



January 8, 2019

HOUSE BILL No. 1054

DIGEST OF HB 1054 (Updated January 8, 2019 9:18 am - DI 133)

Citations Affected: IC 22-4.

Synopsis: Professional employer organizations. Provides that for purposes of unemployment compensation, a professional employer organization (PEO) that elects to use the PEO level reporting method is liable for all contributions, interest, penalties, and surcharges for the duration of a professional employer agreement or until the effective date of an election by the PEO to change to the client level reporting method. Provides that a client of a PEO is not considered to be a successor employer as a result of entering into a professional employer agreement with a PEO.

Effective: July 1, 2019.

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January 3, 2019, read first time and referred to Committee on Employment, Labor and Pensions.

January 8, 2019, reported — Do Pass.

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January 8, 2019

First Regular Session of the 121st General Assembly (2019)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2018 Regular and Special Session of the General Assembly.

HOUSE BILL No. 1054

A BILL FOR AN ACT to amend the Indiana Code concerning labor and safety.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 22-4-6.5-10, AS ADDED BY P.L.33-2013,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2019]: Sec. 10. (a) The following apply to a PEO that elects
4 to use the PEO level reporting method:
5 (1) The PEO shall file all quarterly contribution and wage reports
6 in accordance with IC 22-4-10-1.
7 (2) Whenever the PEO enters into a professional employer
8 agreement with a client, the PEO:
9 (A) shall notify the department not later than fifteen (15) days
10 after the end of the quarter in which the professional employer
11 agreement became effective; and
12 (B) is subject to IC 22-4-10-6 and IC 22-4-11.5, beginning on
13 the effective date of the professional employer agreement.
14 (3) The PEO shall notify the department in writing on forms
15 prescribed by the department not later than fifteen (15) days after
16 the date of the following:
17 (A) The PEO and a client terminate a professional employer

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1 agreement.
2 (B) The PEO elects the client level reporting method under
3 section 11 of this chapter.
4 After receiving a notice under this subdivision, the department
5 shall make any changes required by IC 22-4-10-6 and
6 IC 22-4-11.5.
7 (b) Except as provided by IC 22-4-32-21(d), a PEO that elects to use
8 the PEO level reporting method is liable for all contributions, interest,
9 penalties, and surcharges **for the duration of a professional employer**
10 **agreement or** until the effective date of an election under section 11
11 of this chapter by the PEO to change to the client level reporting
12 method.
13 (c) **A client of a PEO is not, as a result of entering into a**
14 **professional employer agreement with a PEO, considered to be a**
15 **successor employer under IC 22-4-10 or IC 22-4-11.5.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Employment, Labor and Pensions, to which was referred House Bill 1054, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1054 as introduced.)

VANNATTER

Committee Vote: Yeas 11, Nays 0

