



PEO and EOR Compliance Program



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Rippling offers PEO services in the United States, and EOR services in many countries around the world, including Australia, Canada, France, Germany, India, the United Kingdom, and the United States. When customers choose Rippling as their PEO or EOR, they entrust us to assist them with workforce compliance. This whitepaper provides more information about our PEO and EOR compliance programs.

CONTENTS

What is Rippling PEO versus Rippling EOR?

The Rippling PEO and EOR Compliance Program

Additional Resources

What is Rippling PEO versus Rippling EOR?

Professional Employer Organizations (PEOs) and employer of record companies (EORs) help customers manage their workforce around the world. The main difference between a PEO and an EOR is that a PEO acts as a co-employer (a business model that is only legally recognized in the US) while an EOR acts as the legal employer of an organization's distributed workforce.

Rippling PEO is offered in the United States by Rippling PEO 1, Inc., a wholly-owned subsidiary and a fully-licensed professional employer organization (PEO). Rippling PEO provides comprehensive HR solutions for businesses such as access to better, more affordable benefits, multi-state tax registrations, and a lot of administrative HR functions—like payroll, access to benefits, and workers' compensation.

Rippling EOR is offered in dozens of countries by its affiliates and partners, listed in Appendix A of the [Rippling EOR Terms of Service](#). Rippling EOR provides legal employer of record services for

businesses and their distributed workforces, which allows them to hire, pay and manage people around the globe.

The Rippling PEO and EOR Compliance Program

In the United States, PEOs must be registered or licensed in several states in order to operate, and accordingly, compliance should be a key factor in evaluating any PEO program. Specifically:

- PEOs must be licensed or registered in many states. Currently, 37 states require licensing or registrations, with some states allowing a company to apply only if there are employees/ wages in that state.
- PEOs must maintain up-to-date compliance filings related to taxes, employee and employer changes, annual reports such as:
 - PEO registrations and renewals
 - State and Income tax account registrations
 - State Unemployment account registrations
 - Client Addition and Termination Reporting
 - New Employee Notices
 - Notice of Cancellation of Workers' Compensation Coverage
 - Unemployment Insurance Quarterly Tax & Wage Reporting
 - Required Workplace Posters
 - Quarterly Payroll Tax Certification
- PEOs must be bonded, where required. A surety bond is a way to guarantee the PEO's obligations to the state such as payment of employment taxes, unemployment insurance and workers' compensation coverage. Rippling's financial strength, access to financial markets, and focus on in-house compliance has allowed it to access and maintain all required surety bonds to maintain licensing and ongoing compliance.

In several countries, EORs must be licensed or registered to operate, and accordingly, compliance should be a key factor in evaluating any EOR program.

Specifically:

- EORs must be licensed or registered in many countries and provinces. Currently, for example, France, Germany, Ireland, and certain states and territories in Australia require licensing or registration.
- EORs must maintain up-to-date compliance filings related to taxes, employee and employer changes, annual reports such as:
 - PEO registrations and renewals
 - State and Income tax account registrations
 - State Unemployment account registrations
 - Client Addition and Termination Reporting
 - New Employee Notices

- Notice of Cancellation of Workers' Compensation Coverage
- Unemployment Insurance Quarterly Tax & Wage Reporting
- Required Workplace Posters
- Quarterly Payroll Tax Certification

At Rippling PEO and Rippling EOR, we have implemented robust administrative, technical, and contractual controls to maintain an end-to-end PEO and EOR compliance program.

Internal Policies and Compliance Reports

All key policies and compliance reports are reviewed by the Insurance and Regulatory Committee and documentation providing more detailed information around operational standards are maintained by the Compliance team.

Resources and Expertise

Members of the National Association of Professional Employer Organizations (NAPEO) and Global Employment Innovation Organization (GEIO) for EORs attends industry events, and leverages industry resources (e.g. the NAPEO regulatory database) to stay up-to-date on relevant federal, state, and local requirements and regulations for PEOs and EOR.

Advised by knowledgeable counsel and advisors with decades of experience in the PEO and EOR industries, including in the topics of:

- PEO and EOR licensing and compliance
- Benefits and workers' compensation
- Unemployment registrations and other filings
- Payroll tax matters
- Advised by local employment counsel in every EOR country in which we operate

Training

Regular trainings are conducted to provide relevant and timely information to individuals involved in the PEO and EOR

Technical Tools

In-house technology is used to ensure on-time filings for our PEO and EOR

Automation of compliance notices and filings to ensure compliance with both PEO-level, EOR-level, and customer-level regulatory requirements

Licensing Program

PEO: Licensed in all states that require special PEO licensing to operate a professional employer organization. Copies of our PEO licenses can be found [here](#).

EOR: Licensed in all countries and jurisdictions that require special EOR licensing to operate a professional employer organization. Copies of our EOR licenses can be found [here](#).

Reliability

Significant venture capital backing and access to financial markets support our ability to provide safe and reliable PEO and EOR programs.

Maintenance of a robust corporate insurance program ensures that we have adequately protected our entities from downside risks.

Our financial strength, access to financial markets, and focus on compliance has allowed us to access and maintain all required surety bonds to maintain licensing and ongoing compliance with state requirements.

In-house technology ensures the PEO and EOR compliance items are tracked and renewed timely.

Additional resources:

- [Rippling Global & EOR](#)
- [Using an EOR](#)
- [Licenses: Rippling PEO](#)
- [Licenses: Rippling EOR](#)