

IRS News Release

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IRS Seeks Information about Professional Employer Organizations

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WASHINGTON -- The Internal Revenue Service announced today that it is [requesting information](#) about current professional employer organization practices in an effort to streamline the implementation of a new federal program.

Under legislation enacted last December, the IRS must establish a voluntary certification program for professional employer organizations (PEOs). The law requires them to meet a number of requirements, including certain bond and independent financial review requirements.

The IRS has been working to determine the procedures and information system changes necessary to implement the new law and plans to begin accepting applications for PEO certification on July 1, 2016.

Currently, PEOs are subject to licensing, registration and other requirements in many states. In addition, there are private assurance organizations that offer PEOs accreditation if they satisfy certain requirements. The IRS is requesting information related to these state requirements and accreditation programs.

Specific topics of interest include covered employees, financial audit practices, verification of payroll tax obligations, and working capital and net worth requirements. The IRS will also welcome for further consideration information on other industry practices.

Further details on the specific topics and the process for submitting information are in the full text of the [request for information](#).

The deadline for submissions is Jan. 8, 2016.