

HB 2400 -- PROFESSIONAL EMPLOYER ORGANIZATIONS

SPONSOR: Houx

COMMITTEE ACTION: Voted "Do Pass by Consent" by the Standing Committee on Pensions by a vote of 11 to 0.

This bill provides that both a client and a registered professional employer organization (PEO) shall each be deemed an employer for purposes of sponsoring retirement and welfare benefits plans for covered employees. A fully insured welfare benefit plan sponsored by a registered PEO for the benefit of its covered employees shall be treated for the purposes of state law as a single employer welfare benefit plan. For purposes of sponsoring welfare benefit plans for its eligible covered employees, a registered PEO shall be considered the employer of all of its eligible covered employees, and all eligible covered employees of one or more clients participating in a health benefit plan sponsored by a registered PEO shall be considered employees of such registered PEO.

This bill is similar to SB 904 (2022).

PROPONENTS: Supporters say that professional employer organizations have existed in the state for 25 years and that they allow small businesses to take advantage of better pricing. This language will put into statute the current best business practices and allow the PEO to offer business solutions and benefits to small businesses in the state.

Testifying for the bill were Representative Houx; Adp, Inc; and National Association Of Professional Employer Organizations.

Written testimony has been submitted for this bill. The full written testimony can be found under Testimony on the bill page on the House website.