

STATE OF MONTANA
DEPARTMENT OF LABOR AND INDUSTRY
Employment Relations Division
1805 Prospect Ave
PO Box 8011
Helena MT 59604-8011

Surety Bond for Professional Employer Organization (PEO)

Bond No. _____

KNOW ALL PERSONS BY THESE PRESENTS:

That _____ a Professional Employer Organization, as "the Principal", and _____, a corporation authorized to transact business in Montana as a surety, as "the Surety", are bound to the State of Montana, Department of Labor and Industry, as the obligee, in the penal sum of _____ (\$ _____), for the payment of which, well and truly to be made, we and each of us, bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, by these presents.

WHEREAS, the Principal has made application for licensure as a Professional Employer Organization with the Department of Labor and Industry, State of Montana, and may choose to furnish a surety bond to meet the specified net worth requirement of section 39-8-202, MCA, in the penal sum of that which is required with good and sufficient surety, condition as herein set forth.

NOW THEREFORE the condition of this obligation is such that if the Principal fully complies with all the laws of the State of Montana under the provisions of the Professional Employer Organizations and Groups Licensing Act, Title 39, chapter 8, MCA, as amended from time to time, and the administrative rules which implement that Act, then this obligation shall be all be null and void, otherwise this obligation remains in full force and effect, subject to the following conditions and priority:

1. The aggregate limit of the surety under this bond for claims against this bond shall not exceed the penal sum of the bond. No extension by continuation certificate, reinstate, reissue, or renewal of the bond shall increase the liability of the Surety.
2. That if the Principal fails to pay wages timely due and owing the Montana employees then the proceeds of this bond shall be used to pay the wages due and owing these employees of the Professional Employer Organization, and the Surety shall be liable pursuant to this bond for the amount of such wages due and owing.
3. That if the Principal fails to make timely payments of payroll taxes (including unemployment insurance contributions) due to the State of Montana, then the proceeds of this bond shall be used to complete payment of the delinquent payroll taxes and related penalties and assessments, and the Surety shall be liable pursuant to this bond for the amount of such delinquent payroll taxes.
4. That if the Principal fails to make timely payments of workers' compensation premiums arising from Montana employment, then the proceeds of this bond shall be used to complete payment of the delinquent amounts, and the Surety shall be liable pursuant to this bond for the amount of such premiums.

5. That if the Principal fails to make timely payments of payroll taxes arising from Montana employment that are due to other governmental entities, then the proceeds of this bond shall be used to complete payment of delinquent payroll taxes, and the Surety shall be liable pursuant to this bond for the amount of such delinquent payroll taxes.
6. That if the Principal fails to make timely payments, relating to Montana employment, of other employee benefits identified through the application of licensure as a Professional Employer Organization in Montana, then the proceeds of this bond shall be used to complete payment such benefit payments, and the Surety shall be liable pursuant to this bond for the amount of such delinquent benefit payments.

This bond secures payment obligations incurred by the Principal during the period from _____ 20 __, through _____, 20__. This bond may be continued for additional periods by Continuation Certificate from the Surety.

It is hereby understood and agreed that the Surety may cancel this bond by giving at least 60 days prior written notice to the Montana Department of Labor and Industry ATTN: PEO unit, PO Box 8011, Helena MT 59604-8011. Such notice does not relieve surety of any liability that may have accrued prior to the cancellation date. The notice must be sent via registered or certified mail.

IN WITNESS WHEREOF, the Principal and Surety have hereto set their hands and seals this _____ day of _____, 20_____.

FOR THE PRINCIPAL:

[name of PEO]

SIGNATURE
[print or type name and title]

[PEO attest]

SIGNATURE
[print or type name and title]

FOR THE SURETY:

[name of surety]

SIGNATURE
[print or type name and title]

[resident agent]

SIGNATURE
[print or type name and title]