

# STRATEGIES FOR **Success**

## LEASING EMPLOYEES

*A Special Leasing  
Arrangement May  
Benefit Your  
Company. Find  
Out If This Is Right  
For You.*

**S**taff leasing is becoming increasingly popular for the small-business owner who wants the advantages of a major corporation's organization without paying the major corporation's cost. However, business owners must be careful in selecting a leasing company because they are entrusting their most valuable resource — their people — to that company.

Such a leasing arrangement involves a business transferring their workers to the payroll and benefit programs of an employee leasing firm. This company then assumes the responsibility of paying the staff's salary, workers' compensation, Social Security tax, state and federal unemployment tax and other employee benefits. The business writes one check per pay period to the leasing firm to cover the cost of labor.

The business still maintains the regular, dedicated work force. Those employees report to the business for work and their duties continue to be directed by the employer.

Both employees and employers profit from this leasing arrangement. Workers tend to have better employee benefits because leasing agencies, having a much larger pool of workers than any one business, receive better group purchasing plans. Employees usually are offered several medical or dental plans, the option to join a credit union or a pension plan and can obtain a wider selection of discount entertainment tickets.

In this arrangement, business owners free themselves from the high cost of processing payroll, have an expert to answer legal questions regarding employee relations, reduce a large amount of paperwork and personnel costs and can hire and keep quality employees by offering them benefits

comparable to much larger companies. This means a business owner's time can be focused on major business issues such as increasing profits and studying their competition.

While leasing broadens management choices and provides greater flexibility to employers and employees alike, it may not be appropriate in all situations.

Before turning to employee leasing, business owners should consider several factors. Determine what your company's human resource needs are. Investigate the leasing firm's administrative competence. Understand how employee benefits are funded. Are the benefits appropriate for your employees? As with any contract, you should review the agreement carefully.

To obtain more information on employee leasing, consult your Fiducial Business Services' representative.



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