

# Payrolling and IC Compliance Services within MSP Program

Our client engages in the design, manufacture, sale, and service of a diverse portfolio for industrial and commercial products in the United States and internationally.



## The Challenge

Our client had multiple payrolling service providers and was looking to identify an exclusive payroll provider for their North American MSP program. This exclusive provider must also offer IC compliance services and possess the ability to work within an MSP environment while sustaining best practices and a technology-enabled solution. Our client was active in the following labor categories: light industrial, engineering, professional services, admin/clerical, and IT, and they employed ICs throughout the United States, Canada, and Puerto Rico.

## The Solution

HireGenics implemented a phased approach which included implementation and configuration of our proprietary compliance software, HGComply, to manage both 1099 independent contractors and W-2 payrolled resources. We integrated our operational model with the client's existing MSP environment and put in place a dedicated operations team that managed KPIs/SLAs, on-boarding, and off-boarding of all W-2 and 1099 workers at the client's location.

## Solution Design

- Developed a comprehensive implementation plan to convert existing payrollees and 1099 independent contractors to HireGenics with no business disruption
- Designed and developed a business model to facilitate the on-boarding of all new W-2 payrolled resources and 1099 independent contractors

- Implemented cloud-based compliance software and document storage system that tracked all resources on real-time basis
- Electronically stored documents making them immediately accessible to the client and government agencies for audit purposes
- Provided comprehensive cost transparency that can be tracked and monitored
- Administered standardized benefits to contract W-2 payrolled workers at a lower price point
- Simplified invoicing with 100 percent accuracy

## The Result

HireGenics significantly reduced costs across the enterprise, reduced onboarding cycle time, and increased compliance for 1099 and W-2 workers. Additionally, we also established a client mandated tenure policy and put in place operational metrics to ensure compliance. In the first year itself, we generated more than \$2 million in cost savings for the organization.

## Program Accomplishments

- Achieved 10 percent cost reduction in the management of contractor payrollees, which resulted in an annual cost savings of more than \$2 million for the company
- Implemented initial solution within 30 days with no business disruption
- Successfully deployed HGComply, ensuring 100 percent continuous compliance with all local, state, and federal regulations
- Managed and tracked all spend in accordance with program rate card requirements and

contracted markup structure

- Provided standardized on-boarding / payrolling for contract payrollees throughout the United States, Puerto Rico, and Canada
- Ensured that contract payrollees have clear communication on HireGenics as their employer; contributing and providing them with access to benefits and Human Resource Counsel
- Eliminated risk of co-employment issues by clearly evidencing HireGenics as the Employer of Record and Agent of Record
- Developed procedures for implementing solution globally to integrate and streamline international operations

## The Cost of IC Misclassification

- Unpaid taxes, contributions, and insurance premiums
- Debarment from state contracts
- Unpaid work-related expenses and overtime compensation
- Brand tarnishment / negative press publicity
- Liability for failure to provide employee benefit coverage
- Class action targets
- Attorney's fees and costs

## Contact Us

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## About HireGenics

HireGenics is a recognized thought leader in the design, implementation, and delivery of client-focused contingent workforce management solutions. Our core solutions include Payrolling Solution, IC Compliance Solution, Direct Sourcing Solution - HG Direct, MSP 2.0. HireGenics' contingent workforce solutions are centered on creating the most streamlined access to quality talent. Our solutions incorporate risk mitigation, process improvement, high touch program management, and incorporation of new talent channels. Headquartered in Atlanta, USA, HireGenics' mission is to provide a comprehensive, multi-channel talent strategy designed to add value and create a competitive advantage in the talent marketplace.  
[www.hiregenics.com](http://www.hiregenics.com)