



STATE OF SOUTH CAROLINA
DEPARTMENT OF CONSUMER AFFAIRS

PROFESSIONAL EMPLOYER ORGANIZATIONS

Mailing Address
P.O. Box 5757
Columbia, SC 29250-5757

S.C. Code Ann. § 40-68-10 et seq.
www.consumer.sc.gov
(803) 734-4200

Street Address
2221 Devine St. Suite 200
Columbia, SC 29205

2013-2015 RENEWAL APPLICATION
FOR
PROFESSIONAL EMPLOYER ORGANIZATION LICENSE

The Renewal License fee for both resident and non-resident Professional Employer Organizations (PEO) is: One Thousand Five Hundred Dollars (\$1,500.00) for each PEO and Three Thousand Dollars (\$3,000.00) for each PEO Group. Please make all checks payable to the South Carolina Department of Consumer Affairs.

Pursuant to the provisions of South Carolina Code § 40-68-10 et. seq. (2001) as amended, the undersigned hereby makes the following statements for the purpose of obtaining a Renewal License for the Licensing Period of 2013-2015 to conduct business as a Professional Employer Organization (PEO) in the State of South Carolina.

Please indicate the type of license renewal: (A) [ ] PEO License
(B) [ ] PEO Group License

Name of PEO or PEO Group: \_\_\_\_\_

SC License #: \_\_\_\_\_

Federal ID #: \_\_\_\_\_ State ID #(withholding): \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

Web site: \_\_\_\_\_

Name of Primary Contact Person: \_\_\_\_\_

Business Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Name of Secondary Contact Person: \_\_\_\_\_

Business Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Name of Current South Carolina Agent for Service of Process: \_\_\_\_\_

Business Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

**CONTROLLING PERSONS, OFFICERS AND DIRECTORS**

**IMPORTANT:** Fill out each section completely, even if the same individual/entity is listed in more than one part of this section. All persons who qualify as a controlling person pursuant to South Carolina Code § 40-68-10 (4), as amended, must be listed below.

**ANY NEW CONTROLLING PERSON(S) NOT CURRENTLY LICENSED IN SOUTH CAROLINA MUST EACH SUBMIT A CONTROLLING PERSON APPLICATION (FORM PEO-03) ALONG WITH A \$100 APPLICATION FEE.**

Corporations: If the applicant is owned by another corporate entity, please list any officers of the parent firm and the ultimate owners (natural persons) in the tables below that qualify as controlling persons, as defined in South Carolina Code § 40-68-10 (4), and attach an organizational chart.

**Controlling Persons Based on Ownership:**

Please list the names of all persons or entities who directly or indirectly own, control, hold with the power to vote, or hold proxies representing ten percent (10%) or more of the voting securities of the Applicant. If necessary, attach additional sheet(s) providing the same information requested below.

Full Name And Address	Date of Birth (mm-dd-yyyy)	% Ownership	SSN #/FEIN *

**\* Compliance Note:** The Family Independence Act of 1995 required the South Carolina Department of Social Services – Child Enforcement Division (Division) to operate a license revocation program for the purpose of enforcing and establishing child support. In accordance with this Act, South Carolina law (§ 63-17-1050) requires that all licensing entities submit to the Division licensee data for all new and renewal licenses issued. Therefore, identifying information (i.e., name, social security number and date of birth, etc.) for all controlling persons licensed with this renewal application will be forwarded to the Division upon the issuance of each controlling person’s license. Personal information will not be used for any other purpose and is not subject to disclosure under the South Carolina Freedom of Information Act. South Carolina Code § 30-4-10 et seq



Please list below any **NEW** controlling persons to be licensed with this renewal. If necessary, attach additional sheet(s) providing the same information requested below. Any new controlling person(s) not currently licensed in South Carolina must each submit a **Controlling Person Application (Form PEO-03)** along with a \$100 Application Fee.

**NEW Controlling Persons Based on Ownership:**

Full Name	Date of Birth (mm-dd-yyyy)	% Ownership	SSN #/FEIN

**NEW Officers, Directors and Controlling Persons Based on Position:**

Full Name	Title/Position	Date of Birth (mm-dd-yyyy)	SSN #

## **APPLICANT BUSINESS HISTORY**

**If any question is answered "Yes", please attach separate page(s) detailing the circumstances (including any applicable details such as state, license number, dates, etc.)**

1. Since the approval of your last license, have any of the Applicant's existing or proposed controlling persons been convicted or found guilty of any misdemeanors or felonies (with the exception of minor traffic violations) in any jurisdiction or territory in the United States?

Yes       No

2. Since the approval of your last license, has either the Applicant or any of its existing or proposed controlling persons been refused a license, registration, or certification as a PEO, PEO group, or controlling person, or renewal thereof, in any jurisdiction or territory in the United States?

Yes       No

3. Since the approval of your last license, has either the Applicant or any of its existing or proposed controlling persons had a license revoked, suspended, or otherwise acted against (including probation, fine, or reprimand) in a disciplinary action in any jurisdiction or territory in the United States?

Yes       No

4. Since the approval of your last license, has either the Applicant or any of its existing or proposed controlling persons been involved in or owned an interest in a PEO or PEO group that has been adjudicated bankrupt, filed proceedings under the Bankruptcy Act, or has otherwise closed due to insolvency?

Yes       No

5. Since the approval of your last license, are any of the licenses, registrations, or certifications of the Applicant or any of its existing or proposed controlling persons currently under investigation or currently pending disciplinary action in any jurisdiction or territory in the United States?

Yes       No

6. Since the approval of your last license, has the Applicant or any of its existing or proposed controlling persons ever failed to satisfy any tax liabilities?

Yes       No

7. Has the Applicant or any of its existing or proposed controlling persons ever had a lien or levy placed against it/them?

Yes       No

8. Since the approval of your last license, has the Applicant or any of its existing or proposed controlling persons been the subject of an indictment or a "cease and desist" order in any jurisdiction or territory in the United States?

Yes       No

9. Since the approval of your last license, has the Applicant or any of its existing or proposed controlling persons been the subject of any state or federal government investigation or audit regarding the payment of wages or taxes; the funding or administration of any employee benefit plan or workers' compensation program; employment practices; licensing or registration; or any other matter arising out of a complaint filed by an employee, client, insurer, regulator or another PEO?

Yes       No

10. Since the approval of your last license, has the Applicant or any of its existing or proposed controlling persons ever been the subject of a governmental investigation?

Yes       No

11. Is the Applicant or any of its existing or proposed controlling persons currently disputing any material obligations to an insurance carrier, benefit administrator or trust, or taxing authority?

Yes       No

12. Is there any litigation or legal proceeding currently pending or threatened against the Applicant or any of its existing or proposed controlling persons in any jurisdiction or territory in the United States?

Yes       No

13. Is the Applicant delinquent, as of the date of application, with respect to any of its obligations of payroll, payroll related taxes, workers' compensation insurance or employee benefits in any jurisdiction or territory in the United States?

Yes       No

**SOUTH CAROLINA OPERATIONS**

1. Provide a list of all offices, including branch offices, located in South Carolina:

Check if the Applicant has no South Carolina offices.

Address	Contact Person	Telephone #	E-mail address

2. Does the applicant company outsource any of the functions related to PEO services provided to client companies, or use the management or consulting services of another entity? If yes, applicant must provide a full explanation of those arrangements, including copies of all agreements for the provision of those services.

Yes       No

**SOUTH CAROLINA CLIENT COMPANIES**

Provide a list of all client companies in South Carolina. For client companies having multiple locations with the same FEIN, please list only the headquarters location. This information should be provided using either the **Client Company List (Form PEO-07)** or in a report that you generate provided, however, that all of the information requested in the table below is included in the separate report.

Client Company			FEIN		
Contact Person					
Mailing Address					
City			State		Zip:
Telephone Number			Fax Number		
Number of Assigned Employees		Date Relationship Initiated		Workers' Compensation Business Classification Code	
Workers' Compensation Carrier/Policy #			Health Insurance Carrier/Policy #		

## OTHER INFORMATION

### 1. Employment Tax Compliance Verification

South Carolina law requires PEO licensees to assume responsibility for the payment of payroll taxes and for collection of taxes from payroll on assigned employees. Compliance with this obligation must be shown prior to the issuance of a license to provide PEO services in the State of South Carolina. In order to confirm that this obligation has been satisfied, the Department requires one procedure for federal taxes, and another for South Carolina state taxes.

For federal taxes, applicants for PEO licenses must execute copy of IRS Form 4506-T, which allows the IRS to provide a transcript of your tax returns to the Department. Applicants should use the edited and partially completed version of this form available on our website as **Federal Employment Tax Compliance Verification Form PEO-17**.

For South Carolina state taxes, applicants must request a "Certificate of Tax Compliance Letter" from the South Carolina Department of Revenue. **The letters should be requested for payroll periods ending no earlier than sixty (60) days prior to the date of the filing of this application.** Applicants must follow the instructions on Department of Revenue Form C-268 for requesting the Letter. The most current version of the form can be found on our website as **South Carolina Certificate of Tax Compliance Request Form PEO-18**.

Applicants should forward the **ORIGINAL** letter from that agency to the Department for inclusion with their application for licensure.

### 2. Insurance Benefits

Are the following insurance benefits provided to any leased employees in the State of South Carolina?

Workers' Compensation	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Health	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Life	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Disability	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Dental	<input type="checkbox"/> Yes	<input type="checkbox"/> No

If the answer to any of the above is yes, Applicant must provide:

- (a) a new **Health Insurance Affidavit of Insurance (Form PEO-08)** completed by each of the Applicant's current Insurance Carrier(s);
- (b) a new **Workers' Compensation Affidavit of Insurance (Form PEO-09)** completed by each of the Applicant's current Insurance Carrier(s);
- (c) a new **Insurance Certification (Form PEO-10)**, which must be signed by a controlling person.
- (d) a completed **Insurance Schedule (Form PEO-11)** showing all current policy information;
- (e) a copy of each benefit plan or policy, including the declaration page;
- (f) a copy of all insurance benefits information that is provided to leased employees for all benefit plans;

Are the premiums on all policies you listed on the **Insurance Schedule (Form PEO-11)** due as of the date of this Application paid in full?

Yes       No

If the answer to the previous question is NO, are the unpaid amounts in dispute with your insurance carrier?

Yes       No

If any amounts are in dispute, please list the name of the carrier(s), the policy number(s), the period(s) covered, and the amount(s) in dispute.

**NOTICE**

**MULTIPLE COORDINATED POLICIES.** The South Carolina Department of Insurance has adopted a ruling by the NCCI that requires Professional Employer Organizations (PEOs) in the assigned risk market in South Carolina to operate under Multiple Coordinated Policies (MCP) for workers' compensation insurance coverage. These policies require a PEO to apply for a policy in its own name for direct employees. The rule then requires the PEO to apply for coverage for each of its clients to cover employees leased to those clients. Policies are applied for in the client company name as the insured. The policies are then "coordinated" and the leasing company is billed for premiums with copies sent to client companies. If you are currently operating under a non-multiple coordinated policy, please contact your insurance carrier regarding this ruling. A copy of this ruling is available on our web site at [www.sconsumer.gov](http://www.sconsumer.gov).

South Carolina Code § 40-68-70 (B) requires PEOs that provide workers' compensation insurance to client companies, before executing a service contract and on an annual basis, to conduct a good faith investigation to determine if the client company engages any non-assigned employees, including those considered employees under Title 42, in any part of the client company's trade, business, or occupation. The law also requires that upon a determination that a client company does include non-assigned employees, the service contract must require the client company to secure and maintain workers' compensation insurance. Have you conducted such an investigation with regard to each of your client companies within the past year?

Yes       No

South Carolina Code § 40-68-70 (D) requires a PEO to report the information derived from these investigations to its workers' compensation carrier. Have you made such reports in the past year?

Yes       No

### 3. Audited Financial Statements

Applicants must attach copies of the company's most recent Audited Financial Statement. Only **audited** financial statements will be accepted. The statement must be for annual periods ending no earlier than December 31, 2012, and shall be attested to by an independent Certified Public Accountant. If the most recent audited financial statement currently available is dated more than 180 days before the date of this application, the applicant must certify to the Department that there have been no material adverse changes in the financial position of the company since the date of the last financial statements, and shall provide a copy of the next financial statement as soon as it becomes available.

The financial statements must include a statement of income and retained earnings, balance sheet, statement of changes in financial position (cash flow), and applicable footnotes. The financial statements also must reflect positive working capital and positive tangible net worth. The following items may be used to cover any deficit in net worth revealed by the most current financial statements in an amount sufficient to cover the deficiency: infusion of capital, an acceptable bank letter of credit, mortgages, a promissory note supported by collateral, or a guarantee where the guarantor can satisfy the S.C. Department of Consumer Affairs that the guarantor has sufficient assets to satisfy the obligation of the guarantee.

Information supplied regarding net worth is proprietary and confidential and is exempt from disclosure to third parties.

**NOTE:** All applicants must demonstrate a net worth of at least \$50,000.00. Pursuant to South Carolina Code § 40-68-40 (E), deficiencies in the net worth requirement as demonstrated by the Audited Financial Statements may be satisfied through guarantees, letters of credit, or other security acceptable to the Department in a combined total amount of at least \$50,000.00. A guaranty is not acceptable unless the Applicant submits sufficient evidence to satisfy the Department that the guarantor has adequate resources to satisfy the obligations of the guaranty.

**Unless the audited financial statements are specifically for the named licensee, the licensee must renew its license as a PEO Group, and pay the license fee for a PEO Group. The licensee must also complete and file a new Cross Guarantee Form for Professional Employer Organization Group License (Form PEO-12).**

Date of Financial Statement: \_\_\_\_\_

### 4. Service Agreement

Please submit a copy of your master service agreement, plus copies of all agreements with client companies which differ from that master agreement in any substantive respect, highlighting the differences, e.g. if any of the PEO's client companies elect to obtain and be responsible for their own workers' compensation or health insurance, the service agreement with that client must clearly demonstrate that intent.

**CONTINUING EDUCATION**

Pursuant to S.C. Code Ann. Section 40-68-45, key management personnel of all licensees must complete at least eight (8) hours of continuing professional education annually. If the licensee (PEO) is a sole proprietorship or partnership, key personnel means any controlling person. If the licensee is a corporation, key personnel means any person who both directs or causes the direction of the management of a company operating in South Carolina and is directly responsible for the day-to-day management of the company's operations in South Carolina.

Using this criteria, please list below the information regarding all key management personnel in your company that will be required to meet the continuing professional education requirement, even if there has been no changes since your last application. Use additional copies of this page if necessary.

<b>Employee Name</b>		<b>Employee Name</b>	
<b>Business Address</b>		<b>Business Address</b>	
<b>Position/Title</b>		<b>Position/Title</b>	
<b>Telephone</b>		<b>Telephone</b>	
<b>E-Mail</b>		<b>E-Mail</b>	

<b>Employee Name</b>		<b>Employee Name</b>	
<b>Business Address</b>		<b>Business Address</b>	
<b>Position/Title</b>		<b>Position/Title</b>	
<b>Telephone</b>		<b>Telephone</b>	
<b>E-Mail</b>		<b>E-Mail</b>	

<b>Employee Name</b>		<b>Employee Name</b>	
<b>Business Address</b>		<b>Business Address</b>	
<b>Position/Title</b>		<b>Position/Title</b>	
<b>Telephone</b>		<b>Telephone</b>	
<b>E-Mail</b>		<b>E-Mail</b>	

**AFFIDAVIT OF APPLICANT**

I swear or affirm and certify that I have completed and/or reviewed all information on this form and submitted with this Application, and to the best of my knowledge and belief, all information contained herein is true, correct and complete; and that there are no material omissions of fact which would have a bearing upon the South Carolina Department of Consumer Affairs' decision to grant the requested license. I further certify that I understand that giving false information constitutes cause for denial or revocation of the application and subjects me to criminal prosecution for perjury. I acknowledge that I have a duty and agree to update and correct this information as it changes.

**RELEASE:** By the authorized signature below, the applicant specifically authorizes the release of any information by the South Carolina Employment Security Commission, the South Carolina Department of Revenue, and the Internal Revenue Service to the S.C. Department of Consumer Affairs regarding any payroll tax matters referenced herein, and holds those entities harmless from any consequences of such release. A photocopy of this authorization shall be as valid as the original.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Type or Print your name and Title

SWORN TO AND SUBSCRIBED before me

this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

\_\_\_\_\_  
(SEAL)

Notary Public For \_\_\_\_\_

My Commission Expires:  
\_\_\_\_\_

**The completed Application should be submitted to:**

South Carolina Department of Consumer Affairs  
Attn: PEO Licensing and Regulation

at either the post office box address or the street address listed at the beginning of this application.

**Do not fax this form. An original, signed and notarized form is required.**

**The South Carolina Freedom of Information Act may require the Department of Consumer Affairs to release this form as a public record; however personal identifying information will be released only if required by law.**