



**WISCONSIN AB 760 and SB 440**  
Representative Scott Newcomer & Senator Bob Wirth  
**REGULATION OF PROFESSIONAL EMPLOYER ORGANIZATIONS**

Professional Employer Organizations (PEOs) allow even the smallest employer to provide their employees with Fortune 500 class employee benefits and human resource services. PEOs provide employers with integrated services that allow them to provide and manage employee health benefits, retirement benefits, payroll, and compliance with various federal, state, and local employment requirements. These PEO-provided services allow small businesses to concentrate on the operation and job-creating side of their operations.

Workers in Wisconsin benefit because small businesses that employ them can partner with a PEO to provide important benefits, such as health insurance and retirement savings, that they may not be able to provide on their own.

Small business benefits because when they partner with a PEO, the PEO is able to provide small employers with the benefits usually found at large employers. Additionally, because a PEO is a human resources expert, the PEO will help the small business comply with sometimes confusing and burdensome employment-related rules and regulation.

This legislation provides for the basic legal framework for PEO relationships and the basic requirements to operate a PEO in Wisconsin. It also provides for statutory recognition for the important services it provides for Wisconsin employers and workers.

Major PEO requirements include:

- Requires annual registration of PEOs with the Department of Regulation and Licensing (DRL).
- Requires PEOs to maintain a minimum amount of working capital or provide a security or guarantee.
- Requires that PEOs provide DRL with audited financial statements on an annual basis.
- Gives DRL the ability to effectively and efficiently administer the legislation.

If you have any questions or would like any additional information, please feel free to visit NAPEO online at [www.napeo.org](http://www.napeo.org) or contact either:

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