

IRS Certification

Certified Professional Employer Organization (CPEO)

Savvy business owners recognize the value of selecting business partners who voluntarily meet high government requirements and industry standards. When selecting a Professional Employer Organization (PEO), they short list PEOs that are certified by the Internal Revenue Service (IRS) and accredited by the Employer Services Assurance Corporation (ESAC).

CERTIFIED PEOs ARE RECOGNIZED BY THE FEDERAL GOVERNMENT

When it became law in 2014, the Small Business Efficiency Act (SBEA) became a historic milestone for the PEO industry by providing federal recognition of PEOs that voluntarily become certified by the IRS. Federal tax law gives CPEOs clear statutory authority to collect and remit federal employment taxes under their Employer Identification Number for wages paid to worksite employees.

The first CPEO designations were announced by the IRS on June 1, 2017. The effective date for this select group of CPEOs is January 1, 2017.

LESS THAN 3% OF U.S. PEOs ARE CERTIFIED PEOs*

To qualify for IRS certification, PEOs must meet specific tax compliance, background, experience, business location, independent financial review reporting, bonding, and other requirements.

To maintain certification status, CPEOs must maintain specific records and provide the IRS with ongoing independent financial review reporting. Additionally, CPEOs must post a bond each year guaranteeing payment of federal employment tax liabilities.

CERTIFIED PEOs OFFER REGULATORY CERTAINTY NOT AVAILABLE THROUGH NON-CERTIFIED PEOs

In addition to greater peace of mind, only CPEOs can offer businesses federal regulatory certainty for:

- Collection and remittance of federal employment taxes for wages paid to worksite employees.
- Freedom to choose the best time of year to start PEO service, such as on the anniversary of their health insurance plan, without double taxation of FICA and FUTA.
- Continued eligibility for specified federal tax credits.

LEARN MORE

Our CPEO designation, in combination with our ESAC accreditation, gives our clients confidence that we are one of a select group of PEOs who have met the highest standards set by the U.S. government and the PEO industry's financial assurance program.

To learn more about why Extensis is your best PEO choice, contact us today.

EXTENSIS IS ONE OF THE FIRST CPEOs

On June 1, 2017, the IRS named Extensis as one of the first PEOs to meet U.S. government requirements to become a Certified Professional Employer Organization, effective January 1, 2017.

Our CPEO designation is another important measure of our commitment to the highest business standards.

EXTENSIS IS ONE OF 5% OF ALL PEOs ACCREDITED BY ESAC

This significant accreditation points to our financial reliability and compliance with important industry financial, ethical, and operational standards.



About Extensis

We promise to simplify HR. Extensis, one of the largest Professional Employment Organizations (PEOs) in the U.S. and the fastest growing PEO in the Northeast, delivers on this promise every day. Our comprehensive portfolio includes personalized services for HR, benefit plans, payroll and taxes, employer risk, compliance, and employee management. Extensis is one of five percent of PEOs accredited by the Employer Services Assurance Corporation (ESAC), the nationally recognized gold standard for PEO reliability and financial assurance. Extensis is one of the first PEOs to be designated a Certified Professional Employer Organization (CPEO) by the IRS.

*On June 1, 2017, when the IRS announced the first Certified Professional Employer Organization designations less than three percent of U.S. PEOs were named.

The IRS does not endorse any particular certified professional employer organization. For more information on certified professional employer organizations go to www.IRS.gov.