



# Small Business Opposes HB 4005

The National Federation of Independent Business (NFIB) and the Oregon State Chamber of Commerce (OSCC) strongly urge the House Committee on Business and Labor to oppose HB 4005. It will harm small businesses and further isolate them from important services that help them grow and make them competitive with much bigger businesses.

To our knowledge, there are thousands of small businesses – in every industry across Oregon, including non-profits and others – that partner and engage with Professional Employer Organizations (PEOs).

PEOs have operated in Oregon for 30 years. Generally speaking, PEOs are “administrative employers” that partner with small businesses to provide payroll, human resources, and employee benefits services. At their core, PEOs give small businesses the administrative resources of large corporations and allow them to focus on their core products and services.

Other valuable services offered by PEOs include compliance with federal and state employment laws, access to corporate-level large groups health and retirement benefits for small business employees, risk management services, and timely payroll and tax remittance.

HB 4005 effectively eliminates the PEO option for small businesses because the bill disallows the “co-employment” model that PEOs need in order to give small businesses economies of scale on their insurance products.

It’s important to remember that small businesses rarely have tax, payroll or human resources professionals on staff. PEOs play an essential role in filling these gaps and providing these administrative services.

Eliminating PEOs would mean that thousands of small businesses will now have to comply with state and federal tax laws and employment requirements on their own, resulting in less efficient businesses, less accurate administration of these programs, and business burnout as key principals are consumed with administrative tasks instead of core products and services.

Please don’t take away a good thing for small businesses.

**Preserve PEOs and Oppose HB 4005.**

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