

## TO BE RESCINDED

4123-17-15

**Staff leasing/professional employer arrangements.**

(A) As used in this rule:

- (1) "Staff leasing/professional employer organization" means a person or employer which arranges with one or more client employers, under written contract, to employ all or part of the work force for a client employer and to place those assigned workers on a permanent basis to the client employer.

A staff leasing/professional employer organization must meet the following criteria:

- (a) Notify all assigned workers that they are employed by the staff leasing/professional employer organization;
- (b) Assume responsibility for payment of wages and related taxes for assigned workers from their own account(s) not contingent on receipt of payment from client;
- (c) Be responsible for maintaining both adequate and required employment-related records for employees, and for reporting such information as may be required by appropriate governmental agencies;
- (d) Comply with applicable state laws regarding workers' compensation insurance coverage.

Staff leasing/professional employer organization does not include a temporary service agency.

- (2) "Temporary service agency" means an employer which is in the business of employing individuals for the purpose of utilizing the services of the individuals for a temporary period of time. For example, a person or client employer may utilize individuals from a temporary services agency for positions vacant due to absences, for temporary skill shortages, or for seasonal workloads.
- (3) "Client employer" means a person or employer who obtains all or part of its work force from a professional employer arrangement. Client employer does not mean an employer who is a noncomplying employer as defined in rule 4123-14-01 of the Administrative Code, noncomplying employers within the meaning of the law.

- (4) "Person" includes an individual, firm, association, corporation, partnership, limited liability corporation, or other legal entity.
- (5) "Employer" means an employer under divisions (B)(1) and (B)(2) of section 4123.01 of the Revised Code. The employer is an amenable employer for workers' compensation purposes where the assigned workers are counted as the employees of the employer for the purposes of section 4123.01 of the Revised Code.
- (6) "Assigned worker" means a person performing service for a client employer under a staff leasing/professional employer arrangement.
- (7) "Staff leasing/professional employer arrangement" means an arrangement, under written contract, whereby:
- (a) A staff leasing/professional employer organization assigns workers to perform services to a client employer;
  - (b) The arrangement is intended to be, or is, ongoing rather than temporary in nature.
- (B) Where a client employer enters into a staff leasing/professional employer arrangement, the staff leasing/professional employer organization shall be considered the succeeding employer, solely for purpose of workers' compensation experience, and shall be subject to rule 4123-17-02 of the Administrative Code, basic or manual rate.
- If the contractual agreement between a staff leasing/professional employer organization and a client employer is terminated, the portion of the experience of the staff leasing/professional employer organizations related to the client employer shall be transferred to the client employer.
- (C) A staff leasing/professional employer organization shall notify the bureau of workers' compensation of the client employer's name, bureau of workers' compensation risk number, and federal tax identification number within thirty calendar days of entering into a staff leasing/professional employer arrangement with a client employer.
- (D) A staff leasing/professional employer organization shall maintain complete records, separately listing the payroll of its client employers. Claims will be separately identified according to the client employer.

- (E) A staff leasing/professional employer organization which enters into a staff leasing/professional employer arrangement with a noncomplying employer or a staff leasing/professional employer organization which fails to comply with this rule shall not be considered the employer for workers' compensation purposes. In these instances the payroll of the assigned workers shall be reported by the client employer under its workers' compensation risk number for workers' compensation premium and claims purposes, unless prohibited by federal law. Claims that are filed by the client employer's assigned workers shall be charged to the experience of the client employer.

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CERTIFIED ELECTRONICALLY

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Certification

11/12/2004

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Date

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