

How CPEhr can help you Maintain & Expand your book of business

More and more brokers are running into a new competitor that is often in constant contact with their customer base and often quite effective in taking away the broker's business. The most significant challenger is ADP's Total Source but there are many similar companies.

Your customers are being offered a more comprehensive solution than you currently offer....one combining benefits with all other aspects of a company's employee administration needs: labor law compliance (including employee handbooks, job descriptions, progressive discipline...), payroll, risk management, employee training, EPLI coverage, etc.

How would you respond if today, a customer or prospect asks if you offer a similar, turnkey solution?

Now you can fight fire with fire and offer both your traditional benefits-oriented solution as well as a complete employee administration solution.

Please feel free to call me with any questions on ways you can both hold on to your existing customer base....as well as potentially expand it.

Thank you.

Preston Gould
Senior Business Consultant



9000 Sunset Boulevard, Suite 900, West Hollywood, CA 90069
Phone: 310.270.9865 | Mobile: 818.292-4435:
e-mail: pgould@cpehr.com website: www.cpehr.com

Phone approach:

If you wish to:

protect your bottom line from the complexities and potential costs of labor law compliance & access more affordable workers' comp and large group benefit pricing,

...then let's find a time to talk about ways to keep your employees happy and your bottom line safe!

Elevator Speech:

CPEhr provides a customized program that combines all components of Human Resources –

Workers' compensation

Benefits

Payroll

HR Administration

Liabilitys

Safety---- into one, coordinated*, cost effective program.

We level the playing field with larger companies by providing Fortune 500-caliber human resources to small & medium sized businesses.

*Example: we don't just cut payroll checks, we ensure that employees are properly classified as exempt/non-exempt to avoid labor problems down the line.

Let's talk about how we can either become or *complement* your current human resource efforts to keep your employees happy and your bottom line safe.

Questions to ask:

- Who at *ABC* handles Human Resources?
 - What else do they do?
 - How do you stay current with labor laws affecting *ABC*?
- Have you already outsourced your payroll (to ADP/Paychex...)
 - Are you happy with that decision? (typically "Yes!")
 - § Why? ("I'm not in the payroll business/they can do it better & faster"...)
- Who do you turn to for guidance with labor issues (discipline/termination/dispute...)?
- What is your primary concern as pertains to being an employer today?

Bad Fit:

Illegal and like it
Small group with major medical problems
Won't consider changing payroll vendor
Don't care about their employees
Like multiple vendors

Good fit:

Want to contain costs
Appreciate their employees (seen as key to success)
Had any experience with disgruntled employees
Growing company ready to take business to next level
Want to focus on growing business not administration
Out-of-state compliance

Sample Service Fees

Fees are based on total employee count and are billed on a per-payroll basis. Fees include all the services listed below, but do not include employee benefit premiums, employer state and federal taxes or Workers' Compensation insurance premiums.

Sample Cost Analysis:

20 Employee Business	Estimated Annual Costs	50 Employee Business	Estimated Annual Costs
Payroll Processing	\$4,000	Payroll Processing	\$6,500
Legal Fees	\$2,000	Legal Fees	\$5,000
Benefits premium reduction	\$4,200	Benefits premium reduction	\$8,500
401(k)/5500 filing fees/benefits administration	\$2,500	401(k)/5500 filing fees/benefits administration	\$5,000
EPL Insurance	\$5,000	EPL Insurance	\$10,000
Workers' Comp premium reduction	\$5,000	Workers' Comp premium reduction	\$10,000
Safety/OSHA Compliance	\$2,000	Safety/OSHA Compliance	\$5,000
Training	\$1,500	Training	\$2,500
Employment Administration	\$10,000	Employment Administration	\$30,000
Total	\$36,200	Total	\$82,500
CPEhr Service Fees	\$24,000	CPEhr Service Fees	\$51,000
Savings	\$12,200	Savings	\$31,500

Soft dollar savings, although more difficult to quantify, significantly affect your bottom line. Some of the hidden costs we've been able to save our clients include:

- expenses due to fraudulent workers' comp claims or poor safety practices
- payment of unnecessary meal period penalties
- mistakes arising from lack of synchronization between multiple service providers
- avoidable employee claims to governmental agencies (i.e. wage & hour, discrimination, harassment, unemployment)
- savings from audits of workers' compensation, benefits and taxes including inadequate deductions for employees' benefit contributions

Service fee includes:

HUMAN RESOURCES MANAGEMENT:

- HR consulting to assist in compliance with applicable federal, state, and local laws and ordinances including immigration, meals and breaks and wage and hour law
- 24/7 access to employee and payroll data, and reports
- Employee Handbooks and Policy Manuals
- Employment Forms
- EDD unemployment claims management, investigations & audits
- Employee Records Administration assistance
- Assistance with New Hires and Terminations
- On-Site Management Training including Sexual Harassment

WORKERS' COMPENSATION MANAGEMENT:

- Injury and Illness Prevention Plan
- Workers' Compensation Claims Management and Tracking Included
- Strategies to Mitigate Losses after Injury
- Safety Program Implementation and Assistance

PAYROLL ADMINISTRATION:

- Payroll Processing and Delivery
- Payroll Tax Service
- Preparing and filing Federal 941 and State Unemployment Tax returns

EMPLOYEE BENEFIT PLANS:

- Procurement and Benefit Plans Rollout
- Administration of CPE HR plans, including:
Major Medical Benefits, Dental, Vision, Life and Disability Insurance
and 401(k) Plan
- Cafeteria 125 Plan, including administration and 5500 filing
- Credit Union and Supplemental Plans

Producers

PACKAGE #1 – Areas 1-4 (All)	Average Administration Fee*	Incentive to Producer
TIER 1 5-10 employees	\$127 per employee per month, \$750 start up fee	8% of benefits premium + *\$300 Year 1 8% of benefits premium + \$750 Year 2 8% of benefits premium + \$1,000 Year 3+
TIER 2 11-25 employees	\$106 per employee per month, \$1,250 start-up fee	8% of benefits premium + *\$350 Year 1 8% of benefits premium + \$1,000 Year 2 8% of benefits premium + \$1,250 Year 3+
TIER 3 26-35 employees	\$85 per employee per month, \$1,500 start-up fee	8% of benefits premium + *\$600 Year 1 8% of benefits premium + \$1,250 Year 2 8% of benefits premium + \$1,500 Year 3+
TIER 4 35-50 employees	\$64 per employee per month, \$1,750 start-up fee	8% of benefits premium + *\$850 Year 1 8% of benefits premium + \$1,500 Year 2 8% of benefits premium + \$1,750 Year 3+

*One time annual fee payable 20th of the month following sign-up or renewal of group

PACKAGE #2 – Areas 1-3 Only	Administration Fee*	Incentive to Producer
TIER 1 5-10 employees	\$106 per employee per month, \$750 start up fee	7% of benefits premium + *\$300 Year 1 7% of benefits premium + \$750 Year 2 7 % of benefits premium + \$1,000 Year 3+
TIER 2 11-25 employees	\$85 per employee per month, \$1,250 start-up fee	7% of benefits premium + *\$350 Year 1 7% of benefits premium + \$1,000 Year 2 7 % of benefits premium + \$1,250 Year 3+
TIER 3 26-35 employees	\$64 per employee per month, \$1,500 start-up fee	7% of benefits premium + *\$600 Year 1 7% of benefits premium + \$1,250 Year 2 7 % of benefits premium + \$1,500 Year 3+
TIER 4 35-50 employees	\$51 per employee per month, \$1,750 start-up fee	7% of benefits premium + *\$850 Year 1 7% of benefits premium + \$1,500 Year 2 7% of benefits premium + \$1,750 Year 3+

* Saving offsets may include payroll service; EPLI premiums; 401k, attorney, training fees,...
As pricing can fluctuate based on individual needs of the client, get CPEhr involved for the most competitive pricing.

Preston A. Gould
310-270-9865
CPEhr
9000 Sunset Blvd. #900
West Hollywood, Ca. 90069

	AREA 1 Human Resources	AREA 2 Payroll Administration	AREA 3 Benefits Administration	AREA 4 Workers' Compensation & Risk Management
Primary concerns for a small business (5-50 employees)	<ul style="list-style-type: none"> Employee Relation Issues Assist with implementation of procedures that are compliant with State and Federal law Assistance with complex HR issues Reducing current Attorney's fees related to employment Mitigate exposure to potential labor related lawsuits Management Training & Development 	<ul style="list-style-type: none"> Assistance in the administration of exempt vs. non-exempt employees Payroll processing and tax administration Online access to payroll and HR data Garnishment administration Payroll bank reconciliation 	<ul style="list-style-type: none"> Procurement and Administration of "Fortune 500 Style" employee benefit programs Reconciliation of benefit bills and handling of audits Access to Flexible Spending Accounts to give employees pre-tax savings Access to a 401K plan with minimal annual fees Attracting and retaining employees by providing benefits only available to large employers 	<ul style="list-style-type: none"> Employment Practices Liability Insurance Assistance with loss prevention strategies and ergonomics training Assistance with OSHA compliance and record keeping Assistance with claims administration and investigations Assistance with annual carrier audit & renewal
Services Included	<ul style="list-style-type: none"> Sexual Harassment Training for Supervisors Management Training series for Management and Employees at client site Employee Handbook Assistance with Job Descriptions and Performance Reviews Unemployment claims administration Assistance with state and federal compliance issues Consultation for HR employee relation issues including disciplinary action and termination Recruiting 	<ul style="list-style-type: none"> Payroll processing and delivery of checks Vacation & Sick accrual administration Direct deposit of payroll Access to online reports and data Government payroll audits Quarterly and Year end tax reporting W4s and W2s Tracking of employment related data 	<ul style="list-style-type: none"> Plan design and implementation Annual Open Enrollment Meetings and monthly administration of newly eligible employees COBRA Administration Invoice reconciliation and deduction administration Form 5500 401K administration for coordination of audit & testing 	<ul style="list-style-type: none"> Development & implementation of IIPP Access to Safety experts that can assist with loss prevention strategies and training for employees Assistance in the reduction of experience mod. rate Workers' Compensation claims review – including problem claim review meetings with client and carrier Loss Control visits
Benefits to Client	Client has access to Human Resources professionals that can guide them in the handling of employee relations issues and ensure client is compliant under the areas of state and federal law. Clients have a partner that shares liability with them under a co-employment relationship.	Clients are guided to ensure employees are paid on time that they are paid under the law of state and federal guidelines. Pay stubs are in compliance, as well as accrual policies and administration.	The client no longer needs to worry about reconciling a bill, coordinating with the carriers for adds or deletes, manage newly eligibles, manage the COBRA process for terminated employees, worry about the Open Enrollment process, or about explaining benefits to employees. CPEhr will do it all!	CPEhr partners with clients to reduce current risk and appropriately manage existing claims. Clients benefit from prevention & pro-active measures that will reduce future costs in the area of workers' compensation.
Benefits to Client Employees	CPEhr ensures that employees are informed state and federal regulations that affect their employment such as FMLA, CAFMLA, Workers' Compensation, Unemployment, Pregnancy Leave, and Employment related Policies.	CPEhr ensures that employees are paid accurately and on time. Payroll representatives are available to answer questions regarding employees' checks. Employees can have access to their payroll data online.	Employees have access to a dedicated Benefits Specialist that will answer any questions regarding the plans offered, assist with qualified event changes, and research specific care questions with the carrier.	CPEhr works diligently to provide modified duty to employees for a quick return to work program. Specialists are available to guide employees regarding their rights under workers' compensation & assist in the coordination of care with medical providers.

Who is the right fit for these services?

- Anyone wanting three key things:
1. More time to focus on their core business
 2. To reduce labor law liabilities
 3. To attract, retain, train, and improve their staff at the same level as a large firm

Do you need to sign up for all areas?

No. A client can just choose areas 1-3 only. Area 4 is an option. Under area 4, clients can have access to CPEhr's workers' compensation insurance or maintain their own insurance. **The workers' comp policy must include both the client company and CPEhr as Named Insureds.**

CPEhr Service Models

CPEhr offers three services models: Professional Employer Outsourcing, Human Resources Partnering, and Human Resources Outsourcing.

Model #1 – Professional Employer Organization (PEO)

PEO is a bundled solution under a co-employment relationship, that allows for shared employee liability. CPEhr becomes the “employer of record”, which offers the client access to economies of scale under various insurance products. The client remains the “managing employer” and controls all aspects of the day-to-day operations. Clients are covered under an Employment Practices Liability Insurance policy and are assigned a team of experts that service all aspects of Human Resources including: labor law compliance, training, payroll, safety and benefits administration. This model may provide for significant cost savings in operating expenses.

Model #2 – Human Resources Partnering (HRP)

HRP is an un-bundled solution without the co-employment arrangement, where clients have the flexibility of keeping their own employee benefits and workers’ compensation insurance. Like the PEO solution, Clients are assigned a team of experts that service all aspects of Human Resources. The services are tailored to the client’s specific needs and all human resources documentation is customized.

Model #3 – Human Resources Outsourcing (HRO)

HRO is our second un-bundled solution without the co-employment arrangement. Under this model, a dedicated or on-site Human Resources expert is assigned to handle any aspect of Human Resources requested by the client including: labor law compliance, onsite orientations, onsite employee relations and liaison between management and staff. Payroll services are not included but all other services are available. This model allows clients to choose the amount of dedicated time, focus and strategic support required for their particular business needs.