

“National Surety Leader”



SURETY ONE

Email: Underwriting@SuretyOne.org | Facsimile: 919-834-7039 | Mail: P.O. Box 37284, Raleigh, NC 27627

**PROFESSIONAL EMPLOYER ORGANIZATION
SURETY BOND REQUIREMENTS
EMPLOYEE LEASING COMPANY SURETY BOND REQUIREMENTS
(PEO LICENSE SURETY BOND)**

STATE-BY-STATE SURETY BOND REQUIREMENTS

We have compiled this PEO surety bond information as a convenience to you, our clients. Laws, regulations, and the requirements for licensing change, therefore while we endeavor to give you timely, accurate information, we cannot guarantee that the professional employer organization bond amounts herein are or will remain the same.

Alabama Professional Employer Organization Surety Bond

The Director of the Department of Labor sets by administrative rule the financial requirements and or PEO surety bond requirements for registration. In order to determine net worth and other ratios, the director may require a registrant to provided financial statements prepared by certified public accountant to review or audit standards. An applicant may register his/her PEO online at <https://labor.alabama.gov/wc/peo/PEO1.aspx>. The address for submission of registration materials is as follows:

Alabama Department of Labor

Professional Employer Organization Surety Bonds / Registration

649 Monroe Street

Montgomery, AL 36131

Arkansas Professional Employer Organization Surety Bond

Pursuant to Arkansas Statute §23-92-414 and administrative rule, a licensee must provide a PEO surety bond in the amount of \$100,000. The surety bond obligation is only a guarantee of compliance with the licensing statute. The PEO applicant must also provide an Unemployment Security surety bond to protect a client from joint liability for SUI taxes. The address for submission of registration materials and contact information is as follows:

<http://www.insurance.arkansas.gov/peo.htm>

Arkansas Insurance Department

Professional Employer Organization Surety Bonds / Registration

1200 W. Third Street

Little Rock, AR 72201

Arizona Professional Employer Organization Surety Bond

The registrant must provide a surety bond in the amount of one hundred thousand dollars (\$100,000). ARS 23-569 requires that the surety bond be issued to the secretary of state in order to secure the payment of all taxes, wages, benefits or other entitlements including amounts expended by the industrial commission's special fund under section 23-907 that are due to be paid by the professional employer organization with respect to covered employees. NOTE: Pursuant to HB2002 passed by the Fifty-first Legislature, First Special Session, Professional Employer Organization registration compliance will be delayed until June 30, 2023. Registration materials and contact information are as follows:

<http://www.azsos.gov/>

Arizona Secretary of State

Arizona Professional Employer Organization Surety Bond & Registration

1700 W. Washington Street, Fl. 7

Phoenix, AZ 85007-2808

California Professional Employer Organization Surety Bond

The current PEO requirements, pursuant to Chapter 6. Division of Labor Standards Enforcement, Subchapter 8. Garment Manufacturers; §13633. Registration of Employee Leasing Companies and Temporary Agencies, appears to regulate ONLY those PEOs involved in the garment industry. Applicants should contact the Secretary of State for accurate registration requirements. A PEO participating in the regulated sector must provide workers' compensation insurance there If the PEO chooses to self-insure then a surety bond must be posted in the amount of 125% of the private insurer's future liability. In no event may the surety bond be less than \$200,000.

Connecticut Professional Employer Organization Surety Bond

A PEO must maintain a minimum of one hundred fifty thousand dollars (\$150,000) in working capital, as defined by generally accepted accounting principles, evidenced by the financial statements submitted to the Labor Department with the initial registration and each annual renewal. A professional employer organization or PEO group with less than one hundred fifty thousand dollars in working capital is given one hundred eighty days to eliminate the deficiency. A PEO surety bond of at least one hundred fifty thousand dollars (\$150,000) must be posted and guarantee payment by the PEO of all taxes, wages, benefits or other entitlement due to or with respect to covered employees, if the professional employer organization does not make such payments when due. If the PEO's annual financial statement do not indicate positive working capital, the amount of the bond shall be one hundred thousand dollars PLUS an amount sufficient to cover the deficit in working capital. Bond and registration documents should be submitted as follows:

Connecticut Labor Department

Connecticut Professional Employer Organization Surety Bond

200 Folly Brook Boulevard
Wethersfield, CT 06109

Delaware Professional Employer Organization Surety Bond

Currently there is no requirement for a PEO to carry a surety bond. Under current Department of Labor rules professional employer organizations are not considered "employing units". The "employer client company" is responsible for reporting the gross wages of its leased employees to the Division of Unemployment Insurance.

Florida Professional Employer Organization Surety Bond

An applicant for an initial employee leasing company license must demonstrate an accounting net worth of not less than \$50,000. Any deficiency must be made up of a letter of credit or surety bond acceptable to the board in sufficient amount to offset any such deficiency. The financial assurance will not be acceptable to satisfy the requirement unless the applicant submits sufficient evidence to satisfy the board that the guarantor has adequate resources to satisfy the obligation of the guaranty. A licensed surety company appears to meet the requirement. Application materials should be submitted to:

Florida Division of Professions

Board of Employee Leasing Companies (**Professional Employer Organization Surety Bonds**)

1940 North Monroe Street

Tallahassee, FL 32399-0783

Georgia Professional Employer Organization Surety Bond

All PEO applicants must post a \$10,000 surety bond to cover unemployment insurance exposures. If the PEO's taxable annual payroll exceeds \$370,370, then the bond must be 2.70% of said payroll. The surety bonding company must be licensed by the Commissioner of Insurance of the State of Georgia. The PEO surety bond must be renewed annually and the bond penalty adjusted in appropriate proportion to the amount of taxable payroll. The amount of the surety bond can be reduced to \$5,000 if the principal has accumulated two quarters of SU1 experience rating in Georgia, has positive reserve, and submits a monthly prepayment of SU1 contributions. The bond and application materials should be submitted as follows:

Georgia Business Regulation Division

Georgia Professional Employer Organization Surety Bond

2 MLK, Jr. Dr.

Suite 313, Floyd West Tower

Atlanta, GA 30334-1530

Hawaii Professional Employer Organization Surety Bond

Hawaii Revised Statutes (HRS), Chapter 373L, amended by the Hawaii State Legislature in 2013, requires that every professional employer organization (PEO) register with the Department of Labor and Industrial Relations (DLIR) prior to entering into any professional employer agreement within the State. Registration includes the submission of payroll information, an Internal Revenue Service (W-3) and a surety bond based on a sliding scale described in Hawaii Revised Statutes Chapter 373-L. Bond and registration materials should be submitted as follows:

Hawaii Department of Labor and Industrial Relations
Hawaii Professional Employer Organization Bond
830 Punchbowl Street, Room 209
Honolulu, HI 96813

Idaho Professional Employer Organization Surety Bond

There is currently no licensing requirement for PEOs or uniform bonding requirements. The PEO must only conform to the Idaho PEO Act to be recognized as such. If the PEO OR the client is a “government contractor” and the contract is valued at \$1,000 or more then the firm must provide a **professional employer organization bond** to cover the SUI (state unemployment insurance) liability.

Illinois Professional Employer Organization Surety Bond

There is no current requirement for bonding of professional employer organizations however PEO firms are defined in Illinois Code, Revenue Chapter (35 ILCS 25/) Small Business Job Creation Tax Credit Act, which includes PEOs in the state assistance program designed to stimulate small business employment.

Indiana Professional Employer Organization Surety Bond

Indiana statute requires appropriate registration of all PEOs. In addition to a complete application the registrant must also provide a CPA audited financial statement for those applicants having one year or more of ongoing operations or a reviewed financial statement for those PEOs without at least twelve months of operations. The statement must evident appropriate working capital or the PEO may offer a professional employer organization surety bond with an aggregate value in an amount that is at least sufficient to eliminate the PEO's negative working capital plus one hundred thousand dollars (\$100,000). PEO registration materials and surety bond should be directed to:

Indiana Department of Insurance (Financial Services Division)

Indiana Professional Employer Organization Surety Bond

311 W. Washington Street, Suite 300

Indianapolis, IN 46204-2787

Iowa Professional Employer Organization Surety Bond

Currently there is no requirement for a PEO to carry a surety bond. There are however important compliance requirements. IOWA SENATE STUDY BILL 1172, creates new Code chapter 94B that recognizes professional employer organizations. The bill defines a "professional employer organization" as a person that enters into a written contract with a client to coemploy all or a majority of the client's employees. Review the Iowa Legislature's website for updates.

Kansas Professional Employer Organization Surety Bond

Currently there is no requirement for a PEO to carry a surety bond. There is a statute to which all PEOs must conform and special financial responsibility rules for non-profit organizations. "Professional employer organization" means any person engaged in providing the services of employees pursuant to one or more professional employer arrangements or any person that represents itself to the public as providing services pursuant to a professional employer arrangement.

Kentucky Professional Employer Organization Surety Bond

Currently there is no requirement for a PEO to carry a surety bond.

Louisiana Professional Employer Organization Surety Bond

A surety bond is not “required” of a PEO however Louisiana law states that a PEO client carriers parallel liability for reporting and payment requirements for unemployment taxes unless the PEO posts and maintains a **surety bond** issued by a corporate surety authorized to do business in the state in the amount of one hundred thousand dollars (\$100,000) to ensure prompt payment of contributions, interest, and penalties for which the PEO is or may become liable. After three years the PEO bond is adjusted in accordance with rules promulgated by the Louisiana Workforce Commission. Registration and bond paperwork should be submitted as follows:

Louisiana Workforce Commission, Tax Liability and Adjudication Unit

Louisiana Professional Employer Organization Surety Bond

P.O. Box 94186

Baton Rouge, Louisiana 70804-9186

Maine Professional Employer Organization Surety Bond

Currently there is no requirement for a PEO to carry a surety bond however payroll processors must carry one unless exempt.

Michigan Professional Employer Organization Surety Bond

As of September 1, 2012, Michigan statute 338.3735 requires each PEO or PEO group to submit to the department evidence of and maintain a minimum of one hundred thousand dollars (\$100,000) in positive working capital under generally accepted accounting principles (GAAP). The working capital require or any deficiency may be remedied by the posting of a PEO surety bond. The bond must be in a form acceptable to the state and guarantee the payment by the PEO of all taxes, wages, benefits, or other entitlements due to, or regarding, covered employees, if the PEO or PEO group does not make those payments when due. For any PEO or PEO group whose annual financial statements do not indicate positive working capital, the surety bond must be in the amount of \$100,000.00 PLUS an amount sufficient to cover the deficit in working capital. Bond paperwork and application materials may be submitted as follows:

Corporations, Securities & Commercial Licensing Bureau

Michigan Professional Employer Organization Surety Bond

P.O. Box 30018

Lansing, MI 48909

Minnesota Professional Employer Organization Surety Bond

Currently there is no absolute requirement for PEOs to provide financial assurance however under the law if the PEO provides 50% or more of a client's workers, the PEO is liable for payments of all unemployment tax, penalties, interest, and collection costs that become due from wages unpaid unless the PEO provides a surety bond to guarantee payments.

Mississippi Professional Employer Organization Surety Bond

Currently there is no requirement for a PEO to carry a surety bond however the legislature has introduced bills regulating the industry in the past. Check <http://www.legislature.ms.gov/Pages/default.aspx> for updates.

Missouri Professional Employer Organization Surety Bond

A formal registration or license is not required however Missouri Department of Labor Rules prevail. Under the Employment Security Law, a “lessor employing unit” may post a surety bond to ensure the timely payment of contributions, payments in lieu of contributions, interest, penalties, and surcharges for which the unit may be or become liable. The PEO bond must be posted in an equivalent amount to the contributions or payments or \$100,000, whichever is greater. While the requirement seems to be voluntarily, failure to provide the surety bond activates dual tax return filing and joint/several liability for contributions on both the PEO and the client. Surety bond paperwork should be submitted as follows:

Missouri Division of Employment Security
Missouri Professional Employer Organization Surety Bond
421 E. Dunklin Street
Jefferson City, MO 65104

Montana Professional Employer Organization Surety Bond

Montana law requires a PEO to maintain a specific “net worth” AND demonstrate positive working capital. If a the PEO is unable to meet the net worth requirement the it must provide to the Department of Labor and Industry a surety bond acceptable to the Department in an amount of not less than \$50,000 to cover the deficiency. If after having received a license a PEO defaults in paying wages or payroll-related taxes or in meeting any liability arising pursuant to Title 39, chapter 71 of the licensing statute, the PEO surety bond may be used to meet those obligations. Bond documents and applications should be submitted to:

Department of Labor and Industry (Employment Relations Div.)
Montana Professional Employer Organization Surety Bond
1805 Prospect Avenue
Helena, MT 59601

Nebraska Professional Employer Organization Surety Bond

Chapter 48 of the Nebraska Statutes require registration and a PEO bond from all applicants. Positive working capital of at least one hundred thousand dollars at the time of initial registration and each renewal thereafter as reflected in the financial statements submitted to the Department of Labor with the initial registration and each annual. If the positive working capital of the of the PEO is less than one hundred thousand dollars, a PEO surety bond must be posted in an amount of not less than one hundred thousand dollars (\$100,000), or if the PEO's financial statement reflects a deficit in working capital, the registrant must provide a surety bond in an amount that is not less than one hundred thousand dollars PLUS an amount that is sufficient to cover that deficit. Bond documents and applications should be submitted to:

Nebraska Department of Labor

Nebraska Professional Employer Organization Surety Bond

550 South 16th Street

Lincoln, NE 68508

Nevada Professional Employer Organization Surety Bond

A professional employer organization is defined as an "employee leasing company" by statute. Registration of the PEO/ELC requires the filing of a current financial statement prepared to GAAP standards. The statement must indicate that the ELC has positive working capital during the period covered by the financial statement or be accompanied by a PEO surety bond in an amount equaling the maximum deficiency in working capital for the period covered by the financial statement PLUS one hundred thousand dollars (\$100,000). The surety's obligation guarantees payment by the PEO/ELC of all taxes, wages, benefits or other entitlements payable by the applicant. Application and surety bonds are submitted as follows:

Nevada Division of Industrial Relations

Nevada Professional Employer Organization Surety Bond

1301 North Green Valley Parkway, Suite 200

Henderson, Nevada 89074

New Hampshire Professional Employer Organization Surety Bond

A professional employer organization is defined as an “employee leasing company” under New Hampshire law. A PEO/ELC must submit an audited financial statement prepared by an independent certified public accountant in accordance with generally accepted accounting principles. Such statement must demonstrate a minimum working capital of one hundred thousand dollars (\$100,000). Alternatively and on approval by the Commissioner of Labor, provide a PEO surety bond in the amount of one hundred thousand dollars (\$100,000). For any ELC whose annual financial statements do not indicate positive working capital, the amount of the surety bond must be \$100,000 PLUS an amount sufficient to cover the deficit in working capital. Surety bonds and license application materials are submitted as follows:

New Hampshire Department of Labor, Employee Leasing

New Hampshire Professional Employer Organization Surety Bond

95 Pleasant Street

Concord, NH 03301

New Jersey Professional Employer Organization Surety Bond

Professional employer organizations are referred to as “employee leasing companies” or groups. State law P.L. 2011, Chapter 118, which amends the Employee Leasing Law P.L. 2001, c.260 and effective August 19, 2012, requires audited financial statements submitted initially and annually from every PEO. The statement must show a positive working capital. This is a change from the previous provision of a minimum NEW WORTH of \$100,000. Employee leasing companies (PEOs) that do not meet the working capital requirement may submit a PEO surety bond in an amount necessary to achieve a positive working capital plus up to one hundred thousand dollars (\$100,000). PEO surety bonds and application materials must be submitted to:

NJLWD, Division of Employer Accounts

New Jersey Professional Employer Organization Surety Bond

P.O. Box 910

Trenton, NJ 08625-0910

New Mexico Professional Employer Organization Surety Bond

Among other insurance requirements, a New Mexico employee leasing organization surety bond is required in the amount of one hundred thousand dollars (\$100,000). The obligation guarantees that the PEO will comply with the applicable statutes of the State of New Mexico and all rules and orders of the Regulation and Licensing Department applicable to Employee Leasing companies. The bond form may be downloaded from the state site at <http://www.rld.state.nm.us>, and submitted as follows:

New Mexico Department of Regulation & Licensing

New Mexico employee leasing organization surety bond

2550 Cerrillos Road

Santa Fe, NM 87505

New York Professional Employer Organization Surety Bond

According to the Department of Labor, the New York Professional Employer Act requires registration professional employer organizations (PEOs). A registrant must prove a minimum net worth of \$75,000 and annual evidence of the same... In lieu of net worth the Department may require the organization to post a PEO surety bond with a minimum value of \$75,000 to guarantee the payment of taxes, benefits or other entitlements to a worksite employee if required. The surety bond and registration materials should be submitted to:

New York Division of Labor Standards

New York Professional Employer Organization Surety Bond

State Campus, Building 12

Albany, NY 12240

North Carolina Professional Employer Organization Surety Bond

Licensing of a Professional Employer Organization, or “PEO” is handled by the North Carolina Department of Insurance. The North Carolina professional employer organization surety bond is required “initially” in the amount of one hundred thousand dollars (\$100,000) however an applicant whose current assets do not exceed current liabilities pursuant to G.S. 58-89A-60(b) is required to provide additional financial assurance. The surety bond obligation guarantees that the PEO will fulfill all financial obligations and liabilities under Chapter 58, Article 89A. Surety is liable only for the penal sum of the bond and may cancel the surety bond by giving the Department forty-five (45) days written notice by registered or certified mail. The PEO bond and application materials must be submitted as follows:

North Carolina Department of Insurance

North Carolina Professional Employer Organization Surety Bond

1204 Mail Service Center

Raleigh, NC 27699-1204

North Dakota Professional Employer Organization Surety Bond

A person may not provide, advertise, or otherwise hold itself out as providing professional employer services unless the person has obtained a Professional Employer Organization License from the Secretary of State. An applicant must submit a PEO surety bond payable to the State of North Dakota with a minimum value of the greater amount of \$100,000, or five percent of the total wages reported on the employer's quarterly contribution and wage report to Job Service North Dakota for the quarter ending immediately before the date submitted, not to exceed \$500,000. The PEO bond and application materials must be submitted as follows:

North Dakota Secretary of State

North Dakota Professional Employer Organization Surety Bond

600 E Boulevard Ave Dept. 108

Bismarck ND 58505-0500

Ohio Professional Employer Organization Surety Bond

Under Ohio law a PEO is considered a “co-employer” and is therefore a fiduciary as in most other states. A PEO surety bond is required, the amount set by the Bureau of Workers Compensation. Bond and registration forms may be downloaded at <https://www.bwc.ohio.gov>. The PEO bond guarantees that the licensee will pay semi-annual workers' compensation premiums on a timely and accurate basis and pursuant to the written agreements with the client employers. Surety bonds, licensing materials and documents must be submitted to:

Ohio Bureau of Workers Compensation

Ohio Professional Employer Organization Surety Bond

30 W. Spring Street

Columbus, OH 43215-2256

Oklahoma Professional Employer Organization Surety Bond

In addition to specific application requirements PEOs must demonstrate and maintain a positive working capital of fifty thousand dollars (\$50,000) or more, evidenced by a financial statement prepared to either review or audit standards. Alternatively the applicant may provide a PEO surety bond in an amount no less than fifty thousand dollars. The bond obligation is a “compliance” instrument guaranteeing that the PEO will comply with the Oklahoma Code. The bond and application materials should be submitted as follows:

Oklahoma Insurance Department

Oklahoma Professional Employer Organization Surety Bond

Five Corporate Plaza

3625 NW 56th, Suite 100

Oklahoma City, OK 73112-4511

Oregon Professional Employer Organization Surety Bond

A PEO is termed a “worker-leasing company”. The firm assumes the responsibility of payroll, employment taxes, and worker benefit fund assessments. It may also offer workers' compensation insurance, retirement options, and medical benefits. Oregon law (§ 656.850) requires licensing, however there appear to be no absolute requirements of a surety bond.

Pennsylvania Professional Employer Organization Surety Bond

Pursuant to code PEOs must file quarterly reports with the Department of Labor. There is currently no formal license requirement however the PEO must register with the Pennsylvania Unemployment Compensation Management System (UCMS). The portal for access is at www.paucemployers.state.pa.us. The organization may create a User ID & Password for a PEO account. For information concerning PEO arrangements the telephone number for orientation on the system (UC Employer Contact Center) is (866) 403-6163.

Rhode Island Professional Employer Organization Surety Bond

Registration with the Department of Administration, Division of Taxation is required. The PEO surety bond requirement is outlined in Rhode Island § 5-75-6 (Financial capability – Net worth and bonding). Pursuant to the statute, “each PEO shall maintain a PEO surety bond with a minimum market value of fifty thousand dollars (\$50,000) held by a depository designated by the department securing payment by the PEO of all taxes, wages, benefits or other entitlement due to or with respect to covered employees, if the PEO does not make such payments when due.” There are provisions for waiver of the surety bond requirement when the PEO has been registered and certified by the division of taxation for at least two (2) years. PEO bond and registration documents should be submitted to:

Rhode Island Division of Taxation

Rhode Island Professional Employer Organization Surety Bond

One Capitol Hill

Providence, RI 02908

South Carolina Professional Employer Organization Surety Bond

South Carolina law requires that all businesses offering Professional Employer Organization (PEO) services in the state be licensed by the Department of Consumer Affairs. As a condition of registration a PEO must demonstrate a net worth of no less than fifty thousand dollars (\$50,000). Audited financial statements are required to evidence net worth for initial and renewal registrations. A deficiency may be remedied by posting a PEO surety bond in an amount no less than \$50,000. Application materials and surety bonds must be submitted as follows:

South Carolina Department of Consumer Affairs

South Carolina Professional Employer Organization Surety Bond

2221 Devine St., Ste. 200

Columbia SC 29205

South Dakota Professional Employer Organization Surety Bond

A PEO must submit an "approval request". The state code does not appear to absolutely require a PEO surety bond however workers compensation regulations do for those organizations that self-insure. The surety bond must be equal to twice the amount of compensation and medical claims paid by the PEO the previous year, an amount designated as a "reserve" for workers compensation and medical claims, or two hundred fifty thousand dollars (\$250,000), whichever of the three is greater. Approval requests from PEOs should be sent to:

South Dakota Department of Revenue, Business Tax Division

South Dakota Professional Employer Organization Surety Bond

445 East Capitol Ave

Pierre, SD 57501

Tennessee Professional Employer Organization Surety Bond

The Tennessee Department of Insurance regulates PEO activity. An applicant must demonstrate a net worth of at least twenty five thousand dollars (\$25,000) or twenty dollars per leased employee with maximum of fifty thousand dollars (\$50,000), whichever is greater. A PEO surety bond may be offered to fulfill the net worth requirement. Registration materials and bond should be submitted to:

Tennessee Department of Commerce & Insurance

Tennessee Professional Employer Organization Surety Bond

500 James Robertson Parkway, 6th Floor

Nashville, TN 37243

Texas Professional Employer Organization Surety Bond

A surety bond is not “required” of a PEO if the organization conforms to certain working capital requirements. The regulating statutes states that the PEO must demonstrate working capital by providing a “financial statement”. The financial statement must be prepared in accordance with generally accepted accounting principles to audit standards. A PEO that has not had sufficient operating history to have audited financial statements based on at least 12 months of operations must meet the financial capacity requirements required by Subsection (a) of the statute (Sec. 91.014) and provide the Department with financial statements that have been reviewed by a certified public accountant. The applicant may satisfy any deficiencies in the working capital requirement by posting a PEO surety bond in an amount that demonstrates compliance with the amounts required. Registration materials and surety bonds may be sent to:

Texas Department of Licensing & Registration

Texas Professional Employer Organization Surety Bond

PO Box 12157

Austin, TX 78711

Utah Professional Employer Organization Surety Bond

A professional employer organization or collectively a professional employer organization group must demonstrate at least one hundred thousand dollars (\$100,000) in working capital as determined by generally accepted accounting principles or the PEO may provide to the Commissioner of insurance a PEO surety bond in an amount equal to or greater than an amount calculated by subtracting the amount of working capital of the professional employer organization or professional employer organization group from \$100,000. Application documents and surety bond must be submitted as follows:

State of Utah Insurance Department

Utah Professional Employer Organization Surety Bond

State Office Building Ste. 3110

Salt Lake City, UT 84114-6901

Vermont Professional Employer Organization Surety Bond

Formal licensing is required by law. A license applicant must provide an audited financial statement, prepared in accordance with generally accepted accounting principles, that demonstrates that the PEO has an adjusted net worth of at least one hundred thousand dollars (\$100,000) or five percent of liabilities, whichever is greater. The applicant must also file a PEO surety bond in the amount of \$100,000. A copy of the executed bond or letter of credit shall be filed with the Commissioner of Labor. For renewals the PEO must file a surety bond equal to not less than five percent (5%) of the prior year's total Vermont wages, benefits, workers' compensation premiums or awards, or unemployment compensation contributions, but not less than \$100,000. Application, financial statements and surety bonds should be submitted to:

Vermont Department of Labor

Vermont Professional Employer Organization Surety Bond

5 Green Mountain Drive

Montpelier, VT 05601-0488

Virginia Professional Employer Organization Surety Bond

Any business entity desiring to engage in the business of providing professional employer services shall register with the Commission before any such services may be provided. The Commonwealth Code does not state a requirement for a PEO surety bond.

Washington Professional Employer Organization Surety Bond

State law requires a PEO to register with the Employment Security Department and to make sure that the PEO's client employers are also appropriately registered. While a PEO surety bond is not required for registration, under WAC 192-300-230, which regulation of collection of certain mandatory benefits payments, an organization may elect to provide a PEO surety bond to cover those payments. The bond must be in an amount not less than the amount of contributions due in the highest quarter of the preceding calendar year. Surety bond and registration forms should be submitted to:

Washington Employment Security Department

Washington Professional Employer Organization Surety Bond

P.O. Box 9046

Olympia, WA 98507

West Virginia Professional Employer Organization Surety Bond

West Virginia Codes states, "PEOs operating in this state should be properly recognized and regulated by the Insurance Commissioner." Further, for full licenses a PEO must maintain a minimum of one hundred thousand dollars (\$100,000) in working capital or as an alternative, the applicant may provide a PEO surety bond with a minimum market value of one hundred thousand dollars to the Commissioner of Insurance. The bond obligation must guarantee payment by the PEO of all taxes, wages, benefits or other entitlement due to or with respect to covered employees. For any PEO whose annual financial statements do not indicate positive working capital, the amount of the PEO surety bond must be one hundred thousand dollars (\$100,000) PLUS an amount sufficient to cover the deficit in working capital. Surety bonds and registration materials should be sent to:

West Virginia Department of Insurance

West Virginia Professional Employer Organization Surety Bond

P.O. Box 50540

Charleston, WV 25305-0540

Wisconsin Professional Employer Organization Surety Bond

PEOs must be properly registered with the Department of Financial Institutions. The firm must maintain working capital, as defined by generally accepted accounting principles, of not less than one hundred thousand dollars (\$100,000). Alternatively the applicant may provide a PEO surety bond in an amount not less than \$100,000. If the PEO's financial statement indicates a deficit in working capital, then the surety bond must be posted in an amount that is not less than \$100,000 PLUS an amount that is sufficient to cover that deficit. The bond must be executed using the Department's specific form (#2843). Surety bonds and registration materials must be submitted as follows:

Wisconsin Department of Financial Institutions

Wisconsin Professional Employer Organization Surety Bond

P.O. Box 7876

Madison, WI 53707-7876

Wyoming Professional Employer Organization Surety Bond

While there are no PEO surety bonds requirements for registration of firms, business entities with ten thousand dollars (\$10,000) or more monthly payroll earned in Wyoming may be required to post a surety bond for 'unemployment insurance'. The PEO may also be required to post a surety bond of between \$5,000 and \$50,000 to cover certain workers compensation exposures.

NOTE: Regardless of statutory requirements for licensing or registration a PEO should be aware of the specific laws and administrative rules about unemployment taxes, workers compensation, minimum wage and state payroll tax withholding.