

March 15, 2007

**Clarification of Professional Employer Organizations (PEOs)**

There has been some concern regarding how to handle Job Orders for Employer Leasing Companies, or PEOs. These companies might be mistaken for temporary staffing agencies. A recent example includes Tradesman International.

Tradesman pays all taxes, provides all paychecks and benefits, and they share supervision duties with the work site employers. Additionally, employment with Tradesmen is permanent, meaning that the job site may occasionally change, but employment status with Tradesman does not change. An analogy with Per Mar Security company can be drawn. Per Mar Security hires security guards and assigns them work at various sites much in the same way as Tradesman.

Tradesman International is a Professional Employer Organization (PEO) pursuant to Job Order Policy #A16. To comply with this policy, each Tradesman job order should be coded for the construction business, have the EA icon, and the correct mandatory PEO statement. Job order staff will also need to obtain the work site company name.

Previously the Tradesman company description included the phrase "unlike other temporary agencies." This has caused confusion and has triggered complaints from temporary staffing agencies alleging that Tradesman was not being treated the same. Employment at Tradesman is not temporary and that phrase should be removed from their job orders.

There remains a concern about the 150 day benchmark (in policy #A16). The policy requires temporary staffing coding if the job is less than 150 days. Job order staff will need to ask this question for each job order and determine how to proceed.

As usual, the issue of work site versus recruitment area may arise. Job order staff need to ask for each job order where the work sites are located and enter that data into JobNet accordingly.

If you have any questions, please contact Catherine Manakas at 608-266-1303 or [Catherine.Manakas@dwd.state.wi.us](mailto:Catherine.Manakas@dwd.state.wi.us).

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