

DWS-ARK-201PEO INSTRUCTION SHEETFOR PREPARATION OF THE
LEASING EMPLOYER CLIENT STATUS REPORT

A lessor employer who **has not posted a Surety Bond** or provided other acceptable collateral, **must** submit separate quarterly contribution and wage reports for each of its client entities in which the lessor and the client will have joint and several liability.

A new employer who is entering into a contract with a leasing employer who has not posted a surety bond will be assigned an Arkansas DWS account number with a new employer rate, using the leasing employer's Federal Identification Number. Should the client terminate his association with the leasing company, the employer's account will be terminated, a successor account established, a number issued to the successor account, and the rating experience transferred.

If an employer who has an existing account with DWS enters into an agreement with a leasing employer who has not posted a bond, the existing account will be terminated, a successor account established, a number assigned to the successor account, and the rating experience transferred. Should the client of the leasing employer terminate the relationship with lessor, the account will again be terminated, a second successor account number established, and the experience again transferred.

If a client chooses to retain a portion of the employees, a multiple account will be established with the parent account unit belonging to the client and the secondary unit joint and several liability with the lessor employer. Upon termination of the association with the leasing employer, the secondary account will be terminated and the parent account belonging to the employer will remain active.

The three above stated in-house policies will enable the employer to retain his experience for rating purposes until a time when his account has been inactive for a period of three (3) years.

When a new employer enters into an agreement with a leasing employer who has posted a surety bond, the client will have an ADWS employer account established with a new employer rate, using the leasing employer's Federal Identification Number. The leasing employer must submit separate quarterly contribution and wage reports for this client and the lessor and the client will have joint and several liability. The new employer will accumulate rate experience until his association with the leasing employer has reached three (3) years. At this time, the client's account will be terminated. Should the client remain with the leasing employer in excess of an additional three (3) years, the client will lose his previous rating experience and, upon leaving the leasing company, will be established as a new employer with a new employer rate. If the agreement is terminated between the client and the leasing employer in less than three (3) years after the client's account was terminated, the client's previous account will be eligible for reinstatement.

When an employer with an existing account enters into an agreement with a leasing employer who has posted a surety bond, the existing account will be terminated. A new account will be established for the client using the leasing employer's Federal Identification Number and the experience will be transferred to the new account. The leasing employer must submit separate quarterly contribution and wage reports for this client for three (3) years and the lessor and the client will have joint and several liability. When the client and the lessor's agreement reaches three (3) years, the client's account will be terminated. Should the client remain with the leasing employer in excess of an additional three (3) years, the client will lose his previous rating experience and, upon leaving the leasing company, will be established as a new employer with a new employer rate. If the agreement is terminated between the client and the leasing employer in less than three (3) years after the client's account was terminated, the client's previous account will be eligible for reinstatement.

If a client chooses to retain a portion of the employees, a multiple account will be established with the parent account unit belonging to the client and the secondary unit with joint and several liability with the lessor employer for the required three years (3) after which the secondary unit will be treated as the accounts previously mentioned.

In order for your accounts to be accurately maintained, the form DWS-ARK-201PEO should be submitted within two weeks of a new client signing with your company. A Power of Attorney signed by the client's representative **must be submitted** with this form.

You must obtain a license from the Insurance Commissioner of the State of Arkansas before engaging in any activity of Employee Leasing in the State of Arkansas. Inquiries concerning the license should be directed to the Arkansas Insurance Department, Commissioner's Office, Ms. Edith Roberts, (501) 371-2808.

- Item 1** - Leave blank.
- Item 2** - Lessor Federal Identification Number – the nine-digit number assigned by the Federal government.
- Item 3** - Check the type of ownership, whether individual, partnership, corporation, etc.
- Item 4** - Enter the corporate or legal name of the client.
- Item 5** - Specify the Leasing Company mailing address to be used by this Agency for all correspondence.
- Item 6** - Self-explanatory.
- Item 7** - Name of client individual owner or names of partners. Client Social Security numbers are required for individuals and/or partners.
- Item 8** - Enter the trade name for the client business, and the physical address of the client’s business, including the county in Arkansas from which the services of the employees are directed or controlled. If there is no physical location in Arkansas, state the address from which direction/control is exercised by the client. Specify the average number of employees the client has for this business. Enter a telephone number where the client can be reached.
- Item 9** - Self-explanatory.
- Item 10** - If your client has an on-going business, enter the date the client signed a contract with you, client’s Federal Identification Number, and the DWS Account number the client has been using (if known). If the client intends to maintain a portion of the payroll himself, a multiple account must be established, linking the client account with the PEO account. Each entity will have an individual DWS Account number with the same rate.
- Item 11** - Self-explanatory.
- Item 12** - Self-explanatory.
- Item 13** - A PEO cannot report a client as a reimburse employer.
- Item 14-8** Self-explanatory.
- Item 19** - Enter the principal activity of the business. Be specific; i.e. “trucking” may be “over the road” or “local”, restaurants may be “fast food” or “full service,” residential or commercial construction, etc.
- Item 20** - This report must be accompanied by an original power of attorney signed by an official of the client, either the owner, partner, or corporate officer (as applicable), or a legally authorized representative.