

Q: WHAT IS A PEO?

A: A Professional Employer Organization is an **aggregator**.

Q: HOW DOES A PEO ARRANGEMENT WORK?

A: The professional employer organization (PEO) establishes a co-employment relationship with its client companies. In this legal relationship, the duties of the employer are divided between the employer of the worksite (client) and the employer of the record (PEO.) The employer of the worksite is what you usually attribute an "employer" to be; she or he is the authority over culture, brand, quality, responsibility for hiring, firing, onsite supervision and all strategic aspects of the business while INFINITI HR assumes the responsibility for the record – the source of the wage.

Q: I MUST HAVE MY EMPLOYEES KNOW THEY WORK FOR MY COMPANY. HOW DO I MAKE CERTAIN MY COMPANY IS THE AUTHORITY OVER THE WORKSITE? HOW DO I MAKE CERTAIN I HAVE SOLE CONTROL OVER MY CULTURE, MY BRAND, MY QUALITY?

A: 1. You are the employer of the worksite.

2. The employer of the record is not the employer of the worksite.

3. The employer of the record is exactly that – the "record." The PEO has no authority whatsoever over your culture, your brand, your quality nor do any valued team members care which routing and account number their direct deposit came from as long as the wages are accurate and approved with your expressed consent.

Q: WHY DO GROWING BUSINESSES CHOOSE YOUR PEO?

A: Businesses contract with our PEO to achieve a variety of strategic goals. Our PEO prevents the pitfalls of employer liability and the obstacles to organic growth by leveraging the economies of scale of a large enterprise into a competitive advantage for growing businesses. Our PEO stabilizes the annual aggregate cost of labor and insulates the client's asset from source of the wage. The following additional detail may be invaluable:

1. Superior performance depends on your ability to maximize value creation and value capture:

- Do you create and capture maximum value by investing resources in non-revenue generating work?
- Do you create and capture maximum value by employing additional team members to manage nonrevenue generating work in-house?
- What precisely does your company gain today by serving as the solely liable source of the wage?
- Is this the optimal structure to ensure control, empower culture, and enforce brand quality? Is this the optimal structure to best grow your enterprise?
- Is your quality linked to being solely liable as "source of the wage?"
- Owners have a fiduciary responsibility to keep labor cost as low as possible. What does it cost ownership today to pay for non-revenue generating W2 employees? What is your current aggregate cost of labor? All in, what's that number?

We do not win tomorrow's war with yesterday's army: The PEO changes that number.

Q: IS A PEO A NEW SOLUTION?

A: PEOs have empowered employers of choice for decades. Total employment represented by the PEO industry exceeds the total number of employees in the U.S. for Walmart, Amazon, FedEx, Starbucks, AT&T, Wells Fargo, Apple, and Google combined. Research suggests businesses with PEOs grow approximately seven to nine percent faster, have employee turnover that is approximately 10-14% lower, and are approximately 50% less likely to go out of business when compared to businesses without PEOs. Some businesses may recently view it as a new solution simply because many small businesses in particular have seen obstacles to organic growth; they could not afford PEOs before INFINITI HR and/or were rejected by PEOs before INFINITI HR.

FREQUENTLY ASKED QUESTIONS



Q: WE HEARD INFINITI HR IS THE PEO FOR FRANCHISES[®], SPECIFICALLY HOSPITALITY MANAGEMENT COMPANIES, STARTUP ENTREPRENEURS, AND EMERGING FRANCHISE BRANDS. WHAT IS THE VALUE OF YOUR PEO COMPARED TO MORE ESTABLISHED PEO'S OR WELL-KNOWN PAYROLL COMPANIES AND HR SOFTWARE COMPANIES IN THE MARKET?

A: 1. Value = quality x service ÷ price. INFINITI HR is a PEO designed by entrepreneurs for entrepreneurs. We are a "Certified Professional Employer Organization" by the Internal Revenue Service (IRS.) Approximately less than eight percent of all PEOs in the United States receive such certification.

2. INFINITI HR is recognized as "The Professional Employer Organization for Franchises[®]" – the first of its kind. Some of the most iconic brands throughout the world choose INFINITI HR. We are proud to be a Premium Supplier to the International Franchise Association, (IFA,) an Endorsed Supplier to Best Western Hotels & Resorts[®], and a Qualified Vendor for Choice Hotels International[®].

3. INFINITI HR provides superior quality in technology coupled with a world-class personalized service standard: an on-demand, one point-of-contact for a lower price compared to an arguable "established" brand. With respect to utilizing a payroll processor – as it relates to value – payroll processors may not apply unit-based economics to mitigate employer liability and minimize the total cost of labor. Many growing businesses who wish to expand with a payroll processor may not proactively manage the aggregate cost of labor most efficiently and may not have the purchasing power of a large enterprise. Payroll companies charge fees for HR administration (HR that is not state-specific), insurance brokerage (subject to individual underwriting,) POS/time clock integration fees, recruitment fees, and many others. Combine that with the goal to offer affordable and customizable benefits to attract and retain top talent. Does your smaller census have greater leverage than the larger enterprise? Any payroll processor with sufficient quality in technology coupled with a world-class personalized service standard for a competitive price can provide you a payroll service. Growing businesses must focus on total labor cost – NOT the price of a commoditized payroll processor or valued HR software solution. Such answers are based on objective facts and is a mission-critical message to businesses of any size; don't run over dollar bills to pick up dimes.

Q: WHAT IS THE FIRST QUESTION WE SHOULD ASK WHEN COMPARING PEO VS. PAYROLL PROCESSOR/HR SOFTWARE?

A: What does it currently cost you to pay for a non-revenue generating W2 employee on pay day?

Q: IS A PEO SIMILAR TO USING A PAYROLL DATA PROCESSOR LINKED TO HR SOFTWARE?

A: Not even close. Payroll processing is a commoditized tactical service. Some of the data processors you know of today are payroll companies, formed at a time before the advent of the personal computer. They are expensive legacy systems – great incumbents who try to be everything to everyone and usually wind-up being mediocre at best. They like to bundle their services with marked-up white-boarded tech, insurance brokerage services, and archaic hardware (such as physical time clocks.) Their sales strategy consists of upselling the client for additional services once implemented as your payroll processor (because payroll processing is a commoditized tactical service.) They may be as useful to increasing your profitability as hiring an additional employee to sell typewriters.



Q: HOW DOES INFINITI HR TECHNOLOGY COMPARE TO OTHER PAYROLL COMPANIES AND HR SOFTWARE IN THE MARKET?

A: INFINITI HR technology is tasked with not just mitigating your administrative burden; it's tasked with mitigating your employer liability, your aggregate cost of labor. We are an aggregator; throughout a diverse cohort of businesses located throughout all 50 states, the system learns to mitigate employer liability – and rightfully so. As your professional employer organization, we don't want to incur one penny more in aggregate labor cost than you do. Our technology looks out for you just as much as it looks out for us – your PEO assuming employer of record responsibilities on your behalf. Our PEO does not utilize a 20th century analog system in a 21st century digital world: Technology leveraged by INFINITI HR (HRIS, geofencing, & Al) will continue to disrupt SMB's, franchises, hospitality management, large enterprise corporations, and the commercial insurance world. INFINITI HR is powered by PrismHR and a proprietary EPM; the aggregate platform processes more than \$55 billion in annual payroll. The aggregate platform: 1. doesn't just simply ensure payroll is accurate or streamline your workflow in one platform; 2. isn't just for employees to be able to login 24/7 to an easy-to-navigate portal or help you manage your people with ease;

3. isn't just for greater efficiency with onboarding or to save you valuable time so you can focus on your passion...

The aggregate platform mitigates employer liability and increases profitability for businesses with an employee count ranging from 1 to infinity.

Q: WITH RESPECT TO MITIGATING EMPLOYER LIABILITY, WHAT STRATEGIC ADVANTAGES DO GROWING BUSINESSES GAIN WHEN THEY DECIDE TO UTILIZE A PAYROLL PROCESSOR, CHOOSE A VALUABLE HR SOFTWARE SERVICE, AND THEN SIMPLY HIRE A PART OR FULL-TIME EMPLOYEE TO MANAGE ALL THE HR, REGULATORY COMPLIANCE, BENEFITS PROCUREMENT, AND ADMIN WORK IN-HOUSE?

A: Quantifiably speaking, nothing. Businesses of any size do not gain any strategic advantage by serving as the sole employer of record, nor do we argue it is cost effective to absorb such cost (and risk) in-house. Pay wages + employer taxes + employer insurance + payroll processor + HR Software... for non-revenue generating work in-house? What does that cost your business each fiscal year compared to outsourcing it to our PEO? It is fascinating how many businesses with the best of intentions still absorb these costs in-house and then come to us with the need to cut labor cost afterward. We recommend a conservative labor management approach through our PEO to avoid such excess.

With respect to revenue-generating work, we appreciate the argument of viewing employees as your greatest assets. Notwithstanding, with respect to non-revenue generating work, we also appreciate the argument of viewing employees as your greatest liabilities. Tell us the strategic advantage of serving as the sole employer of record, without the economies of scale of a master aggregator. What do you accomplish? Growing businesses should:

1. outsource the non-revenue generating work to INFINITI HR;

- 2. allocate the annual aggregate cost of labor to our PEO for a service;
- 3. then write off such expense as one line-item in your general ledger not employer taxes, not employer insurance, not a wage a "professional service."

FREQUENTLY ASKED QUESTIONS



Q: WHAT ARE THE FEATURES OF THE PEO?

A: One Service | Four Pillars

- 1. Payroll and Tax Filing:
- POS/Time Clock/Schedule System Integration Included
- 2. State-Specific HR Management
- On-Demand One-Point-of-Contact HR Director, Recruiter, etc.
- 3. Employer Mandatory Insurance
- True-Group Workers' Compensation and EPLI
- 4. Employer Voluntary Insurance
- True-Group Fortune 500[®] Level Customized Health, Dental, Vision, Disability, Life, 401k, etc.

Q: WHAT IS THE PROCESS OF IMPLEMENTING YOUR PEO?

A: 1. First, the employer allocates the annual aggregate cost of labor to INFINITI HR for a service. INFINITI HR has the economies of scale and purchasing power of a large enterprise. We apply unit-based economics to the total cost of labor as fundamental financial building blocks to mitigate employer liability and to minimize the total cost of labor.

2. Second, growing businesses are only as good as the people they hire. Growing enterprises are viewed as employers of choice in their respective markets in part because they can compete with larger enterprises through a superior infrastructure to attract and retain the best talent through INFINITI HR. Our PEO clients have recruitment process outsourcing (RPO), complimentary as part of the service. You will be introduced to your dedicated conversion manager and recruiter during the conversion stage.

3. Third, following the conversion stage, we assume the non-revenue generating employer obligations on behalf of the employer of the worksite so you can focus on your purpose and your passion – growing your business.

Q: HOW WOULD YOU SUMMARIZE THE CULTURE OF YOUR PROFESSIONAL EMPLOYER ORGANIZATION?

A: Exceptional Experiences®

Empower Businesses. Inspire Team Members. Change the world.

Q: YOUR PROFESSIONAL EMPLOYER ORGANIZATION COULD HAVE INNATE VALUE FOR MY COMPANY BUT ALSO COULD BE A SIGNIFICANT CHANGE TO IMPLEMENT IN MY ORGANIZATION. WHAT IS YOUR ANSWER IF I HAVE EMPLOYEES IN MY ORGANIZATION WHO MAY BE HESITANT TO CHANGE?

A: The only true constant in business is change.



Q: DO I HAVE TO CONTRIBUTE TO MY EMPLOYEE BENEFITS?

A: To be competitive in your market, contributing to a particular benefit plan might be the recommendation, but there are no requirements for the employer to contribute to any INFINITI HR benefit programs.

Q: CAN I OFFER DIFFERENT BENEFITS TO DIFFERENT EMPLOYEES?

A: As a co-employer, INFINITI HR provides all employees standardized competitive benefits. Our teams work directly with you to maximize your offerings while staying compliant with state and federal regulations.

Q: WHY SHOULD I USE HR CONSULTING?

A: Be prepared to handle the unexpected. HR consulting makes sure someone qualified is on-call for answers and advice as-needed for challenges related to hiring, employee relations, employee counseling, performance management, terminations, compliance (wage and hour), and unemployment, etc. Consulting services may include but are not limited to:

- Provide as-needed advice and consultation via phone and/or email
- Participate in conference calls, meetings, or events where human resource and/or employment law related advice may be needed
- Assist you in resolving unexpected employee management challenges
- Answer your questions about do's and don'ts with labor law compliance
- Provide suggestions on best practice policy considerations
- Update your current HR-related documents upon request, such as when you have a policy shift
- Proactively monitor labor law changes in the states you operate and update documents that are affected by these changes

Q: WHAT IS AN RPO?

A: RPO (Recruitment Process Outsourcing) is a situation where an employer transfers all or part of its recruitment processes to an external service provider. The RPO may provide their own or also has instances when they may assume your company's staff, technology, methodologies, and reporting.

Q: WHAT DOES A TYPICAL RPO FEE STRUCTURE LOOK LIKE?

A: Clients will have the choice of using our 'Classic' or 'Advanced' service levels. For more information, send <u>us</u> an email.

Q: WHY RPO IS BETTER THAN A CORPORATE OR CONTRACT RECRUITER?

A: Most small businesses cannot afford to hire a full-time recruiter or contract with expensive headhunters. Our process is an affordable way to eliminate the headaches, time, and costs of placing ads, filtering candidates, and getting to the right people for the job. All for a low monthly cost that can be built right into your current PEO platform. Get assistance in recruiting from industry experts whose purpose is to get you the best possible candidates, allowing you to focus on what you do best.

FREQUENTLY ASKED QUESTIONS



Q: HOW DO I REQUEST A WORKERS' COMPENSATION CERTIFICATE OF INSURANCE (COI)?

A: Please email <u>certs@infinitihr.com</u>.

Q: HOW DO I REQUEST LOSS RUNS?

A: Please email <u>claims@infinitihr.com</u>.

Q: HOW DO I REPORT A WORKERS' COMPENSATION CLAIM?

A: Please email a completed first report of injury form to <u>claims@infinitihr.com</u>.

Q: HOW DO I REQUEST A PROVIDER NETWORK PANEL FOR MY LOCATION?

A: Please send a request to claims@infinitihr.com or go to genexservices.com/find-a-provider:

Username: Next

Password: Administrators

Q: DO I NEED TO PROVIDE THE INJURED EMPLOYEE A LIST OF NETWORK PROVIDERS? A: Yes.

Q: WHAT SHOULD I GIVE THE EMPLOYEE TO TAKE WITH THEM WHEN THEY SEEK MEDICAL TREATMENT?

A: You will need to give the employee an authorization for treatment form found under the resources tab or by emailing <u>claims@infinitihr.com</u>.

Q: WHAT DOES THE EMPLOYEE NEEDS TO COMPETE IF THEY DECLINE MEDICAL TREATMENT?

A: The employee needs to complete a refusal of medical treatment form found under the resources tab or by emailing <u>claims@infinitihr.com</u>.

Q: WHAT SHOULD I GIVE THE EMPLOYEE TO TAKE WITH THEM WHEN THEY FILL A PRESCRIPTION?

A: You will need to give the employee a first fill card form found under the resources tab or by emailing <u>claims@infinitihr.com</u>.

Q: WHERE DO I SEND AN UNEMPLOYMENT CLAIM?

A: Please email the claim form to <u>services@infinitihr.com</u>.

Q: WHERE DO I SEND A DISABILITY CLAIM (CA, NJ, NY ONLY)?

A: Please email the claim form to <u>services@infinitihr.com</u>.

Q: HOW DO I REQUEST A NJ OR NY DISABILITY CERTIFICATE OF INSURANCE?

A: Please email <u>services@infinitihr.com</u>.

Q: WHERE CAN I GET SAFETY TRAINING?

A: To access the library, training videos and more please use: <u>lossfreerx.com</u> User Name: SunzSafety

Password: Safety1!

For additional support, please email <u>risk@infinitihr.com</u>.

Q: WHERE DO I SEND AN EPLI CLAIM?

A: Please email <u>risk@infinitihr.com</u>.



Q: HOW CAN I ACCESS MY EMPLOYER AND EMPLOYEE PAYROLL INFORMATION? IS THERE A CHARGE TO DO SO?

A: Both the employer and the employee will receive a login and password. At the employer level, timesheets, reports and invoice totals can be accessed. At the employee level, paycheck, paid time off, and employee information can be viewed for personal use. This is all accessible on the INFINITI HR internet portal.

Q: IS THERE A CHARGE FOR DIRECT DEPOSIT?

A: No, there is no cost and the employee can use an unlimited number of accounts.

Q: WHEN DO I HAVE TO HAVE MY PAYROLL READY FOR SUBMISSION, AND WHEN DO I RECEIVE CHECKS / DIRECT DEPOSITS?

A: Once time is collected, payroll is entered by Tuesday of that pay period, and sent via the web portal to INFINITI HR. Payroll is calculated and is available to view by Wednesday afternoon. You will receive sealed checks, direct deposit vouchers and reports by Thursday at 3 p.m.

Q: DO I HAVE TO FILE AND DEPOSIT MY PAYROLL TAXES? IF THERE IS A MISTAKE, OR LATE FILING DO I PAY THE PENALTY? DO I HAVE TO SEND OUT W-2'S?

A: No, INFINITI HR will file and deposit your payroll taxes, forms and W-2's. If there is a mistake, INFINITI HR will pay the penalty.

Q: WHY USE INFINITI HR?

A: INFINITI HR exists to better enable businesses to focus on the core operations that impact their profitability. Most companies, regardless of size realize these benefits:

- Expert human resources guidance and support
- With the touch of a button, your employee and payroll information is uploaded to INFINITI HR's system
- Our payroll interface and HRIS system are web based for 24-hour access
- We maintain your personnel files
- You can access large company benefits with no administrative hassle
- You receive your checks or stubs in a sealed envelope at your office by Thursday
- Automated time and attendance system with streamlined interface to our HRIS

Q: SHOULD MY COMPANY HAVE AN EMPLOYEE HANDBOOK IN PLACE?

A: Yes. Employee handbooks save you time and money. If your company ever has to prepare to defend an employment action, an employee handbook is one of your greatest assets. It establishes clear expectations and proves what the employee "should have known." Additional benefits include:

- Specify your company's policies and procedures
- Establish your organization's culture
- Set the right expectations for employee performance and professional behavior
- Answer all the basic questions an administrator or supervisor may have to repetitively respond to