



## PaySourceUSA Risk & Liabilities

### ***Thousands of Businesses across the U.S. are being sued each year by their OWN EMPLOYEES. Are YOU Next?***

**Accidents happen.** Government regulations are overlooked. Deadlines are missed. Nobody ever sees it coming. In today's litigation crazed workplace, small to medium sized businesses are faced with a growing number of lawsuits and penalties.

**With over 60 state and federal regulations** involving human resource compliance, it is no small wonder that HR Managers are pulling their hair out trying to limit the companies' exposure.

*Nobody goes into business to have employees...* they just find themselves with the burden of having and managing employees as part of their business enterprise. The more successful they become the more overwhelmed they are with the responsibilities of having employees. Every successful business relies on its employees. It's a fact: dedicated employees are a requirement to grow your company. Being careful with whom you hire and taking care of them once they are contributing is a cornerstone of most successful companies. Unfortunately, it's also a fact that being an employer can be a minefield of insurance, governmental, taxation and legal pitfalls. In addition, it can be expensive to obtain and administer the insurance and employee benefits programs that make your company an attractive place to work.



### **The CHALLENGE**

You need to keep up with a spiraling number of government regulations as a business owner/manager. This is no small task given the explosion of employment laws in the last 25 years. According to the U.S. Small Business Administration, the number of employment related laws and regulations grew by 60 percent between 1980 and 2000 alone.

Claims are escalating in the areas of age and race discrimination, sexual harassment and wrongful termination, to name a few, experts say. Along with an increase in lawsuits comes a growing price tag for companies that want to mitigate the cost, not only of covering a claim but also of paying for their defense. Even if an employer wins a lawsuit, legal fees can be exorbitant, ranging from \$25,000 to \$75,000 just to prove that the company did nothing wrong.

The first challenge in a series of challenges related to employment compliance is knowing which regulations might apply to your business. Creating policies, implementing these policies and documenting everything

involving HR activities can be a very time-consuming, costly and risky part of running your business. One wrong move; one lawsuit or a series of workers compensation claims can be disastrous to your business.

## The SOLUTION – Outsourcing HR

Your resources and your time are your most valuable assets. Yet, every year, they are being consumed by the growing complexities of HR administration. Neither the evolution of technology nor the laws demanding mountains of paperwork are under your control. And, you are in no position to stop or even slow the escalating costs of healthcare.

What you can do is take action to contain the overall costs and risks of HR. Outsourcing human resources to a PEO (Professional Employer Organization) has been the most effective way for thousands of companies across the U.S. to continually provide high-quality HR services while saving time and protecting your bottom line over the lifespan of your business.

Statistics show businesses are more likely to face an employment claim than a property or general liability claim. Once these claims manifest, they become an extensive drain on a business's assets. Out-of-court settlements in employment cases average \$40,000. The median compensatory award is \$218,000, with 10% of wrongful termination claims resulting in awards in excess of \$1,000,000. The average cost of defense is in excess of \$45,000. Many employers believe their general liability or workers' compensation policies protect them in these situations. The truth is, these policies may not.

**PaySourceUSA delivers RESULTS:** PaySourceUSA becomes your HR department. You receive an instant HR team with the resources to help you take care of employer-related obligations as well as a broad range of services:

- ⇒ **ZERO** Workers' Compensation and Unemployment claims!
- ⇒ **ZERO** Workers' Compensation Audits
- ⇒ 100% COMPLIANCE with all State and Federal Regulations.
- ⇒ LEGAL Protection – OSHA, Fair Labor Standards Act, Worksite Safety Inspections, Loss Control, Supervisor Training, Termination Assistance, Substance Abuse Awareness, Liability Management Training: **Your business minimizes the risk of being sued!**
- ⇒ Comprehensive Payroll Processing including taxes and reporting
- ⇒ “World-Class” Benefits – Health, Vision, Dental, Life, 401(k), EPLI and much more
- ⇒ Document Management – Maintaining Permanent Employee Files
- ⇒ Hassle Free HR Administration including compliance with all State and Federal regulations, custom employee handbooks, commonly used forms, all government reporting, drug testing, background checks, I-9 Compliance, and much more...
- ⇒ Easy to use Web Service and Support system

Call your PaySourceUSA representative today to find out how PaySourceUSA can help your business avoid unnecessary risks and liabilities and allow you to focus more of your time on the bottom line.

## PaySourceUSA



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### Factoids

- Out of 170 Human Resource professionals, 35% admitted to having a compliance audit resulting in financial penalties. (*Ceridian Survey*).
- Employers lost 60 percent of negligent trials with an average award of \$1 million. (*Workplace Violence Research Institute*).
- 68 percent of plaintiffs in wrongful termination trials were victorious, with an average award over \$650,000. (*The Rand Institute for Civil Justice*).