WELCOME TO

#UISIDES2023

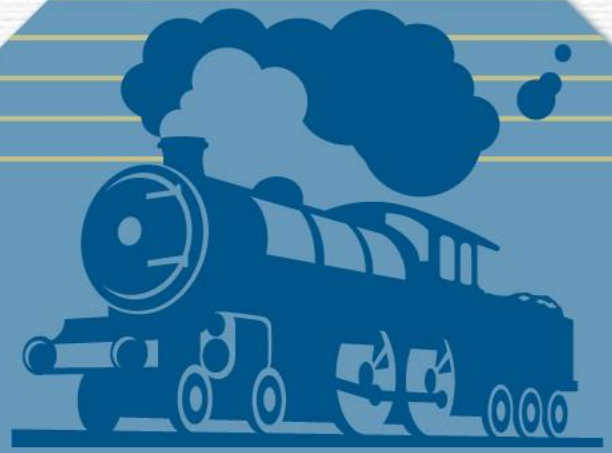
RIDING THE TRAIN TO

INTEGRITY

DESTINATION
INTEGRITY

TRAIN
SIDES

S23



2:15pm – 3:30pm
Breakout Session - PreCon

SIDES & Exchange Overview / Who are PEOs?

Julianne Zawislak, Program Specialist, NASWA

Kerri McNair, Program Assistant, NASWA

Aaron Miller, HR Business Analyst, Syndeo

Emily Duncan, Director of Client Administration, Questco

Introductions

Kerri McNair, **Program Assistant**

NASWA

Julianne Zawislak, **Program Assistant**

NASWA

Emily Duncan (CHRP), **Director of Client Administration**

Questco

Aaron Miller,
HR Business Analyst

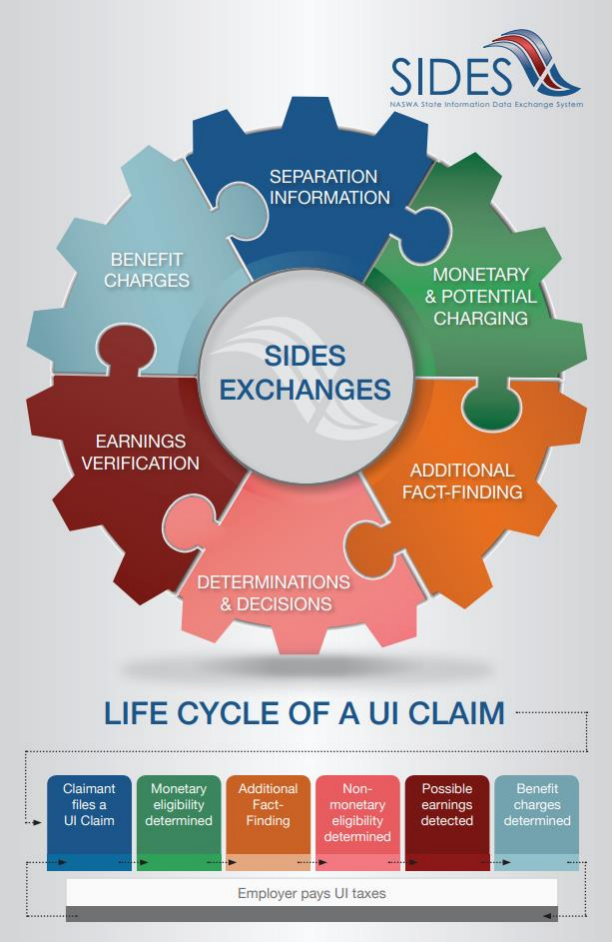
Syndeo Outsourcing

SIDES & Exchange Overview

Breakout Session

INTEGRITY23

SIDES & Exchange Overview



- The State Information Data Exchange System (SIDES) facilitates the electronic exchange of information between employers, TPAs/PEOs, and State Workforce Agencies for accurate awarding of Unemployment Insurance benefits.

- The program is funded by USDOL and was started through partnership between USDOL, NASWA, and the State Workforce Agencies

INTEGRITY23

Separation Information

Alabama
Alaska
Arizona
California
Colorado
Connecticut
District of Columbia
Delaware
Florida
Georgia
Hawaii
Iowa
Idaho
Illinois
Indiana
Kansas
Kentucky
Louisiana
Maryland
Maine
Michigan
Missouri
Mississippi
Montana
North Carolina
North Dakota
Nevada
New Hampshire
New Jersey
New Mexico
Nevada
New York
Ohio
Oklahoma
Oregon
Pennsylvania
Puerto Rico
Rhode Island
South Carolina
South Dakota
Tennessee
Texas
Utah
Virginia
Virgin Islands
Vermont
Washington
Wisconsin
West Virginia
Wyoming

Live in 50 states & territories

- 1st step in the UI Life Cycle
- Triggered by the state when a former employee files an initial claim or reopens a claim
- Notifies employer/TPA/PEO when an unemployment claim is filed
- Guides the partner through a standard format response to the Separation Information request
- Purpose:
- Benefits:
- Fields can be Required or Optional

Monetary & Potential Charges

Colorado
Delaware
Indiana
Missouri
Montana
New York
Oregon
Puerto Rico
Tennessee
Wisconsin

- 2nd step in the UI Life Cycle
- Can provide employers a "sneak peak" at the expected charges resulting from the claim
- Used when no need of additional information is expected after a response to the Separation Information request
- Notifies employer/TPA/PEO of the wages used to make a UI claim
- Allows verification of correct wages for a given claim
- The standard format allows for quick & simple responses, increasing the response rate of employers & increasing integrity

Additional Fact-Finding

Alabama
Montana
New Mexico

- 3rd step in the UI Life Cycle
- Used to gather information that may lay outside of the usual standard format
- Used to ask unique questions that can vary from state to state
- Minimizes
- The standard format minimizes delay in responses to unique questions

INTEGRITY23

Determinations & Decisions

Colorado
Delaware
Montana
Nebraska
Wisconsin

Live in 5 states

- **4th step in the UI Life Cycle**
- Written notice to all parties
- Summary of material facts
- The reasons for allowing or denying
- The conclusion or legal result (allowed or denied)
- Right of appeal
- Appeal, protest or request for redetermination (based on state law)

Earnings Verification

Alabama
Alaska
Colorado
District of Columbia
Delaware
Florida
Illinois
Maryland
Montana
North Carolina
Nebraska
Nevada
New York
Oregon
Tennessee
Virginia
Wisconsin
West Virginia

- **5th step in the UI Life Cycle**
- Crossmatch
- New Hire Registry
- Employer Wage Reports
- Benefit Payment Control/Benefit Accuracy Measurement Audits
- Claimant Education
- Tips and Leads

INTEGRITY23

Benefit Charges

- **6th step in the UI Life Cycle**
- Send monthly, quarterly or annual charging notices
- Send information securely
- Protest/Appeal the charges depending on the state law
- For Reimbursing employers, it provides the amount due to cover UI benefits.
- Postage savings

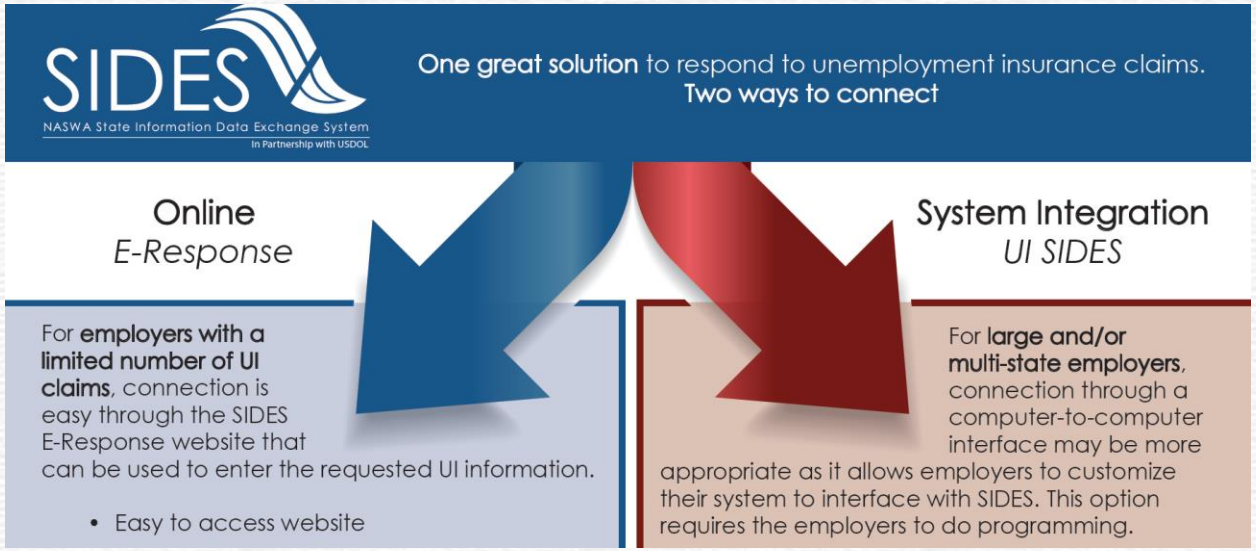
SIDES E - Response

How E-Response Works

- **For relatively small businesses**
- **Free, easy, electronic**
- **SIDES can grow with small businesses as they develop**

Why you may prefer System Integration

- Customization options are slim
- Must maintain separate login credentials for each state



Questions?

SIDES
NASWA State Information Data Exchange System
In Partnership with USDOL

Contact Information

Kerri McNair

kmcnair@naswa.org

Julianne Zawislak

whitney@naswa.org

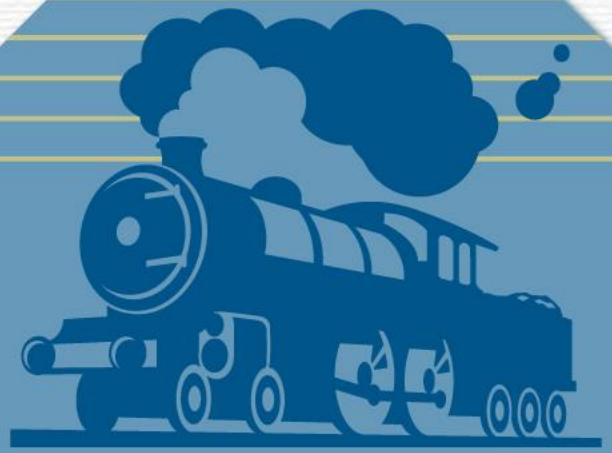
General SIDES Inbox

uisides@naswa.org

SIDES Technical Support

sides-support@naswa.org

INTEGRITY23



OPENING PLENARY SESSION

Who are PEOs

Emily Duncan, CHRP - Director, Client Administration, Questco

Aaron Miller - HR Business Analyst, Syndeo Outsourcing

QUESTCO

SYNDEO

Opening Warm-Up Discussion

Who do you work for?

Who has heard of PEOs or knows any PEOs?

Do you have any direct experience interacting with a PEO or Clients of a PEO?

Can anyone define Co-Employment?

Does anyone have questions they would like to ask a PEO?

Agenda

Defining a PEO/ ASO

- Explaining the basics of PEO / ASO
- Explaining the Client PEO / ASO relationship

Deep Dive Into PEO

- PEO Statistics
- Co-Employment Relationship Explained
- Understanding state reporting
- Unemployment Process as a PEO
- Challenges Faced in the UI process

Defining PEO / CPEO

Professional

Employer

Organization

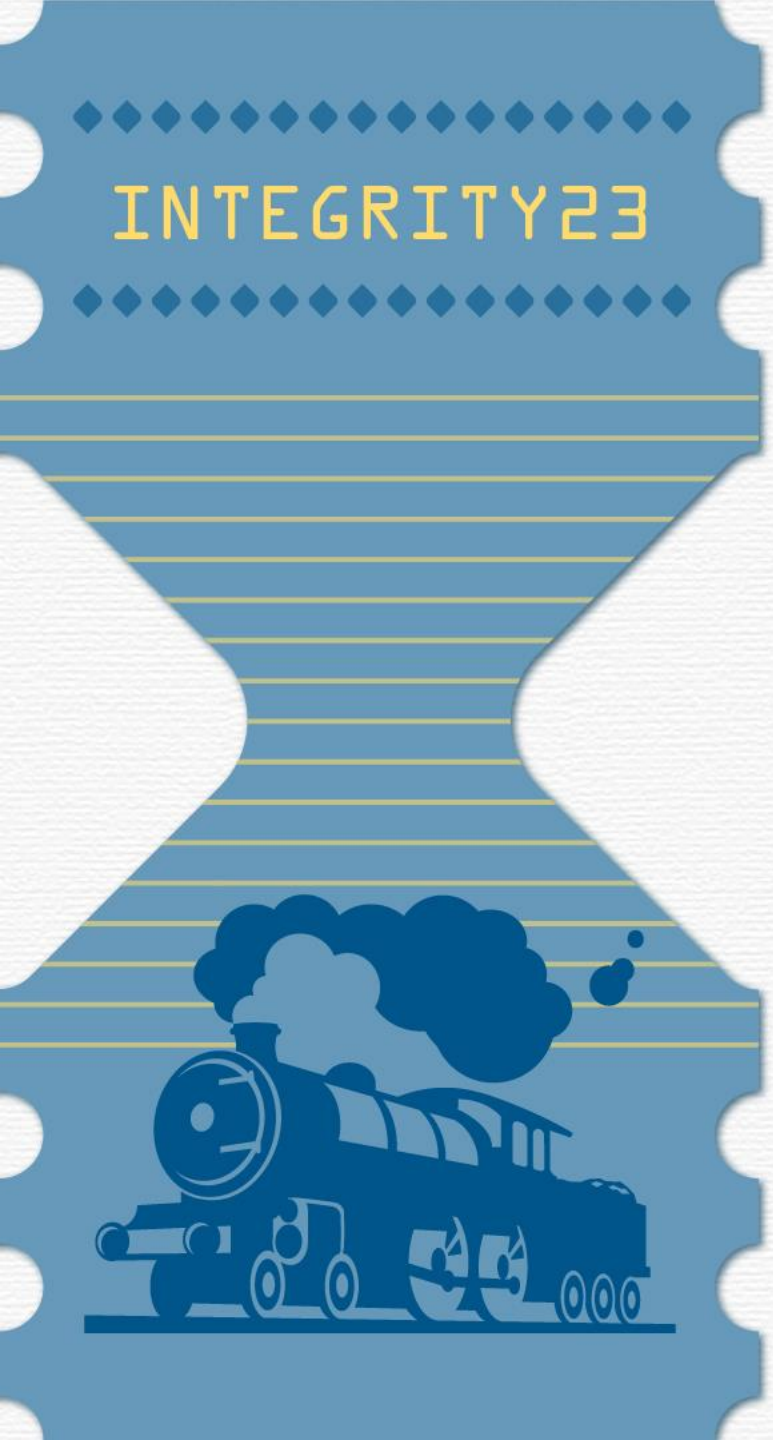
Certified

Professional

Employer

Organization

*Also referred to as HR Outsourcing



Defining ASO

A dministrative

S ervices

O nly

What does a PEO do?

A PEO partners with small and medium-sized businesses to provide comprehensive HR services, including payroll processing, benefits administration, regulatory compliance, tax filings, and more.

A PEO acts as a company's outsourced HR Department so internal teams can focus on their core responsibilities.

What does an ASO do?

An ASO partners with businesses to provide comprehensive payroll and tax services under the Client's state and federal numbers.

There is no shared employment as there is in a PEO Relationship. The Client is responsible for all aspects of employee management. UI Claims will fall on the Clients account number.

INTEGRITY23

Understanding Co-Employment

INTEGRITY23

Understanding the ASO Relationship

Any Questions?

Next Stop:
Deep Dive Into PEO

PEO Industry Statistics

There are 487 PEOs in the United States.

PEOs provide services to 173,000 small and mid-sized businesses, employing over 4 million people.

Those 173,000 clients represent 15 percent of all employers with 10 to 99 employees.

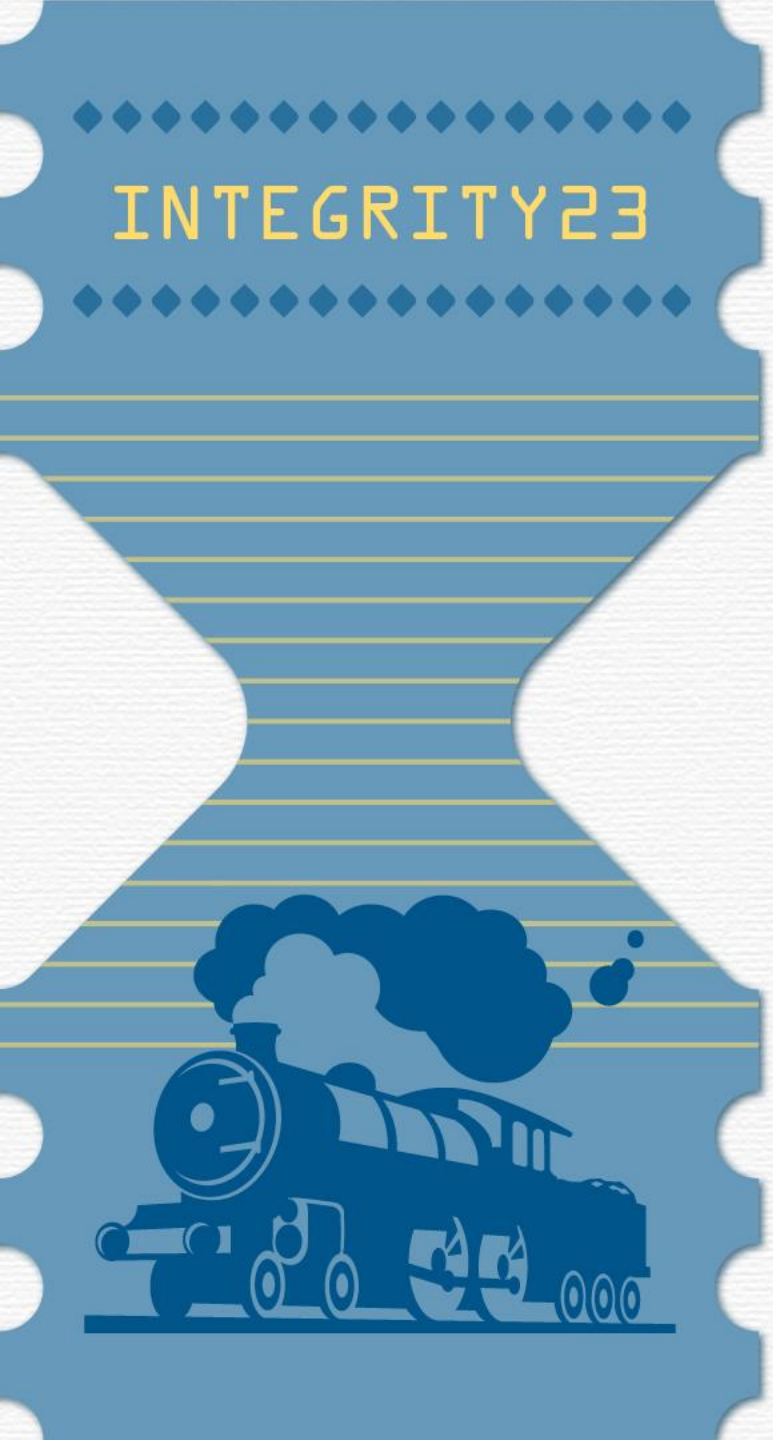
The total employment represented by the PEO industry is roughly the same as the combined number of employees for Walmart (US), Amazon, Kroger **AND** Home Depot combined.

From 2008 to 2020, the number of WSEs employed by PEOs has consistently outpaced the compounded annual growth rate of employment by 7%.

(Ref: NAPEO 2023)

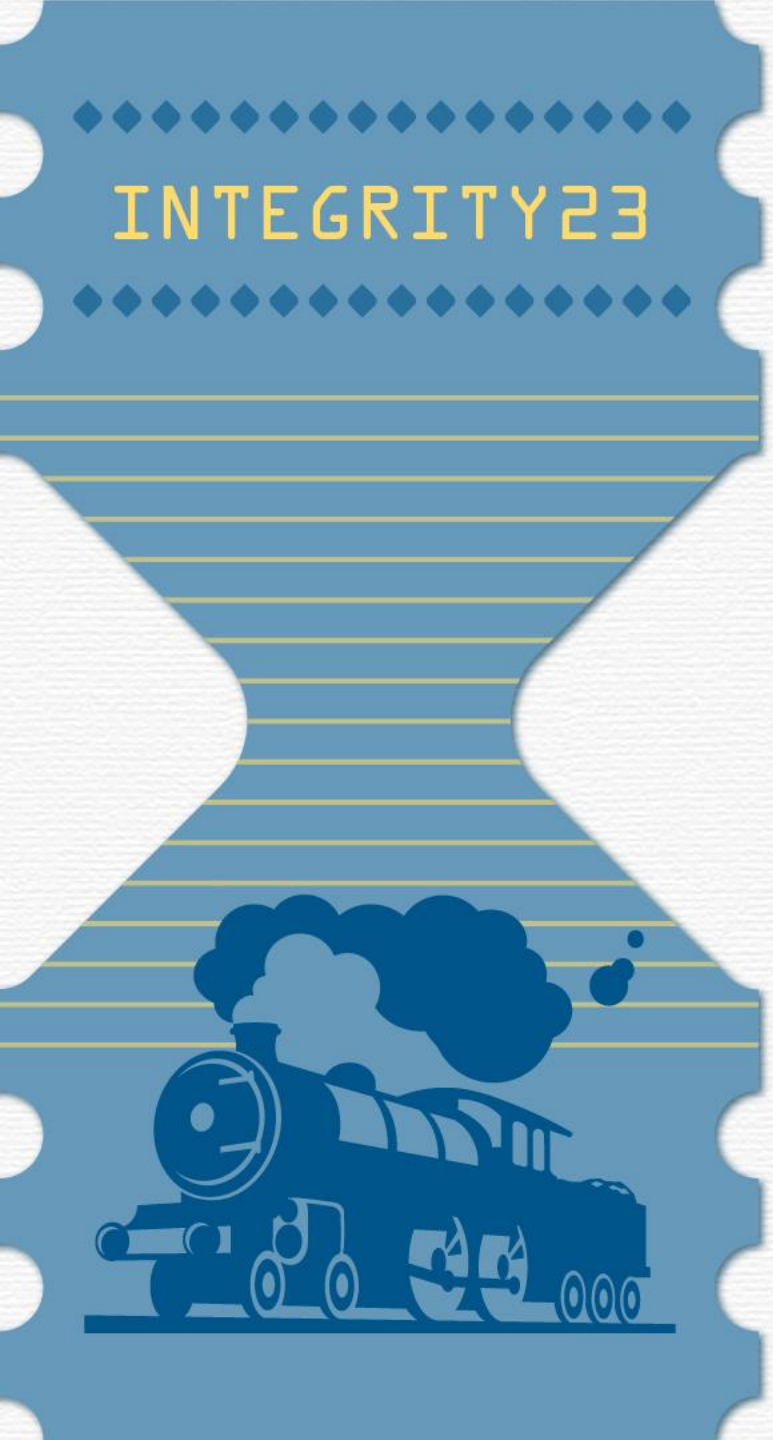
Understanding Co-Employment

- Co-Employment: When the company partners with a PEO, they are both legal employers of the workforce. However, the "client" remains responsible for the day-to-day oversight.
- A PEO helps small and medium-sized businesses provide the same employee benefits plans offered by larger companies. The PEO partner pools employees with those from other organizations to qualify for more favorable group rates from insurance providers.
- In states that recognize PEOs, the PEO is also able to assist in obtaining more favorable unemployment tax rates.



Services offered by a PEO

- Payroll Processing
- Benefits Administration
- Unemployment Administration
- Tax Services
- HR Support Services
- Workers Comp Administration



Common Misconceptions about PEO

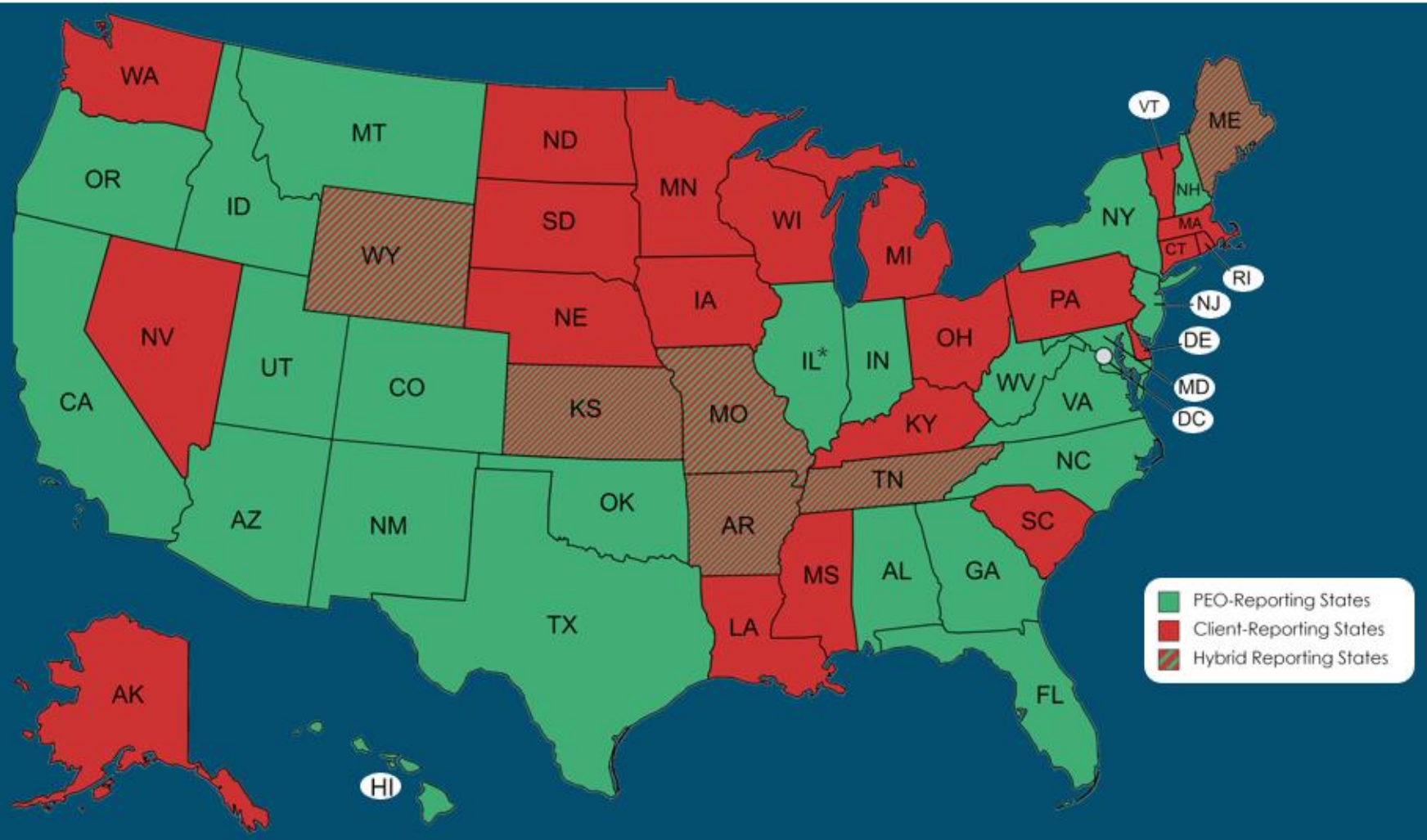
PEO's do not lease employees

Should not be compared to staffing agencies

PEO's don't administer day-to-day operations of the client and their employees

PEO's do not make hiring or firing decisions unilaterally

States by Reporting Type



State Reporting Overview

PEO Reporting States

- The PEO is the employer of record for state unemployment insurance tax and manages the filing for clients.
- Filed as an aggregate under the PEO's EIN and SUI account number, client accounts are protected.
- PEO handles all aspects of UI and tax.

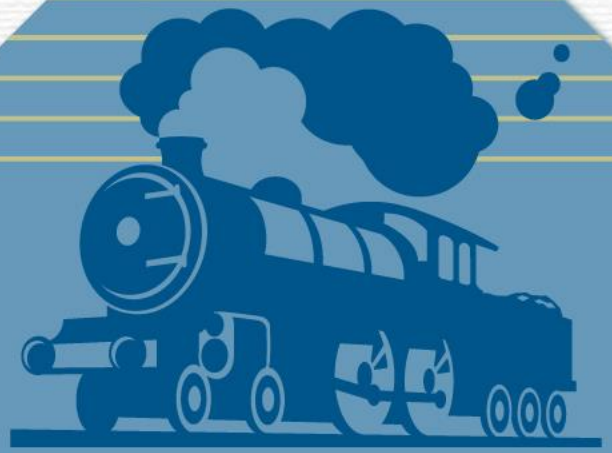
Client Reporting States

- Requires clients to file using an unemployment account that is directly tied to their EIN.
- PEO can only act as TPA or representative on UI claims.
- PEO handles tax account on behalf of client.

Hybrid Reporting States

- Requires the client to have an individual unemployment account that is associated with the PEO master account in the state.

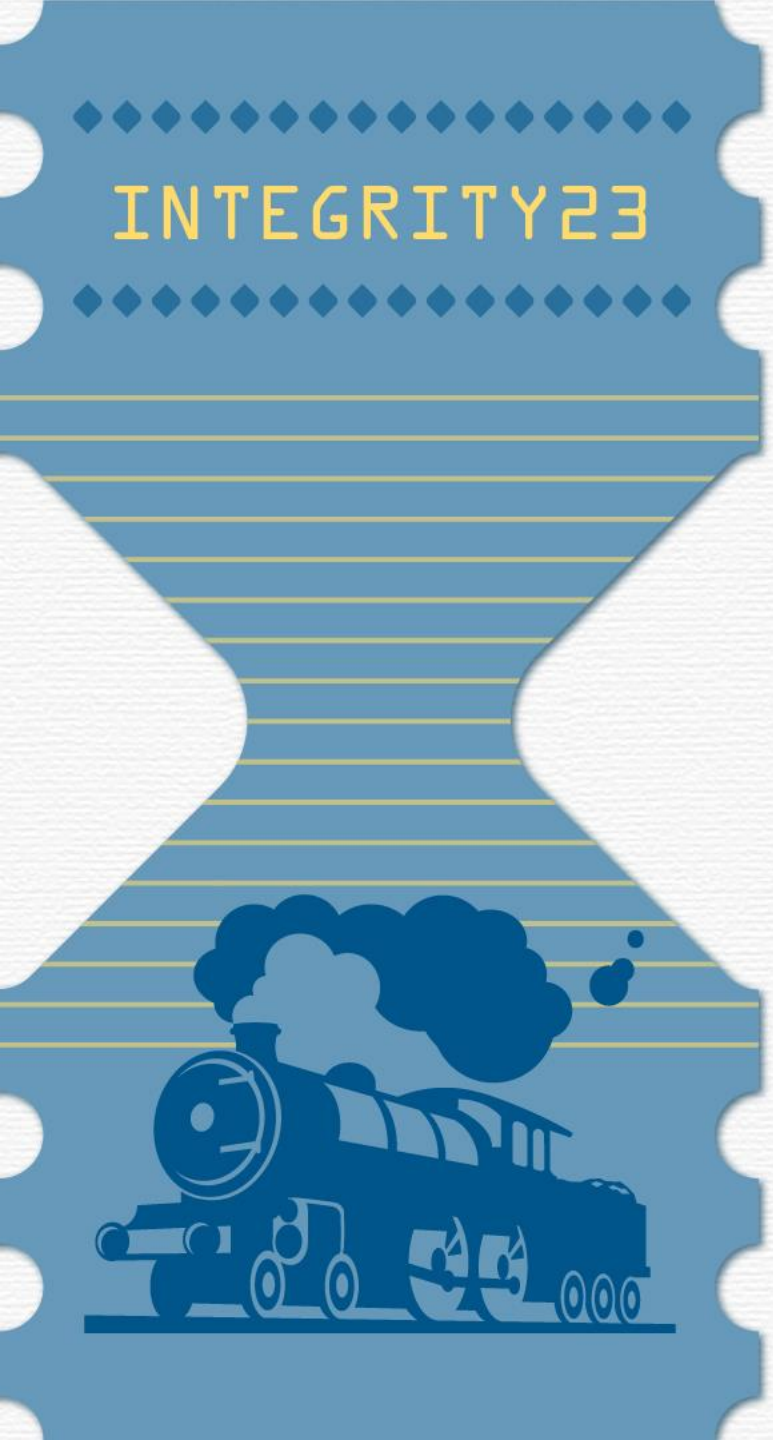
INTEGRITY23



Unemployment Process

1. Claimant Files Claim
2. PEO receives claim
3. PEO reviews information and prepares response
4. Contacts Client (if necessary)
5. PEO Prepares Response and submits
6. State contacts PEO for additional information
7. PEO reaches out to client to gather information for request
8. State makes a decision
9. PEO determines if appeal is necessary
10. PEO appeals determination and prepares documents and witnesses
11. PEO attends hearing as primary representative
12. Hearing officer makes determination

**Subject to individual state requirements*



Challenges faced in PEO Unemployment

- Response deadlines
- Client cooperation
- Minimal knowledge of PEO relationship
- Chargeback audits
- Differences in states recognizing PEO

Questions?

amiller@syndeohro.com

emily.duncan@questco.net