliation into a finance-grade control instead of a best-effort HR task.

### LEGAL PRECEDENTS THAT UNDERScore MONTHLY RECONCILIATION

Searching legal archives is easier today than ever, a search of billing discrepancy from common AI engines list cases between employers and carriers abound. In an analysis of litigated premium discrepancies, the average premium discrepancy was more than \$7 Per Employee Per Month (PEPM) and ranged from \$0.34 to \$19 PEPM.

Courts have repeatedly spotlighted the same operational failures—billing for ineligible individuals, collecting premiums when coverage isn't in force, or changing rates without contractual notice. Each is preventable (or quickly discoverable) with disciplined monthly reconciliation. While errors large enough to litigate can occur infrequently, the impact can be material, hence the ounce of prevention.

### SOLUTIONS FOR EFFECTIVE RECONCILIATION

#### Automation and Software Tools.

Software tools can greatly enhance the reconciliation process, but most reconciliations are born in Excel. As a starter tool, Excel can work but quickly becomes difficult to follow, audit, train, maintain

and debug. Specialized reconciliation tools exist but these tools are not a panacea. Before these tools can be effectively used, consider some baselines for setting up a reconciliation program.

#### Essentials for Setting Up a Successful Program

**Integrate systems.** Link HCM, payroll, and carrier feeds/portals; normalize rate tables and plan metadata.

**Define exception rules.** Rate variance thresholds, EOI pending/denied, transit windows, COBRA aging, class/tier outliers.

**Standardize cadence.** Monthly payroll to invoice to payment tie-out; controls on lookbacks and wash rules for late credits.

**Assign ownership.** Finance owns cadence/KPIs; Benefits owns the data inputs; IT owns connectors. Create internal SLAs.

**Measure outcomes.** Track PEPM recovered, % premium at risk, exceptions per 1,000 lives, DSO on carrier credits.

#### STEP-BY-STEP GUIDE FOR CFOS

**Assess current state.** Inventory carriers, invoices, and write-offs for the last 12–24 months; quantify recurring categories (rate, transit, EOI, COBRA).

**Stand up a pilot.** Choose two high-volume medical carriers + one ancillary line; implement automated ingestion and exception rules; run parallel for one cycle.

**Close the loop.** Require recovery documentation (credit memos, corrected bills) and root-cause remediation (EDI fixes and SOPs).

**Expand and codify.** Roll out to all carriers; embed controls in close calendar with sign-offs; include in internal audit scope.

**Report to leadership.** Quarterly dashboard with exception trends, PEPM recovered, and risk commentary tied to fiduciary exposure.



*Benefits teams juggle implementations, enrollments, compliance, and employee support and may not traditionally have financial reconciliation experience.*

### WHAT MONTHLY RECONCILIATIONS CAN PREVENT

It's typical for CFOs to compare recurring controls and software on a PEPM basis. While you may have your own data on historical premium write-offs, carrier invoice discrepancies can quickly create a material impact especially for PEOs that are processing significant premium volumes as compared to a PEOs typical balance sheet capitalization.

With the number of systems, plans and vendors and complex systems and offerings that all require manual configuration, it's no wonder errors creep into benefit plan administration systems from all parties. Creating repeatable and scalable processes and systems that can validate the final carrier invoice output timely as invoices arrive is an important step for anyone responsible for the administration of employee benefit plans. CFO's can take the initiative and lead to expose these hidden benefit leakage costs with a cross-functional team and create a robust process as part of their financial control environment. ■

*Doug Devlin is a former chair of NAPEO's accounting practices committee.*

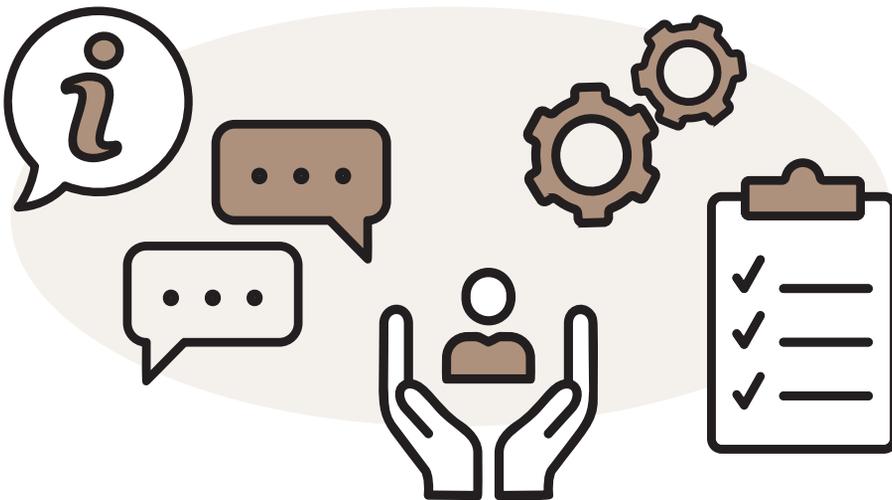


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# ONBOARDING NEW CLIENTS FOR LONG-TERM SUCCESS

BY NATE OLSEN



All PEOs recognize the importance of a positive client company experience when it comes to onboarding. What is often underestimated is how deeply those initial company-PEO interactions shape everything that follows. The first six months set the tone for trust, confidence, and long-term engagement. When onboarding feels confusing, chaotic or rushed, clients begin to view the PEO as just another vendor they need to manage rather than a trusted partner they can rely on.

Having worked in the PEO industry for decades and now alongside PEOs, businesses and brokers as a general agency, our team at BestFit PEO Solutions has seen the onboarding process executed both exceptionally well and with serious issues. The difference is rarely about technology limitations or any other single factor. It comes down to preparation, communication, and structure.

Effective onboarding goes far beyond transferring payroll data or enrolling employees in benefits. When well designed, it is a deliberate process that aligns systems, people, and expectations from day one, while minimizing disruptions to the client's daily operations.

## DISCOVERY BEFORE DEPLOYMENT

A strong onboarding process begins before any company data is uploaded. First, a meaningful discovery phase is essential. This is where the right questions get asked and answered. Not just how many employees a company has, but where previous PEO providers fell short or where gaps exist. Discussions should take place about current internal processes and the HR-related concerns that keep leaders up at night.

Every client is different. A 50-person technology startup likely does not have the same needs as a 200-person construction firm. When onboarding skips or shortchanges this initial discovery phase, problems surface quickly. Overly

simplified, cookie-cutter onboarding leads to predictable, avoidable issues that erode confidence early in the relationship. A comprehensive understanding of the new client company's needs and expectations from the outset, makes for a smoother transition for everyone involved.

### CLEAR OWNERSHIP AND REALISTIC TIMELINES

One of the most effective onboarding practices is establishing clear ownership of HR functions on both sides. Leaders should know exactly who their primary point of contact is within the PEO. One name is preferable, the primary person accountable for guiding the process and resolving issues.

This same kind of clarity is also needed on the client side. Identifying a single internal contact point helps coordinate information, manage deadlines, and keep decisions moving. Without this structure, small questions can turn into big delays and miscommunication becomes inevitable.

Timelines matter, but accuracy matters even more. Rushing to meet an overly aggressive go-live date often creates payroll errors or benefits issues that take months to unwind. These are costly mistakes that can seriously damage trust, especially within the employee ranks. Adding a week or two of startup time upfront is far less damaging than spending the next six months fixing avoidable mistakes. Setting realistic expectations early builds far more trust than overpromising and underdelivering.

### STANDARDIZATION WITH FLEXIBILITY

Scalable onboarding requires consistency. Documented processes, checklists, and repeatable workflows allow PEOs to deliver reliable outcomes without starting from scratch for every client. At the same time, standardization should not mean rigidity. The most effective onboarding

frameworks allow room to adjust based on client size, industry, and internal sophistication. Structure provides the backbone. Flexibility ensures the process actually fits the client's needs and culture. PEOs that strike this balance are better equipped to scale while still delivering a high-quality client experience.

### COMMUNICATION THAT BUILDS TRUST

Onboarding often breaks down when communication fades prematurely. The first payroll run completes, systems go live and then silence. Weeks later, when someone discovers a benefits enrollment issue or a missed setup detail, confidence can be severely shaken.

Regular communication prevents these types of issues. Proactive updates, scheduled check-ins, and transparency about potential challenges help clients feel supported during a period of change. Weekly touchpoints during the first month should be standard practice, along with a clear escalation path when issues arise. Clients expect responsiveness, honesty, and follow-through.

### TRAINING THAT REDUCES CONFUSION

Handing over a lengthy user guide is not training. Effective instruction ensures that people can actually navigate new systems, understand new workflows, and know who to contact when questions come up. This applies not only to HR teams, but to employees as well. When workers feel confident using new systems, morale improves and administrative issues decline. PEOs that succeed here focus on clear instructions, short training sessions, and real availability during the transition period.

### THE LONG-TERM IMPACT

Strong onboarding eliminates many of the issues that resurface months later. Accurate payroll set up from day one prevents lingering discrepancies. The same detailed focus on benefits



*Clients who experience a smooth onboarding process are more likely to engage with additional services and view their PEO as a trusted, strategic partner.*

enrollment avoids frustrated calls from employees. Addressing compliance requirements upfront reduces the risk of surprise findings down the road.

Clients who experience a smooth onboarding process are more likely to engage with additional services and view their PEO as a trusted, strategic partner. For the PEO, this results in stronger retention, better referrals, and accounts that are easier to manage over time.

### A COMPETITIVE ADVANTAGE

The PEO market is more competitive than ever. Service offerings look increasingly similar, and technology has largely leveled the playing field. Client experience has become the true differentiator, and that experience begins with onboarding.

PEOs that invest in thoughtful, scalable onboarding processes position themselves for long-term success alongside their clients. The strongest partnerships are built early, through preparation, clear communication, and a process that makes the first six months feel intentional and valuable. ■



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# WHAT PEOs SHOULD KNOW ABOUT 401(K) PLANS

BY ANN MARGARET DONNELLY

**I**f your PEO offers a 401(k) plan, it's important to understand that your company has significant obligations as a fiduciary. This means you're responsible for making sure the plan is managed properly and that your clients' employees' retirement savings are protected.

According to the Employee Retirement Income Security Act of 1974 (ERISA), you're required to act in the best interest of plan participants, keep costs reasonable, diversify investments, follow the plan's rules, and manage everything carefully. The main risks of not following these steps include lawsuits, Department of Labor fines, and personal liability claims.

You'll likely work with various service providers like investment advisors, third-party administrators, recordkeepers, and custodians. Each has a specific role, so it's important to understand who does what and whether they share any fiduciary duties with you.

## INVESTMENT ADVISORS

Investment Advisors are professionals who provide guidance on the selection and monitoring of investment options within the plan. They help the fiduciaries make informed decisions about the plan's investment lineup, ensuring diversification and alignment with participants' best interests. Investment advisors often share fiduciary responsibilities, meaning they must act prudently and loyally on behalf of plan participants. There are two types:



*If your PEO offers a 401(k) plan, it's important to understand that your company has significant obligations as a fiduciary.*

**ERISA 3(21) Fiduciaries** are investment advisors who provide investment advice to the plan and have discretionary authority to make recommendations, but the ultimate decision-making authority remains with the plan sponsor or committee. This role involves a shared fiduciary responsibility, where the plan sponsor retains control but relies on the advisor's expertise.

**ERISA 3(38) Investment Managers** are discretionary investment managers who have full authority and responsibility to select, monitor, and replace plan investments without needing the plan sponsor's approval for each decision. This role relieves the plan sponsor of fiduciary liability for investment decisions, as the 3(38) fiduciary assumes full responsibility.

## THIRD-PARTY ADMINISTRATORS

Third-party administrators (TPAs) manage the day-to-day administrative tasks of the 401(k) plan. This includes processing contributions, distributions, loans, and ensuring compliance with

IRS and Department of Labor regulations. TPAs prepare necessary filings such as Form 5500 and assist with nondiscrimination testing to maintain the plan's qualified status. While TPAs typically do not have fiduciary duties, their accuracy and timeliness are vital to the plan's smooth operation.

## ERISA 3(16) PLAN ADMINISTRATORS

ERISA 3(16) plan administrators are named fiduciaries responsible for all plan administrative functions, including hiring and monitoring other service providers ensuring compliance with ERISA and IRS rules, sending required notices to participants, reviewing and approving filings, and processing plan transactions like loans and distributions. Delegating these duties to a third-party 3(16) administrator can reduce the plan sponsor's administrative burden and shift some liability.

## RECORDKEEPERS

Recordkeepers maintain detailed records of participant accounts, track transactions, and provide statements to participants. They ensure that contributions are properly allocated and that account balances are accurate. Recordkeepers also facilitate participant access to their accounts through online portals and customer service. Their role is essential for transparency and participant engagement.

## CUSTODIANS

Custodians or trustees are responsible for holding the plan's assets securely. They safeguard the funds and ensure that

investment transactions are executed correctly. Custodians maintain the integrity of the plan's assets and provide regular reporting to fiduciaries.

Collaboration among these providers creates a system of checks and balances

that helps mitigate risks and ensures regulatory compliance. PEOs should carefully select and regularly review these service providers, clearly define their roles in written agreements to uphold fiduciary standards and protect plan participants.

To keep things running smoothly and reduce risk, it's a good idea to set up a retirement plan committee, create clear documents outlining responsibilities and investment choices, regularly review investments, make sure that fees are reasonable, and keep thorough records. Also, don't forget to train your team on fiduciary duties, review cybersecurity measures, and consider insurance to protect against legal claims. It's especially important to keep detailed documentation of all processes and procedures, including quarterly retirement plan committee meetings with your advisor. Oftentimes investment advisors assist with these items as part of their services.



*Collaboration among these providers creates a system of checks and balances that helps mitigate risks and ensures regulatory compliance.*

By following these steps and collaborating with the right firms, you're taking steps to help manage the 401(k) plan responsibly and protect both the company and senior management. ■



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# WASHINGTON IS TAKING NOTICE

BY CASEY M. CLARK

**A** few weeks ago, the National Taxpayer Advocate released her annual report to Congress, flagging two major challenges facing the IRS. Not coincidentally, after years of sustained engagement on Employee Retention Tax Credit (ERTC) processing delays and consistently ringing the alarm bell about the urgent need for IRS modernization—NAPEO’s priorities are of utmost concern to the IRS watchdog.

That recognition reflects the steady, coordinated advocacy of NAPEO and our members. When we speak with a clear, unified voice in Washington, regulators and policymakers listen. While there is certainly more work ahead, this acknowledgment underscores the impact our industry can have when we remain engaged and persistent.

Not to be outdone by the Taxpayer Advocate, the Government Accountability Office (GAO) recently released a report on the ERTC processing backlog (I spoke with the GAO for this report in mid-2024, so they were thorough...).

The GAO’s findings were straightforward: the IRS must communicate about the status of ERTC claims, and that reliance on paper filings significantly contributed to the delays. The report recommends meaningful investment in digitization and technology modernization at the IRS—a position NAPEO has championed for years, including our ban the fax machine campaign launched last year. Of course, the challenges surrounding ERTC claims extend well-beyond paper processing.

The confluence of these two reports, and inconsistencies between IRS claims within them and what our members are hearing, led to a NAPEO letter to IRS CEO Frank Bisignano asking for clarification.

Earlier this month, the House Ways and Means Committee held a hearing with Mr. Bisignano. I was encouraged to hear much discussion on the need to modernize the IRS, including his pledge that he is “laser focused on creating a digital IRS.” However, while reforms for the future are welcome, outdated technologies and misguided policies of

the past continue to hurt our members’ clients and PEO industry champion Rep. Kevin Hern pressed him on these issues during the hearing.

Not only do we still need answers on the flawed ERTC process, we also need to ensure the government never puts us between them and our clients again. That is why we introduced H.R. 3223 last year to clarify that liability for a payroll tax credit rests with the entity that benefits from the claim. This bill would deflect the rampant fraud that has restricted access to *actually* earned tax credits by PEO clients, and save the government billions of dollars.

We are continuing to build support for this important legislation in the House and engaging senators about introducing companion legislation in the Senate. We are also working to advance the bill through the House Ways & Means Committee—the next critical step in the legislative process.

As our industry grows, so too must our presence and influence in Washington. We cannot afford to assume that lawmakers and regulators fully understand the unique nature of the PEO relationship. It is our responsibility to ensure that policies are crafted with that understanding in mind.

The fact that two independent government agencies have now elevated the very issues NAPEO has been leading on demonstrates that our strategy is working. The opportunity before us is to build on that momentum—to ensure that policymakers proactively consider the PEO model.

I remain optimistic about the progress we have made and bullish on what’s to come as a result of our focused, collaborative work designed to improve the business and policy environment for PEOs. ■



**CASEY M. CLARK**

President & CEO  
NAPEO  
Alexandria, VA





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