



## What CalmHR can bring to the table (ASO/PEO model)

*Could outsourcing your back-office and HR save you money?*

Webinar Series Pt. 4

October 1<sup>st</sup>, 2025

## Part 1 – April 16<sup>th</sup>:

- Benefits Education & Funding
- Employee Turnover / Attrition

## Part 2 – April 30<sup>th</sup>:

- High-Cost Claimant Offset
- Controlling Healthcare Costs

## Part 3 – September 17<sup>th</sup>:

- Streamline the Renewal Process
- How to Mitigate High-Cost Increases

## Part 4 – October 1<sup>st</sup>:

- What CalmHR can bring to the table (ASO/PEO model)
- Could outsourcing your back-office and HR save you money?

# What is a PEO?

# Professional Employer Organization (PEO)

- PEOs handle back-office administrative tasks, allowing employers to focus on their core mission, profitability and growth. They also give employers access to HR expertise and Fortune 500-level benefits at an affordable cost, improving employee retention and engagement.
- There are 523 PEOs in the U.S. that provide payroll, benefits, compliance assistance and other HR services to more than 200,000 primarily small and mid-size businesses employing 4.5 million people.
- Businesses that use a PEO **grow two times faster**, have employee turnover that is **12% lower**, and are **50% less likely** to go out of business than comparable businesses that do not use a PEO.
- The PEO industry's 208,000 clients represent roughly 17% of all employers with between 10 to 99 employees.

Reference: [NAPEO](#)



# What is an ASO?

## Administrative Services Only / Organization (ASO)

- Similar to PEOs, an ASO is a third-party provider that handles administrative functions like payroll, benefits management, and human resources for businesses.
- The key difference between PEO and ASO is the access to benefit plans. Under the PEO arrangement, the client gains access to the PEOs health plans and other employee benefits. Under ASO, the client retains their own health plans and other employee benefits which are managed by the ASO.

## Professional Employer Organization (PEO):

- Co-employer relationship
- Wages reported under PEO's Federal Employer Identification Number (FEIN)
- PEO name on employee paychecks
- Risk absorption & reduced DOL reporting
- Streamlined tax filing, compliance and HR practices
- Access to **PEO benefit plans**, typically broader benefits at lower costs.



## Administrative Services Only (ASO):

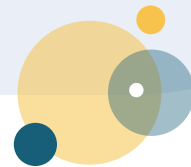
- No co-employer relationship
- Minimal risk absorption
- Client company name on employee paychecks
- Wages reported under Client FEIN
- Client-based employee benefit plans

## A Million Things Could Go Wrong, HR Shouldn't

Focus on your business, not:

HR | Payroll | Benefits | Retirement | Paperwork | Compliance

Finally, a Calm Way to Handle HR.



**April 1, 1985**

Joe Appelbaum enters the insurance industry.

**April 1, 1986**

Joe acquires first client, Guernsey Office Products (still an active client).

**April 1, 1990**

Potomac Companies, LLC is formed. A full-service employee benefits brokerage firm.



**2000 – 2009**

Potomac experiences explosive growth.

**2010**

Potomac shifts emphasis to lower middle market and consultative practice.

**2016**

KISS – Keep It Simple Solution™ for integrated Human Capital Management (HCM) is established.



**April 1, 2020**

CalmHR, Inc. is launched, offering both PEO & ASO services.

**2022**

Potomac merged with Acrisure, LLC, the world's 6th largest FinTech & fastest growing in industry history.





# Why CalmHR?

## Small to Mid-Size Businesses (SMBs) typically:

- ✗ Use multiple systems and vendors for each back-office function
- ✗ Have little or no communication and integration between functions
- ✗ Manage every function internally and manually
- ✗ Pile the duties and responsibilities of these functions onto an employee's or an owner's already stacked workload
- ✗ Find it difficult to offer competitive benefits to attract and retain employees
- ✗ Struggle to build and develop a strong culture
- ✗ Have employees that wear too many hats, which increases risk:

*No one can be an expert in every department, nor should they be expected to be*



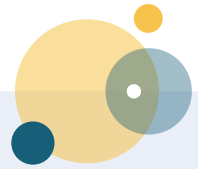
## Why CalmHR?

- Example #1: Your county or state, develops a Family Medical Leave / Sick time off program that you have to pay for. How do you incorporate that? What does that cost you? Are there ways of mitigating or reducing those costs?
- Example #2: Male owner of the company engaged to be married to his office manager, goes on an out of state meeting with another employee who's female. Owner's fiancée blows a gasket. Puts the company in an untenable situation due to abusive text messages and threatening voicemails to the female employee. We are their HR. Did a several hour intake. Calmed everything down. Dealt with the employment attorney and the insurance intake. Employee did not sue the company as the insurer (EPLI) paid for the claim.
- Example #3: Client hires us and has eight different PTO Policies. One of them was illegal. We restructured and created their new program through our system. Then the rules changed in their county. Took care of that expeditiously.
- Example #4: Employee at the front desk brought their five-year old child with them. Owner asks employee how long will the child be there? Immediately the employee creates the optics of a racial issue and mentions a potential lawsuit to another employee. We were apprised at 6:45pm and by 8:00am the next morning everything was set in motion. Later that day, our employment attorney came to a meeting with the owner and next steps were defined. Office manager had the tools and the guidance. That person left their employment with no Legal expense and no liability to the owner or the company.

## ISRI Convention in Vancouver: Benefits & Attrition (Turnover)

- I spoke at an ISRI Convention to **20** attendees about benefits and turnover
- The turnover rates varied across the room from **25% - 100%**
- Wide range of employees from **10 – 600**
- One person said they had a **4%** turnover rate
- **110** employees, **100%** employer paid healthcare, **100%** employer funded HSA, **401(k)** with a 3% safe harbor match and **100%** employer paid ancillary benefits.
- How do you take a page out of their book and reduce your turnover and increase profits?

# Why CalmHR?



## CalmHR Key Benefits:

- ✓ Everything under one roof
- ✓ Direct communication with one point of entry
- ✓ Organized, clean, automated processes
- ✓ Significantly reduced administrative workload
- ✓ Mitigation of risk
- ✓ Access to an entire support team of subject matter experts, with concierge attention
- ✓ Access to rich benefit and retirement plans through economies of scale

## Post-Employment

COBRA Administration  
Unemployment Benefit Claims Management  
Unemployment Appeal Actions

## Performance & Culture

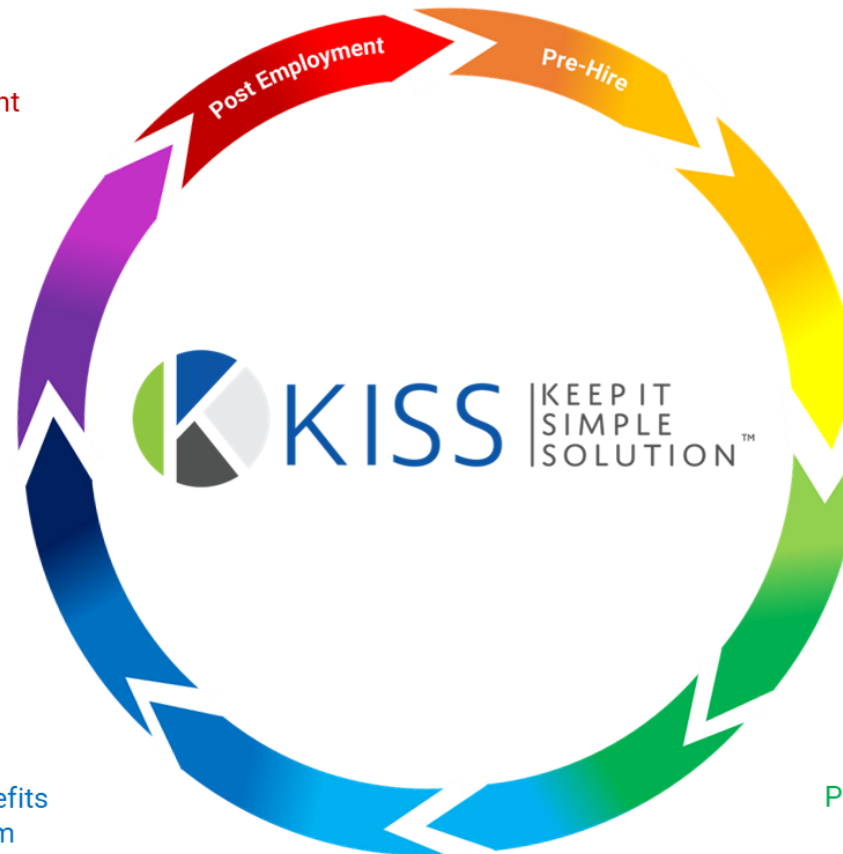
Performance Reviews  
Surveys  
Peer Recognition  
Community & Culture

## Time & Attendance

Scheduling  
Time Collection  
Smart Automation  
Geo Fencing

## Employee Benefits

Benefits Administration  
Open Enrollment  
HSA, FSA & HRA  
Executive Benefits  
Voluntary Benefits  
401(k) Platform  
ACA Reporting  
Workers' Compensation Management



## Pre-Hire

Applicant Tracking & Recruitment  
Reference Checks & Job Descriptions  
Background Checks & Drug Screening

## Employee Onboarding & Training

New Hire Reporting  
I9 Compliance  
Learning Management System (LMS)

## HR & Compliance

Employee Self Service  
Document Library  
Compliance Dashboard  
Employee Handbook Assistance  
Online HR Portal

## Payroll

Voluntary deductions  
W-2 Processing  
Wage Administration  
Payroll Processing  
Direct Deposit  
Expense Management  
Tax Withholding & Garnishments

*KISS encompasses the entire lifecycle of the employee: from pre-hire to post-employment.*

## Subject Matter Expertise:

- HR Professionals + *Employment Attorneys*
- Senior HRIS Manager
- Financial Analyst
- Payroll & Implementation Specialists
- Managed Payroll Services
- Senior Benefits Account Managers
- Director of Account Management
- CEO & Thought Leader - *Joe Appelbaum*

## Our HR experts can assist with:

- Employee onboarding
- Employee handbooks
- Offer letters
- Employee training & development
- Job descriptions
- Job postings
- Salary & Benefits benchmarking
- PTO policies
- Disciplinary actions & more



# Innovative Benefit Programs



## Employee Benefits

- Medical: HMO, POS, EPO, PPO & **Manage to Zero™**
- Dental, Life & Vision
- STD, LTD & Long-Term Care
- HSA, HRA & FSA (Medical and Dependent Care)
- 401(k) PEP Plan w/3(16) & 3(38) Advisory Services
- Workers Compensation and Risk Management

## Voluntary Benefits

- Life | Disability
- Cancer | Accident | Critical Illness
- Hospital Indemnity | Gap Insurance
- College Tuition Benefits

## Executive/Owner Programs

- Executive Medical Reimbursement
- Supplemental Executive Retirement Plans
- Life, Disability & Long-Term Care – Guaranteed Issue
- Estate Planning
- Retiree Medicare Plans
- Asset Management
- Integrated Liability Coverage with E&O, Corporate & Personal



*Rethink employee attraction & retention by eliminating the financial barriers to care.*

- ✓ First dollar coverage = **NO** upfront **deductibles** or **copays**\*
- ✓ **NO out-of-pocket costs** for all in-network services (*alternative options available*)
- ✓ **NO** change in medical carrier required
- ✓ Easy to use, offering a medically-coded "visa card" that covers in network costs so the employee can enjoy a **simplified healthcare experience**

*\*\$100 copay if you go to the emergency room and you are NOT admitted. \$0 copay if you are admitted.*





## Manage to Zero™ Case Studies

We have implemented this program at non-profits, law firms, medical practices, financial institutions, country clubs, associations, and many other industries across all company sizes, big and small. Here are some examples:

~ No. of Employees	Medical Plan Premium	Renewal Increase	Renewal Premium	MTZ Premium	Cost Savings (vs. renewal)	MTZ Renewal
21	\$306,000 (\$3,500 - \$6,350 deductibles)	<b>\$275,000 (+90%)</b> <u>PEO renewal</u>	<b>\$581,000</b>	<b>\$311,000</b>	<b>\$270,000 (-46%)</b>	<b>TBD</b>
50	\$656,500	<b>\$105,000 (+16%)</b>	<b>\$761,500</b>	<b>\$621,500</b>	<b>\$140,000 (-18%)</b>	<b>TBD</b>
70	\$600,000	<b>\$72,000 (+12%)</b>	<b>\$672,000</b>	<b>\$480,000</b>	<b>\$192,000 (-29%)</b>	<b>0%</b>
75	\$890,500	<b>\$196,000 (+22%)</b>	<b>\$1,086,500</b>	<b>\$819,500</b>	<b>\$267,000 (-25%)</b>	<b>0%</b>
160	\$1,050,000	<b>\$346,500 (+33%)</b>	<b>\$1,396,500</b>	<b>\$1,092,000</b>	<b>\$304,500 (-22%)</b>	<b>0.29%</b>

# CalmHR Pooled Employer 401(k) Plan - PEP

CalmHR takes multiple groups and “pools” them together under one plan, creating an economy of scale.

- The plan is handled by us, meaning you have almost NO administrative or fiduciary duties
- We launched our PEP on January 1<sup>st</sup>, 2021 - *the first day it was made available by the DOL and Secure Act*



## Key Benefits:

- ✓ Significantly reduced administrative workload
- ✓ Mitigation risk away from the business or owner(s)
- ✓ Lowest net fees + *dramatically reduced audit costs for large groups*
- ✓ Greater investment access and lower costs for your employees



# CalmHR's PEP Case Studies

	Case Study 1 \$19,000,000 Plan Assets 225 Plan Participants		Case Study 2 \$1,630,000 Plan Assets 15 Plan Participants		Case Study 3 \$24,000,000 Plan Assets 147 Plan Participants	
	CalmHR PEP 401(k)	Previous Plan - <i>J. Hancock</i>	CalmHR PEP 401(k)	Previous Plan - <i>Fidelity</i>	CalmHR PEP 401(k)	Previous Plan - <i>Principal</i>
Base Annual Fee	\$0.00	\$0.00	\$800	\$3,005	\$0.00	\$0.00
Asset Based Fee	0.16%	0.25%	0.35%	0.65% to 1.10%	0.05%	0.13%
ERISA 3(16) Services	0.05%	N/A	\$500.00 + .10% of Plan Assets	N/A	0.05%	N/A
ERISA 3(38) Services +	0.20%	0.20% <i>ERISA 3(21)</i>	0.25%	N/A	0.20%	0.20% <i>ERISA 3(21)</i>
Investment Options	Most efficient share class – <i>lowest net costs</i>	Revenue sharing investments	Most efficient share class – <i>lowest net costs</i>	Revenue sharing mutual funds	Most efficient share class – <i>lowest net costs</i>	Revenue & Non- Revenue sharing investments
Trustee Services	Included	Included	Included	Optional - <i>for a fee</i>	Included	No
Prepare, sign & file Form 5500	The Standard	Plan Sponsor	The Standard	Plan Sponsor	The Standard	Plan Sponsor
Process loans and loan payments	The Standard	Plan Sponsor	The Standard	Plan Sponsor	The Standard	Plan Sponsor
Annual Audit expense	\$5,000	\$25,000	N/A	N/A	\$5,000	\$18,500
Annual Total Cost	\$109,500	\$190,300	\$18,252	\$22,891	\$120,200	\$184,100
Annual Total Cost Savings	\$80,800 (-42.5%)		\$4,639 (-25.4%)		\$63,900 (-34.7%)	

## Case Studies Summary:

- ✓ Added ERISA 3(16) administrative services to significantly reduce administrative workload.
- ✓ Upgraded investment advisory services to ERISA 3(38) to maximize fiduciary protection and decrease risk.
- ✓ Significantly reduced investment expense and total annual cost.

# PEO Value Prop & Key Benefits

## CalmHR PEO:

- Streamlined tax filing, compliance and HR practices
- Medical plans at reduced costs, *with standardized renewals.*
  - *We don't live in a box, we think outside it – for you!*
- Executive Medical Reimbursement Plan for owners and/or executives: *Tax deductibility on most out-of-pocket expenses.*
- Life, Disability & Long-Term Care: *High amounts guaranteed issue.*
- 401(k) PEP above reproach: *Lower fees and higher fiduciary support.*

*NOTE: Moving to a PEO arrangement mid-year entails a re-setting of Social Security payroll deductions for your higher paid earners. Overpayments will be refunded by the IRS to Employees the following tax-year. Other tax implications may apply.*



*Thank you for listening!*



**Joseph Appelbaum**  
*CEO & Founder*  
[joe@calmhr.com](mailto:joe@calmhr.com)  
301.719.2256

Headquarters: 101 South Fort Lauderdale Beach Boulevard, Suite 905, Fort Lauderdale, FL 33316

Operations: 1803 Research Blvd, Suite 604, Rockville, MD 20850

Phone: 301.719.CALM (2256) | Toll Free: 833.582.CALM (2256) | Fax: 202.640.1554

[calmhr.com](http://calmhr.com)

**CalmHR, Inc.**