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March 17, 2026

Delegate Heather Bagnall  
Chair, House Health Committee  
241 Taylor House Office Building  
Annapolis, MD 21401

**RE: Written Testimony in SUPPORT of HB 1472, “Better Small Business Employee Benefit Act of 2026”**

Dear Chair Bagnall and Members of the House Health Committee:

Thank you for the opportunity to provide comments on legislation under consideration by the House Health Committee, House Bill 1472. 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. In addition, many PEOs provide HR technology systems and access to 401(k) plans, health, dental, and life insurance, dependent care, and other benefits. In doing so, PEOs help businesses take care of employees by enabling them to offer Fortune 500-level benefits at an affordable cost and providing access to experienced HR professionals. PEOs also help business owners and executives save time by taking administrative and HR related tasks off their plates, allowing them to focus on the success of their businesses.

The PEO industry has a significant presence in Maryland with approximately seventeen-hundred client companies. Through a PEO, the employees of small businesses gain access to 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, we cannot provide small businesses under 50 employees with access to these robust health benefits.

I support this legislation that would 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 HB 1472 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 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 HB 1472.**

Sincerely,

A handwritten signature in black ink, appearing to read "Kaleb Snider". The signature is stylized and fluid, with a long horizontal stroke extending to the right.

Kaleb Snider  
Director, State Government Affairs  
NAPEO