



NATIONAL PEO WEEK 2026:

5 Ways Small Businesses Leverage Their PEO

**How 230,000+ Small Businesses Use PEOs to
Compete on Benefits, Reduce Compliance Risk,
and Grow Faster**

Built for Small and Mid-Sized Employers

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AT A GLANCE

In recognition of National PEO Week, here are five ways the smartest small businesses leverage their PEO:

Competitive Benefits

Access Fortune 500-level health insurance through group purchasing power that most small businesses can't negotiate alone, giving you confidence in attracting top talent.

P4

Shared Compliance Risk

Co-employment means experienced HR professionals track regulatory changes, so you don't have to worry about legal pitfalls.

P5

Clean Payroll Integration

Connect payroll data directly to accounting systems for accurate labor cost tracking, reducing your administrative stress and saving time.

P6

Enterprise HR Technology

Performance management, onboarding workflows, and employee portals without paying enterprise prices.

P7

Strategic Partnership

Partner with INFINITI HR for dedicated HR support, customized solutions, and strategic guidance that grow with your business, not just a payroll service.

P8

The Peo Advantage By The Numbers

National PEO Week Celebrates an Industry Serving:

230,000+

small and mid-size
businesses nationwide

4.5 million

employees working through
PEO relationships

50 States

Across the country and
virtually every industry

Companies Working With PEOs Experience:

7-9%

faster growth compared to
competitors

10-14%

lower employee turnover

2x

growth rate of the national
average

The Small Business Context:

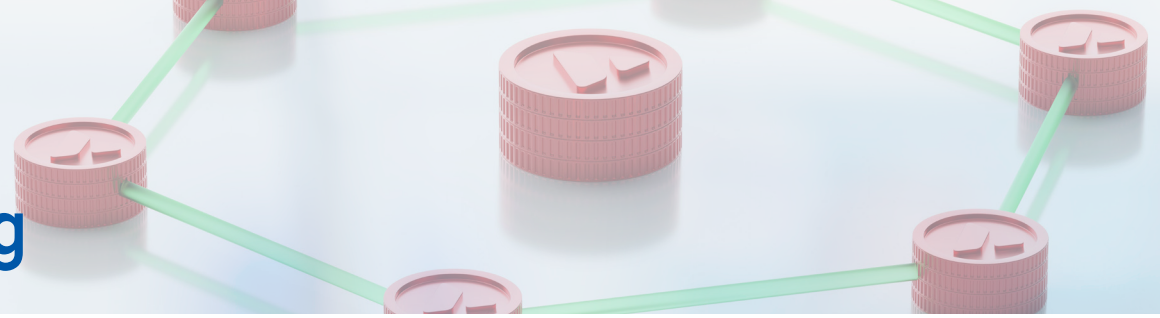
99.9% of American businesses are
small businesses

35 million small businesses operate
in the U.S.

43.5% of GDP comes from small
business activity

62.3 million Americans work for
small businesses

Competitive Benefits Through Group Purchasing



THE CHALLENGE

One of the biggest hiring disadvantages for small businesses is the cost of benefits. A 10-person company can't negotiate the same health insurance rates as a 500-person company on its own. 2026 filings show median ACA premium increases in the 12% range – with some small employers facing year-over-year renewal increases above 50%.

For small businesses, that's not a line-item adjustment; that's a budget crisis.

WHAT PEOS PROVIDE

- Access to major carriers (Cigna, Aetna, UnitedHealthcare, Blue Cross)
- Lower premiums through pooled buying power
- Fortune 500-level plan options unavailable to small employers independently
- Benefits competitive enough to recruit against larger employers

REAL-WORLD IMPACT

Moving to a PEO to access group rates essentially makes the administrative fees a wash, while adding full HR infrastructure on top. The difference in projected premiums is significant enough that PEOs become financial necessities rather than conveniences.

WHAT TO DO

Request quotes from multiple PEOs during your next benefits renewal

Compare premiums, deductibles, and carrier networks side by side

Calculate total cost including PEO fees vs. your current broker fee

Don't wait for renewal shock to start the conversation

PEO Tip: When a candidate is choosing between your offer and one from a larger competitor, robust health coverage can close the gap. Benefits matter in tight labor markets.

Shared Compliance Risk

THE CHALLENGE

Misclassification lawsuits trigger back pay for every hour of unpaid overtime, liquidated damages that double the amount, and attorneys' fees. For niche industries or specialized sectors, PEOs like INFINITI HR can help navigate industry-specific compliance challenges, reducing legal risks and ensuring tailored regulatory compliance.

WHAT PEOS PROVIDE

A PEO operates as a co-employer, sharing legal responsibility for employment compliance. They track regulatory changes across all jurisdictions where they operate.

The co-employment relationship provides:

- Experienced HR professionals who've handled difficult situations before
- Guidance on terminations, performance issues, and employee relations
- Documentation support that protects you if situations escalate
- Up-to-date knowledge of federal, state, and local employment law

REAL-WORLD IMPACT

One company faced a termination involving an employee in a legally protected class. The circumstances were legitimate, but the exposure was real. Having the PEO's HR team made all the difference. They helped document the process correctly, guided them through the right steps, and ensured protection if anything escalated. It didn't, but it easily could have without that support.

WHAT TO DO

Audit exempt vs. non-exempt classifications annually with PEO support

Use PEO guidance on documentation for any performance issues

Leverage PEO resources for multi-state compliance tracking

Treat compliance as a shared responsibility, not automatic coverage

Critical Reminder: Having a PEO doesn't mean you're automatically covered. You still need to follow their processes and document your actions. Call your PEO rep before difficult conversations, not after.

Clean Payroll Integration

THE CHALLENGE

Payroll errors are expensive. Wrong classifications, missed deductions, and late tax deposits create downstream problems that end up on your financial statements and sometimes in front of the IRS.

Payroll is often the largest expense line for service businesses. If it's not being recorded correctly, by class, by department, by employee type, you're flying blind on actual labor costs.

WHAT PEOS PROVIDE

- Payroll processing for all employees
- Federal, state, and local tax filings
- W-2 and 1099 issuance
- Unemployment insurance administration
- Workers' compensation premium calculation

THE INTEGRATION ADVANTAGE

The businesses getting the most value aren't just outsourcing a task; they're ensuring payroll data integrates cleanly with their accounting platform, such as QuickBooks Online, enabling better financial analysis and decision-making.

WHAT TO DO

Confirm your PEO integrates with your accounting software before signing

Ensure payroll is coded correctly by class and department from day one

Review the mapping annually after any plan structure or headcount changes

Use the labor cost data to make smarter hiring and pricing decisions

PEO Tip: Ask your bookkeeper to map out exactly how payroll journal entries hit your books. It's a conversation worth having at least once a year, especially after any changes to your plan structure or employee count.

Enterprise HR Technology Without Enterprise Costs

THE CHALLENGE

HRIS platforms that manage onboarding, time tracking, performance reviews, and employee records can cost thousands of dollars per year for standalone subscriptions. Most small businesses either skip them entirely or cobble together something that doesn't work.

WHAT PEOS PROVIDE

- Employee portals for pay stubs, benefits enrollment, and time-off requests
- Manager dashboards for approvals, reports, and documentation
- Performance management modules for structured reviews
- Onboarding workflows that create consistency
- Document storage that centralizes employee records

REAL-WORLD IMPACT

One company implemented formal performance reviews for the first time in its history, using its PEO's infrastructure. Before that, feedback was informal and inconsistent. Employees had no structured way to understand expectations. Managers had no framework for conversations.

Once they rolled out the review system built on their PEO's infrastructure, employees knew what was expected. They had documented records. Managers had a consistent process. Morale improved noticeably because people finally felt like they were being evaluated fairly. Clarity is motivating.

WHAT TO DO

Request a demo of the employee portal and manager dashboard before signing

Ask specifically about the performance management tool

Check mobile accessibility for hourly employees

Train managers on the tools available to them – they're often underused

The Underused Features: Performance management modules are the most underused features in any HRIS platform. For small businesses implementing performance reviews for the first time, the PEO's platform removes most of the friction. The structure already exists. You just have to use it.

Strategic Partnership vs. Vendor Relationship

THE DIFFERENCE THAT MATTERS

This distinguishes businesses that derive marginal value from those that transform their operations. The best PEO relationships don't feel like vendor arrangements. They feel like having a seasoned HR team at the table, one that understands your business and is invested in helping you grow.

WHAT STRATEGIC PARTNERSHIP LOOKS LIKE

PEOs help small businesses:

- Think through the org structure as they scale
- Build compensation frameworks that support better hiring
- Develop onboarding that sets new employees up for success
- Flag compliance considerations before they become problems
- Provide guidance that typically lives inside much larger HR departments

REAL-WORLD IMPACT

One company moving through real growth, adding headcount, expanding markets, managing increasing workforce complexity, didn't just use their PEO for payroll processing. The PEO was helping leadership think through hiring strategy, flagging compliance issues before they became problems, and providing guidance that typically lives inside much larger HR departments.

That partnership required the business owner to show up engaged.

WHAT TO DO

Call your HR advisor before difficult employee conversations, not after

Ask your PEO rep what they're seeing across similar businesses in your industry

Schedule quarterly check-ins and treat them as strategy sessions, not status updates

Give feedback when something isn't working – the best partnerships are two-way

The Mindset Shift: Stop thinking of your PEO as a payroll vendor. Start thinking of it as your outsourced HR department and strategic growth partner. The platform is only as useful as your level of engagement with it.

Getting More Value From Your PEO

If You're Evaluating a PEO

Map out which of the above five areas you're currently underusing. That's where the opportunity is.

Questions to Ask Potential Partners:

- What industries do you specialize in?
- How many clients do you have in my employee size range?
- Which carriers and plan tiers do you offer for benefits?
- Does your platform integrate with my accounting software?
- What does your client support model look like?
- Can I speak with 2-3 current clients as references?

If You Already Have a PEO

Rate yourself on how well you're using each area:

1. Benefits: Are you actively comparing your package to what competitors offer?
2. Compliance: Are you calling your PEO before difficult HR situations, not after?
3. Payroll: Is your payroll data connecting cleanly to your books?
4. Technology: Are you using the performance management and onboarding tools available?
5. Partnership: Do you treat your PEO as a strategic partner or just a vendor?

The Bottom Line

A PEO isn't right for every business at every stage. The economics need to make sense. But for the small businesses that have leaped, the benefits go far beyond payroll processing.

Better benefits. Shared compliance risk. Cleaner books. Real HR infrastructure. A partner to call when something complicated comes up.



Need Help Leveraging Your PEO Partnership?

Contact INFINITI HR.

Our PEO solutions provide small and mid-sized businesses with:

- Fortune 500-level benefits through major carrier relationships
- Shared compliance responsibility across all jurisdictions
- Payroll integration with clean accounting connections
- Enterprise HRIS platforms with performance management tools
- Strategic HR partnership, not just vendor service

In recognition of National PEO Week, we're here to help you evaluate whether a PEO is right for your business or how to get more value from the one you already have.

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