

## CASE STUDY: Finding the Right Partner to Exit a PEO Successfully

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“MRA’s HR Business Partner, Andrea, was wonderful to work with. She was very knowledgeable and a great asset in helping us transition away from the PEO and start managing our own HR resources internally.”

— Sherlyn Mudek,  
Administration Manager, Qwinstar Corp



### The Good Growing Pains

Change is good and growth is even better! But what can an organization do when they have outgrown their PEO? Hear how Qwinstar, a service provider of check processing, cash automation, printing and high-speed document imaging equipment, found themselves in need of a different type of service provider.

#### Challenge

Since January 2016, Qwinstar worked with a Professional Employer Organization (PEO) to do their payroll, benefits administration and other related HR services. Small- and medium-sized businesses often find a PEO helpful to assist with general HR services. However, due to some rather significant growth within Qwinstar in the past year and a projected doubling in size over the next few years, a PEO was no longer effective.

#### Objective

Qwinstar needed to find a new payroll vendor, new benefits plan provider, and bring all HR services in-house within four months to have everything in place by year-end. As an organization, they also wanted to ensure that the cost savings they would see, upon exiting the PEO, would be enough to provide a more affordable benefits package to employees to help improve retention.

#### Results

Qwinstar partnered with MRA to accomplish several very involved tasks in a limited time frame.



Key Project Tasks	Results
With employees in more than 25 states, state IDs had to be applied for, and the company needed to ensure compliance with employment laws for each state.	This was a complicated process, as many states have different application policies. No longer working under the PEO, Qwinstar had to apply for state unemployment for each employee, in each state they had operations.
Review payroll vendors and implement new services.	Upon review of other vendors, Qwinstar selected Paylocity, which offered the best solution, provided some cost savings, and came recommended by a board member and MRA. Qwinstar felt Paylocity provided a very responsive salesperson, who was willing to help when needed.
Work with benefits broker to analyze claims data, premium cost, and insurance plan designs.	Selected a new health, dental, and vision insurance provider with more affordable coverage than previously offered through the PEO. Qwinstar was highly appreciative of the assistance MRA provided, working with the broker and making sure the benefits package was what Qwinstar wanted. This was also a very involved process gathering and verifying all the employee data, in which MRA was able to be a big help.
Create and fill a new position to assist with additional finance, HR, and systems responsibilities to be managed internally.	MRA helped to hire a finance and systems manager including the job posting, candidate searches, and interviews. This freed up the newly promoted HR Manager to focus on the other needed areas.
Create a new employee handbook and company policies.	MRA also completed a handbook review, which included state addendums. A thorough review was made to ensure handbooks were up to date and accurate. No longer under the PEO, significant changes were needed on a number of policies including overtime, holiday, and meal policies.
Complete an I-9 audit and reverify all employees hired under the PEO.	All I-9 records and employee files needed to be updated, now that they were no longer under a PEO. MRA provided an I-9 audit and created updated books for current and terminated employees. MRA also set up a program so new I-9s could be completed directly through Paylocity.
Hold benefits enrollment meetings to communicate new benefit package and collect/review enrollment forms.	MRA assisted in completing all employee benefits enrollments into the new payroll system by year-end.
Review PEO contract and ensure compliance with terminating the contract	Together, Qwinstar and MRA complied with the terms and conditions of the contract and fostered a smooth transition away from the PEO by year-end.

## Summary

There is often uncertainty in change, and when the change is as significant as leaving a PEO and taking all the HR responsibilities in-house, as well as ensuring all compliance needs are met, it all can be rather overwhelming. MRA and Qwinstar worked together very closely during the transition period and successfully completed all tasks before year-end. Qwinstar credits the knowledge and experience their MRA HR Business Partner brought to the table.

“It was beneficial to have MRA there to bounce ideas off. Just being right there, even for the 1-day a week, was a lot of help. We packed a lot into a little bit of time.”

