

Gulfstaff LLC

SUPERIOR STAFFING SOLUTIONS

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Gulfstaff LLC represents 24 different professional employer organizations (PEOs). That means we can find the exact fit and set of solutions for your company. Check out the many benefits of working with a PEO presented here and in the side-by-side comparison chart on the last page.

What do PEOs offer your Company?

A PEO will maintain all personnel files, employee records and documentation. They will print your paychecks, W-2s, pay your employee taxes, file 941s quarterly on behalf of your company, provide workers' compensation coverage, handle your unemployment claims and many offer a full benefits package to your employees.

What is the "Co-Employment Relationship?"

Once you have been placed with a PEO, the PEO assumes many responsibilities and liabilities that go hand in hand with business ownership. They help with compliance and safety issues as well as human resources. You, as the business owner, maintain all control over your company and its employees. You are able to focus more readily on your core business (the part that is profitable) rather than all the paperwork necessary for compliance (the administrative part that is an expense).

What are the benefits of leasing?

PEO's often reduce the cost of your workers' compensation rates, many not requiring up-front deposits. Some PEOs offer enhanced benefit programs and retirement plans that small to medium-sized companies have difficulty implementing. They offer human resource assistance so you and your employees can focus on building your business to its fullest potential rather than dealing with compliance issues that are sometimes difficult to understand and always time consuming.

How should I choose a PEO?

We have already gone through this time-consuming process for you! We only deal with nationally qualified PEO partners. However if you as an employer want to do this you need to check with each PEO that you are considering and make sure that they offer the services and coverages needed for your business's success. Not all PEOs have multi-state capabilities. Quotes from leasing companies are based on several factors including number of employees, annual payroll, industry, years in business and claims experience under workers' compensation. We have already done the research and know which PEO can accommodate your needs and requirements. We will place your business with the most qualified PEO that can handle your needs based on the factors above.

What is the minimum weekly payroll that I can run?

Each leasing company that we work with has different requirements. Your industry and state(s) you operate in or have employees in determines where you are placed. Payroll requirements per week range from as little as \$600 depending on where you are placed.

What is the required number of employees I can run?

In our small contractor's program (minimum \$600 per week), as little as one employee may be run through the system. With higher risk or hard to place business needing multi-state coverage, five employees meeting the \$3,000 per week requirement would be needed. Many other scenarios exist. Contact us and find out what we can do for your company.

I'm a contractor, what if I get "rained out" and cannot run payroll for a week?

Most leasing companies will allow you to skip a payroll here and there as long as you put in writing to the leasing company the reason why you are not running payroll. You will be charged a "service fee" for the non-payroll period (usually ranging from \$75-\$150) to keep your coverage in force. If the leasing company sees a pattern of missed payrolls, you could be canceled.

When we're signed on with the leasing company, what is the process for running payroll?

Every week you contact the leasing company with the number of hours each employee has worked for the week. The leasing company will contact you with a total amount due to collect your payroll. You either wire the money to your leasing company or pay the Fed Ex™ driver upon delivery of your payroll.

How are child support deductions handled?

The leasing company will require a copy of the court order and will then set up payroll deductions to cover the payment. They (the leasing company) will then forward payment to the courts on the employee's behalf.

May I run myself, as the owner, through payroll but be workers' comp exempt?

No. Only owners of the workers' compensation policy are eligible for exemption. The owner of the leasing company is the owner of the policy in a leasing arrangement.

I'm a General Contractor. How do I cover my subcontractors through leasing?

Your subcontractors would need to be "converted" to employees and run through the payroll system of the leasing company, paying taxes as well as workers' compensation fees. Or, we could set them up through the small contractors' program if they can meet the \$600 week requirement (wages must be customary with 40 hour weeks).

How much of a down payment is required?

Set-up fees may or may not be required, depending on which leasing company or program you are under. Set up fees, when required, generally run between \$300 - \$1,000. Down payments are not required. Workers' compensation is on a "pay-as-you-go" basis, paying your workers' comp fees every pay period to the leasing company.

When will certificates be issued to my builders?

Certificates will be released upon payment of the first payroll. They are usually released within 48 hours of payment/request. Some leasing companies will release certificates early (before a payroll has actually been run) with an additional non-refundable deposit paid to the leasing company (usually \$1,000).

How soon after I sign up can I run payroll?

The leasing company requires that the completed package (contract, required set up fees, employee applications) must be in their hands before your employees can start accruing time through their company. Therefore, it takes one week for the process to be complete and you call in your first payroll.

Why should I sign with a leasing company opposed to a stand-alone policy?

When you sign with a leasing company, many times you will get a discount off the state rate for Workers' compensation with only a small set-up fee required (if required at all) instead of an up-front payment of +/-20% of the annual premium through a stand-alone policy.

What does the leasing company do for me?

The leasing company will maintain your workers' comp coverage, print your payroll checks, pay your payroll taxes, file 941's quarterly on your behalf, print W-2's, pay your child support deductions, as act as a human resource department for your employees.

Common misconceptions of leasing companies

Leasing companies do not maintain control over your company. They are contracted to keep you in compliance with the government for payroll issues and make sure that you receive workers' compensation coverage for your employees while supplying you with payroll services.

You maintain control over your day-to-day operations, hiring and firing, business decisions, management/supervision. Leasing companies are here to allow you to run your business while they worry about the rest.

Questions About Benefits (which are optional)

These are examples. Rules vary by provider.

What is the minimum # of employees to participate in a group plan?

Four through BCBS, Aetna, Humana, Pacific Life and three through United Health Care.

What is the participation requirement?

75% of all eligible employees must enroll – those with other coverage do not count against participation (i.e., 10 total employees, 2 have other coverage – you must have 75% of the remaining 8 to qualify).

What is the contribution requirement?

50% of the employee rate through BCBS, Pacific Life, United Health Care and 75% through Aetna.

Can my premiums be pre-taxed?

Yes. We can set you up on a pre-tax program or if you elect AFLAC, you may utilize their pre-tax program at no cost to you.

What's the difference between an HMO and PPO?

An HMO contracts with hospitals and providers/pharmacists to charge a contracted price for products/services at a discounted rate. This allows you to pay a lower premium and fewer out-of-pocket expenses. You must only go to a participating provider and when going to a specialist, you must first get an approval and referral from your primary care physician. A PPO allows you to go outside their network for a reduced paid benefit (i.e., the patients out-of-pocket cost might be 20% when going to a participating provider, but when going out of the network, the patient would pay 30% or 40% out of pocket). With a PPO, the benefits would still be paid, only at a reduced rate. An HMO would pay nothing towards a claim that was from a non-participating provider.

Can you cover multi-state accounts?

Yes, depending on the group size.

Why should I get a stand-alone benefits policy as opposed to participating in my leasing company's plan (if applicable)?

You maintain control of your stand-alone policy. It is issued in your name. Only your group of employees affects your rates. If you participate with a leasing company's plan and something happens to your relationship with your leasing company, you are not only looking for comp coverage in a hurry, but benefits as well (hopefully without a lapse). You are also going to feel the "sting" of annual renewals that is based on the leasing company's total employee base and usage of the benefits.

What is a 401(k) plan?

It is a retirement plan that is payroll deducted on a pre-tax basis. This can be matched by the employer or have employee participation only. It reduces your taxable income by the amount deferred to an investment account. It is a great retention tool for loyal employees especially when there is an employer matching contribution. Once employment ends, the account can be "rolled over" into another group qualified plan with no tax ramifications. Early withdrawals are possible with penalties and early withdrawal fees prior to age 59½. While your money is in the accounts chosen, it continues to grow tax free until withdrawal or retirement.

Side-by-Side Comparison

(Without & With PEO Services)

Your company before using a PEO

| Supervision | Payroll | Employer Taxes | Insurance / Benefits | Human Resources |
|----------------------|-------------------------------|---------------------|-----------------------------------|--------------------------|
| Pay Negotiation | Compute Pay | FICA | Workers' Compensation Insurance | New Hire Processing |
| Management Reports | Payroll Checks | FUTA | Risk Management Programs | I-9, W-4 applications |
| HR Compliance Issues | Compute Federal & Local Taxes | Federal Withholding | OSHA Compliance | Legal Hiring Compliance |
| Departmental Costs | Reconcile Accounts | State Unemployment | Provider & Carrier Selection | Unemployment Claims Mgmt |
| Recruiting | Compute Medicare | 941 | Claims Management | Discharge Notices |
| Turnover | Tax Lien & Garnishments | 941a | WC / Payroll Audits | Wage & Hour Compliance |
| New Hire Screening | Track the following: | W-4s | Safety Program Manuals | Hiring & Firing |
| Employee Evaluations | Vacations | W-2s | Group Health Insurance (PPO, HMO) | Staff Training |
| Termination | Sick Pay | I-9s | Life & Dental Insurance | - |
| Warning Notices | Benefits Eligibility Dates | IRS Audits | Flexible Spending Accounts | - |
| - | Probationary Periods | Tax Deposits | COBRA & ERISA Compliance | - |
| - | Child Support Payments | - | Section 125 (401K) Administration | - |
| - | - | - | Plan Enrollment & Termination | - |

Your company after using a PEO

| Supervision | Payroll | Employer Taxes | Insurance / Benefits | Human Resources |
|-----------------|--------------|----------------|----------------------|-----------------|
| Pay Negotiation | Report Hours | - | - | Hiring & Firing |
| Warning Notices | - | - | - | Staff Training |