



PRESS RELEASE

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The Federation of International Employers (FedEE) writes

Full employee leasing now street legal

The US federal tax authority (IRS) has finally approved regulations that will allow employers to operate on a fully leased basis. Up until now, the user company has had to still operate the payroll for the employees that they leased. All that has changed, and the leasing company can take over payroll, deducting tax and meeting other obligations. But the client company will still control the employees and be their common law employer.

To be an approved leasing company, or CPEO, a company must obtain IRS approval. They must be open to inspection, pay a bond and report quarterly on their activities. There must also be a contract between the CPEO and their customer.

“Establishing a single, approved type of agency for handling staff leasing will,” according to Robin Chater, Secretary-General of the Federation of International Employers (FedEE), “go a long way to driving out shady “middle-men” that often exploit immigrant workers on behalf of even major companies. It will now be down to HR professionals to ensure that their companies only lease workers through registered CPEOs.”

Section 7705(f) of the regulations obliges the IRS to reveal details of all registered CPEOs and those that have had their licences revoked.

For further information please contact FedEE Press Office on press@fedee.com and 0044 203 608 4412.

What is FedEE?

The Federation of International Employers (FedEE) is the leading organisation for multinational companies. It was founded in 1988 with financial assistance from the European Commission. Today it is an independent body with corporate members all around the globe.