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Division of Labor Standards

New York Professional Employer Act

Registration

Each Professional Employer Organization must register with the Department of Labor before operating within New York State. No professional employer organization or person may use the title professional employer organization, PEO, staff leasing company, employee leasing company, registered staff leasing company or staff leasing services company unless registered under this article.

Minimum Net Worth, Bonding and Reporting

A minimum net worth of \$75,000 is required. Every registration and subsequent renewal must be accompanied by paperwork specified by the Department verifying this net worth. In lieu of this documentation the Department may require the organization to deposit a bond or securities with a minimum value of \$75,000 that can be sold by the Department of Labor to pay any taxes, benefits or other entitlements to a worksite employee if required.

General Requirements or Provisions

1. There must be a written agreement between the client and the employer organization stating the responsibilities and duties of each.
2. The professional employer organization is responsible for the withholding of payroll related taxes and employee benefits of the worksite employees.
3. The professional employer organization is considered the employer for purposes of sponsoring welfare benefit plans for its workforce employees.
4. The professional employer organization is responsible for reporting and paying all contributions to the Unemployment Compensation Fund.
5. Worksite employees whose services are subject to sales tax are considered the employees of the client for the purpose of levying and collecting sales tax on the services performed by the worksite employee.

Inquiries may be addressed to the nearest office of the Division of Labor Standards, New York State Department of Labor, listed below:

Albany District

State Office Campus
Bldg. 12 Room 185A
Albany, NY 12226
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White Plains District

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White Plains, NY 10605
(914) 997-9521

Buffalo District

295 Main Street
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Buffalo, NY 14203
(716) 847-7141

Garden City District

400 Oak Street
Suite 102
Garden City, NY 11530
(516) 794-8195

New York City District

55 Hanson Place
11th Floor
Brooklyn, NY 11217
(212) 775-3880

Rochester District

276 Waring Road
Room 104
Rochester, NY 14609
(585) 258-4550

Syracuse District

333 East Washington
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Syracuse, NY 13202
(315) 428-4057

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55 Hanson Place
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