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March 4, 2026

Senator Pamela Beidle  
Chair, Senate Finance Committee  
3 East Miller Senate Office Building  
Annapolis, MD 21401

**RE: Written Testimony in SUPPORT of SB 0779, “Better Small Business  
Employee Benefit Act of 2026”**

Dear Chair Beidle and Members of the Senate Finance Committee:

Thank you for the opportunity to provide comments on legislation under consideration by the Senate Finance Committee, Senate Bill 0779. On behalf of the National Association of Professional Employer Organizations (NAPEO), I am writing to express our support for this legislation.

NAPEO is the voice of the PEO industry. Across the U.S., PEOs provide services to 200,000 small and mid-sized businesses, employing 4.5 million people. 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 help business owners save time by taking administrative and HR related tasks off their plates, allowing them to focus on the success of their businesses.

In Maryland, more than 1,800 businesses and approximately 39,600 employees partner with a PEO. Through a PEO, the employees of small businesses gain access to robust big business employee benefits such as: 401(k) plans; health, dental, life, and other benefits they might not typically receive as employees of a small company. However, in Maryland, PEOs cannot provide small businesses under 50 employees with access to these robust health benefits. Maryland is just one of three states that prohibits small businesses (those that meet the definition of “small employer” under state law, which in Maryland means those with fewer than 50 employees) from allowing their employees access to a PEO’s fully-insured health plan.

NAPEO supports this legislation as it will align Maryland with the 47 other states that allow PEOs to offer large group health plans to the worksite employees of small business clients (regardless of client size), expanding access to more stable, comprehensive coverage options. At a time when small employers continue to face rising costs and limited plan choices, this reform would provide Maryland’s small businesses and their employees with an important additional pathway to more affordable, robust health benefits.



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NAPEO appreciates the Committee's consideration of SB 0779 and respectfully urges its support to ensure the small businesses in Maryland can access the full suite of services that the PEO industry has to offer, and access robust health insurance policies and coverages that they otherwise would not have access to. If you should have any additional questions, please feel free to contact me at [ksnider@napeo.org](mailto:ksnider@napeo.org).

Thank you for the opportunity to provide comments and once **again ask you to support SB 0779.**

Sincerely,

A handwritten signature in black ink, appearing to read "Kaleb Snider". The signature is stylized and fluid, with a large, sweeping flourish at the end.

Kaleb Snider  
Director, State Government Affairs  
NAPEO