

Updated: ~~September 15, 2021~~ October 12, 2022

These Specific Terms & Conditions Addressing Applicable Laws (these “**Applicable Law Terms**”) are incorporated into and made a part of the Client Service Agreement (collectively, with all Exhibits, Schedules, and Terms & Conditions, as applicable, the “**Agreement**”) between you, as Client (“**you**” or “**your**”), and us, either Insperity PEO Services, L.P. or Administaff Companies, Inc. (as applicable, “**we,**” “**us**” or “**our**”). Capitalized terms used and not defined in these Applicable Law Terms have the meanings set forth in the Agreement. These Applicable Law Terms are intended to address federal, state, county, municipal or other local statutes, regulations, ordinances, rules or judicial or tribunal decisions applicable to Staff or to our provision of services to you or Staff. The Agreement is deemed to include these Applicable Law Terms for each applicable jurisdiction, and these Applicable Law Terms only apply to the extent that you or Staff, or our provision of services to you or Staff, is affected by those Laws. These Applicable Law Terms may be amended or modified from time to time to address changes in Laws and shall be immediately binding and automatically incorporated into the Agreement as amended or modified. In the event of a conflict among the documents that make up the Agreement, the documents will control in the following order: these Applicable Law Terms, the Terms & Conditions, and the Agreement. Additionally, to the extent that these Applicable Law Terms do not contain specific provisions required by any Law applicable to the provision of services by us to you or Staff, those specific provisions are deemed to be part of the Agreement.

#### Federal

1. Without limiting your obligations under the Agreement, including your obligation to timely and fully remit payment of invoices as well as your obligation to fully and accurately report all amounts due to Staff for each payroll period:
  - A. We assume the responsibility for the payment of salaries and wages to Staff as you report them to us each pay period, without regard to the receipt or adequacy of payment from you for such services, with the exception of any deferred compensation, equity compensation, or other Additional Payments or Additional Obligations (as defined in the Agreement or in our Employment Agreement with Staff), which may be paid to Staff by us as agreed-upon in writing by the parties from time to time.
  - B. We assume the responsibility for the reporting, withholding and payment of federal payroll taxes on salaries and wages paid by us pursuant to the Agreement without regard to the receipt or adequacy of payment from you.
  - C. We assume responsibility to make premium payments and contributions to our sponsored Health & Welfare and Retirement Plans pursuant to the Agreement without regard to receipt or adequacy of payment from you.
  - D. You maintain your separate responsibility to recruit, hire and fire Staff.
  - E. As to our separate relationship with Staff, we assume a separate responsibility to recruit, hire and fire Staff after notice or consultation with you. As applied to our responsibility, “recruit” refers solely to the onboarding meetings and information provided by us to Staff concerning the employment of Staff by us.
  - F. If requested by us, you agree to provide us, by the earlier of (i) the first payroll that we process for you and (ii) the time agreed upon during your onboarding, your total payroll register displaying total salary, wages and deductions paid by you to Staff for the period from January 1 to the first day our Services become effective (“**Prior Wages**”). You further agree to provide us, upon our request, the total amount of all federal and state payroll taxes reported, withheld, paid, and to be paid (if any) on those Prior Wages. You attest to the accuracy of such information and agree to be responsible for any additional payroll taxes that become due and are attributable to inaccurate information you provided or that otherwise relate to Prior Wages. You acknowledge that: (i) our calculation and payment of payroll-related taxes as part of our Services may be based, in part, upon Prior Wages; (ii) we will not be responsible for any inaccuracies in such calculation or payment when related to your failure to timely or accurately provide us with your Prior Wages and any related requested information; (iii) we will not be responsible for payroll tax consequences related to mergers, acquisitions, dispositions, or other business combinations entered into by you; and (iv) Prior Wages in the form of equity or deferred compensation may result in additional payroll taxes payable by you. You agree and acknowledge that any and all amounts payable and/or owing with respect to Prior Wages, whether by you or Staff, including any federal, state, or local taxes, withholdings or other deductions, are your or Staff’s sole responsibility, as applicable. You agree to indemnify, defend and hold us harmless from and against any amounts owing on Prior Wages and for your failure to timely, fully and accurately disclose to us the amount of Prior Wages.
  - G. Subject to approval by the Internal Revenue Service (“**IRS**”), we agree to be treated as a Certified Employer Organization (“**CPEO**”) for purposes of the Code (Code section 3511, the federal law on CPEOs) and to maintain Staff records related to our responsibilities as a CPEO, as provided by the Code, but only with those clients with which we have entered into a CPEO relationship. Your Schedule B, which is part of the Agreement, states if you are not entering into a CPEO relationship with us. We may also notify you in writing if you are or are not in a CPEO relationship with us. If: (i) your Agreement is with Administaff Companies, Inc., in which case your Agreement is not a CPEO arrangement, or (ii) we inform you on your Schedule B or otherwise that your Agreement is not a CPEO arrangement or relationship, then the following terms do not apply to you and the Agreement does not alter your liability for federal employment taxes on wages we pay to Staff (except as otherwise expressly set forth therein).
  - H. If we enter into a CPEO relationship with you, then the following additional terms apply:
    - i. Upon the effectiveness of our certification as a CPEO pursuant to Code section 3511, subject at all times to the Terms and Conditions to the Agreement, you acknowledge that if less than eighty-five percent (85%) of the workers performing services for you at your work site (as defined under the Code) are Staff, then Code section 3511 does not apply, and we may not be solely liable for the payment and collection of federal payroll taxes. For the purpose of this eighty-five percent (85%) threshold, the Code allows you to exclude: (a) workers who have not completed six (6) months of continuous service; (b) workers who normally work less than 17½ hours per week; (c) workers who normally work six (6) months or less during the year; (d) workers who are not yet twenty-one (21) years of age; and (e) workers who are subject to a collective bargaining agreement.
    - ii. Except as set forth in Section 2 under this heading “Federal” below, we do not process net earnings from self-employment for Staff who may be considered self-employed for purposes of their relationship to your business, and such compensation is not

subject to Code section 3511.

iii. We will notify you if our CPEO certification is suspended or revoked. If your Agreement is assigned by us to another PEO entity, we will provide you the name and EIN of that entity.

iv. We will, upon your request, provide you the information and the amount of federal employment taxes on wages paid by us for Staff when necessary for you to claim a tax credit under Code sections 41 (credit for increasing research activity), 45B (credit for portion of employer social security wages paid with respect to employee cash tips), 45C (clinical testing expenses for certain drugs for rare diseases or conditions), 45R (employee health insurance expenses of small employers), 51 (work opportunity tax credit), or 1396 (empowerment zone credit), or any successor provisions.

v. The Federal Employer Identification Number (FEIN) for Insperty PEO Services, L.P. is 76-0689539.

2. This provision applies to you if you have any individual performing services for you that you would like to be considered as Staff except that such individual receives net earnings from self-employment ("**Earnings**") (as defined in Code section 1402(a) and referenced in Code section 3511(f)) from you and who is therefore not permitted to receive payments reported on an IRS Form W-2 for such Earnings (such individual, a "**Self-Employed Owner**"). Subject to the terms and conditions of this provision and the agreement by the Self-Employed Owner to our required addendum to the employment agreement, we agree to otherwise treat such Self-Employed Owners as "Staff".
- A. You represent and warrant to us that each Self-Employed Owner provides a minimum of 30 hours of service per week to you for purposes of any employee benefits eligibility requirements. You understand, acknowledge, and agree that:
- i. the IRS does not allow Self-Employed Owners to make employee benefit plan contributions on a pre-tax basis or to participate in the Insperty health care or dependent care flexible spending accounts (FSAs);
  - ii. the Self-Employed Owners' eligibility for participation in any other Insperty-sponsored employee benefit plan will depend on the eligibility requirements of the particular plan;
  - iii. any benefits available to the Self-Employed Owners under certain Insperty-sponsored employee benefit plans may be based upon the amount of such Earnings processed through us and that the Self-Employed Owners may not be eligible to participate in those benefit plans or, to the extent the Self-Employed Owners are eligible to participate in those benefit plans, the benefits may be based upon an assumed amount of such Earnings processed through us that is determined by us in our sole and absolute discretion; and
  - iv. as a condition of the Self-Employed Owners' being considered Staff, each Self-Employed Owner is required to accept coverage under the workers' compensation insurance provided by us for Staff ("**Insperty WC Insurance**"), except as expressly prohibited by Law, that such coverage shall be based upon an assumed level of Earnings that is determined by us in our sole and absolute discretion, and that you and the Self-Employed Owners will complete any required paperwork and cooperate in any required procedures to confirm your and the Self-Employed Owners' election to accept coverage under the Insperty WC Insurance.
- B. Notwithstanding any reference to the contrary, payments to Self-Employed Owners, including Earnings processed through us, are not considered wages in our records regardless of any references to "wages" paid to any Self-Employed Owners in any reports or other documents, including payment statements and reports via the Insperty Premier® platform.
- C. You represent and warrant to us that either:
- i. you have one Self-Employed Owner, the Self-Employed Owner is permanently residing in the U.S. and actively performing services for you, and you are a sole proprietorship or single-member limited liability company ("**LLC**") that is solely owned by the Self-Employed Owner, with earnings from self-employment, including those reported on a Schedules C, E, or F to my IRS Form 1040 ("**SEO Net Earnings**"); or
  - ii. you are a partnership or LLC that is treated as a partnership for federal income tax purposes, each partner or LLC member of you is a partner or LLC member under the terms and provisions of your partnership or operating agreement and the applicable state laws governing ~~the~~ your organization, and as to each partner or LLC member providing services to you, each such partner or LLC member (a) is treated as "self-employed" for federal income tax and federal self-employment tax purposes, (b) is actively performing services on your behalf and such services are being performed in the U.S., and (c) is not permanently residing outside of the U.S.
- D. You further acknowledge, understand and agree that:
- i. all payments by you to any Self-Employed Owner for the services provided by the Self-Employed Owner to you are in the form of either SEO Net Earnings or distributions from you, as determined by you, that are reported by you on a Schedule K-1 to IRS Form 1065 (a "**K-1**");
  - ii. we are not permitted to pay such Earnings as wages reportable on an IRS Form W-2 to the Self-Employed Owners, and therefore we are not responsible for reporting any payment that we may process on an IRS Form W-2 for such Earnings;
  - iii. to the extent you have engaged us to process payments that you classify as distributions of SEO Net Earnings or K-1 distributions, you acknowledge that we are simply providing an administrative service for you and you are solely responsible for such distributions, including any tax or other detailed and/or categorized reporting with respect to such distributions; and
  - iv. we will not remit any taxes to any governmental authority with respect to any Earnings and that it is solely and exclusively your obligation to remit and to report any such taxes to any governmental authority related to such Earnings.
- E. You agree to notify us prior to or immediately upon any Self-Employed Owner's employment or ownership status with respect to you changes in any way or if you or any Self-Employed Owner cease to be able to make any of the representations set forth in this **Section 2** or the addendum to the Employment Agreement signed by the Self-Employed Owner. You understand and agree that any change to the status of a Self-Employed Owner will be prospective and no changes will be made to such Self-Employed Owner's status retrospectively.
- F. **YOU AGREE TO INDEMNIFY THE INSPERTY INDEMNIFIED PARTIES FOR ANY AND ALL CLAIMS, LOSSES, LIABILITIES, OBLIGATIONS, AND/OR EXPENSES (INCLUDING, WITHOUT LIMITATION, COURT COSTS AND ATTORNEYS' FEES) ARISING FROM, RELATING TO, OR IN CONNECTION WITH, IN WHOLE OR IN PART, (i) TO THE EXTENT THAT A SELF-EMPLOYED OWNER IS NOT COVERED BY INSPERTY WC INSURANCE, ANY WORKERS' COMPENSATION CLAIMS AND/OR CLAIMS RELATED TO WORKPLACE INJURIES IN RESPECT OF OR ASSERTED BY ANY SELF-EMPLOYED OWNER AND WILL NOT ASSERT A DEFENSE OF WORKERS' COMPENSATION IMMUNITY**

**AGAINST ANY RELATED INDEMNITY CLAIM WE MAY MAKE AGAINST YOU; (ii) OUR COMPLIANCE WITH THIS SECTION 2; AND (iii) YOUR FAILURE TO COMPLY WITH ANY OBLIGATIONS UNDER THIS SECTION 2. THE INDEMNITY OBLIGATIONS CONTAINED IN THIS SECTION 2 SHALL SURVIVE TERMINATION OF THE AGREEMENT.**

3. This provision applies if you receive an Employee Retention Credit, as defined below, available to eligible employers during the COVID-19 pandemic pursuant to section 2301 of the Coronavirus Aid, Relief, and Economic Security Act (as amended, the “**CARES Act**”), including as amended by the Consolidated Appropriations Act, 2021 (“**CAA**”) and the American Rescue Plan Act, 2021 (“**ARPA**”). The CARES Act, CAA, and ARPA, as may be amended in the future, together with any related regulations, are collectively referred to as the “**COVID-19 Economic Relief Legislation**”. The COVID-19 Economic Relief Legislation provides “**eligible employers**” the ability to claim a payroll tax credit against applicable employment taxes based on “**qualified wages**” that are paid to employees during the COVID-19 pandemic (“**Employee Retention Credit**”). An Employee Retention Credit may be claimed for each calendar quarter during the application period established by the COVID-19 Economic Relief Legislation and is subject to certain limits depending on when the credit is claimed and the type of eligible employer. Subject to the terms in this Section 3, we agree to claim Employee Retention Credits on your behalf as reported by you to us. Further, by using any of the pay codes in our systems pertaining to an Employee Retention Credit for which you are eligible (“**ERC Pay Code**”) or by requesting (via data submission) that we claim an Employee Retention Credit on your behalf in filings with the IRS, you elect to receive the Employee Retention Credit and agree to be bound by the terms of this Section 3.
- A. You acknowledge and agree to the following:
- i. You are solely responsible for determining your eligibility for and the amount of Employee Retention Credits pursuant to the COVID-19 Economic Relief Legislation and any applicable IRS guidance promulgated thereunder. It is also your sole responsibility to determine if you are in a controlled group or affiliated service group for purposes of determining your average number of full-time employees and, as such, whether you may be an eligible employer. We assume no responsibility at any time for determining any eligibility requirements for Employee Retention Credits or amount of the credit claimed. The final determination of your eligibility for and amount of any Employee Retention Credit rests solely with the IRS.
  - ii. You are responsible for selecting the particular ERC Pay Code pertaining to an Employee Retention Credit you wish to claim, and upon losing eligibility status or upon your election (in accordance with IRS requirements) to waive the Employee Retention Credit, you agree to immediately discontinue using the ERC Pay Code.
  - iii. You may choose not to receive an Employee Retention Credit for any calendar quarter within the application period established by the COVID-19 Economic Relief Legislation if you so elect within the time and in the manner prescribed by Law.
  - iv. You are responsible for the accuracy and accounting of the Employee Retention Credit for each Staff and liability for any improperly claimed, or alleged improper claim of, credits including any penalties, income taxes, excise taxes and interest. We are strictly assisting you with filing the credit request with the IRS via the required payroll tax form if the information is provided within the required deadlines. We will report the Employee Retention Credit based on the information provided by you. You agree to comply with all Laws pertaining to the Employee Retention Credit claimed by you and your obligations herein.
- B. You warrant and represent as follows:
- i. With respect to any Employee Retention Credit claimed by you, you satisfy and meet all eligibility requirements under the COVID-19 Economic Relief Legislation for receiving the Employee Retention Credit. All conditions of the COVID-19 Economic Relief Legislation pertaining to Employee Retention Credits have been fully satisfied by you, and you will continue to comply with all Laws pertaining to your obligations herein.
  - ii. You have only claimed Employee Retention Credits for calendar quarters within the application period established by the COVID-19 Economic Relief Legislation. All Employee Retention Credits claimed by you do not exceed the limitations set forth by the COVID-19 Economic Relief Legislation.
  - iii. You have not relied on the advice of anyone from Insperty in your election to claim an Employee Retention Credit, and we have not provided any advice concerning your determination of or qualification for the Employee Retention Credit. You are encouraged to carefully review the requirements for the Employee Retention Credit contained in COVID-19 Economic Relief Legislation and IRS guidance, and consult with your tax advisor or legal advisor before claiming the credit.
  - iv. If you received a paycheck protection loan under section 1102 of the CARES Act (a “**Paycheck Protection Loan**”), you have not claimed and will not claim an Employee Retention Credit on wages that were paid with Paycheck Protection Loan proceeds that the Small Business Administration has forgiven.
  - v. Any Employee Retention Credit you seek for any quarter shall not exceed the applicable employment taxes, as reduced by any credits for such quarter for (a) employment of qualified veterans pursuant to Code section 3111(e); (b) credit for Research expenditures of Qualified Small Business pursuant to Code section 3111(f); (c) qualified sick leave wages pursuant to section 7001 of the Families First Coronavirus Response Act (“**FFCRA**”); and (d) qualified family leave wages pursuant to section 7003 of the FFCRA.
  - vi. You have not claimed an Employee Retention Credit with respect to amounts that are taken into account in computing the credits for (a) qualified sick leave credit under section 7001 of the FFCRA, (b) paid family leave credit under section 7003 of the FFCRA, (c) work opportunity credits under Code section 51, or (d) paid family and medical leave credits under Code section 45S. In addition to the foregoing, you represent and warrant that any wages that are designated as qualified wages for the Employee Retention Credit for 2021 have not been taken into account in computing (e) credit for increasing research activities under Code section 41; (f) Indian employment credit under Code section 45A, (g) employer wage credit for employees who are active duty members of the uniformed services under Code section 45P, (h) work opportunity credit under section 51, or (i) empowerment zone employment credit under Code section 1396.
  - vii. The wages you designate as qualified wages for the Employee Retention Credit do not include wages paid to related individuals pursuant to Code section 51(i)(1), including: (a) if you are an individual, dependents pursuant to Code section 152(d)(2) (descendant of child; brother, sister, stepbrother, stepsister, father, mother or ancestor of father/mother,

- stepfather or stepmother, nephew or niece, aunt or uncle, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, sister-in-law, or any individual (other than spouse) who for taxable year is a household member), (b) if you are a corporation, to an individual that owns, directly or indirectly, more than 50% of the value of the corporation's outstanding stock; (c) if you are an entity other than a corporation, to any individual that owns, directly or indirectly, more than 50% of the capital or profits interests in you (determined with the application of Code section 267(c)); (d) if you are an estate or trust or a grantor, beneficiary, or fiduciary of estate or trust, or an individual who bears any of the relationships described in Code section 152(d)(2)(A)-(G); or (e) your dependent under Code section 152(d)(2)(H).
- viii. You will provide complete, accurate and timely information to us to claim the Employee Retention Credit on your behalf and when requested in connection with our services under this Agreement. We shall be entitled to rely on any such information and representations provided by you.
  - ix. You are solely responsible for any penalties, taxes or fees that are due as a result of any improper claim of, or alleged improper claim of, Employee Retention Credits.
- C. Notwithstanding anything stated to the contrary in this Section 3, if you receive any type of payroll tax credit or reimbursement under COVID-19 Economic Relief Legislation, including an Employee Retention Credit or credits under the FFCRA, you shall maintain, for a period of six (6) years from the date you receive such payroll tax credit or reimbursement, any and all records regarding the claim for such credit or reimbursement, including records regarding eligibility, calculations, and filings for such credit or reimbursement.
  - D. Your violation of this Section 3 shall constitute a Default under the Agreement, entitling us to a right of immediate termination of the Agreement.
  - E. **YOU AGREE TO INDEMNIFY THE INSPERITY INDEMNIFIED PARTIES FOR ANY AND ALL CLAIMS, LOSSES, LIABILITIES, OBLIGATIONS, AND/OR EXPENSES (INCLUDING, WITHOUT LIMITATION, COURT COSTS AND ATTORNEYS' FEES) ARISING FROM, RELATING TO, OR IN CONNECTION WITH, IN WHOLE OR IN PART, (I) THE EMPLOYEE RETENTION CREDIT CLAIMED BY YOU, (II) YOUR USE OF THE ERC PAY CODES, (III) ANY PAYROLL TAX REMITTANCE MADE BY US PURSUANT TO INSTRUCTIONS BY YOU REGARDING AN EMPLOYMENT RETENTION CREDIT, (IV) OUR COMPLIANCE WITH THIS SECTION 3; AND (V) YOUR FAILURE TO COMPLY WITH ANY OBLIGATIONS UNDER THIS SECTION 3. THE INDEMNITY OBLIGATIONS CONTAINED IN THIS SECTION 3 SHALL SURVIVE TERMINATION OF THE AGREEMENT.**

#### Alabama

1. Pursuant to section 25-14-9 of the Code of Alabama,
  - A. We reserve a right of direction and control over Staff and exercise that right in the context of the need to do so according to the terms and conditions of the Agreement. You, however, as an employer, retain sufficient direction and control over Staff necessary to conduct your business, and, without which, you would be unable to conduct your business, discharge any fiduciary responsibility, or comply with any licensure, regulatory, or statutory requirement applicable to you or Staff.
  - B. We assume responsibility to pay wages to covered employees, withhold, collect, report, and remit payroll-related and unemployment taxes to the extent that you have funded the obligations; and, to the extent we have assumed responsibility in Schedule B to the Agreement, to make payments for employee benefits for Staff. As used in this section, the term "wages" does not include any obligation between you and Staff for payments beyond or in addition to Staff's salary or regular rate of pay, such as bonuses, commissions, severance pay, deferred compensation, profit sharing, vacation, sick leave, or other paid time off pay.
  - C. Under the terms and conditions of the Agreement, we and you both have a right to hire, terminate, and discipline Staff subject to the terms of any collective bargaining agreements which may exist.
  - D. We will maintain and at the termination of the Agreement will provide to you, upon your request, workers' compensation loss experience records related to Staff.
2. The parties recognize that Alabama Act 2006-229 requires you to post a notice regarding us as a professional employer organization. Any and all questions or complaints should be directed to:
 

Director  
Alabama Department of Industrial Relations  
Workers' Compensation Division (PEO Office)  
Montgomery, AL 36131  
800-528-5166

You agree to post this required notice which we will provide, or which is available below.

#### Arizona

Pursuant to AZ Revised Stats. 23-562,

1. The right to direct and control covered employees to the extent necessary to conduct your business and to discharge any fiduciary responsibility or to comply with any licensing requirement that applies to you or Staff is reserved to you.
2. We shall pay the wages of Staff, withhold, collect, report and remit payroll-related and unemployment taxes and make payment for employee benefits for Staff. For purposes of this paragraph, wages do not include obligations between you and Staff that exceed such Staff's salary such as bonuses, commissions, severance pay, deferred compensation, profit sharing or vacation, sick or other paid time off.
3. Both we and you shall have a right to hire, terminate and discipline Staff.
4. We shall maintain, and if requested by you at termination of the Agreement, provide your records regarding the loss experience related to the workers' compensation insurance that is provided to Staff.

## Arkansas

1. As required under Arkansas A.C.A. § 23-93-409, we or our workers' compensation insurance carrier will maintain premium and loss experience related to workers' compensation insurance for Staff during the relationship and provide such records upon written request after termination of the Agreement.
2. As required under Arkansas A.C.A. § 23-92-411, you are responsible for ensuring with the assistance of a licensed insurance producer that any of your subcontractors has workers' compensation coverage as required by law.

## California

1. You assume all civil and legal responsibility under California Labor Code section 2810.3.
2. For purposes of the California Consumer Protection Act ("CCPA"), as amended by the California Privacy Rights Act ("CPRA"), or otherwise complying with Laws, you and we are each a Business (as defined by the CCPA, as amended) with respect to Staff ~~Records as that term is defined in the Data Annex to the Terms & Conditions, regardless of which party initially collects or creates the Staff record, and you and we agree to provide each other with commercially reasonable access thereto for the purpose of acting as a Business with respect to the co-employer relationship. Our California Privacy Notice provides information regarding the rights individuals may exercise under the CCPA.~~ You acknowledge and agree to the terms of the Data Annex. With regards to the Client Staff Records Service as defined in the Agreement, we are acting as a Service Provider (as defined by the CCPA, as amended).

## Colorado

Pursuant to Colorado Revised Civil Statutes 8-70-114,

1. We, as the co-employer, assign Staff to your locations.
2. We, as the co-employer, retain a right to set the pay rate for the Staff.
3. We, as the co-employer, retain the right to pay the Staff from our own accounts.
4. We, as the co-employer, retain the right to direct and control Staff and such rights and responsibilities as may be set forth in the Agreement.
5. We, as the co-employer, have the right to discharge, reassign, or hire Staff to perform services for you and us.
6. We, as the co-employer, have the responsibility for payment of wages to Staff as set forth in the Agreement as well as the responsibility for reporting, withholding, and paying any applicable taxes and premiums with respect to Staff's wages or payment of employee benefit plans sponsored by us as set forth in the Agreement.
7. We will provide, maintain, and secure all records and documents required of us under the unemployment insurance laws of Colorado for Staff.
8. We intend for the relationship with Staff to be an ongoing relationship and not temporary or project-specific.

## Florida

1. The parties recognize that we are regulated by the Florida Employee Leasing Companies Statute, Chapter 468, Part XI. Further, those statutes and related regulations specify certain language must be included in the Agreement. Therefore, it is agreed that the following is hereby added to the Agreement:
  - A. We reserve a right of direction and control over Staff. However, you may retain sufficient direction and control over Staff as is necessary to conduct your business and without which you would be unable to conduct your business, discharge any fiduciary responsibility that you may have, or comply with any licensure, regulatory, or statutory requirement applicable to you or Staff.
  - B. We assume responsibility for the payment of wages to Staff without regard to payment by you.
  - C. We assume full responsibility for payment of payroll taxes and collection of taxes from payroll of Staff.
  - D. We retain authority to hire, terminate, discipline and reassign Staff. However, you may have the right to accept or cancel the assignment of any Staff.
  - E. We retain a right of direction and control over management of safety, risk, and hazard control at the worksite affecting Staff, including:
    - i. the responsibility for performing safety inspections of your equipment and premises;
    - ii. the responsibility for the promulgation and administration of employment and safety policies; and
    - iii. the responsibility for management of workers' compensation claims, claims filings, and related procedures.
2. As provided under Florida Statutes, section 768.098, you retain actual control over the day-to-day job duties performed by Staff and actual control over the job site of Staff. You will promptly report to us, any complaints, allegations or incidents of any tortious misconduct or workplace safety violations, regardless of the source.
3. The parties agree that we, or our assignee, shall have the right to conduct an annual onsite physical inspection of your worksite location with the purpose of examining workers' compensation classifications of Staff and to aid in the determination of payroll amounts paid to Staff as provided under Florida Statutes at 468.525(4) F.S. and 440.381 or any rules imposed by the Florida Department of Financial Services, Division of Workers' Compensation.
4. The parties agree that if you fail to pay our invoice as due, then in that event, this Agreement may be terminated instantly at our sole discretion without further notice and you will assume all employer obligations of Staff.
5. Pursuant to Florida Statutes, section 627.192(8), you hereby provide the following sworn statement to us:  
**That you do not owe any funds, except those subject to legitimate dispute, to your current or former workers' compensation insurer nor do you owe any funds to your current or former employee leasing company.**

## Hawaii

During the term of this Agreement, we shall be deemed the employer for all Staff for purposes of complying with all laws relating to unemployment insurance, workers' compensation, temporary disability insurance, and prepaid health care coverage. We will provide written notification to each Staff of this responsibility.

## Idaho

The parties recognize that we are regulated by the Idaho statute dealing with professional employer organizations, Title 44, Chapter 24, Idaho Code. Further, that such statute specifies certain language must be included in the Agreement. Therefore, it is agreed that the following is hereby added to the Agreement:

1. We reserve a right of direction and control over Staff. However, you may retain such sufficient direction and control over Staff as is necessary to conduct your business and without which you would be unable to conduct your business, discharge any fiduciary responsibility which you may have, or comply with any licensure, regulatory or statutory requirement applicable to you or Staff.
2. We assume responsibility for the withholding and remittance of payroll-related taxes and employee benefits from our own accounts, as long as the Agreement remains in force.
3. We retain authority to hire, terminate, discipline, and reassign Staff. However, you, if you accept the responsibility for your actions, may have the right to accept or cancel the assignment of any Staff.

#### **Illinois**

Client is solely responsible for its compliance under the Illinois Equal Pay Act of 2003, 820 ILCS §112/1 et seq., as amended, including all applications, report submissions, certifications/recertifications of equal pay principles, and filing fees.

#### **Indiana**

The parties recognize that we are regulated by the Indiana statutes dealing with professional employer organizations, Indiana Code, 27-16-7. Further, Indiana Code 27-16-7-2 specifies certain language must be included in the Agreement. Therefore, it is agreed that the following is hereby added to the Agreement.

1. Except as provided in paragraph 3 below, we are responsible for:
  - A. The payment of wages to Staff;
  - B. The withholding, collection, reporting, and remittance of payroll-related and unemployment taxes related to wages paid to Staff by us;
  - C. To the extent that we have assumed responsibility in the Agreement, making payments for employee benefits for Staff; and
  - D. Obtaining workers' compensation coverage for Staff from a workers' compensation insurer that is authorized to conduct the business of insurance in Indiana.
2. We shall maintain and shall provide to you, at your request, at the termination of the Agreement, records regarding loss experience related to the workers' compensation coverage of Staff.
3. We are not responsible for an obligation between you and Staff for payments in addition to the Staff's salary, draw, or regular rate of pay, including bonuses, commissions, severance pay, deferred compensation, profit sharing, or vacation, sick, or other paid time off.

#### **Kansas**

1. We shall have the responsibility to pay wages to Staff, to withhold, collect, report and remit payroll-related and unemployment taxes and, to the extent we have assumed such responsibility in the Agreement, to make payments for employee benefits for Staff.
2. In addition to your right to hire, discipline and terminate Staff, we shall have a right to hire, discipline and terminate Staff only as may be necessary to fulfill our responsibilities under the provisions of K.S.A. 2014 Supp. 44-1701 through 44-1711 and amendments thereto known as the Kansas Professional Employer Organization Registration Act (the "**Kansas Act**"), or the Agreement.
3. For purposes of Paragraph 1 above, wages do not include any obligation between you and Staff for payments beyond, or in addition to, Staff's salary, draw or regular rate of pay, such as bonuses, commissions, severance pay, deferred compensation, profit sharing or vacation, sick or other paid time off pay except and solely to the extent that you have funded such obligations to us.
4. Staff shall include individuals who are your officers, directors, shareholders, members, partners or managers if such individuals satisfy the provisions of section 44-1702(e)(1) and (2) of the Kansas Act and such individuals act as operational managers or perform day-to-day operational services for you.
5. We intend for the relationship with Staff to be an ongoing relationship and not temporary or project-specific.

#### **Kentucky**

1. We shall have responsibility to pay wages to covered employees; to withhold, collect, report and remit payroll and unemployment taxes; and, to the extent we have assumed responsibility in the Agreement, to make payments for employee benefits for covered employees as a result of the outsourcing of payroll duty to us by you. As used in this paragraph, "wages" does not include any obligation between you and a covered employee for payments beyond or in addition to the covered employee's salary, draw, or regular rate of pay such as bonuses, commissions, severance pay, deferred compensation, profit sharing, or vacation, sick, or other paid time off, unless we have expressly agreed to assume liability for payments in the Agreement.
2. We shall have a right to hire, discipline, and terminate a covered employee as may be necessary to fulfill our responsibilities under Sections 1 to 11 of the Kentucky Professional Employer Organization Registration Act and the Agreement. You shall have a right to hire, discipline, and terminate a covered employee.
3. We shall have the responsibility to obtain and maintain workers' compensation coverage for covered employees from an insurer licensed to do business in the Commonwealth and otherwise in compliance with all applicable requirements.
4. You shall obtain and maintain workers' compensation coverage in compliance with KRS Chapter 342 for all employees not covered in the co-employment relationship. It shall be your responsibility to maintain in your files, at all times, the certificate of insurance, or a copy thereof, evidencing the existence of the required insurance. Your exposure and experience shall be used in determining the premium for the policy and shall include coverage for all covered employees.

## Louisiana

You retain control over your business enterprise and exercise direction and control over Staff as to the manner and method of work done in furtherance of your business, but that authority and responsibility as to other employment matters, including but not limited to hiring, firing, discipline, and compensation are allocated as provided in the Agreement. This Agreement is intended to be ongoing rather than temporary. The Agreement is executed between the parties subject to the provisions of Part VII and Part XII of Chapter 11 of Title 23 of the Louisiana Revised Statutes of 1950.

## Massachusetts

1. You shall be entitled to exercise all rights and shall be obligated to perform all duties and responsibilities, otherwise applicable to an employer in an employment relationship, except as provided in the Agreement.
2. We are entitled to exercise only those rights, and obligated to perform only those duties and responsibilities, specifically required by M.G.L. c. 149, s. 192-203, or those set forth in the Agreement. Provided, however, that our rights, duties and obligations with respect to any Staff shall be limited to those arising pursuant to the Agreement and those required pursuant to statute during the term of the PEO relationship with such Staff.
3. You retain the exclusive right to direct and control Staff as is necessary to conduct your business, to discharge any of your fiduciary responsibilities or to comply with any licensure requirements applicable to you or Staff.
4. We shall assume responsibility to do the following:
  - A. Pay such wages to Staff;
  - B. Withhold, collect, report and remit payroll-related and unemployment taxes; and
  - C. Make payments for employee benefits for Staff.
5. We shall have a right to hire and terminate Staff as may be necessary to fulfill our responsibilities pursuant to M.G.L. c. 149, s. 192-203. Provided, however, that you shall have a right to hire, discipline and terminate Staff.
6. You are responsible for workplace safety, risk and hazard control including disclosing information about workplace injuries and illness required by the federal Occupational Safety and Health Act and for performing workplace safety inspections of all premises where Staff are employed.

## Minnesota

1. This is to inform you that your unemployment account in the state of Minnesota will be transferred to us and you remain responsible for reporting any non-leased (not Staff) employees on the transferred account.
2. You agree that within ten (10) days of the Effective Date of the Agreement to provide us, in writing, your Minnesota unemployment account user identification and password for the online Minnesota Unemployment Insurance system at [www.uimn.org](http://www.uimn.org). This is considered a material provision under the Agreement.

## Missouri

1. You shall be entitled to exercise all rights and shall be obligated to perform all duties and responsibilities otherwise applicable to an employer in an employment relationship.
2. We shall be entitled to exercise only those rights and obligated to perform only those duties and responsibilities specifically required under M.R.S. sections 285.700 to 285.750 or set forth in Agreement. Our rights, duties, and obligations as co-employer with respect to any Staff shall be limited to those arising pursuant to Agreement and sections 285.700 to 285.750 during the term of co-employment by us of such Staff.
3. Unless otherwise expressly agreed by us and you in our Agreement, you retain the exclusive right to direct and control Staff as is necessary to conduct your business, to discharge any of your fiduciary responsibilities, or to comply with any licensure requirements applicable to you or to Staff.
4. We have the responsibility to: pay wages to Staff and to withhold, collect, report, and remit payroll-related and unemployment taxes, and to the extent we have assumed responsibility in the Agreement, make payments for employee benefits for Staff.
5. We have a right to hire, discipline, and terminate Staff as may be necessary to fulfill our responsibilities under M.R.S. sections 285.700 to 285.750 and the Agreement. You have a right to hire, discipline, and terminate Staff.
6. Except as expressly provided otherwise in the Agreement, we have the responsibility to obtain workers' compensation coverage for Staff in compliance with all applicable laws.
7. If you participate in the Missouri Quality Jobs Program, we shall prepare documentation relating to Staff payroll including invoices to you, at the request of you and/or the Missouri Department of Economic Development ("MODED") to establish that you not us, has received/applied for the tax credits available through your participation in the Missouri Quality Jobs Program ("Program") for the new jobs created by you.
8. We shall also prepare and ship to a Missouri location designated by you and/or MODED copies of all employment and payroll records for Staff relating to your participation in the Program that may be required in connection with any MODED audit of your participation in the Program.

## Montana

The parties recognize that the Agreement is governed by the Montana Professional Employer Organizations Licensing Act, and as required by MCA 39-8-207, it is agreed that the following is hereby added to the Agreement:

1. We reserve a right of direction and control over Staff assigned to your location. You may retain sufficient direction and control over Staff necessary to conduct business and without which you would be unable to conduct business, discharge fiduciary responsibilities, or comply with state licensing laws.
2. We assume responsibility for the payment of wages of Staff, workers' compensation premiums, payroll related taxes and employee benefits from our own accounts without regard to payments by you.

3. We retain authority to hire, terminate, discipline, and reassign Staff. You have the right to accept or cancel the assignment of any Staff.
4. With respect to Staff, you share joint and several liability for any wages, workers' compensation premiums, payroll-related taxes, and any benefits left unpaid by us and-, in the event that our license is suspended or revoked, this liability is retroactive to when you entered into the Agreement.
5. You are responsible for compliance with the Montana Safety Culture Act, Title 39, chapter 71, part 15.

#### **Nebraska**

The parties recognize that the Agreement is governed by the Nebraska Professional Employer Organization Registration Act, Neb. Rev. Stat. section 48-2701 to 48-2711 (the "**Nebraska Act**") and pursuant to the Nebraska Act, it is agreed that the following is hereby added to the Agreement:

1. We shall have responsibility to pay wages to Staff; to withhold, collect, report, and remit payroll-related and unemployment taxes; and, to the extent we have assumed responsibility in the Agreement, to make payments for employee benefits for Staff. For purposes of this paragraph, the term "wages" does not include any obligation between you and Staff for payments beyond or in addition to each Staff's salary, draw, or regular rate of pay, such as bonuses, commissions, severance pay, deferred compensation, profit sharing, or vacation, sick, or other paid time off pay, except to the extent that you have specifically funded such obligation to us.
2. We shall have a right to hire, discipline, and terminate Staff as may be necessary to fulfill our responsibilities under the Nebraska Act and the Agreement. You shall have a right to hire, discipline, and terminate Staff.
3. We shall have the responsibility to obtain workers' compensation coverage for Staff from an insurer licensed to do business in Nebraska and otherwise in compliance with all applicable requirements of section 48-2709 of the Nebraska Act. Client is not relieved of its obligations under the Nebraska Workers' Compensation Act to provide workers' compensation coverage in the event that we fail to obtain workers' compensation insurance for which we have assumed responsibility.
4. Pursuant to Neb. Rev. Stat. sections 48-2702(4) and 48-115 parts 9 and 10, individuals who are officers, directors, shareholders, partners, and managers of Client, and members (if Client is a limited liability company) shall be Staff provided that such individuals meet the criteria required under Nebraska law and act as operational managers or perform day-to-day operational services for Client.
5. Any of your employees not covered by the Agreement must be covered by you under a separate workers' compensation insurance policy.
6. We will provide a bulletin board posting, which you will display, that specifies the name of our workers' compensation carrier and claim instructions. You are responsible for providing and posting your own notices for any separate workers' compensation insurance policy that you provide to cover employees who are not Staff.
7. The parties intend for this Agreement to be ongoing rather than temporary.

#### **Nevada**

The parties recognize that the Agreement is governed by NRS sections 616B.670 to 616B.693, and, pursuant to such statutes, it is agreed that the following is hereby added to the Agreement:

1. Coverage for workers' compensation for Staff does not take effect until the Effective Date of the Agreement.
2. We will pay all premiums required by our workers' compensation insurance policy, including, without limitation, any adjustments or assessments, and we will be entitled to any refunds of premiums.
3. Except as otherwise provided by law, all services provided by us to you will cease immediately on the effective date of any termination of the Agreement.
4. Our workers' compensation insurer has the right to inspect your premises and records.
5. Your loss experience will continue to be reported in your name of to the Commissioner of the Nevada Department of Business and Industry and will be available to subsequent insurers upon request.
6. Our workers' compensation insurance policy covers only Staff.
7. You are responsible at all times for providing coverage for workers' compensation for any of your employees who are not Staff.
8. You must provide satisfactory evidence of the coverage required by paragraph (7) above to our workers' compensation insurance carrier.
9. If we fail to pay any contributions, premiums, forfeits or interest due or submit any reports or other information pursuant to NRS chapters 612, 616A, 616B, 616C, 616D, or 617, you are jointly and severally liable for contributions, premiums, forfeits or interest attributable to the wages of Staff.
10. This is to inform you that your unemployment account in the state of Nevada will be transferred to us and you remain responsible for reporting any non-leased (not Staff) employees on the transferred account.
11. You agree that within ten (10) days of the Effective Date of the Agreement to provide us, in writing, your Nevada unemployment tax account number, the user identification and password for the online Nevada DETR Employer Self Service (ESS) Unemployment Insurance system at <http://ui.nv.gov/ess.html> and/or a physical copy of your current rate notice or Liability Determination. This is considered a material provision under the Agreement.

#### **New Jersey**

You acknowledge that the State of New Jersey will close your Unemployment Insurance ("**UI**") account unless you notify the State of New Jersey and Insperity's Payroll Specialist in writing of its desire and need to maintain your UI account.

Pursuant to New Jersey Title 34, Labor and Workmen's Compensation, Chapter 8-68, it is agreed that the following is hereby added to the Agreement:

1. We reserve a right of direction and control over each Staff. However, you may retain sufficient direction and control over Staff as is necessary to conduct your business and without which you would be unable to conduct your business, discharge any fiduciary responsibility that you may have, or comply with any licensure, regulatory or statutory requirement applicable to you or Staff.
2. We assume responsibility for the payment of wages to Staff without regard to payments by you to us, except that the provisions of this paragraph shall not affect your obligations with respect to the payment of wages to Staff.
3. We assume responsibility for the payment of payroll taxes and collection of taxes from payroll on Staff.
4. We retain authority to hire, terminate, discipline, and reassign Staff. However, no Staff shall be reassigned to another client of us without that Staff's consent and you may have the right to accept or cancel the assignment of any Staff.



5. We have given written notice of the relationship between us and you to each Staff we assign to perform services at your work site.
6. We shall, except for newly established business entities, hire our initial employee complement from among your employees at the time of execution of the Agreement at comparable terms and conditions of employment as are in existence with you at the time of execution of the Agreement and as designated by you. Throughout the term of the Agreement, Staff shall be considered employees of both you and us and upon the termination of the Agreement, Staff shall be considered your employees.
7. We will continue to honor and abide by existing collective bargaining agreements applicable to Staff. You shall continue to honor and abide by the terms of any applicable collective bargaining agreements, and upon expiration thereof, any of your obligations to bargain in good faith in connection with such collective bargaining agreements shall not be affected in any manner by the Agreement.
8. We shall provide workers' compensation insurance for Staff.
9. We and you shall each retain a right of direction and control over management of safety, risk and hazard control at the work site or sites affecting each Staff including:
  - A. Responsibility for performing safety inspections of your equipment and premises;
  - B. Responsibility for the promulgation and administration of employment and safety policies; and
  - C. Responsibility for the management of workers' compensation claims, the filings thereof, and procedures related thereto.
10. Pursuant to New Jersey Title 34, Labor and Workmen's Compensation, Chapter 8-73(a), upon the Effective Date of the Agreement:
  - A. If all of your employees become Staff, we will report wages and pay contributions to the unemployment compensation fund based on our State of New Jersey benefit experience.
  - B. If less than all of your employees become Staff, we will report wages and pay contributions on Staff to the unemployment compensation fund based on our State of New Jersey benefit experience and Staff experience will not be attributable to us.
11. Pursuant to New Jersey Title 34, Labor and Workmen's Compensation, Chapter 8-73(b), upon termination of Agreement:
  - A. If all of your employees become Staff and the Agreement has been in effect for two (2) full calendar years, you will receive the State of New Jersey new employer unemployment rate.
  - B. If all of your employees become Staff and the Agreement has been in effect less than two (2) full calendar years, we will provide the State of New Jersey data for it to calculate your benefit experience which will be added to your prior benefit experience. Both we and you will use our benefit experience rate from termination until the following July 1.
  - C. If less than all of your employees become Staff and the Agreement was effective at least two (2) full calendar years, the benefit experience of Staff shall not transfer to you.
  - D. If less than all of your employees become Staff and the Agreement was in effect less than two (2) full calendar years, we will provide the State of New Jersey with data for it to calculate your benefit experience which the State of New Jersey will combine with other data on your existing benefit experience.

#### **New York**

1. We expressly assume the rights and responsibilities required by section 31-922, Laws of New York, which requires the Agreement to set forth the responsibilities and duties of each of us and you.
2. We reserve a right of direction and control over Staff. However, you shall maintain such direction and control over Staff as is necessary to conduct your business and without which you would be unable to conduct your business, discharge any fiduciary responsibility which you may have, or comply with any licensure applicable to you or Staff.
3. We assume responsibility for the withholding and remittance of payroll-related taxes and employee benefits for Staff and for which we have contractually assumed responsibility from our own accounts, as long as the Agreement remains in force.
4. We retain authority to hire, terminate and discipline Staff.
5. We pay wages and collect, report and remit employment taxes of Staff from our own accounts.
6. We pay unemployment insurance as required by applicable unemployment insurance law.
7. We secure and provide required workers' compensation coverage for Staff either in either our name or your name.
8. The Agreement is intended to be on-going rather than temporary in nature.

#### **North Carolina**

For purposes of the North Carolina Professional Employer Organization Act, N.C. Gen. Stat. § 58-89A (the "**North Carolina Act**"):

1. You retain the exclusive right of direction and control over the Staff as is necessary to conduct your business and without which you would be unable to conduct your business, to discharge any fiduciary responsibility that you may have, or to comply with any licensure, regulatory, or statutory requirement applicable to you or Staff.
2. Employment responsibilities not allocated to us by the Agreement or section 58-89A-100 of the North Carolina Act remains with you.
3. We assume responsibility for the payment of wages to Staff as agreed to in the Agreement.
4. We assume responsibility for the payment of payroll taxes and collection of taxes from payroll on Staff.
5. We shall have a right to hire, discipline, and terminate Staff as may be necessary to fulfill our responsibilities under the North Carolina Act and the Agreement. You shall have a right to hire, discipline, and terminate Staff.
6. You retain a right of direction and control over the adoption of employment policies and the management of workers' compensation claims, claim filings, and related procedures in accordance with applicable federal laws and the laws of the State of North Carolina.
7. We shall have the responsibility to obtain workers' compensation coverage for Staff, from an entity authorized to do business in the State of North Carolina and otherwise in compliance with all applicable requirements. We shall maintain and provide to you, at the termination of the Agreement if you request, records regarding the loss experience related to workers' compensation insurance provided to Staff pursuant to the Agreement.
8. You represent and warrant that you have met any and all prior premium or fee obligations for workers' compensation insurance to your current or prior carrier and/or professional employer organization.
9. We and you assume the responsibilities required by the North Carolina Act.

10. We and you intend that the Agreement is to be of a long-term or continuing nature, rather than temporary or seasonal in nature.
11. You are instructed that the following individual at Insperity must be notified in the event of an OSHA inspection at any of your facilities or locations in the State of North Carolina:

Insperity  
Director, Safety Services  
19001 Crescent Springs Drive  
Mailbox 3-2730  
Kingwood, Texas 77339  
Phone: 800-237-3170, ext. 3922  
Facsimile: 800-785-3775

This same contact information must be provided by you to the OSHA inspector at the time of any such inspection.

#### **North Dakota**

1. We are responsible for the procurement of workers' compensation insurance and administration of claims for those Staff working outside of North Dakota.
2. You are responsible for the procurement of workers' compensation insurance and administration of claims for those Staff working in North Dakota.
3. You agree that you will comply, at your sole cost and expense, with all federal, state and local health and safety laws, regulations, ordinances, directives and rules relating to workplace, including all directives concerning a safe work environment from us or the North Dakota insurance system for Staff working in North Dakota.
4. We shall have the right to inspect your workplace, including but not limited to any job sites at which Staff will be assigned. To the extent possible, such inspections shall be scheduled at mutually convenient times.
5. We shall, at our expense, keep in force at all times during this Agreement, workers' compensation insurance covering all Staff working outside of North Dakota. You shall be named an alternate employer. Upon your written request, we shall request that our insurance carrier furnish a certificate of insurance verifying coverage. The policy shall include a waiver of subrogation.
6. You shall be responsible for procurement of workers' compensation insurance coverage on any of your employees that are not part of Staff, any Staff working in North Dakota, individual owners who work in the business, and any employees of your subcontractors. Additionally, you shall require your subcontractors and independent contractors to maintain workers' compensation insurance coverage. You shall keep certificates of insurance documenting such coverage on file and provide them to you upon request. You agree to reimburse and indemnify us for any costs or expenses incurred by us as a result of your breach of this provision or the failure of any of your subcontractors or independent contractors to maintain workers' compensation insurance coverage.
7. In addition to any other indemnity contained in the Agreement, you agree to indemnify, defend and hold Insperity Indemnified Parties harmless from and against any and all liability, expense (including cost of investigation, court costs and reasonable attorneys' fees) and claims for damage of any nature whatsoever, whether know or unknown and whether direct or indirect, as though expressly set forth and described herein, which Insperity Indemnified Parties may incur, suffer, become liable for or which may be asserted or claimed against any Insperity Indemnified Party as a result of Staff working in North Dakota incurring an occupational injury or disease.
8. The parties intend that their relationship is an ongoing relationship rather than a temporary or project-specific relationship.
9. Staff shall include any individual who is your officer, director, shareholder, partner or manager where such individual meets the criteria set forth in North Dakota Century Code section 43-55-01(5) and any other criteria set forth in the Agreement.
10. You and we are jointly liable for delinquent unemployment insurance taxes, and any such delinquent amounts including any penalties or interest due may be collected from either of us.

#### **Ohio**

1. Pursuant to section 4125.01(E) of the Ohio Revised Code, the Agreement may not terminate without cause prior to twelve months from the Effective Date of the Agreement.
2. The parties intend for the Agreement to be ongoing rather than temporary in nature.
3. We will pay wages and taxes from our own accounts regardless of receipt of payment from you.

#### **Oklahoma**

Pursuant to Ok. Stat. section 40-600.7(c):

1. We shall reserve a right of direction and control over Staff; provided, that you may retain the right to exercise such direction and control over Staff as is necessary to conduct your business, to discharge any fiduciary responsibility which you may have, or to comply with any licensure requirements applicable to you or Staff.
2. We shall have responsibility to pay wages and salaries to Staff; to withhold, collect, report, and remit payroll-related and unemployment taxes; and, to the extent we have assumed responsibility in the Agreement, to make payments for employee benefits for Staff.
3. Both we and you shall retain authority to hire, terminate, and discipline Staff.
4. We shall have the responsibility to obtain workers' compensation coverage for Staff, from a carrier licensed to do business in Oklahoma and otherwise in compliance with all applicable requirements. We shall maintain and provide to you, at the termination of the Agreement if requested by you, records regarding the premium and loss experience related to workers' compensation insurance provided to Staff.
5. The parties intend that their relationship is an ongoing relationship, rather than a temporary or project specific relationship.

#### **Pennsylvania**

In accordance with PA Stat. Title 43, Chapter 15C ("PA PEO Act"):

1. We agree to pay wages to covered employees; to withhold, collect, report and remit payroll-related taxes and remit unemployment taxes

in accordance with the PA PEO Act; and, to the extent that we have assumed responsibility in this agreement, to make payments for employee benefits for Staff. As used in this paragraph, the term "wages" does not include any obligation between you and Staff for payments beyond or in addition to the Staff's salary, draw or regular rate of pay, such as bonuses, commissions, severance pay, deferred compensation, profit sharing or vacation, sick or other paid time off pay, unless we have expressly agreed to assume liability for these payments in the agreement.

2. Nothing in this Agreement shall relieve you from compliance with the Commonwealth's wage and labor laws, including the Child Labor Law of 1915 (P.L. 286, No. 177), the Pennsylvania Prevailing Wage Act of 1961 (P.L. 987, No. 442), the Wage Payment and Collection Law of 1961 (P.L. 637, No. 329), and the Minimum Wage Act of 1968 (P.L. 11, No. 5). If you are a health care facility as defined in section 2 of the Prohibition of Excessive Overtime in Health Care Act, enacted October 9, 2008 (P.L. 1376, No. 102), you shall comply with that act.
3. We shall have a right to hire, discipline and terminate Staff as may be necessary to fulfill our responsibilities under the PA PEO Act and the agreement. You shall have a right to hire, discipline and terminate Staff.
4. We shall have the responsibility to obtain worker's compensation coverage for Staff in compliance with applicable requirements.

#### Rhode Island

1. Pursuant to R.I. Gen. Laws section 5-75-7(a)(2):
  - A. We shall reserve a right of direction and control over Staff; provided, that you may retain the right to exercise such direction and control over Staff as is necessary to conduct your business, to discharge any fiduciary responsibility which you may have, or to comply with any licensure requirements applicable to you or Staff.
  - B. We shall have responsibility to pay wages to Staff; to withhold, collect, report and remit payroll-related and unemployment taxes; and, to the extent we have assumed responsibility in the Agreement, to make payments for employee benefits for Staff. As used in this section, the term "wages" does not include any obligation between you and Staff for payments beyond or in addition to the Staff's salary, draw or regular rate of pay, such as bonuses, commissions, severance pay, deferred compensation, profit sharing or vacation, sick or other paid time-off pay except to the extent that you have specifically funded such payments to us.
  - C. We shall have the responsibility to withhold, collect, report and remit payroll related and unemployment taxes. For purposes of chapters 39 – 41 (Rhode Island Temporary Disability Insurance Act) and chapters 42 – 44 (Employment Security Act) of title 28, and section 5-75-7(a)(2), the term "wages" shall be defined in accordance with § 28-42-3(28).
  - D. Each of you and us shall have a right to hire, terminate and discipline Staff.
  - E. We shall have the responsibility to obtain workers' compensation coverage for Staff, from a carrier licensed to do business in Rhode Island and otherwise in compliance with all applicable requirements.
2. Pursuant to R.I. Gen. Laws section 5-75-2(d)(1), the parties intend for their relationship to be an ongoing relationship, rather than a temporary or project specific relationship.
3. Pursuant to R.I. Gen. Laws section 5-75-2(d)(3), you are responsible for any employer right or obligation not otherwise allocated by the Agreement or Chapter 5-75 (Professional Employer Organizations Act of 2004, as amended).
4. Pursuant to R.I. Gen. Laws section 5-75-2(e), individuals who are your officers, directors, shareholders, partners, and managers of Client, will be Staff provided that such individuals act as operational managers or perform services for you and meet the criteria contained in R.I. Gen. Laws section 5-75-2(e) and the Agreement.
5. Each of you and us assume the responsibilities required by Chapter 5-75 (Professional Employer Organizations Act of 2004, as amended).
6. We shall maintain and provide to you, at the termination of the Agreement, if you request, records regarding the loss experience related to workers' compensation insurance provided to Staff.

#### South Carolina

The parties recognize that we are regulated by the South Carolina Department of Consumer Affairs ("**Department**"), under Title 40, Chapter 68 of the South Carolina Code. Further, those statutes specify that that certain language must be included in the Agreement. Therefore, it is agreed that the following is hereby added to the Agreement:

1. We reserve a right of direction and control over Staff.
2. We assume responsibility for the payment of wages to Staff without regard to payment by you, subject to the termination provisions hereof.
3. We assume responsibility for payment of payroll taxes and collection of taxes from payroll of Staff.
4. We retain a right to hire, fire, discipline and reassign Staff.
5. We retain a right of direction and control over the adoption of employment policies and safety policies and the management of workers' compensation claims, claim filings and related procedures.
6. We and you agree that:
  - A. Notice to or acknowledgment of the occurrence of an injury on your part is notice or knowledge on our part and our workers' compensation insurer;
  - B. For purposes of Title 42, the jurisdiction over you is the jurisdiction for us and our workers' compensation insurer;
  - C. We and our workers' compensation insurer are bound by and subject to the awards, judgments, or decrees rendered against them under Title 42; and
  - D. Insolvency, bankruptcy, or discharge in bankruptcy of you or us does not relieve us, you or the respective workers' compensation insurers of you or us from payment of compensation for disability or death sustained by Staff during the life of a workers' compensation policy.
7. We shall procure workers' compensation insurance liability for Staff.
8.
  - A. You hereby certify and agree that all of your employees are Staff or that you maintain a separate workers' compensation policy to protect the individuals who are not Staff.
  - B. We will, before execution of the Agreement and annually thereafter, conduct a good faith investigation of your business. If the

investigation determines not all of your employees have become Staff, you will and do hereby agree to maintain your own separate workers' compensation insurance policy covering such non-Staff and will provide us a copy of your certificate of insurance with a thirty (30) day notice of cancellation, non-renewal or material change.

- C. If you fail to secure workers compensation insurance coverage, our workers' compensation carrier will accept liability for claims of the non-Staff employed by Client. Client agrees to pay for such additional coverage.
9. You agree to display the following notices, in your places of business in a conspicuous place that is in clear and unobstructed public view.
- A. We are in a co-employment relationship with Insperty, with Insperty being the PEO licensed and regulated by the South Carolina Department of Consumer Affairs. Any questions or complaints regarding Insperty should be addressed to:  
Department of Consumer Affairs  
293 Greystone Blvd, Ste. 400  
Columbia, SC 29210  
Telephone: 803/734-4200  
[www.sccconsumer.gov](http://www.sccconsumer.gov)
  - B. We are operating under and subject to the Workers' Compensation Act of South Carolina. In case of accidental injury or death to an employee, the injured employee, or someone acting on his or her behalf, shall notify immediately:  
Insperty  
19001 Crescent Springs  
Kingwood, TX 77339  
To report an injury call: 866/880-1777  
Account Number: 42720
  - C. Failure to give immediate notice may be the cause of serious delay in the payment of compensation to you or your beneficiaries and may result in failure to receive any compensation benefits."
10. You acknowledge that at the time of termination of this Agreement, we will send notice to Staff advising them of the termination of employment by us.

#### Tennessee

The parties recognize that the Agreement is governed by the Tennessee Employee Leasing Act, Tennessee Code Annotated, Title 62, Chapter 43. In keeping with such provisions, it is agreed that the following is hereby added to the Agreement:

1. We reserve a right of direction and control over Staff. However, you may retain such sufficient direction and control over Staff as is necessary to conduct your business and without which you would be unable to conduct your business, discharge any fiduciary responsibility which you may have, or comply with licensure, regulatory or statutory requirements applicable to you or Staff.
2. We assume responsibility for the payment of wages to Staff, payroll related taxes and employee benefits from our own accounts without regard to payments by you to us.
3. We retain authority to hire, terminate and discipline Staff.
4. You and we intend for this relationship to be an ongoing relationship, rather than a temporary or project specific relationship
5. Staff may include individuals who are your officers, directors, shareholders, partners, and managers; provided that such individuals meet the criteria meets the criteria required of all other Staff and act as operational managers or perform day-to-day operational services for you.

#### Texas

The parties recognize that we are regulated by the Texas Professional Employer Organization Act, Texas Labor Code, Chapter 91. Therefore, it is agreed that the following is hereby added to the Agreement.

1. Each of you and us:
  - A. share the right of direction and control over Staff,
  - B. share the right to hire, fire, discipline and reassign Staff; and
  - C. share the right of direction and control over the adoption of employment and safety policies and the management of workers' compensation claims, claim filings, and related procedures.
2. We assume responsibility for the payment of wages to Staff without regard to payment by you and responsibility for the payment of payroll taxes and collection of taxes from Staff.
3. You are hereby advised you are solely responsible to pay any sums which obligation is created by an agreement, contract, plan, or policy between you and Staff and that we are not contracting or becoming obligated to pay such sums from our own funds. We may provide the service of processing such payments on your behalf to Staff solely to the extent that you have fully paid such sums to us.
4. You retain responsibility for the acts, errors, and omissions of Staff committed within the scope of your business.
5. **You are hereby notified the address for the Texas Department of Licensing and Regulation is P.O. Box 12157, Austin, Texas 78711, telephone number 800-252-8026. The department may be contacted regarding unresolved complaints concerning Insperty or questions concerning the regulation of professional employer organizations.**
6. Chapter 91 of the Texas Labor Code, as amended, also provides that Insperty is not in the unauthorized practice of an occupation, trade or profession which is licensed or certified or otherwise regulated by a governmental entity solely by entering an Agreement.
7. The parties certify that the Agreement and any amendments meet the requirements of § 151.057 Sales Excise and Use Tax, Texas Tax Code regarding Texas sales tax and that the services performed under this Agreement are exempt from Texas sales tax.
8. For purposes of paragraph 6(A) of the Agreement, Staff shall include executive employees as that term is described by section 406.097 of the Texas Labor Code (*i.e.*, sole proprietor, partner, and corporate executive officer).

## Utah

The parties recognize that the Agreement is governed by certain portions of Utah statutes and rules governing the operation of a professional employer organization including the Utah Professional Employer Organization Licensing Act, Title 31A, Chapter 40, Utah Code Annotated (the "**Utah Act**"). It is, therefore, agreed that the Agreement is amended by adding the following:

1. We reserve a right to hire, discipline, and terminate Staff as to our employment relationship only and only to the extent necessary to fulfill our obligations under the Agreement and the Utah Act.
2. You have a right to hire, discipline, and terminate Staff.
3. The responsibility to obtain workers' compensation coverage for Staff, from a carrier licensed to do business in Utah shall be allocated to us. We shall obtain an individual policy in your name pursuant to Rule R612-400-2(B)(1) of the Utah Administrative Code with coverage for us as additional insured.

## Virginia

The parties recognize that the Agreement is subject to the Virginia Administrative Code (16VAC30-100-40) which specifies that you shall:

1. Comply with the insuring requirements of section 65.2-801 of the Code of Virginia with respect to employees at your worksite that are not subject to this Agreement; and
2. Maintain separate voluntary market workers' compensation insurance insuring any and all employees not insured under the provisions of our policy of insurance as provided in the Agreement.

## Washington

1. We shall be responsible for the procurement of workers' compensation insurance for Staff, which will be in your name, and the administration of claims.
2. Insperty shall keep in force at all times during this Agreement, through the state of Washington, workers' compensation insurance coverage which will be held in your name covering all Staff located within the state of Washington, pursuant to the terms of this Agreement.
3. Pursuant to WAC 192-300-210(5), Insperty is required to gather the following information from you, and you agree to provide the information listed below for us to report to the State of Washington:
  - A. Your name, address, unified business identifier numbers, and Washington Employment Security Number;
  - B. The names and social security numbers of all of your corporate officers, owners and partners or limited liability company members, as applicable;
  - C. The effective date of the Agreement;
  - D. A business location in the State of Washington where payroll and business records for you will be made available for review or inspection when requested by the Washington Employment Security Department; and
  - E. Your Federal Employer Identification Number.

This is considered a material provision under the Agreement.

## West Virginia

The parties recognize that this Agreement is subject to the West Virginia Professional Employer Organization Licensing Act, Chapter 33, Article 46A, West Virginia (the "**West Virginia Act**"). Pursuant to the West Virginia Act, the parties agree as follows:

1. You shall retain the right to hire, discipline, and terminate Staff provided that we have the right to terminate the Agreement if you refuse without good cause a request from us that you discipline or terminate Staff as may be necessary to fulfill our obligations under the Act and the Agreement.
2. Staff shall include persons who are your officers, directors, shareholders, partners and members and who perform day-to-day operational services for you who otherwise meet the requirements to become Staff under the terms of the Agreement.
3. The Agreement is intended to be of a continuing rather than a temporary or seasonal nature.
4. Except as otherwise provided by law:
  - A. You are solely responsible for the quality, adequacy or safety of the goods or services produced or sold in your business;
  - B. You are solely responsible for directing, supervising, training, and controlling the work of Staff and are solely responsible for the acts, errors or omissions of Staff when Staff is engaged in your business activities; and
  - C. We are not liable for the acts, errors, or omission of you or of Staff when Staff is acting under your express direction and control.
5. We will maintain and provide workers' compensation coverage for Staff from a carrier authorized to do business in the state of West Virginia.

## Wyoming

1. In compliance with Wyoming Employment Security Law § 27-3-501(a)(viii), the parties agree as follows:
  - A. We shall assign the Staff to perform services for the Client;
  - B. We set the rate of pay for all Staff, whether or not through negotiations;
  - C. We will pay Staff directly;
  - D. We retain the authority to assign or refuse to assign a member of Staff to other clients if the member of Staff is unacceptable to a specific client;
  - E. We have the right to determine assignment of a member of Staff even though such member of Staff retains the right to refuse a specific assignment; and
  - F. We will continue to negotiate with you on matters of time, place, type of work, working conditions, quality and price of services.
2. You shall be responsible for the procurement of workers' compensation insurance coverage. You shall keep in force at all times during this Agreement, workers' compensation insurance covering all Staff furnished to you pursuant to the terms of the Agreement and any of your employees and of your subcontractors. Upon our written request, you shall request that your insurance carrier furnish a certificate of

insurance verifying coverage. It shall not be a default under the Agreement for our failure to provide workers' compensation insurance coverage and any indemnification obligation of us related to an obligation of us to provide workers' compensation coverage for Staff is deleted from the Agreement.

3. In addition to any of your other indemnity obligations in the Agreement, the following indemnity obligation will be added to those listed in the Agreement:

*"You agree to indemnify the Insperity Indemnified Parties for all claims and liabilities arising from Staff incurring an occupational injury or disease and/or your failure to procure and maintain workers' compensation coverage as provided in the Agreement."*

4. You agree that you will comply, at your sole cost and expense, with all applicable federal, state and local health and safety laws, regulations, ordinances, directives and rules relating to workplace, provide and ensure use of all personal protective equipment, and follow all directives concerning a safe work environment.
5. We shall have the right to inspect your workplace, including, but not limited to, any job sites at which Staff work. To the extent possible, such inspections shall be scheduled at mutually convenient times.

**International:**

1. For purposes of the General Data Protection Regulation ("GDPR"), or otherwise complying with Laws, you and we are each a Controller (as defined by the GDPR) of our respective Staff ~~r~~Records, [as that term is defined in the Data Annex](#), unless otherwise agreed in writing for any Service or Additional Service. To the extent that you or we agree to "Process" any records containing the personal data of "Data Subjects" as a Processor (as such terms are defined by the GDPR), [such party acting as a Processor](#)~~we~~ will document processing obligations and instructions in writing and address an applicable data transfer mechanism for any cross-border transfers of data, as required by the GDPR.

STATE OF ALABAMA  
PROFESSIONAL EMPLOYER ORGANIZATION  
INFORMATION



**INSPERITY PEO SERVICES, L.P.**

is registered with and regulated by the Alabama Department of Labor. Any and all questions or complaints should be directed to:

Alabama Department of Labor  
Workers' Compensation Division (PEO Office)  
649 Monroe Street  
Montgomery, Alabama 36131  
(800) 528-5166

**Alabama Act 2006-229** requires that this notice shall be posted in each business office maintained within the state.