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**The National Association of Professional Employer Organizations (NAPEO)
Statement for the Record**

**The Honorable Joseline Pena-Melnyk, Chair, House Health and Government Operations
Committee**

Hearing on House Bill 827 February 15, 2024

Submitted February 13, 2024

Letter of Information – House Bill 827

The National Association of Professional Employer Organizations (NAPEO) thanks Chair Pena-Melnyk, Delegate Qi and the members of the House Health and Government Operations Committee for the opportunity to provide comments on House Bill 827 under consideration by the Committee.

The following is being provided for informational purposes.

NAPEO is the voice of the PEO industry. Professional employer organizations (PEOs) provide human resource services to small and mid-size businesses—paying wages and taxes under the PEO's EIN, offering workers' compensation and risk management services, and providing compliance assistance with employment-related rules and regulations.

PEOs are champions for their small business clients and their employees. Through a PEO, the employees of small businesses gain access to Fortune 500-level employee benefits such as: health insurance, dental and vision care, life insurance, retirement savings plans, job counseling, adoption assistance, educational assistance and other benefits. And, by providing payroll, HR and compliance assistance services, PEOs allow small businesses to focus on their core mission, improve productivity and profitability, and grow.

There are almost 500 PEOs located throughout the United States that provide payroll, benefits, risk management, regulatory compliance assistance and other HR services to nearly 200,000 small and mid-size businesses employing 4.5 million people. Approximately 17 percent of businesses with between 10 and 99 employees' partner with a PEO.

If NAPEO can provide additional information to the committee that would be helpful, please contact our legislative advocate in Annapolis, Caitlin McDonough.

Thank you again for the opportunity to provide comments on HB 827.