

Complementary Value of ESAC Accreditation and IRS Certification

Who's covered	ESAC	IRS
All clients and employees of all PEO entities under common ownership control	✓	
IRS-Qualified Work Site Employees at Qualified Customer Work Sites of a certified PEO entity		✓
Independent verification of PEO's payment	ESAC	IRS
Federal employment taxes	✓	✓
State employment taxes	✓	
Retirement plan contributions	✓	
Health insurance premiums	✓	
Workers' compensation premiums	✓	
Additional requirements	ESAC	IRS
Controlling person background check	✓	✓
Annual audited financial statements	✓	✓
Quarterly independent verification of financial standards for all PEO entities under common ownership control	✓	
Verification of licensing/registration in all states of operation	✓	
Verification of compliance with over 40 important PEO financial, ethical and operational standards	✓	
PEO regulatory advantages	ESAC	IRS
Certification and bonding accepted in lieu of all or part of state PEO registration/licensing requirements in most states	✓	
ESAC's eCal and eFile facilitate information management and compliance reporting for ESAC accreditation, IRS certification and state licensing	✓	
Provides certified PEO with statutory employer status for purposes of federal employment taxes for Qualified Customer Work Sites		✓
Clarifies otherwise qualified Customer eligibility for federal tax credits specified in IRC §3511(d)(2)		✓
Eliminates by statute Customer's federal payroll tax liability for Qualified Work Site Employees		✓
Surety bond amounts and coverage	ESAC	IRS
ESAC bond amount \$250K to \$1M per PEO depending on PEO size plus \$15M excess bond	✓	
IRS bond amount \$50K to \$1M per PEO depending on PEO size		✓
Federal employment taxes	✓	✓
State and local employment taxes	✓	
Contributions to retirement plans	✓	
Insurance premiums (medical, dental, vision, disability, life, workers' compensation)	✓	
Employee wages	✓	



Reliability starts here

For more information, contact Employer Services Assurance Corporation at 501.219.2045