

**MICHIGAN PROFESSIONAL EMPLOYER ORGANIZATION REGULATORY ACT (EXCERPT)**  
**Act 370 of 2010**

**338.3725 Professional employer agreement; effect.**

Sec. 5.

(1) Neither this act nor a professional employer agreement shall affect, modify, or amend any collective bargaining agreement, or the rights or obligations of any client, PEO, or covered employee under any state or federal act.

(2) Neither this act nor any professional employer agreement shall do any of the following:

(a) Diminish, abolish, or remove rights of covered employees owed to a client or obligations of that client to a covered employee regarding rights or obligations existing prior to the effective date of the professional employer agreement.

(b) Affect, modify, or amend any contractual relationship or restrictive covenant between a covered employee and any client in effect at the time a professional employer agreement becomes effective or that is entered into subsequently between a client and a covered employee.

(3) Neither this act nor any professional employer agreement shall affect, modify, or amend any state, local, or federal licensing, registration, certification, or other regulatory requirement applicable to any client or covered employee. A PEO is not considered to be engaged in any occupation, trade, profession, or other activity that is subject to licensing, registration, or certification requirements, or is otherwise regulated by a governmental entity solely by entering into and maintaining a coemployment relationship with a covered employee who is subject to those requirements or regulations.

(4) Unless otherwise provided by law and with respect to a bid, contract, purchase order, or agreement entered into with the state or a political subdivision of the state, a client company's status or certification as a small, minority-owned, disadvantaged, or woman-owned business enterprise or as a historically underutilized business is not affected due to the client company's execution of an agreement with a PEO or to the use of the services of a PEO.

**History:** 2010, Act 370, Eff. July 1, 2011