

Why companies need to rely on a PEO during COVID-19

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Besides struggling to remain afloat, the biggest challenge that businesses are facing during the COVID-19 pandemic is how to maintain employee safety and productivity. The HR challenges brought on by the coronavirus have never been witnessed before, which means that no one really knows which employee policies and support will bear the best results. That is why companies need to rely on PEOs to navigate the coming months of uncertainty.

What is a PEO?

In simple terms, a professional employer organization (PEO) is an organization that takes care of human resource responsibilities and liabilities on behalf of an employer, so that the employer can focus fully on the core aspects of their business. Some of the responsibilities that PEOs cover include employee benefits, employment benefits, and workers' compensation. They are typically co-employers to the people who work for you (your employees).

With that in mind, why does your company need to rely on the services of a PEO during COVID-19?

1. They have the experience and infrastructure to handle the fast-changing demands of COVID-19. Reputable PEOs have all-in-one HR platforms, up-to-date tech tools, and the needed experience to navigate the murky employment waters that coronavirus has precipitated. They are like a seasoned HR manager who not only understands all employment metrics, but can also help you interpret data accurately, no matter how fast it changes.

Note that data is only as valuable as the minds that evaluate it and eventually act on it. If your business is about to be hit hard by the consumer behavior changes caused by the coronavirus, a good PEO will know early enough and initiate the right protocols to cushion your employees and your business. If there are any government interventions that your business could benefit from, such as tax reduction or subsidies, the PEO will help you reap optimal benefits.

2. They can subsidize your workers' compensation. Being co-employers means that in case your business is affected by a pandemic like the one we are experiencing at the moment, a PEO will chip in through their workers' compensation [insurance program](#). They will take care of part of your employees' compensation, and if you need to fire some workers as a result of the prevailing economic hardships, they will help you comply with all employment laws.

3. Help with employees' contract termination. According to the federal Worker Adjustment and Retraining Notification (WARN) Act, in case of any planned layoffs, employers should give employees a 60 days' advance notice. Violating this requirement can result in huge financial and legal implications, which can easily cripple your business. As larger layoffs and furloughs continue with the prolonged pandemic, you can't rule out layoffs in your company. As a matter of fact, coronavirus-induced layoffs are coming so suddenly and dramatically that you are sometimes forced to terminate a large group of employees without getting time to follow the due process. You will save yourself all the trouble by contacting a PEO, first, to help you.

4. Covering part of healthcare costs. PEOs cover your employees with healthcare insurance so that you don't have to incur huge costs in case one of your employees contracts COVID-19. A PEO can take care of up to \$2,500 of any healthcare costs that could arise at your workplace. This means that if your business employs 20 people, more than \$50,000 will be saved. Remember that the Affordable Care Act (ACA) stipulates that employers must provide health care plans for their workers. You need all the help you can get to keep your employees safe and healthy at a time when illness and death seems so real.

5. PEOs find new employees. If you have an essential services company, you are probably looking to add new talent to your team. You need new blood to help with the increased workload of delivering products to people who are quarantined or self-isolated at home. The process of posting jobs, sorting through resumes, interviewing applicants, and orienting successful applicants is long, tedious, and costly – even without coronavirus looming around.

Now, with everyone stuck at home and having the urgency that you need new employees, you can bet that the recruitment process has never been a bigger headache. Save yourself that headache by involving a PEO in the process. Let them do all the heavy lifting for you.

Consider your strategy

The HR challenges presented by COVID-19 are too massive to handle alone. If your company values its employees, it's best that you incorporate a PEO in your COVID-19 strategy. A PEO's ability to drive and support strong business decisions is invaluable during these trying times.