

**SENATE BILL 1069**  
**PRINTER'S NO. 1235**

**SPONSOR: Sen. Browne**

An Act providing for the regulation of professional employer organizations (PEO's) and imposing duties upon the Department of Labor and Industry.

A PEO is defined as an organization providing professional employer services by entering into an ongoing co-employment relationship with a business to manage human resources matters, including: health care and other benefit plans, retirement services, Workers' Compensation and Unemployment Compensation.

A PEO will be subject to registration and regulation by the Department of Labor and Industry. Current collective bargaining agreements, existing contract terms and required Federal, State or local licensing required of the business will not be affected by the legislation.

A PEO client is entitled to exercise all rights, and is obligated to perform all duties and responsibilities otherwise applicable to an employer. The PEO is entitled to exercise only those rights and perform only those duties specifically required by the Act or set forth in the professional employer agreement.

The Department may conduct inspections and audits as necessary to enforce the Act. Records of the PEO are to be available to the Department for inspection. Violations of the Act are considered misdemeanors of the third degree. Additionally, the Department may revoke the registration of a PEO and impose an administrative penalty not to exceed \$1,000 for each violation.

Effective in 180 days.

There is currently no law that regulates PEO's in Pennsylvania. 36 other states have laws requiring PEO registration or licensure.

Todd B. Roup  
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