

# Advantages of a CPEO

## — What is a CPEO? —

CPEO stands for Certified Professional Employer Organization. This certification is granted by the IRS and is only obtained after a PEO has met rigorous requirements. See how GMS became a CPEO.



### Trusted Partner

There are many background, tax compliance, location, and financial reporting requirements a PEO must meet to get their certification. Becoming a CPEO is completely voluntary which shows GMS' dedication to serving its clients.



### Tax Reset Removal

Employers are required to pay federal employment taxes on a portion of each employee's wage—known as the wage base. With GMS, our clients no longer have a wage base reset at the onset of the partnership.



### Deferred Liability

A CPEO is 100% liable for all federal employment tax payments. GMS is solely liable for the payment of federal employment taxes on wages it pays to worksite employees.



### 1 Million Dollar Surety Bond

PEOs are required to file a minimum surety bond of \$50,000 to qualify as a CPEO under the IRS. GMS has a 1 million dollar surety bond, as a commitment to cover any taxes not paid to protect our clients.

“This shows our customers that the IRS is holding us to a certain standard, which helps legitimize our growing industry.”

-Mike Kahoe, President of GMS

