

April 15, 1999

**H 1247. PROFESSIONAL EMPLOYER ORGANIZATIONS. *RECOGNIZING PROFESSIONAL EMPLOYER ORGANIZATIONS AND ESTABLISHING MINIMUM STANDARDS FOR SUCH ORGANIZATIONS.*** Adds new Article 5C to GS Ch. 95 regulating cited organizations. Defines such organization as a person who provides employee services pursuant to a professional employer arrangement or who represents himself or herself as doing so. Defines professional employer arrangement as one where organization assigns worker to a client and both organization and client share responsibilities for worker. Exempts labor organizations under federal law and federal and state agencies. Sets as minimum standards that organization provide written contract with client. Contract must provide that organization reserves right to direct and control workers, subject to clients need to direct workers to get work done, must specify that organization assumes responsibility for withholding taxes and employee benefits, must provide workers with notice of nature of relationship between organization and client, and make it clear that organization pays worker wages, employment taxes and secure worker's compensation for workers. Specifies that both organization and client are employer for purposes of coverage under worker's compensation act. Provides detailed rules for allocating liability for insurance, bonds, etc. Makes it clear that unemployment insurance for worker assigned to nonprofit or gov't client must be paid by client and provides detailed allocation of responsibility for private clients. Does not exempt any worker from licensing or registration requirements.

**Intro. by Cansler.**

Ref. to Small Business

GS 95