

PROFESSIONAL EMPLOYER ORGANIZATION

O.S. Title 40 §600.4

(Effective November 1, 2002)

No person shall, unless the person is registered as a PEO, or PEO Group, under the Oklahoma Professional Employer Organization Recognition & Registration Act, provide, advertise, or otherwise hold itself out as providing professional employer services in this state.

What is a PEO?

A Professional Employer Organization is any person engaged in the business of providing professional employer services (service of entering into a co-employment relationship under the Oklahoma Professional Employer Organization Recognition & Registration Act, in which, except in isolated instances, all or a majority of the employers providing services to a client or to a division or work unit of client are covered employees) shall be subject to registration under the Oklahoma Professional Employer Organization Recognition & Registration Act regardless of its use of the term "Professional Employer Services", "PEO", "Staff Leasing Company", "Registered Staff Leasing Company", "Employee Leasing Company" or any other term.

What do they do?

PEO's satisfy other employer's staffing needs, on a temporary basis. The PEO can offer insurance benefits to its employees that they would not otherwise be eligible for, like a traditional employment relationship.

How are PEO's regulated?

- Annual Registration/Renewal within 180 days after the end of the PEO's first fiscal year ending after November 1, 2002
- Offer tax credits and other incentives to the PEO client
- ***Please refer to O.S. 40 §600.1-§600.8 for the Oklahoma Professional Employer Recognition & Registration Act requirements***

Required Information:

- Initial registration of \$500.00 and \$250.00 annually
- Name or names under which the PEO conducts business
- Address of each principal place
- Tax or FEI number
- All business names (each name under which the PEO has operated in the preceding five (5) years)
- Statement of ownership (listing of name or names of individuals who own 25% or more of the equity interests of the PEO)
- Statement of management (listing of any person who serves as president, CEO or otherwise senior officer)

All information shall remain **CONFIDENTIAL**

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- Audited or reviewed financial statements (GAAP): Only a PEO Group may submit combined/consolidated audited or reviewed financial statement

EACH PEO SHALL BE REGISTERED WITH THE OKLAHOMA SECRETARY OF STATE

EACH PEO SHALL MAINTAIN EITHER A MINIMUM NET WORTH OF \$50,000.00 OR PROVIDE A BOND OR SECURITIES WITH A MINIMUM MARKET VALUE OF \$50,000.00.

EACH PEO SHALL SUBMIT WITHIN 90 DAYS AFTER THE END OF EACH CALENDAR QUARTER, A STATEMENT PREPARED BY AN INDEPENDENT PUBLIC ACCOUNTANT THAT ALL APPLICABLE FEDERAL AND STATE PAYROLL TAXES FOR COVERED EMPLOYEES LOCATED IN THIS STATE WERE PAID ON A TIMELY BASIS.

Exemption:

- Initial fee of \$250.00 to request exemption, valid only for one year
- Applies to both foreign and domestic
- Must be domiciled outside of the state of Oklahoma and be licensed or registered as a PEO in another state that has the same or greater requirements as the Oklahoma employer Recognition and Registration Act, as set out in a copy of that state's laws which must be attached to the application
- Doesn't maintain an office in Oklahoma
- Doesn't have more than 25 covered employees

When does this law take effect?

November 1, 2002 and is codified in §600.4 of Title 40