



Prestige = Surrounded by Service

**PRESTIGE EMPLOYEE ADMINISTRATORS IS PROUD TO ANNOUNCE ITS
CERTIFICATION WITH THE SMALL BUSINESS EFFICIENCY ACT (SBEA)
*SBEA: providing certainty and legitimacy for the PEO industry at the Federal level***

Melville, NY, August 24, 2017 – Prestige Employee Administrators, Inc. a Professional Employer Organization (PEO) that offers large company benefits and services such as Human Resources, Compliance, Employee Benefits, Payroll and Retirement Plans to Small to Mid-Sized businesses is pleased to announce its approval as an IRS Certified PEO (CPEO) under the Small Business Efficiency Act (SBEA, S.479).

The Small Business Efficiency Act was signed into law on 12/19/2014, and the IRS began accepting CPEO applications in mid-2016. The Small Business Efficiency Act establishes a certification process within the IRS providing legislative certainty regarding PEO client tax payments. The SBEA makes the following changes to the Internal Revenue Code.

- Certification Process – The IRS created a voluntary certification program for PEOs. Prestige has received its certification and has attained IRS Certified PEO (CPEO) accreditation.
- PEOs Recognized Under Federal Tax Law – Certified PEOs will clear statutory authority to collect and remit Federal Employment Taxes under the CPEO's Employer Identification Number (EIN) for wages the CPEO pays to worksite employees. CPEO clients will not be held liable for these taxes.
- Customer Eligibility for Tax Credits Confirmed – The SBEA expressly codifies that customers of CPEOs will qualify for specific Federal tax credits that customers would be entitled to claim if they were not participating in a PEO relationship.
- CPEOs get Federal Tax Credit for SUTA Taxes Paid – If a CPEO (or a customer) contributes to a state unemployment fund with respect to wages paid to a worksite

employee, the CPEO receives the Federal (FUTA) tax credit with respect to that contribution.

- Potential Double Taxation Eliminated – The FICA and FUTA wage bases will not restart when a customer joins or leaves a CPEO mid-year.

“The passage of the SBEA will make clients more comfortable when engaging the services of a PEO”, said Andrew Lubash, CEO of Prestige Employee Administrators, Inc. and a member of NAPEOs Board of Directors and Chairman of the Association’s State Government Affairs Committee. “PEOs permit the owner of their business to focus on their business, not the non-revenue generating functions. A white paper published by Laurie Bassi an economist in Washington, D.C. pointed out that businesses that engage the services of a PEO are more profitable than those that don’t engage a PEO.”

About Prestige Employee Administrators, Inc.

Prestige Employee Administrators, Inc. a Professional Employer Organization (PEO), offers large company benefits and services such as Human Resources, Compliance, Employee Benefits, Payroll and Retirement Plans to Small to Mid-Sized businesses. Since combining the purchasing power of many small to mid-sized businesses results in discounts and economies of scale, we can deliver our expertise at no or lower cost to our clients. When partnering with Prestige, companies receive a comprehensive array of services to care for their staff and ease the burden that complex, time-consuming and costly employment-related rules, regulations and filing requirements place on a firm. For further information, please visit www.prestigepeo.com.

The IRS does not endorse any particular Certified Professional Employer Organization. For more information on certified professional employer organizations go to www.IRS.gov.

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